

HOUSE OF ASSEMBLY

Wednesday 24 August 1994

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

STATE DISASTER (MAJOR EMERGENCIES AND RECOVERY) AMENDMENT BILL

Her Excellency the Governor, by message, recommended to the House of Assembly the appropriation of such amounts of money as might be required for the purposes mentioned in the Bill.

TOTALISATOR AGENCY BOARD

A petition signed by 307 residents of South Australia requesting that the House urge the Government to establish a Totalizator Agency Board at the Jolly Miller Hotel, Hindmarsh was presented by Mr Becker.

Petition received.

SODOMY

A petition signed by 148 residents of South Australia requesting that the House urge the Government to criminalise sodomy was presented by Mr Kerin.

Petition received.

COMMONWEALTH POWERS

The **Hon. DEAN BROWN (Premier)**: I seek leave to make a brief ministerial statement.

Leave granted.

The **Hon. DEAN BROWN**: The issue of Commonwealth intervention in State affairs has arisen again. Members will be aware of recent Commonwealth intervention in the Hindmarsh Island bridge project and the South Australian Government's decision to intervene in the High Court challenge with the Native Title Act in an attempt to protect our State's ability to manage our own affairs in a manner that the constitution clearly intends. Now the Commonwealth plans to override Tasmania's law relating to sex between homosexual couples. It has been reported that other States have decided to launch a High Court challenge. I wish to explain the South Australian Government's position.

We are greatly concerned that the Commonwealth is seeking once again to overturn State laws. This specific matter deals with an issue which was resolved in this Parliament almost 20 years ago. Our concern is not with the merits of that particular issue, but with the constitutional implications of a further attempt by the Commonwealth to overturn State laws. However, the South Australian Government has not considered the matter of a High Court challenge. Until we have seen the Commonwealth's proposed legislation, it would be premature to speculate about our position.

It is normal practice in South Australia when Commonwealth legislation is passed to determine if it is broad or narrow and to obtain advice from the Commonwealth Solicitor and the Solicitor General. The Government would then discuss the matter in Cabinet before the Attorney-General makes a final decision about whether or not to intervene.

The Government's concerns about the Commonwealth seeking to override the rights, powers and responsibilities of the States is a point which was made at COAG last week. Although South Australia agrees with the principles of competition, it has so far rejected the Commonwealth Government's current draft legislation for a national competition policy. It is not considered in the best interests of South Australians because it would lead to cuts in services and significant increases in State taxes.

The Government believes that the national competition policy as presently proposed is an attempt to give Canberra more power and more money. Increasing concerns about the Commonwealth's attitude towards the States is one of the reasons why South Australia is intervening in aspects of the Native Title Act and some industrial relations issues. In the area of industrial relations, in June we intervened in a High Court challenge mounted by Victoria. The case is a challenge by the Victorian Government of the right of the Federal Industrial Relations Commission to make an award covering State public servants. We argued before the High Court that the States should have the right to retain control of their own services provided for public purposes. We are currently awaiting a decision from the court. Our Government is involved in a number of cases challenging the shift from the State to the Federal industrial relations jurisdiction. We are also strongly contesting the case before the commission where the Australian Education Union is seeking an interim Federal award.

As I have indicated, South Australia has also intervened in Western Australia's High Court challenge to the Native Title Act. We regard the Act as satisfactory in several vital respects and, consistent with that view, the Government initially explored the possibility of amendments to the Native Title Act in a bid to remove uncertainties and make it workable from the State's perspective. The Government compiled a comprehensive list of amendments and canvassed the views of the Federal Government, the States and Territories, Aboriginal groups, pastoralists and the mining industry. Despite strong support from several of those groups, the Federal Government has refused to give assurances that it will amend the Act. In view of the Federal Government's attitude, we decided to participate on a limited basis in the Western Australian challenge to the Native Title Act.

Another area where the Commonwealth seeks to undermine the States involves the area of crime. On Monday the Prime Minister made a speech in which he flagged potential Commonwealth involvement in the area of the model criminal code. He has referred to some issues which are clearly the responsibility of the States. Crime prevention is one of those areas. What we do not want to see is the Commonwealth exerting pressure or seeking to become involved legislatively or administratively in those wide ranging issues which are the traditional responsibility of the States. There is now a catalogue of issues concerning the South Australian Government and other State Governments of Australia in relation to unnecessary Commonwealth interference. It is time to reinforce our concerns and send a clear message that the South Australian Government will not be bullied. As long as the bullying by Canberra does persist we will continue to return the punches. What we want for Australia is a diverse, competitive Federal system, not heavy handed control from Canberra.

LEGISLATIVE REVIEW COMMITTEE

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

That the report be received.

Motion carried.

QUESTION TIME

HOSPITALS AMALGAMATION

The Hon. LYNN ARNOLD (Leader of the Opposition): Following the Minister for Health's meeting with the board of the Lyell McEwin Hospital last night, will he now put in writing to the hospitals and inform the House of details of his proposal to amalgamate the Queen Elizabeth Hospital and the Lyell McEwin Hospital, including details of how resources will be distributed between the two hospitals, and will he explain why he did not advise the Lyell McEwin board members of the amalgamation prior to his public announcement of the merger? The Opposition has obtained a copy of a letter to the Health Commission, sent by the Chief Executive Officer of the Lyell McEwin Hospital, Dr Reynolds, advising that the board of the Lyell McEwin had deferred making a decision on the proposal to amalgamate with the QEH. Dr Reynolds then stated:

At the meeting with the Minister for Health and the Lyell McEwin Health Service representatives on 1 August 1994, the proposal that was presented by the Minister was to establish a north-west regional health service with a joint steering committee from both hospitals, charged with the task of ensuring that resources available to the two hospitals are distributed in a fair, equitable and appropriate manner.

It was this proposal that the executive of the board gave approval to in principle. It was also this proposal that you sent to me the next day in a draft staff bulletin. The board was therefore surprised and concerned by the Minister's press statement of 2 August announcing a proposal to amalgamate the Queen Elizabeth and the Lyell McEwin. Clearly the board of directors (and Lyell McEwin Health Service staff) need clarification on what is in fact being proposed.

Was the Minister more frank with the hospital board last night?

The Hon. M.H. ARMITAGE: I am absolutely delighted to be able to address this issue again.

An honourable member interjecting:

The SPEAKER: Order!

The Hon. M.H. ARMITAGE: I am delighted to address this issue again, because it could be regarded as a free kick for this innovative proposal that is going to save—

Mr Atkinson interjecting:

The SPEAKER: Order! The Chair will not tolerate the kind of disruption that took place yesterday. I warn the member for Spence, and he will be fully aware of the consequences.

The Hon. M.H. ARMITAGE: It is an opportunity to talk again about this innovative proposal to answer the health needs of the north-west.

The Hon. Lynn Arnold interjecting:

The Hon. M.H. ARMITAGE: Mr Speaker, I take objection to that. The Leader of the Opposition has just said that I should tell the truth about it. Does he imply by that that I have not told the truth in the past? If so, I ask that he withdraw that accusation forthwith.

The SPEAKER: Does the Minister require the Leader to withdraw the comment that he alleges the Leader made?

The Hon. M.H. ARMITAGE: Most definitely, Sir.

The SPEAKER: I invite the Leader to withdraw it.

The Hon. LYNN ARNOLD: Mr Speaker, in light of the memo from Dr Reynolds, which I have quoted in this Chamber, I am not prepared to withdraw it.

Members interjecting:

The SPEAKER: Order! The Minister has taken exception to the words allegedly used by the Leader of the Opposition. The Chair has invited the Leader to withdraw the comment. I ask him again whether he is prepared to withdraw it.

The Hon. LYNN ARNOLD: No, Mr Speaker.

The Hon. M.H. ARMITAGE: Mr Speaker, parliamentary debate is based on a number of matters, one of which is that when accusations such as that are made there is a spirit in which the parliamentary debate is entered. It is a simple fact of life that there are standards in this place which we can all uphold or play the same game. I suggest to all Opposition members that the Leader of the Opposition has just set new standards, and I assure them that I am very happy to play that game.

I am delighted to answer this question, because it gives us a free kick in that it allows us to address the matter of how the previous Government simply ignored the proper way of providing health care in the north-west. Let us look at the first thing that it did. In an attempt to indicate that it was so-called planning for the health needs of the north-west, the previous Government said that there was to be an increase in the number of beds at the Lyell McEwin Hospital. That is fantastic. We all know what happened at Noarlunga under the previous Government: marvellous new hospital, lots of beds, no patients.

I put to you, Mr Speaker, that exactly the same thing was going to happen again. Unless we make available the resources to provide the nurses, the doctors, the allied health staff and so on, we end up with wards with beds and no patients. That was what the previous Government had organised for the Lyell McEwin hospital. Under this creative solution to the north-western area, which will see a single body running a dual campus for a north-western health service, which was discussed at a meeting yesterday, we will see the resources for that area being distributed by a single steering committee. That steering committee is well known to members of the boards of both hospitals, but I will detail it.

That committee comprises three members of the Lyell McEwin board, two members from the Queen Elizabeth Hospital, plus a member who is also a member of the university board, and he will be taking in hand the teaching aspects. A staff elected representative is on the board, two members from the Health Commission, and an independent chairperson. I think that is the total number we had organised until last night when it was felt there was perhaps not enough clinical input, so at the staff meeting I suggested to the board of the Lyell McEwin hospital that we can easily accommodate that by appointing the Chairman of the Medical Staff Society to that steering committee as well, with which they were happy.

The Lyell McEwin Hospital was concerned that this so-called 'amalgamation' would not be a takeover of the Lyell McEwin Hospital by the Queen Elizabeth Hospital. That is a point that I stressed to the board and the representatives from the Queen Elizabeth Hospital when I met with them. I also stressed that point to representatives from the Lyell McEwin Hospital when I met with them, and it was admitted by the chairperson last night that I had been absolutely clear that this was the creation of a new entity.

An honourable member interjecting:

The Hon. M.H. ARMITAGE: Perhaps Dr Reynolds should speak to the chairperson of the board, because the chairperson of the board acknowledged that in the meeting yesterday. The fact is that we will see a single board with two campuses distributing resources in that north-western area. It is clearly not a takeover of the Lyell McEwin Hospital by the Queen Elizabeth Hospital. I have already spoken—through the CEO of the Health Commission—with the Lyell McEwin Hospital, and I am informed that after I left yesterday the discussion was very positive. They recognise that this is a realistic way of providing large lumps of resources for an under-resourced area.

The board is writing to me to say that if it receives a letter detailing the commitments which were given last night—which are exactly the same commitments I have given before—it will be happy to accept this as a way of addressing the health problems in the north-western area of Adelaide, which is something that the previous Government quite frankly ignored.

PUBLIC SECTOR NEPOTISM

Mr WADE (Elder): My question is directed to the Premier. What is the Government's response to recommendations by the Auditor-General in his report tabled yesterday for new procedures to guard against nepotism in the Public Service?

The Hon. DEAN BROWN: The Auditor-General saw me on this matter on Monday evening and raised a number of matters with me, so I thank the member for Elder for raising this issue. In particular, the Auditor-General has stressed the need to make sure that within Government itself we do not have nepotism. I am delighted to say that in the proposed initial draft of the new Act covering Government employment and management a specific clause has been included to prohibit nepotism, because it is very important to make sure that genuine independence exists within the public sector.

I stress that the Senior Secondary Schools Assessment Board did not come under the direct control of the Government; it was an entirely independent board, and the Auditor-General has acknowledged that. His report also refers to practices, which occurred under the former Government, in the TAB and the Lotteries Commission. The Auditor-General's Report, tabled in the Parliament yesterday, includes the following specific recommendations: that current public sector employees should not authorise or approve the appointment to the public sector of people to whom they are related; any employment of persons related to existing employees is reported to and approved by officers of appropriate senior standing; and that any employment of persons relating to existing employees should be brought to the attention of the appropriate Minister.

I will be taking up these matters with the Commissioner for Public Employment because I want to ensure that South Australia heeds the lessons which have come out of the trouble at the Senior Secondary Schools Assessment Board; and that we have heeded the warnings given by the Auditor-General. I want to make sure that at least under the Liberal Government we have a system that ensures that there is an independent public sector and one which does not have any nepotism whatsoever.

HOSPITALS AMALGAMATION

The Hon. M.D. RANN (Deputy Leader of the Opposition): Will the Minister for Health confirm that it has been estimated that \$10 million to \$12 million is to be cut from the budget of the Queen Elizabeth Hospital through the achievement of so-called administrative savings, and did he tell the board of the Lyell McEwin Hospital yesterday that, as a result of the proposed merger plans, half those savings made in relation to the Queen Elizabeth Hospital would be transferred to the Lyell McEwin? Can the Minister detail how this would happen without hurting services to patients of the QEH? Has he now informed in writing the boards of both hospitals of his plans?

The Hon. M.H. ARMITAGE: Ignoring the fact that this was the substance of a previous question from the member for Spence, I am very happy to address the matter. The facts are that, when this proposal was being looked at by the Queen Elizabeth Hospital, it recognised that it had to be more efficient than the previous Government had asked it to be, so a consulting firm was allowed, if you like, by the board into that hospital to look at its practices. The result of that consultancy was that there are efficiencies of the figure which the Deputy Leader of the Opposition identified and which would be available—

The Hon. M.D. Rann interjecting:

The Hon. M.H. ARMITAGE: The Deputy Leader of the Opposition has identified between \$10 million and \$12 million which would be available without affecting services. The Government believes that, if it is possible to take that money and reinvest a large proportion of it in the sorts of things that the member for Spence would be very happy to brief the Deputy Leader of the Opposition about at some stage, because he has a vague idea of what the prerequisites are—a very vague idea—

Members interjecting:

The Hon. M.H. ARMITAGE: Perhaps you can come to me for a briefing, anyway. The facilities for modern health care require a number of things, such as step-down care. At present, after 10 years rule by the Labor Government, there are no step-down facilities.

The Hon. M.D. Rann interjecting:

The Hon. M.H. ARMITAGE: No, I am very happy to address the question. The simple fact is that the Lyell McEwin will not be getting it; the single body to provide—

The Hon. M.D. Rann interjecting:

The SPEAKER: Order! The Deputy Leader of the Opposition is warned for interjecting. The honourable Minister.

The Hon. M.H. ARMITAGE: We will utilise the funding that is generated from the savings to create a better facility and to provide more efficient care. The simple fact is that, if we are able to provide step-down beds, it is a better and more effective way of treating patients, because it is simply less expensive.

Everyone who has had an operation knows that after one or two days the need for intensive nursing care actually diminishes. Under the previous regime, those patients were kept lying in exactly the same bed incurring exactly the same costs—not costs to the Government or members opposite but costs to the taxpayer. Around the world there is a trend that, if you are able to move those people into beds in areas which are less expensive, called step-down care beds, everybody benefits. Obviously, this Government, faced with the financial tasks with which it is faced, is addressing matters

such as that, and it will use some of the resources that are being generated from efficiencies across the system to provide more efficient and effective care.

WHOOPING COUGH

Mr LEGGETT (Hanson): Can the Minister for Health inform the House of any reforms under consideration for immunisation against whooping cough?

The Hon. M.H. ARMITAGE: I can, and this is a particularly important question because, whilst whooping cough is a disease that many people tend to laugh about, it can actually be fatal. Unfortunately, immunisation could be looked upon as being the victim of its own success. Because it has been successful in eradicating many of the historical problems related to diseases of children, generations have grown up oblivious to the potential tragedy.

In 1951, South Australia recorded 1 491 cases of polio, quite often with specifically devastating and, indeed, fatal complications, which could have been avoided by simple oral medication. It is as simple as that. The minute people neglect to have those immunisations, the disease runs rife again.

In the past 12 months, South Australia has had a warning shot across our bows in the form of an epidemic of whooping cough with over 1 300 cases being notified. It is a particularly contagious disease. It is very serious in small children and it can occur in older children and adults. I emphasise how important this can be. I know people sometimes jest about my previous medical experience, but it is factual that, whilst working in the Children's Hospital, on many occasions I have been called to respiratory arrests of children under six weeks of age with whooping cough. That is caused solely by the fact that there is a lack of immunisation in South Australia. At present we have an approximate coverage of 95 per cent for immunisation, but the minute that level falls we are exposing our children to what are potentially fatal diseases. I urge everyone to make sure that they continue to have their children immunised.

SOUTH AUSTRALIAN DENTAL SERVICE

Mr ATKINSON (Spence): Does the Minister for Health accept the conclusion of his consultant that private dentists are significantly more expensive than the South Australian Dental Service, and will he guarantee that the South Australian Dental Service will maintain its share of the provision of dental services under the expanded Commonwealth dental health program? The Opposition has obtained a leaked report prepared by Price Waterhouse for the Government which concludes that comparable services provided by private sector dentists are about 30 per cent more expensive than the same service mix provided by the community dental service. The Opposition has been told that twice as many patients could be treated by the South Australian Dental Service than by private dentists under the increased Commonwealth funding.

Mr Lewis interjecting:

The SPEAKER: The member for Ridley will not interject.

The Hon. M.H. ARMITAGE: The member for Spence, in this clandestine manner, refers to a 'leaked' report. This happens to be a consultancy which the Australian Dental Association and SADS jointly paid for and which has been distributed widely throughout the dental profession. There must be about 1 000 copies of this 'leaked' report going

around South Australia at the moment. Let us not glamorise the question. Everyone has one of these things.

The Hon. J.W. Olsen: They just got one.

The Hon. M.H. ARMITAGE: They have just got a copy.

Mr Ashenden interjecting:

The SPEAKER: Order! The member for Wright.

The Hon. M.H. ARMITAGE: It has been around for about three or four months and someone has finally given a copy to the Labor Party. That is how relevant it is. The 'leaked' report that the member for Spence quotes indicates that, if you are comparing apples with pears, they are 30 per cent more expensive or less expensive depending on which side you want to look. However, the upshot of all that is that both the South Australian Dental Scheme and the Australian Dental Association want to be able to compare apples with apples. They have both asked that we look at further work to see, if you compare the number of visits, what is done at the visit, the age of the children, and so on, whether they are cost equivalent or whatever. I am only too happy to have this work done, because I would like to see this issue put to bed once and for all, and that is being done.

ARMY EXERCISES

Mr VENNING (Custance): Is the Premier aware of exercises carried out by the Australian Army in the State's pastoral zone in June this year and whether those exercises caused any environmental damage?

The Hon. DEAN BROWN: I am aware of the exercises, which caused extensive environmental damage. When I heard about some of the damage that had apparently been done, I asked for a full report, which I am able to submit to the House. The Australian Army carried out exercises between 6 June and 24 June this year in what was known as exercise Desert Tiger on pastoral land in the Woomera prohibited area, which is under Commonwealth Government control. I am advised that the exercise involved about 1 000 soldiers, 100 leopard battle tanks and 150 personnel carriers, and took place on properties covering six pastoral leases, which come under the control of the State Government.

These leases are very close to the Lake Eyre Basin, the very area that the Commonwealth Government has been saying should be put under world heritage listing. Therefore, the significance of this matter is important indeed. Prior to carrying out the exercise the Army developed a set of guidelines in conjunction with the South Australian Department for Environment and Natural Resources. These guidelines required full consultation and agreement from the lessees of the pastoral leases.

Despite an unfortunate past experience with a previous Army exercise, the exercises were allowed to go ahead provided the Army complied with the guidelines. However, the Government is disappointed to advise the House that, in carrying out exercise Desert Tiger, the Australian Army appears to have breached at least five of the eight conditions contained in those guidelines. As a result, there has been significant environmental damage to the area and extensive damage has been caused to improvements by the leaseholders of the land, involving fencing, gateways, pipelines and roads. I am advised that environmental damage includes the destruction of perennial shrubs, destruction of a large number of mature saltbushes and bluebushes which, of course, take many years to regenerate if they can regenerate at all, and severe disruption to the soil surface, with powdering of the surface to create bulldust, and significant scouring—

Members interjecting:

The SPEAKER: Order!

The Hon. DEAN BROWN: We know the Opposition looks as if it has had 100 leopard tanks go over the top of it which has created a significant amount of bulldust in this place. Also, there has been significant scouring of the bed of Lake Younghusband caused by three clusters of six to eight shells creating significant holes. In addition, I am advised that havoc has been wreaked on the sheep flock at Mount Vivian Station resulting in significant damage to fencing and mobs of sheep being boxed up. The station manager has indicated that it will take at least 12 months to sort out the mobs of sheep and get them back under control. The Minister for the Environment and Natural Resources has instructed his department—

Members interjecting:

The Hon. DEAN BROWN: They probably are. If you had about 1 000 soldiers, 100 leopard tanks and 150 personnel carriers acting in place of sheep dogs, I suspect that they would be somewhat shell shocked.

Members interjecting:

The Hon. DEAN BROWN: It is a serious matter. As a result, the Minister for the Environment and Natural Resources has now instructed his department to treat the matter as a serious case of environmental damage. The Australian Army has been asked to make good all of the damage and to repair or replace property holders' improvements and, if need be, to compensate those property holders. I find it extraordinary that the Australian Government, which claims that it is in favour of world heritage listing for 25 per cent of South Australia, is prepared to allow its Army to move in such a clumsy manner into sensitive pastoral areas of South Australia and carry out such significant damage to an area next to the very area it wants put under world heritage listing.

This just highlights how hypocritical the Federal Government is, first, in wanting to put 25 per cent of South Australia under that sort of control yet not being prepared to impose severe and strict environmental controls on its own prohibited land that is part of Woomera.

ONKAPARINGA HOSPITAL

Mr ATKINSON (Spence): Will the Minister for Health say whether the Onkaparinga Hospital has ended its legal action against the South Australian Health Commission which it launched in a blaze of publicity in 1992, and what were the terms of settlement of this claim? In 1992 the board of Onkaparinga Hospital commenced legal action against the Health Commission over funding changes for the hospital. The then Government received Crown Law advice that the claim had no merit and no chance of success.

The Hon. M.H. ARMITAGE: The claim has been settled. I am unclear whether there is a confidentiality clause. If there is not, I am very happy to provide the information to the honourable member. The simple fact of the matter is that the hospital, despite having been decimated under the previous Government, is now working fantastically under this one.

ASIAN FREIGHT SERVICES

Mr BUCKBY (Light): Will the Minister for Primary Industries explain what progress has been made in negotiations for a regular freight service to Asia to offer a direct service for South Australian horticultural products?

The Hon. D.S. BAKER: I thank the honourable member for his question and interest, as well as acknowledging the work already done by the Premier, in this matter. I know that the Premier had meetings when he was in Hong Kong, and Minister Olsen has been pursuing this matter very closely. Perishable primary production in South Australia is a very large part of our exports. The great problem we have had involves passenger services taking freight and offloading it in other major airports around Australia in the process of our getting it to our customers on the other side of the world, especially in Hong Kong and Japan.

Many of those people who are working very hard to take advantage of an export market are losing those markets or they are put at jeopardy because of the irregular supply and, of course, the condition in which the product in question arrives on the other side of the world. Also in South Australia there have been some dramatic increases in the tuna pens and the fattening of tuna for that very lucrative Japanese market. That alone could bring in \$100 million in export income in the next few years. The Government, and two or three of the Ministers, have been looking at how we can get a designated freight service out of South Australia with perishable products on a regular basis going to the other side of the world.

When I was in Hong Kong recently, I met with all the major food importers, some of whom have very close ties with South Australia or Australia, to discuss with them what they required for a regular service. It was surprising that every one of those major importers said, 'We can get product into China and we need it in Hong Kong, but what you have to guarantee us is a regular designated freight service into this country so that we know that, when our customers come to us, we have a regular and specific supply and delivery date for that perishable product.' Of course, those members who have any knowledge of primary industries or trading in perishable products would know how important that is.

We have had meetings with Cathay Pacific, and I know there have been other meetings, as reported in the paper today, with Qantas. There are some goings on which will be resolved at the Adelaide Airport, and this will help all those things come into place, but it is very important that we as a Government—

The Hon. Frank Blevins interjecting:

The Hon. D.S. BAKER:—make sure that freight can get out of this country. It is no good the member for Giles interjecting, 'What about the farmers!' It does not matter how much the farmers do in South Australia if you cannot get your product to the other side of the world and find a market for it. That is what this Government is all about, unlike the previous Government, which tried to put impediments in the way of export product. It did not do one thing to help. We have three or four Ministers running around making sure that it happens. The honourable member should understand that, as I am sure he will after a short discussion later.

What we have done from the primary industries side is try to see if we can obtain base load for any freighter. We have talked to the major (in tonnages) meat and fish exporters, and we have talked to the citrus people in the Riverland. There are now some very large exports of apples from South Australia, and we have tried to assemble groups of people who have base load, so that when the second side of it comes into place, the designated freighter, at least there will be something ready to go with it. We are seeking out and having meetings with those people in South Australia who are exporting or interested in exporting perishable products, to see that it is

coordinated properly from this end. There is nothing worse than starting a regular market to the other side of the world, or putting all this together, if there is not a total commitment from the purchaser and the sellers.

A lot of work is continuing to go into that area as one of the commitments that the now Premier made in Opposition that we would make sure that exports from this State led us out of the parlous situation that we were pushed into. That is happening and will continue to happen.

INTERSTATE PATIENTS

Mr ATKINSON (Spence): I direct my question to the Minister for Health.

Members interjecting:

The SPEAKER: Order! The member for Spence.

Mr ATKINSON: When did the Minister change South Australia's policy on treating patients from western New South Wales so that they are denied some treatment in South Australia? Has the Minister or the Health Commission endorsed a review by Julia Farr Centre that recommends an end to the treatment of interstate patients? Five weeks ago Mr Brian Barraclough of Broken Hill was working on a bore near Tibooburra for the New South Wales Roads and Traffic Authority. A cable snapped and hit Mr Barraclough, fracturing his skull and damaging his shoulder. Like so many people from western New South Wales, he was rushed to Royal Adelaide Hospital and underwent surgery to remove a blood clot from his brain. The operation was successful and Mr Barraclough is recovering.

Two weeks ago Mr Barraclough was assessed by Julia Farr Centre for rehabilitation and it was agreed that he would go to Ward B at Julia Farr. Mr Barraclough's costs would have been covered by New South Wales WorkCover. Julia Farr Centre then told Mr and Mrs Barraclough that he could not be treated at Julia Farr because the South Australian Government's policy had been changed and interstate patients would not be treated even if they could pay.

The Hon. M.H. ARMITAGE: Let me say how delighted I am to hear that Mr Barraclough is recovering. I am pleased that he has had this operation in South Australia and is getting better. I will look into the exact matter that the member for Spence has raised. However, the whole question of interstate patients raises a number of other matters. First, there are agreements in relation to Medicare where these costs can be picked up. Secondly, the member for Spence has made some considerable play about some of the efficiencies which this Government is asking the South Australian health system to make in addressing the task of fixing up a problem which he and his lot left the Government. One of those efficiencies that we are actually undertaking involves interstate patients who are having tests done at the Women's and Children's Hospital and who will be asked to pay for those tests. I think that is completely legitimate.

Mr Atkinson interjecting:

The Hon. M.H. ARMITAGE: I understand that. There is \$200 000 or \$300 000 that we will be able to generate merely by charging interstate people to have tests done here. That is a legitimate sort of efficiency. With respect to Mr Barraclough's situation, I will look into the matter specifically.

QUEEN'S THEATRE

Mrs HALL (Coles): My question is directed to the Minister for the Environment and Natural Resources. What progress has been made with the restoration of the old Queen's Theatre since his announcement in April to provide \$50 000 towards its conservation?

The Hon. D.C. WOTTON: I thank the member for Coles for her question and recognise the interest that she has in this theatre, which is one of Australia's most significant heritage buildings. As I have indicated to the House previously, this is a significant building. Built in 1841, it is the first purpose built theatre on mainland Australia. It has captured the imagination of a number of people, including international celebrities such as Keith Michell and Barry Humphries.

As the member for Coles has pointed out, earlier this year, in fact on 15 April, I announced that I would be putting \$50 000 towards the conservation of this theatre. I also announced at that time that I would commence negotiations with Group Asset Management, the current owners of the site, to transfer ownership jointly to me as Minister for the Environment and Natural Resources and also to my colleague the Minister for the Arts, Ms Laidlaw.

That is now taking place. I can also advise the House that restoration work on the facade of the theatre has been commenced which I am delighted to see and which is due to be completed in October this year. Negotiations with GAM are now well advanced, and the historic site should soon be transferred. I have also established a joint ministerial steering committee with my colleague the Minister for the Arts to investigate future options for the theatre site. That committee is very keen and has recognised the opportunities and responsibilities that it has in that area. That committee is made up of three people representing the arts and three representing heritage as well as a representative of GAM.

I recently received a letter from Barry Humphries which I will quote for the interest of members and within which he states:

I am delighted to hear that a project long dear to my heart—the restoration of the old Queen's Theatre site—is at last being taken seriously by your department. I offer you my warmest congratulations. You are following a significant Adelaide tradition of intelligent conservation.

I was delighted, and I am sure all members would be pleased to recognise the interest that has been shown by Barry Humphries. This exciting project is of great interest to the whole community, and I would be very pleased to keep the member for Coles and other members of the House informed if they have an interest.

INFORMATION TECHNOLOGY

Mr FOLEY (Hart): Can the Premier guarantee that any contract with IBM to outsource the Government's \$1 billion computing requirements will not result in South Australian jobs being exported to New South Wales? On 9 December 1993 the Premier announced an agreement with IBM for the investment of \$150 million to generate export income and new jobs for South Australia, and since then the Government has been negotiating with IBM for the outsourcing of information technology requirements. However, on 16 June this year, the Australian Managing Director of IBM announced that IBM is likely to establish a \$30 million South-east Asia computing centre in Sydney this year to handle all the company's ASEAN processing.

The Hon. DEAN BROWN: I highlight first that the member for Hart has deliberately distorted the truth on this matter.

Members interjecting:

The SPEAKER: Order!

The Hon. DEAN BROWN: He knows, because I have sat down and been through with the member for Hart personally in quite some detail the entire process that the Government is going through. We asked a whole range of companies to put in their bids. They have been short-listed.

The Hon. FRANK BLEVINS: I rise on a point of order, Mr Speaker. I understand that the Premier suggested that the member for Hart was not telling the truth—

Members interjecting:

The SPEAKER: Order!

The Hon. FRANK BLEVINS: If that was the case, I would like your ruling, Sir, as to whether that was unparliamentary.

The SPEAKER: Order! I point out to the member for Giles that if the member for Hart feels aggrieved by the comment it is up to him to object.

Members interjecting:

The SPEAKER: Order! The Minister for Health and other members will not continue to interject.

The Hon. DEAN BROWN: I have been sitting here to see whether the member for Hart felt that he had—

Members interjecting:

The SPEAKER: Order! I suggest to the Premier that he not invite points of order and that he answer the question.

The Hon. DEAN BROWN: I certainly would not want to do that, Mr Speaker; I was just sitting here to give him plenty of time to get to his feet if he wished to. I notice that he did not. As I pointed out, the member for Hart knows as well as other members of the House that the Government has been going through a due diligence process with first a large number of companies and finally two companies. At the end of June those companies were asked to put in their best and final offers. That is in the very final stage of assessment now. A report will be presented to a subcommittee of Cabinet, but the subcommittee has not received that report yet. To be speculating at this stage about which company might or might not win that outsourcing tender is grossly improper, to say the least.

To reflect on either company in the manner in which the member for Hart did under the protection of this Parliament is equally grossly improper. First, the companies are being assessed on the cost and effectiveness with which they will do the outsourcing for Government. Secondly, and very importantly, what is being done here in South Australia for the first time throughout the world, very effectively, has turned out to be a real innovation: we are requiring the companies to spell out in some detail what new economic activity they will bring to South Australia. I understand that we can sit back and—

Members interjecting:

The SPEAKER: Order! I call the Deputy Leader to order for the second time.

The Hon. DEAN BROWN:—look forward to very significant economic development from the winner of this contract—very significant development indeed. It is interesting, because four key people in the selection of the final company have just recently returned from overseas, looking at other outsourcing contracts around the world. They have come back with two very significant pieces of information. The first is that the process that we have gone through here

in South Australia is up to the best practice to be found anywhere else in the world. It is interesting to see that we have gone through a process which certainly leaves the rest of Australia for dead in terms of procedure.

We are the leaders and the innovators in this area in the whole of Australia but, secondly, even the rest of the world commented very favourably on the fact that we had included this economic development criterion in the selection procedure for the final company. The other significant thing that came through was that potentially huge savings are to be made from outsourcing, due to the fact that you use common equipment and a common outsourcer and, very importantly, that you can have ongoing savings in the costs. One other feature of this outsourcing contract is that we have brought together the best specialists in the world to advise the Government, so that the people of South Australia are protected and we have the best contract that we can possibly have.

Only yesterday I authorised two lawyers to be brought from Washington DC so that we have the two best lawyers in the entire world to help write the outsourcing contract and give advice to the Government. On top of that, for some months now we have had Roland Norton here advising the Government on how to do it. The obvious question to ask is why we have gone to that extent. It is because we are dealing with a contract which eventually could be an annual contract worth approximately \$100 million a year. The potential savings there are huge—in fact, \$20 million to \$30 million a year. That is the sort of benefit that this Government is trying to achieve, and we are not afraid to invest a few dollars to save millions. It is just unfortunate that the member for Hart is not a little more honest in his public comments in terms of the procedure that he knows that this Government is going through to protect the interests of all South Australians.

Mr FOLEY: I rise on a point of order, Mr Speaker. I do take exception to the inference by the Premier that I have lied publicly, and I ask him to withdraw.

Members interjecting:

The SPEAKER: Order! The Chair's attention was diverted. Is the member Hart implying that the Premier used the word 'lie'?

Mr FOLEY: Mr Speaker, I—

The SPEAKER: Order! Yes or no.

Mr FOLEY: Yes.

Members interjecting:

The SPEAKER: Order! I do not need assistance from the member for Gordon and the Minister for Health. Is the honourable member seeking a withdrawal?

Mr FOLEY: Mr Speaker, the Premier referred to me as being dishonest and I seek a withdrawal.

The SPEAKER: Order! That is not implying that the Premier used the word 'lie.' I ask the Premier whether he is prepared to withdraw.

The Hon. DEAN BROWN: The answer is 'No,' because I did not use the word 'lie'.

Members interjecting:

The SPEAKER: Order! The Chair will set the rules and they will be applied.

Members interjecting:

The SPEAKER: Order! If anyone would like to be named on the spot, I will accommodate them.

ORGAN REMOVAL

Mr QUIRKE (Playford): Will the Minister for Health assure the House that there are no instances of unauthorised removal of body parts from corpses in South Australian mortuaries or the City Morgue without the knowledge or consent of relatives or contrary to the provisions of the Transplantation and Anatomy Act of South Australia? The Minister will be aware of a scandal which arose in Sydney recently where relatives of deceased persons complained that body parts were taken from corpses at the City Morgue without the knowledge or consent of the relatives concerned.

The Hon. M.H. ARMITAGE: This is a particularly emotive area, as the honourable member would know. There are a number of legal requirements of any mortician or mortuary in these matters. I know from experience that they are handled with considerable care and deftness and, in particular, they take account of the emotions which are obviously extant at the time. I will check and make sure that the mortuaries understand those matters.

One of the dilemmas is that sometimes when post-mortems are carried out the specimens which need to be taken are not able to be examined immediately. They have to be set in formalin and various other types of media like that which allow proper examination. Sometimes there is a dilemma with respect to the burial of a person in that the specimen may not have been examined prior to the burial being required. That often sets up emotions in the family, but it is a fact of life that that is required for the law and also for the best possible examination to determine the cause of death or whatever. As I said in a previous answer relating to infectious diseases and so on, they are requirements for the good of the community.

An honourable member interjecting:

The Hon. M.H. ARMITAGE: I understand that. I will check and make sure that the various mortuaries understand their legal requirements. I am sure that they do because I have had the matter raised with me on a number of occasions before. Because of the so-called scandal in another State, I will check again. I understand it is an emotional area for the relatives of a deceased person, but I equally understand there are often public health requirements which mean that there are other sides to the story. I will check.

PRISON PRIVATISATION

Mr BROKENSHIRE (Mawson): Has the Minister for Correctional Services seen the Public Service Association brochure entitled 'How much do you know about private prisons?' and, if so, has he noted the Public Service Association's claim that he has broken a pre-election promise? The Public Service Association has distributed a brochure attacking the concept of the private management of prisons. In it the PSA claims:

Before the election the then shadow Minister, Wayne Matthew, denied any plans to privatise prisons. After the election it is another story. It's a direct breach of election promises. Minister Matthew has announced comprehensive plans to privatise sections of the State's correctional system.

Mr QUIRKE: I rise on a point of order, Mr Speaker. I draw your attention to the question that the member for Mawson is asking and I seek your ruling on the matter. There is to be a debate later today in this Chamber on this issue. As a consequence, I think the question is out of order.

Members interjecting:

The SPEAKER: Order! The Chair does not need assistance. I have listened very carefully to the question. I believe that the matters raised are of general policy. Therefore, I cannot uphold the point of order. I suggest that the honourable member has adequately explained his question. I call the Minister for Emergency Services.

The Hon. W.A. MATTHEW: Yes, I have seen the brochure distributed by the Public Service Association. On first reading the brochure, it reminded me of an article which appeared in the *Advertiser* a few days ago entitled, 'Move to offset union losses.' The article, in part, stated:

Key public sector unions are conducting an aggressive recruitment drive to offset the decline in membership caused by the elimination of payroll deductions.

The article quoted the Public Service Association's Secretary Jan McMahon as saying that the union had lost about 30 per cent—

The SPEAKER: Order! I point out to the Minister that there was nothing in the question relating to union membership. I suggest that the Minister should answer the question.

The Hon. W.A. MATTHEW: Mr Speaker, the question relates to the Public Service Association, and I will draw the analogy. The Public Service Association pointed out that it has lost \$1 million in union dues and is conducting a campaign of the nature undertaken through this brochure. The Public Service Association, in distributing this brochure, is attempting to incite a movement of Government employees back to its membership. I am aware that it needs to incite that movement through brochures such as this because it has had to lay off staff and it is having trouble in paying its rent.

In putting together the brochure the Public Service Association either did not read the Government's policy—Opposition policy as it was then—released prior to the election or it seeks deliberately to misrepresent that policy. In our document, 'Correctional Services. Make a change for the better,' we provided a simple to read index. In that index on the State's prison policy is the item 'Prison expansion' on page 7. On page 7, under 'Prison expansion,' the document states:

Should it be necessary to build a new prison we will give consideration to its management by the private sector. Such private prisons have been opened and operated successfully by both Labor and Liberal Governments in Queensland and New South Wales. Significant cost savings have been demonstrated by management techniques adopted by the private sector in administering prisons.

Further to that, in a press release of 14 November 1993, the then Opposition Leader, now Premier, in part said:

A Liberal Government will consider private sector management of any new prison.

Apart from the untruths in that brochure, it contains a number of rather unusual quotes from unnamed sources in an attempt to justify the PSA's argument. In fact, it takes the peculiar stance of quoting an unnamed American prison warden from something he allegedly said in 1898. One not only has to wonder where the Public Service Association is coming from or going to but question the amount of PSA members' funds that it has wasted on this brochure and the manner in which it is insulting the intelligence of its members.

The SPEAKER: Order! I call the member for Wright as I gave two questions in succession to the Opposition earlier.

HOUSING TRUST DEVELOPMENT

Mr ASHENDEN (Wright): Will the Minister for Housing, Urban Development and Local Government

Relations advise the House about the South Australian Housing Trust's involvement in the housing development located immediately to the south of the Delfin sales office in Golden Grove and to what use this development will be put?

The Hon. J.K.G. OSWALD: I thank the honourable member for his question because I know that it applies to his electorate. I can confirm that the development located at the hub of Golden Grove at the intersection of Grove Way and the Golden Way is a Housing Trust development and marks the completion of the 1 000th Housing Trust house in Golden Grove. The complex, comprising a three-storey apartment building, the first apartment in Golden Grove, and eight two-storey town houses, 18 units in total, successfully integrates with the character of private housing on the Chelsea Gardens estate.

The development is valued at \$1.6 million. It was designed by trust architects and built by a private builder, H.F. Sarah & Sons. Delfin has made significant contributions providing perimeter fencing, carports and landscaping. Since the first release of land in 1985, the Housing Trust has had a percentage of all housing in Golden Grove, but this is the first time the community housing sector, through the Housing Association program, will lease properties in this area. It is significant that in this case the community housing sector will be able to access appropriate housing in Golden Grove.

The Red Shield Housing Association will lease the 18 properties and will provide long-term housing options under a range of Salvation Army programs. The tenant mix will be carefully selected to maintain a sense of community and will include single parents, families and aged people. Objectives of strong equity will be achieved for the tenants, who will be strongly encouraged to participate in the housing management.

I can advise members that the Chelsea Gardens apartments and town houses will be officially opened by my friend and colleague the member for Wright this Friday. On his behalf I would invite all members interested in developments of this nature taking place in Golden Grove to go along to that opening, because it will be an education with respect to what is happening in community housing development.

PRISON PRIVATISATION

Mr FOLEY (Hart): My question is directed to the Minister for Correctional Services. Following a ministerial statement by the Minister for Correctional Services in Parliament yesterday, is he now aware of evidence produced by the Western Australian Liberal Attorney-General recently which shows that the savings hoped for by those States which have introduced private prisons have not flowed on to State prisons? The Liberal Attorney-General in Western Australia in a statement to Parliament recently stated:

Western Australia has achieved what no other prison operator in Australia, the United States and the United Kingdom has been able to do—that is provide for cost savings within our prison system to match those offered by the private sector.

The Minister further said:

Here in Australia, some States have already introduced private prisons to achieve these savings. However, these savings have not flowed on to State run prisons at the level hoped and are unlikely to be achieved . . .

An honourable member: Is this a Dorothy Dix question?

The Hon. W.A. MATTHEW: No, it is not a Dorothy Dix question, in response to the interjection. I am pleased finally to have a question from the member for Hart; I point out to

the House that it is the first question I have had from the member for Hart in this session and the first question since 12 May on Correctional Services issues. Given that it accounts for some \$90 million of the budget, I am pleased he is finally getting to his feet. I am aware—

Members interjecting:

The SPEAKER: Order! I remind the Minister that he has about half a minute to answer the question.

The Hon. W.A. MATTHEW: I am aware of a number of things concerning the issue of private prisons, having visited three in Australia, three in the United Kingdom and nine in the United States of America, and undertaken meetings with the heads of major companies both in Australia and overseas. The fact is that the private management of prisons does save money. That has been demonstrated in Queensland under the Goss Labor Government and in New South Wales under its Liberal Government, and the savings are in the order of 20 per cent.

The savings overseas have been demonstrated to be from 10 per cent to 45 per cent. I hope that the Labor Party has the conviction, as does the Goss Labor Government in Queensland, to stand up for South Australia and help reduce the cost of imprisonment in this State which, thanks to Labor, is 25 per cent higher than in other States.

ADDRESS IN REPLY

The SPEAKER: I have to inform the House that Her Excellency the Governor will be prepared to receive the House for the purpose of presenting the Address in Reply at 3.15 p.m. today. I ask the mover and seconder of the Address and such other members as care to accompany me to proceed to Government House for the purpose of presenting the Address.

[Sitting suspended from 3.4 to 3.50 p.m.]

The SPEAKER: I have to inform the House that, accompanied by the mover and seconder of the Address in Reply to the Governor's opening speech and by other members, I proceeded to Government House and there presented to Her Excellency the Address adopted by the House yesterday, to which Her Excellency was pleased to make the following reply:

To the honourable Speaker and members of the House of Assembly, I thank you for the Address in Reply to the speech with which I opened the second session of the Forty-eighth Parliament. I am confident that you will give your best consideration to all matters placed before you. I pray for God's blessing upon your deliberations.

SITTINGS AND BUSINESS

The Hon. M.D. RANN (Deputy Leader of the Opposition): I move:

That Question Time be extended, given that only eight questions were asked during that period.

Members interjecting:

The SPEAKER: Order!

The Hon. S.J. BAKER (Deputy Premier): I wish to reply, Mr Speaker, because it is important—

The SPEAKER: Order! There is no provision in Standing Orders for a reply: members vote for the motion or against it.

While the division bells were ringing:

Mr Ashenden interjecting:

The SPEAKER: Order! The member for Wright will come to order.

Members interjecting:

The SPEAKER: Order!

The Hon. M.D. RANN: I rise on a point of order, Mr Speaker. The Deputy Premier is calling people great fools across the Chamber. He is somewhat tired and emotional.

Members interjecting:

The SPEAKER: Order! I suggest the Deputy Premier contain himself.

Members interjecting:

The SPEAKER: Order! I suggest members contain themselves.

Members interjecting:

The SPEAKER: Order! There will be no further comments across the Chamber. I suggest members contain themselves.

Members interjecting:

The SPEAKER: Order! There are far too many interjections. The Chair will take some unpleasant action in a moment and I will not be at all discriminatory where I start. And the front bench is not immune from the Chair.

The House divided on the motion:

AYES (11)

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

NOES (34)

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

Majority of 23 for the Noes.

Motion thus negatived.

GRIEVANCE DEBATE

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

Mrs ROSENBERG (Kaurana): I rise to inform this House that I condemn and distance myself from the reported media comments of Mr Arthur Tunstall, who is the Australian Team Chief at the Commonwealth Games being held in

Victoria, Canada. I ask this House to join with me in totally rejecting both his comments and the assumptions and views that such an express statement makes about the disabled people in our community.

For the record, Mr Tunstall is reported to have said that the inclusion of disabled athletes at the Commonwealth Games was an embarrassment. He further said that the presence of the 11 disabled Australian athletes was an embarrassment to both sides, and this statement was also made at the Australian Commonwealth Games Federation meeting. I put on record an apology on behalf of this House to our disabled athletes: Paul Bowes, Paul Nunnani, Paul Wiggins, John Hubbard, Jane Goodhand, Brendan Burkett, Adam Wood, Kelly Barnes and Melissa Carlton.

The Australian team consists of men and women from throughout Australia who are representing this country in all facets of sport at the Commonwealth Games. Many Australians, family members and supporters have travelled to Victoria, Canada, to cheer on our team members—all our team members—and to support all our members in their endeavours. These sporting members are also represented by several disabled representatives, who have won the right to represent Australia in their chosen sport because they are the best in their field. The reported comments of the Team Chief, Mr Arthur Tunstall, were abhorrent both to the sportspeople he is supervising and also to the disabled men and women back in Australia who are watching their fellow citizens with pride.

What a sense of self-esteem those sportspeople engender in the Australian community by showing us what they can achieve. Having a disabled brother-in-law means that the comments of Arthur Tunstall have hit home to me very closely, perhaps more so than to the average Australian. When one considers the past good work that Mr Tunstall has done for and on behalf of disabled athletes, one will note that his comments are completely out of character with his actions. Most disturbing to me are the comments he made in an article published in the *Australian* on 18 August, 1994, as follows:

Mate, it's got to be an embarrassment when people are going out of their way to assist them, and the abled people are a little bit embarrassed to have them around. Mate, I can tell you back in Australia people feel exactly the same way.

If members of this House read that statement in the *Australian* and thought very little about the assumptions that he made, shrugging off the comment as not being accurate, I draw attention to the insidious way in which that view is pervading our society. The current Telecom *White Pages*, which has just been delivered to our offices and throughout South Australia, is an example of that. The front cover of this telephone directory shows a magnificent photograph of members of the Variety Club of South Australia positioned next to the Variety Club's Sunshine coach when they visited Government House and were greeted by Dame Roma Mitchell.

This is a classic example of the insidious nature of society's assumptions about the disabled, because if you care to look on the inside cover of the *White Pages* and read the description of the photograph you will note that Dame Roma is mentioned, as are all the celebrities in the photograph, including television and radio personalities and even a footballer, but the most important people in the photograph—the disabled children—are not named. Therefore, I put on record today my disgust at Mr Tunstall's remarks and ask for the community's tolerance for all disabled persons.

Mr CLARKE (Ross Smith): I rise today to bring to the House's attention a number of concerns experienced by my constituents who live in the Kilburn district. Some 700-odd citizens have signed a petition dealing with their concerns on three matters: first, the contaminated land at the Islington railway workshops, which is the subject of investigation and a report from the Department of Environment and Land Management; secondly, the establishment of the Collex waste treatment plant at the former British Tube Mills site on Churchill Road, Kilburn; and, thirdly, the general obnoxious odours and various issues relating to air quality within that area.

Enfield council is 100 per cent opposed to the establishment of the Collex waste treatment plant. Prior to purchasing the waste treatment plant, Collex was advised by Enfield council that the council did not support the establishment of such a plant because it would bring in a greater volume and a greater variety of waste to be treated on site, and that the council was seeking to establish Kilburn more as a residential district than an industry zone, although it indicated that Collex was more than welcome to avail itself of other land at other locations within the Enfield council area more attuned with industrial development. Legal argument has taken place, and a case is being argued currently before the Supreme Court over the issue of zoning of the British Tube Mills site and as to whether it is a special or a general industry zone.

The State Government has committed itself to support Collex in its application before the Supreme Court of South Australia to override the general concerns of the council as well as those of the residents. That is made worse by the fact that the Government, through the Hon. Mr Oswald, has advised Enfield council that, if the decision handed down by the Supreme Court happens to favour the Enfield council and its residents, the Government will introduce legislation to specifically override the Supreme Court decision and establish the Collex waste treatment plant in Kilburn.

I dare to suggest that, if such a waste treatment plant was proposed for the leafy suburbs of Bragg or the eastern suburbs generally, and if the community and the council in that area were 100 per cent opposed to the establishment of such a plant, we would not have the Government saying, irrespective of any Supreme Court action, that it will provide special legislation to override the council's concerns and those of the residents and impose the proposition on the community. If the Government introduces legislation to override a Supreme Court decision, we will see vigorous debate on that issue, because it cannot be supported.

I point out also that since the last election many of my constituents have noticed an increase in the incidence of noxious odours flowing over the Kilburn and Enfield districts. Many areas experienced the same recently and have concerns about the Bolivar sewage treatment plant. It seems to be no coincidence that, admittedly on anecdotal evidence, there has been an increase of this noxious odour since the election of the Liberal Government. There are problems with asthmatics who live within my district of Kilburn. I have two letters from two medical practitioners within the district who point out their very real concerns for their patients in that area, in particular for children. There are many primary schools in the region and children suffering from asthma have to physically leave the school to go home because of the ill effects of the pollution that unfortunately pervades the area, depending on which way the wind blows. In the next few weeks I will be seeking to convene a meeting of the Environ-

mental Protection Agency, the council and the Health Commission to discuss the matter further.

Mr BROKENSHERE (Mawson): To say the least, I was disappointed during Question Time, when the Premier was answering an important question about our environment and the lack of care that the Federal Labor Government has for the Lake Eyre Basin region, to see the laughing, the general carry on and the disrespect for the environment that was clearly shown by the Opposition. I think it is disgusting that members opposite can create a joke out of something that is so important. When they should be looking at the real economic and other consequences for our State of the Lake Eyre Basin world heritage listing proposal, they shut up: when the Premier talks about the fact that the Federal Government and the Army are bombarding our important pastoral areas, which the graziers in that region have looked after for so long, all the Opposition can do is make a joke of it. Frankly, that is about the truth of what members opposite really think about our environment.

You only have to come to my electorate to see the continual degradation that has gone on year in, year out in the Onkaparinga Hills, the Willunga Hills, the Willunga-McLaren Vale Basin and the Christies Creek area to see that all that members opposite were really full of was propaganda at election time. The Labor Party claimed it was for the environment but it put no dollars or real general direction into looking after our rural areas. Fortunately, we now have a Minister for Primary Industries and a Minister for the Environment and Natural Resources who understand the importance of the environment and are getting out there doing a lot of good work with LEAP, Landcare and so on to make sure that once and for all we start to address these very serious problems in this State.

In terms of our addressing serious problems in this State, I refer to my visit to Urrbrae agricultural high school this morning, a school that I am very proud of and one that I attended during my secondary education. I was amazed to see that, in the 20 plus years since I left that school, the infrastructure has gone downhill and further downhill.

As a Government we are very serious about agriculture in this State. The two leading returning components of our GSP for the past 12 months were the wine and fishing industries, yet the previous Government, once again, was not even prepared to get in and support a school such as Urrbrae agricultural high school. I want all this on the record early in the Liberal Party's term of government, because my colleagues and I are not prepared to take the blame in 3½ years when a lot of maintenance still needs to be done because of the absolute ineptitude, arrogance and lack of management ability of those on the other side.

At present we obviously have to start looking at rationalisation and realise that things have to be addressed. As I have said before in this House, it is about time those opposite stopped opposing everything and realised that you cannot keep throwing out all the time until you get your house in order. Tomorrow we will see more of their ranting and raving, but the fact is that what will have to happen tomorrow is a clear result of what they caused and what they did not address in a positive directional manner over the past 10 or 11 years.

In conclusion, I can see—and I am sure my constituents in Mawson can see—why the Labor Party did not address the problems: once again it is too busy fighting about leadership. You had only to pick up the paper a couple of days ago to see

that maybe the member for Hart will be the next Leader of the Opposition, or maybe it will be the member for Playford or the member for Ross Smith. You then hear the Prime Minister, Paul Keating, publicly bagging Barry Jones who, I would say, is one of the best members the Labor Party has had for more than two or possibly three decades. He is a guy who is prepared to be balanced and to speak up more for the majority of the people in this country rather than for small minority groups, to which Labor Governments traditionally lend their ear. The Labor Party should realise the implications it has imposed on us. It should get behind us to make sure that we achieve proper State recovery and support the rationalisation and other programs that we have to adopt to make sure that issues in my electorate and in this State such as land degradation, school maintenance, road maintenance, community neighbourhood centre maintenance, hospitals and the like are addressed once and for all.

Mr BASS (Florey): Today I will spend five minutes referring to a hidden tourist attraction that is only a few hundred metres up the road from this building, that is, the Police Historical Society's Police Museum on North Terrace. The South Australian Police Historical Society Incorporated was formed in 1977 by a group of serving members of the Police Force to preserve, maintain, display and promote awareness of South Australian Police history and its contribution to the overall history of this State. The society is closely associated with the Police Department and has assembled an extensive collection of police related artefacts which includes uniforms, photographs, documents and items of equipment.

The South Australian Police Historical Society now proudly exhibits a restored early vessel, the *Archie Badenoch*, on the Port River, a replica Black Maria with lift-up sides to exhibit police displays from inside and, as I said, the South Australian Police Museum, which was opened on the one hundred and fiftieth birthday of the South Australian Police Department (28 April 1988). The museum has been beautifully restored in the former mounted police barracks off North Terrace. Visitors to the Police Museum walk down the laneway between the Art Gallery and the Museum: the Police Museum is behind that building and upstairs. There are historical material and photographs so that visitors can see some of the developments in policing from 1838 to the present day.

Visitors will see interesting police history, including a large copy of the original advertisement for police recruits in 1838, policing of the Northern Territory from the 1860s to 1911, the role of camels in outback policing and the development of photography, fingerprints and other scientific approaches in the detection of crime. These exhibits change on a regular basis so that the public can view different displays at different times. The museum is managed and staffed by volunteers of the South Australian Police Historical Society and financed by donations and the generous support of the South Australian community. A major donors' board is also displayed at the museum.

This unique social history museum is a tribute to the men and women who have served and who continue to serve in the South Australian Police Department, and I invite all members of the House and their families to visit the Police Museum when it is open on Saturdays, Sundays and public holidays between 1 and 5 p.m. Entry is free and on some occasions visitors will be shown through the premises by none other than the Commissioner of Police, David Hunt, Chief Superintendent Bob Potts (President of the Police Historical

Society) or Chief Superintendent John White, who is Vice-President of the society. So, visitors have some of the top police officers in this State showing them the past history of the South Australian police.

Another very interesting display is a completely rebuilt Chrysler V8 police car. Painted blue with the stripes, it has a siren and is an added attraction and, if anyone is having an open day or needs help on an open day to raise funds, this police vehicle is available for display at such events. It is displayed at no cost and it is an interesting piece especially for young children.

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

Ms STEVENS (Elizabeth): It is important to fill in some of the gaps that the Minister for Health omitted to mention in answering questions about the Lyell McEwin-Queen Elizabeth Hospital amalgamation. The Minister said that this process had been the proper way to go about providing health care for a community. I take issue with that because some of the concern and consternation in the community and among the staff and boards of both those hospitals is of the Minister's own making. No-one out our way doubts that health is a huge issue and that there is a need for increased and better health services. We know that the population growth is in the north; we know that the Lyell McEwin Hospital needs more beds, and we know that we need access to operations that we have not been able to get at that hospital. We know our people need to get these provisions locally: no-one is against that.

However, the problem in all of this has been the way in which it has been done and I would like to outline briefly the sequence of events that makes this point. So far as the Lyell McEwin Hospital is concerned, this all started on 1 August when a meeting, hastily called by the Minister with a representative group of the board, was held. I believe that about three board members were called together hastily at the Minister's request to discuss an important issue. In saying the meeting was hastily called, it was called late Friday afternoon in the previous week. On the Monday morning the Minister put to this representative group a proposition that included important pluses for the northern region in terms of health, but it was complex and there were few specific details. The representative group was in a real bind about obviously wanting these advantages whilst knowing that there were lots of gaps that were not being covered.

At the meeting the Minister wanted an in-principle agreement by this representative group on behalf of the whole board for this complex proposition. That was given but, as I say, those representatives were in a real bind knowing that there were possibly great advantages to be gained for which we had been fighting for ages but also knowing that there were lots of gaps. However, the Minister got his in-principle agreement. The next day the Minister, by way of a press release and a statement in Parliament, announced to the State an amalgamation—something very different from what the people the day before thought they were giving in-principle agreement to.

On 5 August, following a board meeting, when those representatives spoke to the whole board, the hospital CEO sent a letter to the Minister seeking clarification. In reply to that letter the board received a long letter and a copy of the QEH submission to the Health Commission regarding its survival. This really set the cat among the pigeons, because it was a document driven by the QEH. Finally, last night the

board met again, and the Minister came to the meeting to try to clarify all the concerns. When thinking about amalgamating organisations as complex as hospitals, people have to realise that the way of going about it is important. We need to have a process that works in order to get a successful outcome, we need to have staff and community on side and we need people to be feeling confident that the result will be a good one.

What we have had here is a poor process and, because of that, because of the haste to get to the outcome without going through proper consultation and proper involvement, we get misinformation, needless conflict, stress and lack of trust. We then have to spend lots of time back tracking and trying to fix up the matter, and that is probably where we are now and what the Minister is faced with doing. It was not a good way to provide health care for the community and I hope the method will change.

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

Ms GREIG (Reynell): During his Address in Reply speech the member for Hart made reference to my electorate—in particular, the business sector and, to be even more definitive, Yazaki Australia Pty Ltd. I cannot and will not argue with the facts he threw across the Chamber while he ever so descriptively talked about employment at Yazaki and the boost it gave our local economy and then, while pointing the finger at me, he sadly reported on the loss of this major industry in the Lonsdale industrial area and the loss of some several hundred jobs from the Yazaki plant.

What the member for Hart refrained from informing the House was that Yazaki moved offshore in 1990 with the help of the Federal Government under the Button plan. Yazaki Australia was faced with the option to move offshore or go broke. So, with no Federal incentive to address this problem and definitely no assistance from the then local Labor member or her Government Party, Yazaki Australia Pty Ltd moved the bulk of its operation offshore, leaving behind a skeleton industry of its former self employing about 150 people to handle its reworking, testing and packaging operations. At this point I should convey my thanks to the member for Hart for pointing out the inefficiencies of his former Government which, for the past 10 years, succeeded in destroying our economy, in assisting local businesses in their decisions to leave our State or go broke and, in the case of my electorate, leaving us with a huge legacy of unemployment.

In conclusion, I commend the Premier and the Minister for Industry, Manufacturing, Small Business and Regional Development on their joint announcement of the allocation of \$41 million to the Economic Development Program to assist industry investment and job initiatives.

This Government's priority is to get South Australians back to work by supporting and assisting those companies which are able and willing to provide employment opportunities. I should also mention that Lonsdale has been left with some thriving industries. We have the Mobil refinery, Solar Optical, Mitsubishi and many smaller industries, which are all seeing new hope in a new Government and which will make Lonsdale the thriving area it once was.

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

A quorum having been formed:

STANDING ORDERS

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

That, until a Standing Orders Committee report relating to private members' business is adopted by the House, Standing Orders be so far suspended in relation to private business in the manner set out in the paper I have distributed.

With the indulgence of the House, I will not read it because of its length, but it is in the same form as it was last session. Motion carried.

STATE LOTTERIES (SCRATCH TICKETS) AMENDMENT BILL

The Hon. S.J. BAKER (Treasurer) obtained leave and introduced a Bill for an Act to amend the State Lotteries Act 1966. Read a first time.

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

That this Bill be now read a second time.

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

Leave granted.

The amendments in this Bill seek to place beyond doubt the meaning of particular wording on scratch tickets and to provide more a reasonable appeal mechanism for those who purchase Lottery Commission products and who wish to challenge Commission decisions to disallow claims. It is proposed to apply the amendment relating to the wording on the ticket retrospectively to ensure that the intent of the current legislation is applied to any tickets purchased prior to the Amendment Act receiving assent which might ultimately be the subject of a disputed claim before the Court.

The Lotteries Commission introduced "Instant Money" tickets for sale on 4 December, 1978. At that time, it was the accepted standard within the lottery industry for instructions to players on tickets to commence with the word "Match" eg "Match 3 numbers, symbols or amounts and Win". The Commission followed this convention until September 1990 when the word "identical" was introduced to avoid any ambiguity in the instructions to players.

Arising from a successful legal challenge in New South Wales concerning the wording of a Scratchie ticket, retrospective legislation was introduced in South Australia in November, 1993 to provide further clarity to the wording on the tickets to avoid a similar outcome to that which had occurred in New South Wales. However, on 15 November 1993, the Crown Solicitor received a summons and statement of claim on behalf of the Commission in which the plaintiff claimed to be holding a winning ticket in the "Big Dreams" instant money game. The wording on the ticket was as follows:

"Scratch both panels. Match three identical amounts within either game panel and thats what you win"

The plaintiff claimed that the wording "within either game panel" meant that the identical amounts can be selected from both panels rather than one panel or the other which was the clear intent of the wording used. This intent was further emphasised by additional wording on the face of the ticket "two chances to win". The plaintiff's claim related to an amount of \$250 000. The Supreme Court has subsequently disallowed the claim and found in favour of the Commission.

Prior to the issue being considered by the Court, the Commission had received 24 written claims similar to that which was the subject of legal proceedings. The amount involved totalled in excess of \$6.0m.

Notwithstanding the recent decision of the Court in the Commission's favour, it is considered prudent to seek to place beyond doubt that the meaning of the wording "within either game panel" is "within a game panel".

Currently, a claimant dissatisfied with a decision of the Commission can challenge the decision in the Supreme Court. This can be time consuming and costly. In the interests of fairness to claimants who consider that the Commission has erred in its disallowance of their claim, the proposal to allow appeals to be

considered in the Administrative Appeals Court will provide more reasonable appeal processes to those currently available.

Explanation of Clauses

Clause 1: Short title

This clause is formal.

Clause 2: Commencement

This clause provides that the amendments relating to the interpretation of scratch tickets with two game panels are back-dated to the commencement of the principal Act. The new provision relating to appeals from certain Commission decisions will come into operation on assent.

Clause 3: Amendment of s. 17A—Instant lottery tickets

This clause makes it clear that an instant lottery ticket that has more than one game panel is not a winning ticket if the only way the required number of matching symbols can be obtained is by matching symbols from more than one panel. Two further examples of winning and non-winning tickets are added to the provision that deals with interpreting certain instant lotteries. The examples inserted are examples of tickets that have two game panels. They show that, to win a prize, three identical amounts have to appear within a panel.

Clause 4: Insertion of s. 18AA

This clause gives a right of appeal to the Administrative Appeals Court (a division of the District Court) to holders of lottery tickets who are dissatisfied with a decision by the Commission that a particular ticket is not a winning one. Such an appeal must be lodged within a month of the decision being made, or published.

Mr QUIRKE secured the adjournment of the debate.

THE FLINDERS UNIVERSITY OF SOUTH AUSTRALIA (CONVOCATION) AMENDMENT BILL

The Hon. R.B. SUCH (Minister for Employment, Training and Further Education) obtained leave and introduced a Bill for an Act to amend The Flinders University of South Australia Act 1966. Read a first time.

The Hon. R.B. SUCH: I move:

That this Bill be now read a second time.

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

Leave granted.

During 1992 and 1993, the Convocation of Flinders University debated proposals on the future role, membership and operation of the Convocation.

These debates culminated in the release of a discussion paper entitled *The Future of Convocation* in June 1993. The paper was given a wide distribution to ensure that members of the Convocation and other interested parties were given ample opportunity to comment on the proposals. In addition, the Convocation surveyed its members in a further attempt to ensure that people to be affected by proposed changes were given the chance to present their views for consideration.

The large majority of responses expressed support for the proposed changes to the Convocation's role. The Executive of the Convocation met with senior management of the University and ultimately sought and was given approval by the University Council for the changes which this Bill is intended to implement. Indeed, the initial request to the responsible Minister for amendments to the University's Act came from the University Council.

In summary, the proposals have the strong support of the University community. There are six substantive changes proposed in this Bill. The first amendment is to section 5(3)(h). It requires that the four persons elected to the University Council by the Convocation must be members of the Convocation but must not be employees or students of the University. The policy behind this change is to prevent these four Council places being taken by staff or students of the University who already are well represented on the Council under other categories of membership.

The second amendment substitutes a redrafted section 17. The Convocation is given the discretion to advise the Council on matters to do with the management of the University and on the policies and future strategies of the University. This advisory role extends to the making of statutes and regulations similar to that currently granted to the Convocation by the current section 20(2). In view of this, it is proposed to repeal section 20(2).

Plainly, the graduates of Flinders University have an interest in maintaining and enhancing the University's standing in the community and many will, for more personal reasons, have a continuing interest in the development of an institution which will have played an important part in their lives by the time of their graduation. The proposed amendments allow graduates (through the Convocation) to take an active and constructive role in the development of the University by advising the University Council, while leaving the responsibility for deciding on the action to be taken, where it belongs, with the Council. The proposed new section 17 also provides for a two year term for the Convocation President as it is felt that the current one year term does not provide for sufficient continuity.

At present, the Council may appoint graduates of other universities to the Convocation. Given the new role which the Council and the Convocation are seeking to define for the Convocation, both bodies believe it is desirable to restrict the membership of the Convocation to Flinders' graduates, and so it is proposed that the Convocation will consist of all graduates of Flinders University. Consequential on this change is the transitional arrangement which will allow one of the existing members of the Council elected by the Convocation to complete her term of office. Without the transitional arrangement, that member would be removed from office by the passage of this Bill.

Finally, the new section 17 simplifies the drafting of the Act by bringing together into one section other references to the Convocation that currently occur elsewhere in the Act. Consequential changes are made to the sections in which those references to the Convocation previously occurred.

The only other substantive change which the Government proposes to bring about by the Bill, is to make a slight change to voting procedures at meetings of the Convocation. There is currently an inconsistency between the Act, which provides for the person chairing a special or annual general meeting of the Convocation to have a casting vote in the event of a tie and the Flinders University's internal Statute that provides the rules for the conduct of the Convocation's proceedings. The University Statute provides that a motion is lost in the event of a tie. That Statute is, however, subordinate to the Act and the Act prevails where there is an inconsistency between them. Both the University Council and the Executive of the Convocation prefer the provision contained in the University's Statute and this position is achieved by the substituted section 17 and the consequential amendments to section 18.

Finally, members will observe that the Bill contains a statute law revision schedule. This has been included because the Commissioner of Statute Revision has taken the opportunity presented by this Bill to update the drafting of the Act to make it consistent with plain English principles and with modern drafting, including the removal of gender specific references and of redundant subsections. This is clearly a desirable occurrence so that members of the University community can determine more easily what are their rights and obligations under the Act. However, the amendments proposed in the schedule make no substantive changes to the Act's operation.

Clause 1: Short title

This clause is formal.

Clause 2: Amendment of s. 5—Council

This amendment provides that the 4 people elected to the Council by the Convocation must be members of the Convocation who are not employees or students of the University.

Clause 3: Substitution of s. 17

17. Convocation

Proposed section 17 provides that the Convocation consists of all graduates of the University. The Convocation—

- may, as it thinks fit, advise the Council in respect of the management of the University and the policies and future strategies of the University;
- must carry out any other function assigned to it by the principal Act or a statute or regulation of the University.

The rest of the proposed section provides for the proceedings of the Convocation. The Convocation must elect a President (who, when present, will preside at meetings) from its members every two years or whenever a vacancy occurs. A quorum of the Convocation consists of 20 members and no business may be transacted at a meeting of the Convocation unless a quorum is present. Each member present at a meeting of the Convocation has one vote on any question arising for decision and a decision carried by a majority of the votes cast by members at a meeting is a decision of the Convocation.

Clause 4: Amendment of s. 18—Conduct of business in Council

The amendments in this clause are consequential on the passage of clause 3.

Clause 5: Amendment of s. 20—Power of Council to make statutes, regulations and by-laws

This amendment strikes out the requirement that the Council must submit to the Convocation any statute or regulation before submitting it to the Governor for allowance.

Clause 6: Statute law revision amendments

This clause provides that the principal Act is further amended by the schedule.

Clause 7: Transitional provision—Council membership

This clause provides that on the commencement of this amending Act, a person appointed to the Convocation under section 17(1)(b) (as in force immediately before that commencement *ie* before section 17 was repealed and substituted) ceases to be a member of the Convocation. There is a proviso that the current term of office of a member of the Council who was elected to office by the Convocation before 1 January 1994 is not affected.

Schedule—Statute Law Revision

The schedule contains amendments of a statute law revision nature under the direction of the Commissioner of Statute Revision. The schedule does not contain any amendments of a substantive nature.

Mr QUIRKE secured the adjournment of the debate.

SOUTHERN STATE SUPERANNUATION BILL

Adjourned debate on second reading.

(Continued from 23 August. Page 255.)

Ms HURLEY (Napier): I rise briefly on this issue to register my disappointment at the dismantling of conditions for public servants in this State, of which this Bill is just one part. When this Government came in, one of its few early actions was to effectively sack a number of public servants whom it perceived to have an affiliation with the Labor Party. A number of these public servants were people who had a long history of working in the Public Service and a long history of a very effective contribution to public service and government.

Not content with that, the Government has now again moved against public servants as a whole in a way which alienates and confuses public sector employees. The Government has reneged on a number of promises, and again this Bill is just one of them. It promised not to change superannuation, but that is just what it is doing. The Government is not simply saving money. It is not simply a budget item. It is running the grave danger of turning loyal, dedicated public servants into disenchanted and disgruntled employees. This Government is demonstrating a lack of trust and a lack of commitment to the Public Service.

Mr Condous: Go interstate and have a look at some privately run gaols.

Ms HURLEY: I am not talking about gaols: I am talking about the Southern State Superannuation Bill!

The DEPUTY SPEAKER: Order! Interjections are out of order.

Ms HURLEY: I just make clear that we are talking about superannuation arrangements, in case it was not clear before, and that this Government is dismantling conditions which have been long enjoyed by public servants for good reasons.

The Hon. W.A. Matthew: Have they cost the taxpayer at all?

Ms HURLEY: They cost the taxpayer, but it is well acknowledged that superannuation is one of the attractions of the Public Service, and that a life time of public service at lower pay and frequently poorer conditions than the private sector is rewarded at the end of that long period of service with a modest pension. By and large, as has been outlined by

other speakers, we are talking about modest pensions. We are not talking about fat cat public servants, the executives on higher salaries; we are talking about ordinary working people who receive a modest pension at the end of their life time of public service.

Many public servants have taken voluntary separation packages just because they are aware of the threats by this Government to their wages and conditions, and this superannuation Bill is one of those threats that has justified their fear of what would happen to their jobs. Other legislation which has been foreshadowed is the culmination of that. We have lost a lot of valuable public servants. When we talk about cost cutting, as members opposite constantly do, we all recognise the need for budget constraint, but we must also look at what are the priorities. If one of the priorities is such that this Government is happy to run down the Public Service to such an extent, you have to wonder what will happen to the long-term future of this State. South Australia has had a reputation of being clever, innovative and in the forefront of social and legislative change. This is a reputation that—

Members interjecting:

Ms HURLEY: I am proud of what a number of South Australians have achieved in the past. This Government obviously does not share that view and is quite prepared to let this State run—

The Hon. S.J. Baker interjecting:

Ms HURLEY: They were not public servants in the State Bank.

Members interjecting:

Ms HURLEY: I take credit as a South Australian for the number of innovative programs that have been put in place by the public servants and Labor Governments of this State.

The Hon. S.J. Baker: Name one.

Ms HURLEY: Women's suffrage; how about that? I think that the interjections opposite illustrate just what a lustreless and directionless Government we have here. It is quite prepared to let these programs go under and to rein in spending without any real direction or real thought to policy. It will not have the guidance of its public servants behind it. It does not trust its public servants and the public servants do not trust it, because this Government has broken so many promises to them. This Bill will result in this State's running down and being without any vision or thought for the future, with no long-term programs and no independent guidance. This Government is politicising the Public Service in a very deliberate way, and this Bill is just part of that process.

I want to voice my concern strongly about this process, about changing the way our State is governed without due debate or thought about it; and this Bill and others will be a part of the process. At this stage we have enough dedicated public servants to overcome this, but I certainly hope that at the next election the people of this State recognise that this sort of situation cannot continue and that they vote in a Labor Government to rectify some of these decisions.

Mr FOLEY (Hart): I rise to talk on this very important Bill and to add weight to the comments of my colleague the member for Napier. I spoke last night on the Bill to close the former superannuation scheme, and some of the comments I make now will reflect in part the comments I made last night, but I will also add what I consider to be important points about this new Bill. As I said last night, this is a dishonest Government. This is a Government that misled the electorate before the last State election. This is a Government

that went to the 11 December poll telling the electorate nothing about its intentions; telling the electorate about nothing that it planned to do post 11 December. Both the Treasurer and Cabinet knew about this State's financial position; they did not need the Audit Commission to tell them what they already knew. The financial numbers that were published by the former Government clearly spelt out the horrendous debt level of this State, but this Government chose to ignore those numbers and to mislead the electorate before the election.

This Government chose to soft-sell the electorate and to go around telling everybody, be they the Public Service Association or the parents of children in schools, that there would be no cuts, no reduction in services and no diminution in the quality of any service provided by Government. Then within months we have seen this terrible Government implement its plan. I suspect that most of what this Government is now implementing would have been prepared prior to the last State election and simply held in abeyance, waiting for the opportunity to sit on the Treasury benches to implement it. I will take every opportunity to remind members opposite and the public how they misled the State—

Mr Leggett: How come you lost government?

Mr FOLEY: Members opposite can say what they like, because quite a lot of them are not coming back. There will not be 36 in the Chamber next time.

Members interjecting:

Mr FOLEY: Exactly. I do not want to keep repeating that line. It is nice to get new, refreshing lines. I will think up a few shortly, and I hope the Deputy Premier does the same and does not continually blame the former Government for every decision this Government now has to make. At some point the Treasurer will have to stand on his own two feet, make decisions and wear the responsibility of those decisions.

The Hon. W.A. Matthew interjecting:

Mr FOLEY: Minister, your time will come shortly.

Mr QUIRKE: Mr Deputy Speaker, I draw your attention to the unruly members of this House to your right. I believe that this is the third or fourth time I have had to do this in this place in recent times, and it is my view that the running of this House requires a more even-handed approach.

The DEPUTY SPEAKER: The honourable member is obviously challenging the authority of the Chair. The Chair has two alternatives: one is to name the honourable member and require his absence from the House. If the honourable member wishes to challenge the authority of the Chair, he should do so in writing. The Chair has not yet ruled on anything, so I assume that the honourable member is deliberately and flagrantly challenging the Chair. I ask the honourable member to withdraw that inference, or I will have no alternative but to name him.

Mr QUIRKE: I withdraw, Mr Deputy Speaker, and I ask you to use that authority.

The DEPUTY SPEAKER: The honourable member will not withdraw in a qualified manner. The honourable member will—

Mr QUIRKE: I withdraw, Mr Deputy Speaker.

The DEPUTY SPEAKER: The member for Hart.

Mr FOLEY: Thank you, Mr Deputy Speaker; I will move on. I have little difficulty in dealing with the comments from members opposite, because they are comments with little substance and little fact. I look forward to a debate shortly with the Minister for Emergency Services, somebody who—

Mr Leggett: Has substance.

Mr FOLEY: I will tell you what sort of substance the Minister for Emergency Services has, but that is for another debate. What has this Government done to the Public Service? That is the important part of this Bill and what it is all about.

The Hon. W.A. Matthew: We've made it work.

Mr FOLEY: The Minister for Emergency Services says that they have made it work. Well, this Government has made the Public Service work! The two members sitting opposite are former public servants, I might add, so perhaps it is a reflection on their own abilities when they were in the Public Service as much as anything—

The Hon. S.J. Baker: It was all right back in our day.

Mr FOLEY: It might have been in your day, Deputy Premier, but the Minister for Emergency Services was a public servant not long ago and I have heard a few stories about his performance, but I will not go into that. I am being distracted by some silly interjections from members opposite. I am proud to stand in this Chamber and support those in our State who are employed in the Public Service. I am prepared to defend their conditions, and I am prepared to stand in this Chamber and tell members opposite that the way they have handled the whole issue of the Public Service has been disgraceful.

Members opposite deliberately misled the Public Service prior to the last State election, and since that time they have enjoyed picking on the most vulnerable and easiest targets within their reach. Unfortunately, given the nature of employment at present, they are able in some part to intimidate the Public Service. This is a Government of intimidation which relishes intimidating those who have the least ability to defend themselves. At the end of the day, as the Government takes away their tenure, reduces the power of their union, freezes their wages and cuts their numbers, it is intimidating the Public Service. Members opposite have shown no imagination, no creativity and no proper desire to reform the Public Service.

Mr BASS: I rise on a point of order, Mr Deputy Speaker. The member for Hart has been speaking for seven minutes. I thought we were debating not the state of the Public Service but the superannuation Bill.

The DEPUTY SPEAKER: Order! I think the honourable member has made his point. The member for Hart has well and truly digressed from the substance of the debate. I assumed that he was going to link his remarks to the Bill, but I am still waiting. The member for Hart.

Mr FOLEY: I appreciate your ruling, Mr Deputy Speaker. Unfortunately, with so many interjections flying at me, it is easy for me to lose my way as I battle through this rabble opposite single-handedly, albeit with some help from the member for Playford. I can understand why the member for Florey is nervous. At some stage Florey will be the seat that returns us to government.

With the triple S scheme, the Government is providing the bare minimum for the Public Service. We all know that there is an ever increasing need for the work force to be properly superannuated. The changing policies at Federal level and the ageing of our population make it absolutely paramount that each worker should properly address his or her future retirement income. I suspect that the day will come, in 20, 30 or 40 years, when the retirement benefits—the pension as we know it—will no longer exist and that we will move to being a properly self-superannuated country.

What does this Government do; what contribution does it make to its employees? It gives them the bare minimum, the

littlest that it can, the absolute bottom line. It does not give them any incentive, it does not give them any reward and it does not give them any decent superannuation. I think that is absolutely disgraceful. Members opposite should be ashamed, particularly those such as the member for Bright and the Deputy Premier who are former State public servants enjoying the benefits of the old scheme.

The Hon. M.D. Rann: Not of great distinction, I might add.

Mr FOLEY: Absolutely, but they are enjoying the benefits of the old State superannuation scheme. The member for Florey enjoys the old police superannuation scheme. The member for Hartley enjoys the privileges of the old State superannuation scheme. We can go through the Liberal Party and Government and see the hypocrisy of members opposite. They have their little back pockets firmly stitched up, they have their little nest egg, but they will not provide it to future public servants in this State. I think that is disgraceful.

Of course, what we are seeing is another sinister hand at work, and that is the long arm of the State Treasury. This Bill is classic Treasury stuff. The State Treasury has tried to get away with this for many years, and it has succeeded with a Government that obviously does not have the expertise, the ability or, for that matter, concern about the well-being of its own employees. I think that is pretty ordinary. It is an extremely disappointing decision, particularly as many of the officials advising the Government on the new super scheme are, I suspect, neatly tucked away under the old scheme.

I acknowledge that this Government confronts financial difficulties. I have had the strength of character to stand in this House and acknowledge past failings and where things have gone wrong and my sincere wish that this Government will tackle the State's difficult debt situation. However, I suggest that it should do it in a way that is compassionate and understanding and be prepared to work through the difficult economy and not use it as an excuse to implement some far right-wing economic doctrine. However, I suspect that few members opposite would have a great grasp of economics.

Members interjecting:

Mr FOLEY: The member for Bright continually interjects, but I suspect that his knowledge of economics would fit on one page.

Members interjecting:

Mr FOLEY: He can always challenge it.

An honourable member interjecting:

Mr FOLEY: I said 'Bright'. I would not challenge the member for Wright: no way.

Members interjecting:

Mr FOLEY: Or Light. I acknowledge that the member for Light has some economic qualifications.

The DEPUTY SPEAKER: Order! I ask the honourable member to address his remarks through the Chair.

Mr FOLEY: Thank you, Mr Deputy Speaker; I appreciate your guidance. As I said, we are concerned that we have a Bill that is all about providing a lower standard of living to those who will eventually be superannuated from the State Public Service. It is extremely disappointing that, as the Federal Government tries to encourage and implement a major piece of social reform—that is, to ensure that all retiring members of our community in years to come have a proper income with which to sustain themselves—this miserable Government is prepared to give them only the bare minimum. That is a disgraceful act. But again, at the end of the day, it is consistent with what this Government has done repeatedly over the past eight months. Every interest group

and the members of the community that it duped before the election have had their noses rubbed into the sand. The Government shows a total disregard for the community that it misled so horrendously prior to the last State election.

At the end of the day, as I have repeatedly said, my colleagues and I will be coming back in four years, but so many members opposite, the meek, the mild and the quiet, with their absolutely sycophantic attitude towards this Cabinet, will not be coming back in four years. I know that they are sick of hearing it, but I can name all those who will not be here in four years. It will be Bills such as this, which members opposite did not have the guts to stand up in their own Party room to knock off in the same way as they did not have the guts to knock off shopping hours and a whole series of Bills, which will bring down so many members opposite at the next State election.

Ms STEVENS (Elizabeth): I support the comments made by the members for Napier and for Hart, because I also agree that this Bill is an attack on the public sector. Yesterday, the Treasurer made the point that, when the Government was faced with the problems of managing the State, it had only two options: to cut services or to increase taxes. When he talks about cutting services, he gets into the public sector. This is a really short-sighted approach, an approach that means we cut off our noses to spite our faces. We need a more creative approach from the Government. We need a Government that is prepared to use all three sectors: the public sector, the private for profit sector and the voluntary, non-profit sector. All sectors have a role to play, and the Government's role is to balance those roles and make them work most effectively. They are all important, including the public sector. We need a good public sector and good public servants, because they are the people—the teachers, the health workers, the police—who provide the basic services that we all take for granted and consider to be the basic foundations on which society is built.

People do not join the Public Service to get high salaries. When we compare salaries across the other areas of our society, we see that they are comparatively low. For example, Rupert Murdoch, Chief Executive Officer of the News Corporation, has a salary of \$5.75 million; and Frank Lowy, Executive Chairman, Westfield Holdings, has a salary of \$2.54 million. They are obscene salaries. The September issue of *Independent Monthly* compares salaries in the corporate, public and private sectors and indicates that the former Managing Director of the Macquarie Bank, Tony Berg, collected \$4.5 million, including superannuation. In the previous year his salary package was \$1.25 million. The article states:

According to an executive remuneration specialist, superannuation has formed up to 40 per cent of executive salaries in recent years.

The salaries of Public Service workers are way below these levels. The Governor of the Reserve Bank gets \$300 000; the President of the ACTU, \$67 000; the highest paid principals in South Australia who manage large, complex secondary schools, \$68 000; and the highest paid teachers in our schools, \$43 000.

The salaries of nurses, police and other workers are well below \$43 000, and these make up the bulk of the public sector. People do not join the Public Service to get high pay: they join because they want to be involved in the services that the public sector provides. They want to be nurses, teachers, and police; they want to do those sorts of jobs. We need good

people in those jobs. What does the Government do? It does not offer good pay and now it offers only the bare minimum in superannuation. I say that we need good people and they deserve better; they do not deserve what this Bill is offering.

The Hon. M.D. RANN (Deputy Leader of the Opposition): I support the members for Elizabeth, Playford, Hart and Ross Smith in opposing this Bill. We are seeing a systematic attack on the public sector and the public sector work force. We are seeing attempts by this Liberal Government day after day, week after week, month after month to diminish the role, standing and respect of the public servant in our society. This did not occur under the Tonkin Liberal Government, it did not occur under the Playford Liberal Government, and it certainly did not occur under a succession of Labor Governments.

For some reason or other, this Government has decided to declare war on the Public Service—on those people who believe in the fundamental duty of public servants to serve the public. Of course, members opposite want to pretend in their arguments that we are talking about people who are non-productive, about paper shufflers who do not make a real contribution to our community. We are seeing systematic attacks on nurses, police, teachers and people in TAFE. I have worked in a whole range of Government service areas as a Minister and before that as an adviser, and I saw dedicated people put in their own time in the evenings and on the weekends, as well as their working time, to serve this State.

These are the people that this Government seeks to diminish. It is doing it at every turn. That is why there is a difference: many backbenchers are remaining silent about this Bill. A few choose to leak to the media and leak against their colleagues and say, 'We don't support what our Ministers are doing in terms of shopping hours. We voted against this in the Liberal Party room.' But they will not speak on this Bill, because they are frightened to do so. That is why occasionally the member for Lee—as inept as he is—at least says what he means and means what he says, as bizarre as his meaning is.

That is not the case with the Government. It went to the last election and put in writing—as well as standing on the front steps of Parliament, as well as sitting in smoke-filled rooms with the unions and others—what it was going to do, and it has broken every promise. This Premier would get a gold medal for breaking promises. We must remember what he said: 'Don't read my lips', because he knew what we knew. We remembered when he was a Minister before. We remembered what he meant, what he did and what he did not do. He said, 'Don't read my lips this time; watch what I do.' We will do that, as will a lot of other people.

For those members in the outer southern suburbs who are proud of what this Government is doing in terms of small business and the Public Service, your day of reckoning will come. I can promise that. I have been around for a long time. I agree with the member for Playford that this Bill seeks to bring in the absolute minimum level of superannuation possible for public servants in this State. He was also right to inform the House that it would have been even worse if there had not been a Federal Government of a Labor persuasion whose triple S super scheme set up the basic minimum superannuation that every employer in this country had to abide by.

That would not be the case if there was not a Labor Government in power, because we remember what John Hewson and John Howard said at the last election: they

would do away with the superannuation guarantee. It is that basic minimum that Government workers in this State will receive. Nothing more. This Government would like to give less but the workers will not get a penny more. The Brown Liberal Government knows that it cannot get away with any less even if it wanted to, and we know that it does want to. It is super on the cheap. The Public Service knows that and the backbenchers who are now leaving the Chamber know that.

This legislation is predicated on the Federal Labor Government's SGC provisions. It is founded in the belief that there will be a continued Labor Government presence in Canberra and that the system will be lifted per cent by per cent until the 9 per cent levy has been reached sometime early in the next century. If we are to believe the Federal Liberals—and it is often very hard to know where Alexander Downer stands, because he is often emotional after meetings, and sometimes even before meetings—the system will be abolished. That is what they promised at the last election—that the system would be abolished if the Federal Liberals were elected.

The Opposition rejects this Bill in its entirety. We will seek to amend it and bring back to a reasonable level the superannuation that we believe that all Government employees should receive. Let us face facts: as the member for Hart said before, the architects of this Bill are total hypocrites, because they have had not just their snouts in the trough over the years but also their trotters. They are seeking to rule off the line to prevent others from receiving fairness, and they want somehow to diminish the role of public servants in this State. This Government must, we believe, honour its clear commitment, its categorical promises made to public sector employees prior to the election, because it knows, we know, and the people out there know that they have been duded.

The member for Ross Smith last night hit the nail on the head by saying that this Bill is founded on the belief and the message that public servants who will be affected in the future by the Southern States Superannuation Scheme are somehow fat cats, the highly paid and the privileged. That, of course, is not true. The truth is that the overwhelming majority of employees who will be affected by this legislation earn \$25 000 a year or less. Because of the current historically low level of inflation and low levels of wage growth in recent years, we will see those on the bottom of the rung, those who do earn a modest income, being particularly hard hit.

So, effectively we are seeing substantial cuts; cuts that will hurt; cuts that will further diminish; cuts that will further discourage people of talent and quality who come through our TAFE colleges and our universities from seeing the public sector as a reasonable way of making a contribution to the development of this State. What we have seen in a series of Bills from this Treasurer is that process of diminishing; it is the policies of the sneer against the public servant, and it is done on the basis of clear categorical promises that have been broken. No-one's superannuation is safe with this Government. The Opposition believes that the level of benefit was reasonable and that it was the sort of level of benefit that a large employer, such as the Government of South Australia, ought to be providing for its members on the basis of equity and fairness.

The Audit Commission was used as an excuse for trampling over the reasonable superannuation entitlements for persons who work for the Government and, in particular, as was pointed out by the member for Playford, for police officers who risk their lives every day in South Australia. So,

the Opposition does not support the closure of the lump sum scheme; it does not like the idea of its being closed off, because this is still the thin end of the wedge. Each Bill in this collection of Bills has the same purpose: to deny equity, to put a scorched ring of earth around the privileged and to prevent others from enjoying not privileges but equity and fairness. The Opposition opposes this Bill.

Mr BASS (Florey): I have listened very carefully to the speeches made by the member for Ramsay, the member for Elizabeth and the member for Hart, and not once have they bothered to discuss the Bill. Have any of those members had a good look at the Bill? They are standing there with their rhetoric, throwing brickbats here and brickbats there, but none of them has had a look at the Bill. This Bill will replace legislation, a part of which I was involved with in my capacity as the Secretary of the Police Association, so I have great interest in it and I wish to ensure that police officers are covered adequately.

As a former police officer of some 33 years, I was concerned that this legislation would not give sufficient coverage to our State police officers. However, I am pleased to say that this legislation gives both our public servants and our police officers the option of good superannuation if they so desire. This system is not compulsory for public servants, whereas it is for police officers, and I wholeheartedly support the fact that it is compulsory for members of the Police Force.

There has been much discussion and rumour in relation to the closing-off to new members of the previous lump sum schemes which were available to public servants and police officers, but this legislation will not affect the 1974 State pension scheme or the police pension scheme, nor will it affect the present members of the 1988 State lump sum scheme or the 1990 police lump sum scheme. Those members, including pensioners, who are in those schemes will be able to continue in them and are not affected by this legislation. Public servants, teachers, health sector employees and police officers will all be included in this new scheme, which will commence on 1 July 1995.

Unlike the case involving the previous superannuation scheme, casual employees also will be eligible for membership now. The scheme, to be known as the triple S scheme, will be an accumulation scheme. Membership, as I said, will be voluntary for Government employees with the exception of members of the Police Department, whose condition of employment will be to join the triple S scheme. As with all superannuation schemes, there is an employee and an employer component. This scheme provides that a Government employee, other than a police officer, can choose to contribute between 1 and 10 per cent of their salary. That employee cannot be a member of any other employer-sponsored scheme. This scheme gives the employee the flexibility to vary the level of contribution annually, to reflect more accurately the employee's current financial position and their ability to put away for their future.

Of course, as with all schemes, the end result is what counts, and if the employee contributes 6 per cent of salary in this scheme for a period of 35 years the expected benefit on retirement, expressed as a multiple of final salary, would be 7.4 times the retiree's salary. The majority of public servants commence employment before they reach 20 years of age and do not retire before they reach the age of 60, so they could earn an entitlement, at 60 years of age, of 8.89 times their salary as a retirement lump sum. The figures I have mentioned are estimates based on the employee level of

support at 9 per cent. For those employees who join before 1 July 1995 or 1 July 2002, a slightly lower benefit would be available, but this could be counteracted by an employee making contributions of higher than 6 per cent, for example, up to 10 per cent. The figures given as retirement benefits under this scheme are on a par with those generally available from employer sponsored schemes in the community.

An added bonus to the triple S scheme is that high levels of death and invalidity insurance will be available for purchase by the employee, and it is planned to provide this supplementary cover in a tax-effective way by directly charging the costs to the employers' account on an annual basis.

I now turn to the triple S scheme as it applies to members of the Police Force. The Government acknowledges, as did the previous Labor Government, that the members of the Police Force are different and should be treated differently. The triple S scheme, as I have said, will be compulsory for all police officers and will be a condition of their employment. However, whereas other Public Service personnel are able to contribute between 1 and 10 per cent, a police officer's minimum personal contribution will be 5 per cent. But, again, with the added flexibility of this scheme—a flexibility that was not available under the previous scheme—a police officer can increase his or her contributions to up to 10 per cent. When analysing the two schemes one must look at the amount a police officer could expect to get under the old scheme compared with the triple S scheme.

Under existing lump sum schemes, a police officer would get seven times their salary plus a productivity benefit of 1.3 times their salary, and that equates to 8.3 times their salary as a lump sum. Adding the employee and employer contributions, a police officer who was a member of the triple S scheme for 40 years would get 8.2 times his or her salary, and that salary would include any shift allowances. However, due to the flexibility of this scheme, if a police officer chooses to increase his or her contributions to 9 per cent immediately upon joining the scheme, the lump sum total could be as much as 10.6 or 10.7 times their salary, again including shift penalties as part of the salary.

Under this scheme .3 per cent will be automatically taken from the Government account—the employer—for invalidity and death insurance. This will give a police officer, who is made invalid as a result of an incident in the course of his duty, or the family of a police officer who is killed on duty, three times the officer's salary at the time of invalidity or death. In this way, consideration is given to the dangerous nature of their employment and provision is made to ensure that police officers are well covered in the event of injury or death. One must remember that any such officer will also be eligible for workers compensation benefits between ceasing service and normal retirement. This minimal level of benefit is equivalent to that already provided under the old lump sum scheme under the Police Superannuation Act.

Once again, with the flexibility that the triple S scheme has with invalidity and death cover, by increasing the .3 per cent to .6 per cent, with that increase again being taken from the employer's contribution which will be from a non-tax income, a police officer who decides to have this increased insurance taken from the employer contribution will increase the death and invalidity cover up to seven times salary, again including penalty rates. I might add that a majority of police officers who enter this scheme will leave long before it comes into effect for them or will have had many changes to this scheme between now and when they

retire from the South Australian Police Force. Indeed, during my 33 year career I think the scheme changed on three different occasions and if I were still with the police service it would have been the fourth change.

The member for Ross Smith, in what could only be described as a diatribe last night, spoke of not being able to attract top people to top jobs in the Public Service because, as he said, the triple S scheme was no good. The member for Ross Smith referred to 'closing significant benefits in terms of permanency of employment, rights of appeal and promotion. . . and the fact that they have been imposed by the end of this Government's self-imposed two year wage freeze', and he said that it was important to attract the best employees to act as potential Under Treasurers 'to keep a handle on Treasurers who are a bit wayward from time to time' but that such people could not be attracted to this scheme.

Again, the member for Ross Smith has not looked at the scheme. If he cared to look at the Bill he would see that under 'Interpretation' it provides:

'charge percentage' means—

- (a) in the case of a member whose conditions of employment are specified in a contract negotiated between the member and his or her employer and which includes an agreement between the member and the employer that the value of the charge percentage will be greater than—

the number representing that value. Again, in this scheme we have flexibility. Someone on a contract has flexibility. If we have the super Under Treasurer available to be appointed, the Treasurer has flexibility. I think it is a shame that the member for Ross Smith, the member for Hart and the member for Ramsay have not taken time to look at the new legislation to see exactly what it provides. Members opposite should not come into this House and use the usual line, 'What will it do, how will it do it?' Why will members opposite not make inquiries and inform themselves of exactly what it means. It would give me no pleasure as an ex-police officer to stand here and support any legislation that would hurt my former colleagues. I know, as do people opposite, why the Government is doing this. I am quite happy that this Bill has been looked at. It has been looked at carefully, and there is flexibility there. There is the cover that public servants and police officers need, and they can have as much or as little as they want. I support the Bill.

Mr BRINDAL (Unley): I have pleasure in following my colleague the member for Florey and, like nearly every speaker on this side of the House, what the member for Florey said made a great deal of sense. I am sorry the same cannot be said for some of the Opposition's contributions. I suppose that after five years I should not be disappointed to come into this place and hear common sense taken leave of and political rhetoric taking over. This debate again exemplifies the attitude of the Opposition. I stand four square with many members on this side of the House including—

Mr Quirke interjecting:

The DEPUTY SPEAKER: If the member for Playford wishes to remain in the House to keep in control of his side's debate, I suggest that he refrain from further interjection.

Mr BRINDAL: I suspect that even the Treasurer would rather have come into this House and introduce a Bill that contained considerably more largess than he is able to offer. I would even suspect that, if the Deputy Treasurer had the capability of coming into this House and offering to the public servants of South Australia the old, old scheme—the scheme closed by the former Bannon Government—he would

have been delighted to do so. Unfortunately, as members on this side of the House have pointed out, these are not those times and this Government finds itself constrained financially in a way that few other former Governments have found themselves constrained.

Any responsible Government in this State would have had to act similarly, because past Governments, Labor and Liberal, did not bother to contribute to the superannuation schemes. They had very generous schemes; they were non-contributory schemes and the liability was blowing out. For exactly the same reasons as the previous Labor Government had to close what is now called the old superannuation scheme, this Government found it necessary to close the next scheme, because it was not properly thought through and it was not properly funded. I put to the House that this Government found itself with absolutely no choice at all.

The Government has come up, in the circumstances, as the member for Florey says, with the best scheme it possibly can: offering the best range of benefits that it can afford and offering a scheme which, I believe in comparison with any private scheme, has still to be considered attractive. The test will be whether those people who become public servants in the future elect to join the public scheme (because I do not believe the Deputy Premier will compel them to do so) or some private scheme.

I suspect that most of them would receive more benefits and therefore would join the Government scheme. I point out that the Government has not disadvantaged and will not disadvantage any member of a previous scheme. Anyone in a previous scheme who was promised benefits under that scheme retains membership of that scheme and retains those benefits. So they have—

Mr Quirke: That's not what he is saying.

Mr BRINDAL: The member for Playford interjects and says, 'That's not what he's saying', and throws his hand wildly in the direction of the Deputy Premier. I heard the Deputy Premier speak on this and I think I listened more carefully than the member for Playford, because the Deputy Premier has never said any such thing.

Members interjecting:

The DEPUTY SPEAKER: Order! The member for Unley has the floor.

Mr BRINDAL: Thank you, Mr Deputy Speaker. This Government has announced no plans to take away from any existing member of any existing scheme any existing benefit. The Government is honouring its promises. If the Opposition wants to scare half the Public Service to death with wild conjecture about what may happen some time in the future—in the fog and mists of time—it is doing a good job, but I would have thought that a responsible Opposition that actually cared for people's well-being would act responsibly in this place instead of trying to score cheap political points when that point scoring is not warranted.

If the Opposition thinks it can come in here and escape any odium it believes will flow from this Bill, it is wrong, because the people of South Australia are dead sure of which political Party is responsible for the mess in which this State finds itself. The moneys that the Treasurer has to distribute were clearly left in the kitty, and they are the moneys available to this Government after the previous Government lost more than \$3 billion and created an interest rate bill that has still to be met.

If that puts this Government in a position where it must offer schemes which are less generous than those that have heretofore been offered, it is partly and in large measure the

previous Government that must bear the responsibility for that. I support totally the member for Florey when he says that it gives him no pleasure to support a scheme that offers less than a previous scheme but, like the member for Florey and every member on this side, I am a realist in the sense that this Government can no longer afford to offer as much—

Members interjecting:

The DEPUTY SPEAKER: Order! The member for Unley will resume his seat. If the member for Ross Smith is trying to draw attention to a presence in the gallery, he is unwise to do so and is also in breach of Standing Orders. I ask him not to do that again.

Mr BRINDAL: As I was saying, if this Government comes in with a package on this or any other Bill that offers less than any member on this side of the House would ideally like to offer, it is being done because of something that members opposite never understood. The previous Government was in power for 10 years, and it never understood three simple words—‘sound financial management’. This State is spending more each year than it is earning. I do not care how illiterate or unintelligent one is, anyone who has to run a house and pay for their groceries at the end of the week knows they cannot keep spending more than they are earning. Like previous Governments, we could come in here with all sorts of wild and grandiose schemes which are not properly funded and which increase the State’s liability year after year and in the end, when we are gone, leave everyone destitute because there was never any money to pay for the schemes. That would be a crime perpetrated on this State more heinous than the introduction of any new—

Mr Clarke interjecting:

The DEPUTY SPEAKER: Order! The member for Ross Smith knows he is out of order in interjecting.

Mr BRINDAL: I suggest that the member for Ross Smith has the profile of a Tiberias but the political brain of a Caligula.

Members interjecting:

The DEPUTY SPEAKER: Order! The member for Unley will resume his seat. I will not allow this badinage across the floor to continue. I warn the member for Ross Smith. The honourable member’s colleague who is leading the debate challenged the Chair to exert authority. I intend to be fair, as the honourable member challenged the Chair to do and as the Chair believes it always is. I ask members, in view of the serious nature of the debate, to respect one another and the subject.

Mr BRINDAL: Thank you for your protection, Mr Deputy Speaker. Certainly, I take no offence from the honourable member’s remark because he probably does not realise that Caligula’s horse rose to the position of Consul of Rome, so it is no offence to be referred to as such. I conclude by supporting all members on this side of the House. If we could be more generous, I am sure that no-one would like to be more than the Deputy Premier. We live in a financial reality that is very difficult, and this scheme is the best the Government can afford to offer in fairness and meet its commitments.

The scheme does not jeopardise—and I have spoken to the Deputy Premier about this—any existing person in any existing scheme or arrangement and the Government’s liability towards any person now or in the future. Anyone who goes out of this place and tries to say otherwise is a scaremonger and a deliberate troublemaker—nothing more and nothing less. The scheme seeks to show the principle on which this Government was elected—sound financial

management. I emphasise that we would love a better scheme. Every member of this House would love a better scheme, but we cannot afford a better scheme and I am certain that every Government member stands behind the Deputy Premier and applauds him for coming up with the best that this State can afford at this time. If the scheme is less than the Opposition would like—as it is for us—let the Opposition account for the money it wasted. Let it account for its blunders and mismanagement and let it tell the people of South Australia, ‘You are getting less than you deserve because we mucked it up.’

Mr De LAINE (Price): Most of the points I wish to make have been covered by my colleagues on this side of the House, but I would like to make a few additional points. This Bill is another example of the Government’s broken promises. As I said in my Address in Reply speech recently, this Government has no idea how to run the State or anything else for that matter. If any Government, employer or other organisation wants purposely to run down an organisation and make it ineffectual, it could not do it in a better way than this.

This treacherous measure will destroy absolutely the morale and goodwill of public servants and, without the morale and goodwill of those people, the State will not operate in any way as it should for the benefit of the people of South Australia. I have seen the same situation develop in the private sector where I spent many years, so I know what I am talking about. I have seen situations where such issues and actions have been inflicted on private sector people. I have seen their morale destroyed and I have seen how companies and organisations have gone down rapidly over time and where everything deteriorates and falls apart.

I have seen deliberate confrontations set up in the private sector in situations like this to cause trouble and achieve what the organisation desires. For example, if they are in the manufacturing area and their goods are not selling but building up, they deliberately use some sort of confrontation tactic like this to destroy the morale of the people and cause strike action or whatever in order to cut down on production and serve their own ends. It is a very dishonest way of doing things.

Generally the public sector is staffed by public servants who do a tremendous job. Anything that is done to destroy the morale of these dedicated people is not only disgraceful but invites disaster. I cannot believe that Government members opposite can be so stupid as to publicly expose their ignorance of the way the State public sector works. If the Government’s motive is to save money, and it has said that that is the case, it should be dinkum and also move to reduce the superannuation benefits of members of Parliament. If the Government is dinkum and wants to cut expenses, let it do so right across the board, not just to one part of the working sector.

The member for Florey raised the subject of the police and said that police officers and other public servants can, if they wish, contribute up to 10 per cent of their own salary. It might be okay for the member for Florey on his salary or us on our salaries, but I cannot imagine a police officer, or anyone in the Public Service with a wife and perhaps three or four children, being able to afford to contribute anything like 10 per cent. They have to live. If you take that argument to its fullest extent and say that they could contribute 100 per cent of their salary, they will retire with an enormous superannuation benefit. However, that is a stupid argument because they would not be able to afford to live. The

Government has been contributing 12 per cent to this scheme up to now—

The Hon. S.J. Baker: I wish it had!

Mr De LAINE: Now it is reducing it to six per cent with a promise of increases later on. Six per cent is the absolute minimum that it must contribute to conform with Federal legislation, so it is giving nothing whatsoever to the faithful workers who keep this State running. Make no mistake about it, they are the people who keep the State running. Even if, as the member for Unley said, present public servants are not disadvantaged, the Government is still setting up a very dangerous two tier system which will cause friction and discontent and therefore affect morale and the way the Public Service operates. Several members have already mentioned the example of two public servants or two police officers working side by side, doing the same job and taking the same risks but one having better coverage than the other. That will cause friction and morale problems, once again to the detriment of the services provided and to the people of this State.

I believe that this Bill will substantially destroy the State Public Service. The Government is not only content to cut, slash and burn, but it is also intent, after the decimation occurs, to attack those who are left. They will still be hit after this, and it is very unfair and disgraceful. It will destroy the loyalty and dedication of public servants and invite all sorts of industrial problems, and that is something that the Government possibly has not considered. I am not making threats, but it is a fact of life. If people have their benefits taken away or lose eligibility to take up further protection and benefits, they will react. They will bring it on themselves to create a situation where there is the possibility of industrial action in all sorts of ways. Even if this Bill does pass and industrial action of some sort is taken, and even if the action is successful, it will still destroy much of the loyalty, dedication and morale of those people probably for the rest of their working lives. Once again, the people of this State will suffer. I will wind up with that. This Government will destroy this State as a result of its ignorance in this matter.

The Hon. S.J. BAKER (Treasurer): I thank members for their contribution to this debate. It is important that we understand a few facts. The situation we are in today is the direct responsibility of the former Government. As mentioned by the member for Hart, from the day I entered this Parliament I have pleaded with the Government to fund superannuation. I said that we would not be in a financial position to afford the employer contribution to superannuation, because there is no provision, and the liabilities are increasing. That did not seem to present a problem at the time, but by hell it is a problem now. It is a big problem now. We must remember that it is something for which the Opposition is absolutely responsible. Not only was it careless in the way it conducted the State's finances and not only did it not provide the employer contribution but it also allowed its carelessness to send this State almost bankrupt. In fact, if international standards had been applied and we did not have the backing of a national Government, we would have been bankrupt.

I am amazed at the attitude of those who formed the former Government, and the extent to which their dishonesty is demonstrated within this place. If we want to talk about superannuation, they know that they paid Marcus Clark a fabulous \$500 000 payout for destroying this State, of which \$200 000 was put into a superannuation fund. They all knew

about this. It was silence money. He walked straight out the door with \$1 million. That was condoned by members of the former Government. They were part and parcel of it. They could not get him out the door fast enough so he could not open his mouth, and they know where the fault lies. When I talk about hypocrisy, just look at the record of the former Government. Let us get a few other things on the record.

What the Audit Commission said is that we owe \$4 billion now, and that will go up to \$7 billion. Is anybody here saying that we should not fund the superannuation liability? Even the member for Playford knows that in 1996-97 we will be required to adopt accrual accounting standards. That means they are brought to account: they are not sort of pushed off on the side lines, and they are not hidden like they were before. We have to bring them to account. That will show that the Government is incurring costs far more than it is capable of financing. Unless an attempt is made to get that system under control, the finance markets, the Federal Government, any onlooker will say that we are going down the tube, we are going backwards, and we are not capable of controlling our own financial destiny. That is a fact of life, and the honourable member knows that.

I have given a commitment that I will make sure that the superannuation is funded. If I agreed with the Audit Commission findings, I would have to increase the savings target by another \$50 million a year. I have said we have to do it over a planned period of 30 years to ensure that at the end of the day we pay the bills. The honourable member knows that. We are talking a total of \$4 billion but, if we add up the State's financial liabilities, they are over \$13 billion. I would suggest that he go and look at the budget papers tomorrow when I bring them down.

An honourable member: Do you want to give me a copy of them?

The Hon. S.J. BAKER: No; you will have plenty of time to look at them and see the ruin that you and your mates—

Members interjecting:

The Hon. S.J. BAKER: A certain amount of glee is being expressed on the other side. They are saying, 'All these tough decisions you are making will cause you some grave electoral difficulties in four years.' There is a great deal of glee about the damage they have caused. They say, 'Look what we've done. Aren't we really smart? We have got this State into such a financial mess that anybody who comes in to repair the damage will have to take tough decisions and therefore it will affect their electoral chances.' I think the electorate is a little more mature than that, quite frankly. I believe that the electorate will recognise exactly what damage was done and exactly what measures had to be taken.

I can tell members that we have been bending over backwards to ensure that our coal face services are maintained in as strong a position as possible. But when we have an underlying debt of \$350 million a year, we do not have many options. One option, of course, which was the option pursued by the previous Government, was to do just a little and hope like hell that the position would somehow evaporate or that Father Christmas would come around the corner tomorrow. That is not the way the Government and I operate. Let us look at the record of the previous Government. It did not provide for or secure the future of public servants.

I get no joy out of these things. I am here to do a job. The job is quite clear: I have to get the finances of this State under control. Indeed, if I had followed the dictates of the Audit Commission, the pain would be far greater than it will be. If we had followed the previous Government's policy of saying,

'We will just chop a bit off here or there,' the pain of that savings requirement would be far greater than will be experienced, because people on my side of politics believe in people and delivery of service and they will make every attempt to make sure services are delivered. I do not take any joy from that; nobody on my side takes any joy from that. There is a task to be undertaken. We want people in the public sector to be admired and feel a great deal of satisfaction for the job they do and not be put in the position they were placed in by the former Government.

Change is on the way and dramatic changes are taking place. I know that some fantastic efforts are being made by public servants to assist in that process of change, and I have commented on it. People who have wanted to take up a challenge, who have wanted to see change, have been dragged down by a mediocre, ineffectual Government over the past 11 years. I do not take any pleasure from the actions that are being taken; I just say that we do not have any option. I have not heard one word from the former Government as to how its superannuation plan would have worked. In the Meet the Challenge statement the person who calls himself the Leader of the Opposition said it would work. I can remember that about four days before the election there was a \$500 million to \$600 million hole in it.

Mr Foley: That was Treasury.

The Hon. S.J. BAKER: Now it is Treasury; it's somebody else's fault. Before, it was Marcus Clark's fault; before that it was Treasury's fault.

Mr Foley interjecting:

The DEPUTY SPEAKER: Will the Minister resume his seat. I offer the member for Hart the same advice I have given to colleagues on both sides of the House: I will not tolerate heckling in such a delicate debate. The honourable member will refrain.

The Hon. S.J. BAKER: It is always somebody else's fault. I take responsibility for the things I do. I know that nobody on the other side will take responsibility for the things they did, but the electorate handed down responsibility at the last election. All I am saying here—and I have said it before—is that, if members opposite want this State to be relevant in the nation again, to be seen to be able to achieve, which they have not been able to do over the past 20 years, it is about time they said, 'These are the battle grounds; these are the things that we will oppose, because we do not believe in what you are doing, but let's work out what is common—what things we can both work towards together.' I have not heard a thing from the Opposition to this point. Either that, or we treat it as irrelevant—as just a carping, single-minded, stupid, mediocre Opposition, as it was when it was in government.

Members opposite can make up their mind what they want to do. I would have thought that, at this time, when the Commonwealth Government has taken this State to the cleaners with its grants, when we are paying off the bills of the State Bank, members opposite would show some grace by saying, 'All right, there will be a political battle in 3½ years; we will fight you in the trenches on those issues, but we will assist you in the process of making change in the State.' But that is not in their best interests. They gloat about the damage they have caused, and the unions know that. The unions know that the Opposition says it will stand up for them on this, but they know it is only playing politics, because members opposite are the ones who caused the damage.

This is the replacement scheme. It is consistent with my belief that, if people wish to provide for their future, they should have the ability and be encouraged to do so. The strength of the scheme has already been outlined very eloquently by the member for Florey and I do not have to go back over it. Members should read the second reading contribution, rather than firing off their rubber bullets, which damage their own credibility as well as that of others. The scheme is very sound; it is better than you could ever get in private enterprise. There is a guaranteed return on it and there is a basic provision for invalidity and death which can be enhanced if the member so wishes. In the same way as members of this House have provided for themselves, we are giving public servants the ability and giving strength to that ability by ensuring returns so that people have some certainty about their future. I commend the scheme. If it could be handled in a different way, if we did not face the debt that we have and if we did not face the enormous mounting liabilities in superannuation, it could be different.

I commend the budget for all members to read tomorrow. If they have not already understood it, they can really understand the extent of the challenge we have before us. If members think I will sacrifice what I believe is right for short-sighted solutions, to allay the fears of or in some way to give in to various groups who may have a very valid point but who know underneath that the change we are putting forward at the moment is necessary, they are mistaken.

I believe that this is a sound scheme. If the scheme had been fully funded, as it should have been by the previous Government in the past 11 years, things would be different. I might have been the only voice in the House, but I asked for 11 years for this scheme, because I knew what was going to happen. I could feel what was going to happen. With the Federal Government withdrawing money from the State, so that finances start to stretch as they are at the moment, there is no room to manoeuvre. The good times are when the gravest mistakes are made. The time of difficulty presents itself as we peak and trough in the economic cycles. The Federal Government has scant regard for the States, so we are visited by these difficulties.

Whilst I have no pleasure in closing the previous scheme, I take some pleasure in saying that I am offering the opportunity to those who wish to provide for their future to take up what is available in this scheme. There are probably 73 000 full-time equivalents in the Public Service and to date 28 000 have some form of superannuation. We do not have a full roll call; about 40 per cent of public servants are involved. We are offering an opportunity to those people who have not taken up a scheme but who have had plenty of time to do so. Those people who have not taken up some form of insurance for their future can do so under the new scheme. Of course, any new entrants to the Public Service can also take up this new scheme or they can buy their own private insurance in the marketplace.

I do not know that we had any contribution that was worthy of an Opposition presented to the House on this Bill. Certain questions and amendments will be dealt with in Committee. I commend the Bill to the House.

The House divided on the second reading:

AYES (30)

Allison, H.	Andrew, K. A.
Armitage, M. H.	Ashenden, E. S.
Baker, D. S.	Baker, S. J. (teller)
Bass, R. P.	Becker, H.
Brindal, M. K.	Brokenshire, R. L.

AYES (cont.)

Buckby, M. R.	Caudell, C. J.
Condous, S. G.	Cummins, J. G.
Evans, I. F.	Greig, J. M.
Hall, J. L.	Kerin, R. G.
Kotz, D. C.	Leggett, S. R.
Lewis, I. P.	Matthew, W. A.
Meier, E. J.	Olsen, J. W.
Oswald, J. K. G.	Rosenberg, L. F.
Scalzi, G.	Such, R. B.
Venning, I. H.	Wade, D. E.

NOES (10)

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

PAIRS

Penfold, E. M.	Atkinson, M. J.
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Majority of 20 for the Ayes.

Second reading thus carried.

In Committee.

[Sitting suspended from 6.1 to 7.30 p.m.]

Clauses 1 and 2 passed.

Clause 3—'Interpretation.'

Mr QUIRKE: I move:

Page 2—

Lines 1 to 8—Leave out definition of 'charge percentage' and insert definition as follows:

'charge percentage' is—

- (a) in the case of a member whose conditions of employment are specified in a contract negotiated between the member and his or her employer and which includes an agreement between the member and employer that the value of the charge percentage will be greater than 12—the number representing that value; or
- (b) in any other case—12;

In essence, my amendment will bring the triple S scheme now being proposed to the value of the old scheme, which has just been closed. I imagine that is unlikely, given the numbers to support it in this Committee. However, in some contributions, and one in particular, some figures were trotted out about how a person under this scheme would be better off in retirement at some future stage than is currently the case with police officers under the old scheme.

That is arrant nonsense. What it really says is that you can be as well off provided you dip your hand further in your pocket and take out more of your own money so that you can get the same level of retirement as would have otherwise have been the case. My amendment substitutes the position that should apply, especially for police officers here in South Australia. The amendment sums it up pretty well. An honourable member this afternoon made the comment that to get the same level of benefit at the other end a person would have to put substantially more of his or her own income into superannuation. That, in anyone's book, is a cut in wage rates. As a consequence of that, I commend my amendment to the Committee.

The Hon. S.J. BAKER: I presume that the honourable member will test the validity of this amendment and then let the others lapse if this one fails. Somehow the honourable member has not done his sums. I find it quite extraordinary that with a \$4 billion liability, going on for a \$7 billion liability, he would wish to bring about an even greater

liability than is in the current schemes. He simply does not know what he is talking about. I would have thought he would take a great deal more care in the way that he put these amendments together if he wished them to be considered constructive.

The facts of life are that people can contribute 1 per cent of their income and the employer is supposed to supply 12 per cent of the benefit. That is what he is saying in this amendment. It is sheer incompetence. It does not even represent the current situation. It is great in the current situation. Anybody would like to say, 'If I put 1 per cent in the employer will put in 12 per cent.' That is extraordinary. That benefit is far greater than prevails today.

I do not know from where he has taken his advice, but words fail me in relation to his amendment. I simply cannot understand that he would say to the Public Service, 'You can put in 1 per cent of your salary and the employer will put in 12 per cent of your salary.' That is the effect of this amendment. Of course, if everyone is contributing 6 per cent, it is a two for one contribution, and perhaps that is what the honourable member meant, but that is not exactly what this amendment provides. It does not provide for that at all. So, I do not really believe this amendment is credible. In fact, it is horrendous. The Government has enormous problems on its hands; it does not need this amendment brought before the Committee in this fashion.

Mr QUIRKE: I will note the Deputy Premier's argument in relation to 1 per cent of contribution. The instructions I gave to the drafter were intended to achieve under this scheme, in essence, the same level of benefits as existed under the old scheme. I can assure the Deputy Premier that when this legislation re-emerges, as indeed it will, in the other House, the amendments will be drafted to his satisfaction at that time. The case is a simple one: the Opposition does not believe in public servants or police officers taking a pay cut; it does not believe that the level of superannuation is too generous, and it believes that the current level of superannuation should continue in the scheme.

It really will be a matter of numeracy when it gets into the other place, and we will see how the whole matter proceeds then. I have had a look at these amendments and I think that the Deputy Premier has a case in relation to them. I make it quite clear that this amendment might not have been competently executed, but the intention behind it was to achieve the same level of superannuation benefit for workers in the future as is currently the case and also to remove the predication of this particular Act on the SGC.

The Hon. S.J. BAKER: I thank the honourable member for his explanation. I presumed that that was the direction in which he was heading so I was not as critical as I might have been had I thought he was quite serious about the proposition of a minimum 1 per cent contribution by the employee while collecting a 12 per cent benefit. In fact, I do not think the honourable member can divide under the circumstances and I think the point is taken that the amendment is not exactly what he intended, and that is understood. However, I make it abundantly clear, as I thought I had done on many occasions over a long period, that the \$4 billion becomes \$7 billion, and every major country, every major city and every major county throughout the world is now committing itself to funding its superannuation liabilities.

The Federal Government requires that States take account of their liabilities in the formulation of the annual accounts. Therefore, if the honourable member is saying to us that he wants to increase the privilege of certain groups at the

expense of services then let him say so. Let him go out into the streets and say, 'All right, I will fight this to the wall; I will stop this measure going through if I can humanly do so.' Let him tell the people that if the Government funds the scheme over a 30-year period—and I have not done the calculations—the estimation is that there would be a \$200 million bill over the next 10 years, so somewhere the Government would have to find \$20 million a year, whether it be cut from schools, hospitals or elsewhere.

Let him say that, because I know that people will choose to clean up the scheme now and to go forward, understanding that the difficulties that are being presented to this Government have to be fixed up. This is not of my time or of my choosing, but it has to be done. Perhaps the timing is appropriate. Perhaps the 1990s represents a change of attitude, a desire to get our houses in order and a desire to live within our own means. It may well be that if the situation had been different concerning Joh Bjelke-Petersen, for example, with his capacity to run his Treasury—a very strong Treasury, without a State Bank situation—we would not even be considering this matter here tonight.

We do not enjoy that luxury. The honourable member has to be responsible in the way he approaches this issue. He has not shown that responsibility to date. I defy the honourable member to go back through the records in respect of the accumulating superannuation liability. We have a figure as to what the liabilities were at a certain time. We had some assurances from the then Treasurer (and the honourable member can read the record), who said, 'We will be funding superannuation by 1998.' However, he was simply going to fund the superannuation guarantee scheme, which should have been funded from 1987 onwards. Even then the Labor Government was financially incompetent and quite negligent in its duty to its employees.

I defy the honourable member to check anywhere in the record and show the Committee that we could have had full knowledge of the explosion in liabilities and our sheer incapacity to finance them. I spent a long time looking at alternatives because I thought it might be possible that those liabilities would explode beyond our means. I did not know what the Audit Commission was going to bring down. I looked at all the bits and pieces of the budget, where there was stretch and stress, and superannuation was one of those areas I mentioned many times. I looked at the available capacity to accommodate existing superannuation within the public sector.

When the figures came down they were far worse than anybody in this place suspected. I do not think the member for Playford understood that the \$4 billion would blow out to \$7 billion. Quite frankly, I do not think he understood that. When it comes to cutting the cloth and getting our financial house in order, we are not left with any options. I appreciate the points made by the honourable member; however, we have to get back to a point of responsibility. I have already made the point very clearly that those who have been in the public sector, the 52 000 who have not taken up the opportunity for superannuation when there has been adequate opportunity, have not been disadvantaged. Those who join the public sector in the future will be doing so under the terms and conditions that prevail at the time. They will be influenced by that. They may say, as has been mentioned, 'I can obtain a better deal out in private enterprise.' They might say, 'Look, I want to be employed in the public sector and make my own arrangements.' There will be a number of matters which a person joining the public sector can take on board.

I believe the Government is being fair under the circumstances. We are providing a guarantee. The guarantee may not be as large as it was previously, but we certainly cannot afford the guarantee that was in place. I make quite clear the Government's commitment to press forward with the existing Bill to ensure that we get some element of fairness because fairness cuts all ways. The position enjoyed by those with superannuation against those who do not have superannuation also can be reflected upon in this Chamber if the honourable member so wishes. The amendment is not competent. I understand what the member is driving at but it simply does not achieve that end.

Mr QUIRKE: The Opposition will sort out the proper construction of the amendment when it appears in another place. The Deputy Premier is correct when he says that this is the test amendment: it is the test case. I will make some remarks after the Committee stage. There will be little point in pursuing the matter after this amendment has been tested. In response to what the Deputy Premier has said, it is the view of the Opposition that this is an attempt to cut working conditions for people who have loyally serviced Governments and will loyally service Governments in the future.

As a consequence of that, we find the measure reprehensible as well as the intention behind it. I accept the Deputy Premier's arguments about the amendment's construction, but its intention is simply to provide the same level of benefit for all public servants that they currently enjoy.

Amendment negatived; clause passed.

Remaining clauses (4 to 49) and title passed.

The Hon. S.J. BAKER (Treasurer): I move:
That this Bill be now read a third time.

Mr QUIRKE (Playford): I will not take up too much time because we have debated the measure and the earlier related Bill over four or five hours. The Opposition will not be voting for this measure at the third reading and we will continue the fight in another place. The principles are very simple and involve basic wage justice, which the Opposition has always and will continue to support here and in the other place. Indeed, we find it anathema that the Deputy Premier brings in a Bill which offers to future workers and those 52 000 public servants who did not accept the superannuation packages that were available until May this year—and to future police officers—a much lower level of benefit than that which currently applies.

The Deputy Premier keeps trotting out large figures and says that \$4 billion will become \$7 billion and he tells us that over 10 years we are really looking at a sum of \$200 million. I am grateful that he mentioned that figure, because I confirm to the House that it does cost money to employ civil servants. It costs money to employ police officers, to run gaols, to have judges, and to provide services for families. These people are being disfranchised, because this scheme is much less generous than the previous one, from future superannuation benefits. It is not good enough for members to come in here, as indeed one Government member did, and say 'Well, if they dig deeper into their pocket and take out more money'—and, presumably, that means put more money into the scheme or into private schemes—'then they will get the same level of benefit.'

That is a nonsense argument, and I do not believe it will wash out there in the community. I think there is a basic requirement out there in the electorate (and I think the Government knows it) for wage justice—not wage injustice. What is more, I believe that a large part of the electorate

agrees with the statements that I have made, that no-one's superannuation is safe with this Government. This is one of a series of measures being brought in by this Government that are white-anting the working conditions of men and women who give their service loyally to South Australia every day, both employees now and employees into the future. The arguments have been well canvassed in this House, and there is more legislation to debate here tonight. Indeed, I do not think this is the last we have heard of this matter. The Opposition opposes the Bill.

The House divided on the third reading:

AYES (32)

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

NOES (9)

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

Majority of 23 for the Ayes.

Third reading thus carried.

CORRECTIONAL SERVICES (PRIVATE MANAGEMENT AGREEMENTS) AMENDMENT BILL

Adjourned debate on second reading.
(Continued from 11 August. Page 211.)

Mr FOLEY (Hart): I will just allow the Minister to get into place—

The SPEAKER: Order! It is not the member's responsibility. He should make his contribution.

Mr FOLEY: I apologise, Sir. Again, yet another mistake of a new member, and one who is finding it difficult to accustom himself to the procedures of this place, but I have many learned friends around the place who are ever eager to point me in the right direction. Tonight we are debating a very important Bill. It is a Bill that will have a long lasting effect in terms of the management of South Australian State prisons.

The future of our State's prisons, particularly with respect to whether we should privatise our prisons, is a very important issue that requires a great deal of debate. I was made shadow Minister for Correctional Services some four or five months ago. It was following the appointment of the shadow ministry of the Labor Party, and I have a lot of portfolio responsibilities.

Mr Lewis: Every player wins a prize!

Mr FOLEY: Perhaps that is so, but that does not reduce for me the importance of the responsibilities I now hold.

Becoming a shadow Minister, particularly in an area as complex—

Mr Quirke: He has never won a prize!

Mr FOLEY: He was a shadow Minister once, for a very brief moment. However, I do not want to be distracted by comments from across the Chamber or for that matter in front of me.

The SPEAKER: All interjections are out of order.

Mr FOLEY: Some would suggest I have to call the member for Playford to order, because the Speaker does not.

The SPEAKER: Order! I do not think the honourable member should continue that.

Mr FOLEY: I withdraw that comment and I apologise. The point I make is that being the shadow Minister for prisons is a very important portfolio, particularly at a time when this Government is attempting to embark on a wholesale revolution in terms of the way we manage, operate and fund Correctional Services in this State. It is a responsibility that I hold very important. It is one that I am quite honoured to deal with but, importantly, it is one that requires an enormous amount of work from our side, to ensure that the future prisons policy in this State is appropriate. One of the disappointing factors is that we have in this State a prisons Minister who has in the first eight months been less than impressive, a Minister who has taken on his portfolio responsibilities with, I would almost say, a degree of incompetence not seen in a new Minister in this State.

Mr BRINDAL: On a point of order, Mr Speaker, members are required to address the Bill before the House, and I do not believe the honourable member is doing so.

The SPEAKER: Order! This is a second reading debate and I have been giving the honourable member the latitude of linking up his remarks.

Mr FOLEY: I find a great deal of irony in the member for Unley's defending the member for Bright. This will be a long second reading contribution, because I intend tonight to table some indisputable facts as to why this State should oppose the privatisation of our State's prisons.

The Hon. W.A. Matthew: That's not what you said last week.

Mr FOLEY: It is what I said last week, and I would be quite happy should the Minister wish to talk about what I said last week, because I would be more than happy to talk about what the Minister has said to me. My position is quite firm. We will now get to the substance of the Bill. I like nothing better than a decent political scrap and, if this Minister wants to take me on for a political scrap, let us go for it—even though I understand he refused to debate me tonight on the *7.30 Report* because his political advice was that he should not debate me publicly as he does not come off well.

I approached this issue when I was first given this responsibility. It was clear that the Minister, particularly, was very much in favour of privatising our State's prisons but, over the months since I have been shadow Minister, I knew that I would at some point have to decide whether or not I personally would support private sector involvement in our State's prisons.

I stand in this Parliament, in the Labor Party and, at times, in conflict with the Public Service Association of this State in supporting certain areas of privatisation of Government policy. I have had the strength of my conviction to argue in the forums of the Labor Party for privatisation and private sector involvement in issues such as the former State Bank of South Australia and the ownership of the South Australian Gas Company (SAGASCO), and my comments and views on

the Adelaide Airport and the question of airport ownership are well documented on the public record. So, I stand in this Parliament tonight as one person who has been prepared to look at the issue of private sector involvement in Government policy issue by issue. I have also stood in Labor Party conferences and forums and argued for the retention of Government ownership on issues such as Australian National Lines.

I have always held the view that matters of privatisation, matters of public and private sector involvement, should be looked at issue by issue. I have never subscribed to the view that you can be either a wholesale privatisation person or a total Government ownership person. I have always felt and always argued, and will always argue, that issue by issue should be the only way you approach privatisation.

I come to this debate with a great deal of credibility and a great deal of understanding of the importance of some (and I emphasise the word 'some') private sector involvement in the way Government operations are run. I will admit in this Chamber that, when I was confronted with the shadow portfolio, which I am honoured to deal with and which I look upon with a degree of responsibility, I went into the debate with an open mind, as I have done with every privatisation issue. Unlike the Minister, I did not make up my mind that I wanted a private prison and then spend the next 18 months having to justify it. I decided that it was a worthwhile community debate which was worth researching and discussing and on which it was worth keeping an open mind, and that is the way I approached it. I have adopted that approach on every issue of privatisation because, unlike the Minister, I have an understanding of what makes this economy tick. I have an understanding about what is important to get this economy right.

I have to say that privatising the prison system will not make one iota of difference to the economic welfare of the State. Indeed, it will have a negative impact on the social welfare of the State—a point that I will come back to in my debate. I reiterate that I am not coming from a position of waking up one morning and deciding that I wanted a private prison and then spending the next 18 months travelling to, of all places, southern California, Texas and other States in America, London, St Quentin and so on. I have better things to do with my time than going globetrotting looking at private prisons.

The Hon. W.A. Matthew: It's called research.

Mr FOLEY: I am very pleased that you have said that you have researched the subject, because I look forward to a decent, factual debate. Over the course of the past seven months in my time as shadow Minister, there has not been a lot of decent debate about prisons policy in this State.

The Hon. W.A. Matthew interjecting:

Mr FOLEY: The Minister says that I have not asked him a question about corrections policy for weeks. Do you know what, Sir? He is correct, because I am the shadow Minister for many areas of Government and I have a lot of important areas to cover. I have to tell you, Sir, that I have not asked the Minister for Correctional Services a question because he is irrelevant. I have highlighted throughout the media and those areas of public appreciation the failings of this Minister and this Government. I have not needed the Parliament. I have had other issues to address myself to in this Parliament. I was amused when I was told afterwards that, when I referred to the Minister as being irrelevant, the Premier had a wry smile on his face. Let us get back to the point in front of us; let us have a little substance in the debate.

Members interjecting:

Mr FOLEY: I cannot but comment on the fact that I enjoy seeing the member for Unley defend the member for Bright. That is the height of hypocrisy. This is not a question of whether the present Minister is of long standing or will have long tenure in his portfolio; it is a debate on the substance of this Bill, and I will not be distracted by comments from across the Chamber. I have researched the issue; I have visited private prisons.

The Hon. W.A. Matthew: Tell us which ones.

Mr FOLEY: I will tell you which ones: I have visited Borallon, and I have discussed Junee.

The Hon. W.A. Matthew: You said 'prisons'—plural.

Mr FOLEY: I have visited one private prison. There are only three private prisons in Australia, so I have visited 33.33 per cent of them. I did not need to spend my time overseas in America or England visiting private prisons, but that is beside the point. I have visited Borallon. I have had lengthy discussions with the operators of Junee and with a number of people involved with Junee and, indeed, with a number of people involved with Borallon.

The Hon. W.A. Matthew interjecting:

Mr FOLEY: The Minister interjects across the Chamber as though I must spend all of my waking hours sitting on a jumbo jet travelling around the world to visit private prisons. With only 11 members in Opposition, one must spend one's time judiciously. I have done sufficient research in visiting one private prison and by spending countless hours in discussion with people who operate these private prisons. I have spent many weeks researching written material. I have accessed material from just about every known source on private prisons—both the arguments for and against—throughout the State. I came to this debate today with an open mind. I researched the issue. I came to this debate saying to myself that maybe private prisons can work, maybe there are cost savings, maybe there are better forms of management in the private prisons and maybe there are important benefits to be gained for the community from private prisons.

I went in with that attitude and I researched the matter. Every single one of my views or perceptions on what I thought may have been the case simply did not stack up with decent research and critical analysis of the situation. The Minister can smirk and take the view that what I am saying is wrong, but he will have an opportunity to respond to all my comments. The point I make is that I come to this debate from the position of having done a significant amount research and with a very open mind. I will now come to the substance of the Bill. I thought it was important to make those few brief comments, and I appreciate the tolerance of the Chair.

In my research I spoke to many people who are expert in this area and I researched many papers. Tonight at the beginning of my contribution I would like to quote from some learned scholars, academics and practitioners in the areas of prison policy and private prison policy. With the indulgence of the Chair for just a moment more, I would like to quote an excerpt from the Mount Gambier mid-day news of 25 August 1993, some two months before the last State election. The news broadcast was an interview given by Mr Wayne Matthew, then the Liberal Opposition's Correctional Services spokesman. The broadcast began:

The Arnold Government and the unions—
that means the PSA—

have been accused of starting a dirty tricks campaign in the lead-up to the election by suggesting a Liberal Government has a hidden privatisation agenda.

He accused the unions of starting a dirty tricks campaign in the lead-up to the election by suggesting that a Liberal Government had a hidden privatisation agenda. It continues:

A Queensland University law lecturer had at that time been brought to Adelaide by the Public Service Association to speak out against the privatisation of gaols in that State. The then Opposition spokesman on prisons, Mr Wayne Matthew, is fuming over some of the implied claims.

Mr Matthew was then quoted on 5SE in Mount Gambier. I should say to the Minister: isn't it funny how these things come back to haunt you? He stated:

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

That is a direct quote. The Minister knows it because he said it. I am a member of the elected Parliament. As a shadow Minister it is my responsibility to bring before the House the inconsistencies, hypocrisy and backflips by the Government. The Government can make any comment it likes, but as long as this Minister and Government continue to break every election promise that it has made, it will cop it from me. I will stand in this Chamber and highlight this hypocrisy. Two months before the election he would not do it, but now he is doing it.

I will move on to the substance of the debate, and start with a paper by Mr Paul Moyle, a Research Fellow of the Crime Research Centre at the University of Western Australia. He is a noted scholar and academic on prisons in this country.

The Hon. W.A. Matthew: A noted opponent.

Mr FOLEY: A noted opponent of private prisons, exactly. That is why I am quoting from him. Do you think I would not quote from him if I were arguing against it? This is dynamite across the Chamber. Mr Paul Moyle has spent a number of years extensively researching private prisons. He brings some important comment to this whole debate. From the outset he is saying that in looking at private prisons one should look at two fundamental issues: the allocation and administration of punishment. In those important key points this Bill is fatally flawed. I have to admit that even if I were prepared to accept the need for private prisons in this State, I would tear this Bill to shreds because it is fundamentally flawed. The Minister has brought into this Chamber a Bill arguing the case for private prisons, but it is absolutely full of holes.

Mr Moyle says that the division between the allocation and administration of punishment is the most fundamental issue when addressing the question whether or not one should have private sector management in prisons. He goes on to say that there have been variations about how one should categorise the exercise of a particular power, but this does not affect the basic point that there is at some point a constitutional and political limitation upon how far one can delegate powers to allocate punishment. He says that the reasons for this are numerous. I agree.

We are talking not simply about bringing in Smith Brothers Private Prison Managers, but about the State delegating responsibility for the administration of its

punishment. We are talking not about bringing in Wormald Security or whomsoever to check people at the airport to see whether they are carrying a gun or whether or not one's premises are secure, but about the delivery of the fundamental issue of punishment. It is not good enough to merge the issues of the allocation and administration of punishment. It is one thing to manage the books of a private prison; it is another to decide who should get what punishment. This Bill is fundamentally flawed in that regard. It simply does not address or clarify the issue. Indeed, they merge as to where allocation becomes administration.

On a very fundamental point the Minister falls down. On the fundamental premise of how good law is written on private prisons, this Minister gets it wrong. I find it without precedent that we have a Minister debating one of the most fundamental pieces of prison legislation in this State and he has but one adviser sitting next to him.

The SPEAKER: Order! The honourable member should not refer to advisers.

Mr FOLEY: I apologise, Sir. The Minister is sailing on his own on this Bill, because it is very much his Bill. It is not the department's Bill, it is not the bureaucracy's Bill; it is his Bill. I will give him credit—

The Hon. W.A. Matthew interjecting:

Mr FOLEY: You can say 'careful' as much as you like. But I will give you credit—and this is about it—for the fact that you have been consistent; you have always wanted private prisons. There may well have been times when you were not prepared to say it publicly or privately, but I will give you credit because you have been a strong advocate—both publicly and privately—of private prisons. On that issue you have not wavered—even though publicly, in Mount Gambier on 25 August, for political reasons you did. I will give it to you that privately you have always been a great advocate of the private prison system. Mr Speaker, I apologise about the indiscretion in relation to advisers; that was because of a lack of experience in this Chamber.

Returning to the question of whether we have the allocation or administration of punishment, in any journal you read, whether it be Paul Moyle or anyone else, be it journals from the United Kingdom or from the United States, the two fundamental issues that are always raised at the beginning of a Bill are the allocation and the administration of private prisons. That is the fundamental issue that is raised in all the papers that I have read on this issue.

I must point out that I probably do have some apologies to offer to the Minister and his staff. I understand that there are advisers in the gallery. So I unreservedly withdraw the implication that the Minister did not have advisers here. I note that they are in the gallery, so I am—

An honourable member interjecting:

Mr FOLEY: No, I am prepared to acknowledge when I am wrong. That is not a bad quality in someone: actually to acknowledge when they are wrong. You should learn from it, Bob. Mr Speaker—

The Hon. R.B. Such interjecting:

Mr FOLEY: Bob, if you don't want to listen to some reasoned debate on this issue—

The Hon. R.B. Such: I do; I am waiting for it.

Mr FOLEY: I will move along. I have just touched on the question of the allocation and administration of punishment. It is a fundamental principle of this Bill, or any Bill dealing with private prisons, and it is sadly lacking. I will now quote some experts in this area. I am sure that the member for Fisher does not want to hear me waffle. So, let us hear what

some of the bureaucrats, experts and academics say about private prisons in this country. I again quote from Mr Paul Moyle, who states:

Within Australia—

The Hon. W.A. Matthew: Who paid his air fare?

Mr FOLEY: Who paid Mr Paul Moyle's air fare? Let's have a discussion about that later if the Minister would like to know. I am quite happy to talk to him about that.

The SPEAKER: Order! I suggest that the Minister not interject across the Chamber.

Mr FOLEY: Mr Moyle states:

Within Australia, specific research has been done exploring the limitations of private sector involvement in corrections.

For example, Mr Moyle argues:

... The first issues that any Government should consider before it privatises aspects of the criminal justice system, is whether for reasons of public policy and good Government, it should allow companies to manage correctional facilities.

We go to the heart of the reason: what is the motivation? Is it financial, philosophical or social? Mr Moyle continues:

The solution to the problem that private companies should not allocate punishment is to follow English precedent.

In England—the very place in which this Minister spent some time earlier this year—this whole issue of the allocation and administration of punishment is acknowledged at the very beginning of legislation. Mr Moyle further states:

The Criminal Justice Act 1991 (England) which applies to all private prisons recognises that private companies should not [and I repeat 'should not'] allocate punishment.

The Minister is publicly saying that this Bill is developed and modelled on United Kingdom law. Well, it already falls down on the first fundamental test. Even the Conservative Party of the United Kingdom clearly believes that allowing private companies to allocate punishment breaches fundamental constitutional and political rights.

Private prison operators are accountable to shareholders: they are not accountable to the State. When I had to make up my mind whether or not I supported private prisons, I had to come at it from a number of avenues. Company law tells us that, if I am or any of us is a shareholder in a private or public company, we elect directors. The fiduciary duty of a director is to deliver the best financial outcome for the shareholder. I do not hold any shares in a company but, if I did, I would expect—indeed demand—that director to look after my financial interest as a shareholder.

This is the first point that started me thinking, 'Well, perhaps this is not all it is cracked up to be.' A private company running a prison in this State might have to make a decision about a course of action that will impact on the financial cost of that operation. If that company must spend a certain amount of money, for example, to increase security, to provide services, education or rehabilitation programs, and if a fine line is involved, the manager of that prison might have to make a fundamental decision whether to provide increased resources to enable the immediate need to be met or to look after the shareholders' interests. If that extra expenditure impacts on the bottom line operation of the company, and if that manager and director makes a decision that is against the interests of a shareholder, that director is in breach of his or her fiduciary duty.

Under new company law instituted within this nation (and I am actually on the board of a community organisation that is having a few problems in this regard), as any member in this House would know, a director must always adhere to his

or her fiduciary duty. So, all of a sudden you have a conflict between shareholder and State need. Quite frankly, I am not prepared to take that risk. I am not prepared to allow this Minister, this Government or any Government to compromise our State's correctional services institutions in such a manner. That is a pretty compelling argument—the first argument that started me to think that this was not as it seemed.

Let us just have a look what some fellow conservatives have said in the United Kingdom. Kenneth Clarke is hardly a Labor leaning person: indeed, he is a very conservative Tory. On 3 February 1993, Mr Kenneth Clarke, as the Secretary of State for the Home Department in the United Kingdom, indicated in parliamentary debate, while discussing the Prisons Act:

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

Under United Kingdom law that means that the private prison must have a controller. There must be a full-time, permanent senior person within the prison at all times—not for three months or eight months, or as a visiting fellow: that person must be there always. And there can be no use of force unless that person has given it the tick. That provision is missing from this Bill.

So, how can the Opposition be expected to treat this legislation seriously when fundamental issues such as that are missing from the Act? I would hardly have thought that John Major's Government in the United Kingdom was a compassionate Left leaning Government—perhaps it was a tad more Left than Margaret might have had it, but it is still a Tory Conservative Government. Kenneth Clarke made the point that he would not support a Bill that, first, did not have a controller and, secondly, did not have a controller who had ultimate power within that prison. Within the Minister's own Bill, there is absolutely no mention of that.

A visiting monitor might come along; we might put somebody in there for a couple of months and, once we thought the company was rolling along well, we just might let it roll. That is not good enough. I never thought I would be speaking in this Parliament, almost having some degree of empathy with the position of the Home Secretary of the United Kingdom. Again, I have highlighted a fundamental flaw in this Bill. In the same debate, Mr Tony Blair—a great Labour politician—the member for Sedgefield, stated:

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

This comes back to my earlier point about this conflict between shareholders and the good and the needs of the State. In a bipartisan spirit I have quoted both a Tory conservative and a Labour politician from the United Kingdom. There is no doubt that we have in Queensland two private prisons, one of which I visited. I have spent quite significant time with authorities from Queensland and New South Wales—

Mr Brokenshire interjecting:

Mr FOLEY: The member opposite interjects that the Labor Government in Queensland has a private prison. It has two. I am a Labor politician, elected by South Australians to serve the interests of South Australians.

The Hon. R.B. Such interjecting:

Mr FOLEY: Quite frankly, whether Wayne Goss or the Liberal Government chooses to operate private prisons is irrelevant. If the member for Fisher wants to be so reckless and careless as to quote what other Governments do, I suspect I could throw back to members opposite some anomalies between Governments of South Australia and Governments of other States. Let us not debate that because I suspect I have some ammunition that would somewhat embarrass members opposite.

I am not prepared to stand in this Chamber and sycophantically support something Wayne Goss does, because I have made my mind up. I have convinced my Caucus colleagues of the arguments why we should oppose private prisons. I feel comfortable in that position. I advocated that position and I am presenting the reasons why to the Chamber tonight. The debate, of course, has now moved to Victoria, and the Kennett Government is looking very closely at the issue of private prisons. It is timely to bring into the debate the fact that in the United States, which has essentially been the home of private prisons, 2 per cent of prisons are privatised.

In Australia at present we are hitting about 8 per cent. Should this legislation be successful and should Jeff Kennett be successful that number could well exceed 10 per cent. We hold the United States up as the model. It has 2 per cent, and we have quotable examples of gaols in the Deep South—Florida—and in California. They always seem to be in the Deep South, where they have a strange approach to punishment. They have 2 per cent and in this State and in this country the zealots supporting private prisons are heading towards 10 per cent. The Minister nodded before. He was pretty happy about that—no doubt he is. He might like 20 per cent but he is not going to get it.

The Hon. W.A. Matthew interjecting:

Mr FOLEY: The Minister says, 'We'll see.' We will see because he has the numbers in this Chamber but does he have the numbers elsewhere? But that is for a later debate. In America the proportion of population housed in private prisons has hit only 2 per cent.

An honourable member interjecting:

Mr FOLEY: Whether they have 60 or 600 is irrelevant to the debate: 2 per cent of their prison population is housed by private prisons. The Minister wants 10 per cent. The United Kingdom has just implemented the privatisation of prisons and by all reports it is certainly not reaching all expectations. This Bill assumes that the private sector will increase the cost effectiveness of service delivery and that it will stimulate dramatic improvement in the quality and the cost effectiveness of service provision. It is by no means clear whether the private sector can manage a prison as cost effectively as a comparable public prison.

I now want to get to the crux of the issue financially, and I hope the Minister will give me the courtesy of listening to these numbers. I again wish to quote from the report written by Paul Moyle, the Research Fellow from the Crime Research Centre at the University of Western Australia, in order to look at an analysis of the costs involved in private prisons. Whether the Minister chooses to listen or not is his prerogative; he can read *Hansard* tomorrow. These numbers are not fictitious; they are provided by the Queensland Corrective Service Commission. Paul Moyle states:

Examining the Expenditure Statement from 1 July 1990 to 31 May 1991, we can see that Borallon [private prison] had an estimated budget—

and the Minister might want to jot these numbers down—

The Hon. W.A. Matthew interjecting:

Mr FOLEY:—I am coming to that, so just listen—
of \$8.149 million dollars—

the budgeted figure was \$8.149 million—

with an actual budget of \$8.155 million.

So it in fact exceeded what had been the estimated budget. It goes on:

The estimated budget is a determined budget for a given centre. Therefore Borallon was over budget for this period. For the same period Lotus Glen—

which was a public institution—

had an estimated budget of \$7.305 million and an actual budget of \$7.028 million. This means that the actual budget was less than the estimated budget. This indicates that Lotus Glen was able to operate efficiently within its budget whereas Borallon exceeded its budget. The same trend exists in relation to the anticipated forecast to 30 June 1991. Borallon's anticipated annual budget was \$8.9 million and its forecast was \$8.909 million. Therefore, the forecast exceeded the annual budget. On the other hand, Lotus Glen did not exceed its forecasted budget. It was able to work within the financial perimeters of the department so as to have nil variance.

I am establishing this notion that private prisons are automatically more cost effective. I visited Borallon Prison before I had this research information available to me and I quizzed the Manager of that prison at length about the financial savings in private prisons. He no doubt has a vested interest—I respect the man for his professionalism and I am not doubting his own sincerity in what he told me—but he said to me, 'The real objective of private prisons is not to get financial savings, but on best estimate we have achieved savings to recurrent expenditure of 6 to 8 per cent.' That was his opinion and he made that statement to me prior to my receiving the figures which I just quoted to the House and which actually showed that, in fact, that was not the case in the years 1990-91. The Minister may well have some figures for 1992-93. I do not have those figures; he does, so let us hear from him later.

The point is that this Minister has returned from the United Kingdom and he is telling us both publicly and privately that he will achieve savings of between 20 and 45 per cent. You could have knocked me down with a feather when I heard that, and that is fair dinkum. If he had sat me down and said, 'Well, Kevin, I reckon we could achieve savings of between 5 and 10 per cent' I would have thought that he may be within the parameter but, no, as usual this Minister goes for overkill. I do not know whether that is the result of a lack of good advice he is receiving, whether it is because he does not listen to advice or whether it is because he wants to build an argument to sustain his position, but he is on the public record stating that savings will be achieved by his Bill of between 20 and 45 per cent. He has said that publicly; he knows it, and I have it on record.

The Hon. W.A. Matthew interjecting:

Mr FOLEY: What figure are we talking about in your Bill?

The Hon. W.A. Matthew: We are looking in the vicinity of 20 per cent.

The SPEAKER: Order! It is not Question Time. The honourable member will address his remarks through the Chair and not the Minister.

Mr FOLEY: I apologise, Sir. The point I am making is that again we have an ill-prepared Bill and an ill-prepared Minister: it is a cocktail for disaster. You do not make good law in this State unless you have a Minister who is on top of his portfolio, who is well prepared and able to execute good argument. There are other people who have views on private

prisons. In fact, I have consulted widely on this matter. I refer to Dr Allan Brown, who is the senior lecturer in economics at Griffith University. He states as follows:

The notable feature of the cost comparisons between Borallon [private prison in Queensland] and Lotus Glen [the public prison] is the trend over the two financial years. Each figure of net and gross annual cost per prisoner indicates an increase for Borallon and a reduction for Lotus Glen. The 4.4 per cent advantage for Borallon for 1991-92 in relation to net cost per prisoner became a 9 per cent advantage for Lotus Glen in 1992-93; and the 23.1 per cent margin of Borallon over Lotus Glen for gross cost per prisoner in 1991-92 decreased to 11.4 per cent in 1992-93.

The point in those numbers is that you can start with a big number and, before you know it, it is whittled down. Unlike members opposite and unlike the Minister, I have experience in the private sector. I know a little bit about tendering. When you are a private sector company bidding for something it is all about estimation: what it will cost Foley Enterprises, for example, to run a new prison.

Members interjecting:

Mr FOLEY: Perhaps that is not the best analogy.

Mr Kerin interjecting:

Mr FOLEY: Perhaps 'Robbie Kerin Enterprises' for want of another name. So, Kerin Enterprises says that it wants to bid for this prison. It gets all the tender documents and works out the numbers. Kerin Enterprises has never worked on this type of project before and I come in with a global figure of \$10 million to run the prison. I have never done this type of thing before, so I build the odd cost escalation into my contract. I entice the Minister and the Government to support my tender because I am 25 per cent below what it costs a Minister to run a prison. Over the next few years, because it costs a bit more to provide breakfast, security and other ancillary items, I jack up the price.

Documented evidence will attest to this point. The price quoted by private prison contractors when they walk into a prison is not the price that applies at the end of that tender period. They have cost escalations and parameters. The Minister should not walk up like an absolute gimme and say, 'I will take that price, it is the cheapest available', because in three or four years any cost advantage perceived by the Minister disappears. That is what Dr Allan Brown says in his paper. Whilst there may have been a perceived saving of some 40 per cent, within two years it is down to 13 per cent and perhaps within four years it will be down to zero. I now quote from somebody whom I suspect members opposite will accept as a reasonable authority.

Mr Leggett: Name him!

Mr FOLEY: I will name this person.

Members interjecting:

Mr FOLEY: Maybe I will save that one for a bit later.

Mr Caudell interjecting:

Mr FOLEY: I have documents all over the place that I can quote from on this issue. I will read a report on the privatisation of prisons. It is an international overview and debate on the whole issue. It is from Belgium.

Mr Caudell interjecting:

Mr FOLEY: I have them all here. The member to my left must have been disappointed when he was given that suit! This is an international paper from—

Members interjecting:

The ACTING SPEAKER (Mr Bass): Order! The member for Mitchell does not need to assist the member for Hart.

Mr FOLEY: Thank you, Sir. It is good to see an Acting Speaker defend me. The paper states:

A key issue in the privatisation debate is the propriety of private prisons and the changing role of the State. However, the debate on this issue is often riddled with ideology and sometimes confusing because of a failure to draw a distinction between the allocation and the execution of punishment.

On the issue of privatisation of punishment the European paper goes on to say:

Opponents consider punishment as a core function of the modern State. A major argument against privatisation is that it will undermine the very essence of a liberal democratic state.

The wets opposite should understand that point, not that I expect the Minister to, because he is a late conversion to the wets.

Members interjecting:

Mr FOLEY: That is a careless comment.

The ACTING SPEAKER: Order!

Mr FOLEY: At the end of the day, it is a question of who administers punishment. I am quoting from a European paper, and it is interesting to note that private prisons have not caught on in Europe. My research indicates that there are no private prisons in Europe.

The Hon. W.A. Matthew interjecting:

Mr FOLEY: Fancy the Minister calling me a goose. If that is all the Minister ever calls me, I am okay. Before the Minister rudely interrupted me I was talking about mainland Europe. I am advised that no country in mainland Europe has a private prison. I am quoting a paper from a European source. That is another independent paper, and we are riddled with private papers. I now turn to a paper prepared by the Australian Institute of Criminology, Canberra, in the Australian Capital Territory. Titled 'Private Sector and Community Involvement in the Criminal Justice System', let us see what a couple of learned criminologists say, as follows:

The issue of a political limitation has been discussed in Australian literature recently.

They then say:

... the State can delegate its power in the criminal justice system generally, and specifically in the rights to imprison and use deadly force. The State developed through the assumption of sole responsibility and control of law making, policing and punishment, that is, the rule of law.

More recently McCarthy has developed this point by stressing that there is enormous symbolism associated with the following:

... concept of a social contract, especially because it is the theory that underlines our concept of parliamentary democracy today. Given that Governments make the laws, and through the judiciary try and punish offenders—

Mr CLARKE: Mr Acting Speaker, I draw your attention to the state of the House.

A quorum having been formed:

Mr FOLEY: A little later this report from the Australian Institute of Criminology refers to dual standards, as follows:

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

I have visited Borallon, and what struck me was the fact that there appeared to be some selective prisoners put into that institution. I have a paper here somewhere that actually highlights the exemptions that are applied to Borallon. So, if you have a prison that has the best prisoners, the easiest prisoners, the calmest prisoners and not the most violent prisoners, it is an easier prison to manage.

Members interjecting:

Mr FOLEY: Members can laugh, but you can make a private prison look good and Borallon is made to look good.

Members interjecting:

Mr FOLEY: No, you put prisoners in there that are the least cost to administer to make your numbers look good. The report continues:

Even though Borallon has been reclassified a medium security facility, recent data on correctional centre prisoner classification and categories indicates that Borallon has the highest number of exclusions available to it.

That refers to those prisoners that Borallon refuses to accept. And they are:

- prisoners subject to extradition or deportation;
- reception prisoners (sentenced and/or remand) direct from courts/police;
- prisoners requiring extended hospital or infirmary care;
- prisoners who have escaped or attempted to escape during the preceding 12 months from a high, medium or low security institution or while on escort;

Members interjecting:

Mr FOLEY: If you want to debate the issue be prepared to listen.

The ACTING SPEAKER: Order! The member for Hart, the member for Mitchell, the member for Davenport and, I think, the member for Hanson could get an early minute if interjections continue. The Speaker warned the House earlier today about interjecting, as I understand did the Deputy Speaker. The member for Hart has the floor.

Mr FOLEY: The other exclusions are:

- prisoners who have had serious breaches of regulations, for example, violent, assaultive behaviour on either other prisoners or staff during existing and/or previous periods of imprisonment within the preceding 12 months;
- prisoners with documented recent history of psychiatric or emotional behavioural disturbance;
- prisoners who have been involved in the taking of a hostage while in legal custody;
- genuine protection/high risk prisoners;
- prisoners identified as suffering from communicable diseases (hepatitis B and AIDS).

Mr De Laine: What's left?

Mr FOLEY: Not a lot left—exactly.

Members interjecting:

Mr FOLEY: I am patiently trying to debate and put on this public record important information. If members in this Chamber wish to ridicule this information, so be it, but I am going to put it on the public record because I for one believe in decent debate. If you want to beat me on the numbers, beat me on the numbers, but give me the opportunity to put the debate on the record. With those exemptions, there are not a lot of prisoners left, so therefore the picture I am painting is that the cost of administering what is left out of that is not necessarily the same as if you were administering all those prisoners. What they do is pick the apples out of the barrel, put them in the private prison, get the bottom line looking pretty good, publish the figures, and whack all the rest off to the public system. Then they complain because it costs too much to house them in a public prison—a pretty simplistic and stupid argument. That is an independent report from the Australian Institute of Criminology.

The Hon. W.A. Matthew: What year is it?

Mr FOLEY: It is dated 2 December 1992. I can give you a copy, if you like. Let us look at another journal, the *Alternative Law Journal*, formerly the *Legal Services Bulletin*. Let us look at what it says.

An honourable member interjecting:

Mr FOLEY: I am trying to put on the record a variety of opinion. I am not bringing into this Parliament the opinion of a politician. Nor am I accepting the opinion of a Minister. I am putting on the record the important public opinion from a cross-section of the community. This article from the *Alternative Law Journal*, formerly the *Legal Services Bulletin*, says the following about privatisation of prisons. It asks the question, 'Is it philosophically justifiable to allow a private enterprise to profit from punishment?' Think that one through. Is it justifiable to allow people to make money from private prisoners? 'What are the effects of allowing profit from punishment? How will people react to being the subject of profit? Will people become just another commodity to be traded in the marketplace?'

An honourable member interjecting:

The ACTING SPEAKER: If the member for Mitchell wishes to leave early, keep it up. The member for Hart.

Mr FOLEY: The article continues, 'Is it appropriate that imprisonment which involves suffering be transformed into a commercial innovation? Should imprisonment be treated differently from profiting from illness, i.e., private health service? Will the privatisation of prisons in Australia lead to a two-tiered system in which the better behaved prisoners will be sent to a private sector prison?' As I illustrated before, the better behaved prisoners go to the private prison to justify the decision of the Government, to give the Minister a bottom line that he can justifiably argue. That would then leave the so-called intractables to the public sector. That is already evident at Borallon, which takes a select prison population who are not protection prisoners. That is not me, the politician. That is not the member for Hart, the shadow Minister, for political reasons making that comment. It is an independent journal making that comment.

It further states, 'How will maximising profits, a genuine concern of private sector companies, affect the type and operation of prisons? Will the objective of lowering expenditure in order to maximise profits lead to a reduction in programs for inmates, maximum electronic surveillance, minimum staff, minimum programs, minimum contact between prisoners and prison staff, a liquid diet, few family visits and less recreational time?' If you want to make a dollar out of a prison, what do you do? What is the single largest cost component of a prison? It is the cost of the personnel to secure that prison. So, if you want to make cost reductions in a prison system, under a private sector management, how do you think you will do it? They will not buy their bricks more cheaply to build the place. They will not buy their cars or trucks more cheaply.

An honourable member interjecting:

Mr FOLEY: If they can buy their bricks more cheaply to build a prison, they should buy their bricks more cheaply to build a few schools around the place. The bottom line is that they will not buy their bricks more cheaply. They will not buy their vans or their food more cheaply—

Mr Brokenshire interjecting:

Mr FOLEY: The honourable member opposite said, 'Make a person work for a change.' The member for Mawson said, 'Make them work harder.' Was that the comment?

Mr Brokenshire: Make the prisoners work for a change.

Mr FOLEY: I have never worked in a prison, but I think it is a slight on any prison officer to suggest they should work harder.

Members interjecting:

Mr FOLEY: I have never worked in a prison. I have visited prisons, and I do not envy those jobs. It is not for me

to criticise prison officers; I will leave that for the members of the Government. The point I am making is: how do you achieve these savings? Let us have a look at Junee and where it makes savings. It has minimum staff in terms of prisoner numbers on the floor and in prison management. It had cameras everywhere, razor wire, lights and trip-wires: get rid of the control towers, build ourselves a fortress 2000 and whack them in!

The Hon. W.A. Matthew interjecting:

Mr FOLEY: No, I say to the Minister that I do not actually get my kicks running around the country or around the world looking at private prisons. If that is his kettle of fish, he can sit with it. I do not like going around looking at prisons in all my spare moments: I will leave that to him. In Junee, where they have a skeleton staff and high technology, and where they make savings through the reduction in staff, what happened a few months ago? A prisoner nearly died. That person could have been a prison guard for all it mattered. But when somebody is getting the living daylight's kicked out of them, whether it be a prison officer or a prisoner, they deserve to be protected. What was the response time? Nearly 10 minutes. It was videotaped and shown on national television. It was an absolute disgrace to this country: it took nearly 10 minutes for a response team to get in and save that prisoner.

That person nearly died. Some might say, 'He was only a prisoner.' I do not care. Whether it be a prisoner or a prison officer, that person deserves protection, and the private prison system failed miserably. It did not have the capacity to respond; it did not have the personnel to respond; it did not have the ability to respond; and it did not have the numbers. It did not have the personnel in the prison. It barely had enough personnel to staff its normal functions. The management could not take people off their normal duties to respond. If you ask anybody with a decent shred of objectivity about private prisons, they will all tell you about Junee. That has been told to me from people on the left of the ideology through to the right. Junee is proving to be a disaster for the private prison industry in this country.

They have tried to make Borallon the model, but Junee is becoming a disaster. That has been told to me by people within senior ranks of the New South Wales Department of Corrections. The most senior people have told me that Junee is their nightmare, and this Minister wants that here. He should be ashamed.

The Hon. W.A. Matthew interjecting:

Mr FOLEY: The Minister interjects that prisoners in South Australia have died. I do not know what inference the Minister is drawing as to why those prisoners have died. Perhaps he may elaborate in his response to this debate. The management of prisons in this or any country is not a particularly easy job and one that I am not sure that I would want to have to do, but we as a Parliament and those in the Government have a responsibility to ensure that we provide those managing our prisons with the most resources possible and with a degree of support. At the end of the day, this is a Government that is going about privatising anything that is not bolted down.

The Minister may have his own problems about how he manages his budget and how the Audit Commission told him to manage his budget, but there is not the economic drive, need or justification to put our State's prison system through the turmoil we are talking about. Minister, in eight months you have achieved what few Ministers could do in a decade. Your performance, particularly in prisons, leaves a lot to be

desired. You can pull back from that, and there are occasional signs that you are starting to learn about the responsibilities of being a Minister. You do not make absurd comments as you were prone to do early in your time as a Minister.

The Hon. W.A. MATTHEW: I rise on a point of order, Mr Acting Speaker; I draw your attention to Standing Order 127, which refers to personal reflections on members. I believe that the member opposite is making a personal reflection on me and in doing so is making a fool of himself.

The ACTING SPEAKER: I do not think the added comment did anything for the debate, Minister. I remind the member for Hart of Standing Order 127; the honourable member should not make personal reflections on any other member and I ask him not to do so.

Mr FOLEY: I acknowledge your ruling, Mr Acting Speaker, and point out that in making his point of order the Minister made a personal reflection on me, but I will not be so immature as to quote rule 127. I am strong enough to take that sort of comment from the Minister; I do not hide behind Standing Orders. Let us look at what the Western Australian Attorney-General had to say. This is where we start to draw the argument into some decent piece of public policy and administration. This is what I have asked for from this Government—a bit of creativity, lateral thinking and ability. But what have we seen? We have seen just copycat stuff from this Minister. Let us look at what the Hon. Cheryl Edwardes, the Western Australian Attorney-General, had to say recently.

The Hon. W.A. Matthew interjecting:

Mr FOLEY: I will. It is a ministerial statement entitled Prison Reform Package. I am sure some people are getting a bit tired of my talking but, if the Minister wants to hear it, I will read it all. This is a right wing Tory Government that chose not to head down the road of private prisons. This is a right wing Tory Government that said, 'Yes, our prison system needs some reform and needs to reduce expenditure.' All Government expenditure needs to be reduced in the context of Western Australia and I admit it is no different here, but they were creative. They attacked the problem collectively, creatively and with a degree of panache. They did not bring out the baseball bat of privatisation. I quote from the Liberal Western Australian Attorney-General as follows:

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

That was a deal between bureaucracy and unions; that means a deal between the Government and the prison officers. The Attorney-General continues:

It is an agreement upon which each union member was entitled to vote and supported by over 50 per cent of those officers who participated in the ballot. Members should not underestimate the importance of this agreement—which in effect means that Western Australia has achieved what no other prison operator in Australia, the United States and the United Kingdom has been able to do—that is provide for cost savings within our prison system to match those offered by the private sector. Here in Australia, some States—

and one can only assume that that means Queensland and New South Wales—

have already introduced private prisons to achieve savings. However, these savings have not flowed on to State run prisons at the level hoped and are unlikely to be achieved without protracted industrial disputes. By reaching this agreement in Western Australia we have, therefore, effectively jumped 10 years ahead of these States who are likely to be grappling with industrial issues and management

problems for the next decade as they bring the state prisons into line with those in the private sector.

We have avoided this conflict and have achieved across the board savings in all of our prisons in one hit from the date of implementation: 1 July 1994. The process we are now undertaking is to achieve savings of a considerable magnitude, an estimated \$8 million annually or a 10 per cent cut in the State's prisons operation budget. These savings will be achieved through a package which includes—

I am not sure that we need to go through the whole package, but it is there and the Minister is obviously reading a copy as I speak.

The Hon. W.A. Matthew interjecting:

Mr FOLEY: I can put it on the record—I have no problem with that.

An honourable member interjecting:

Mr FOLEY: I am not advocating what this Minister has said: I am highlighting the approach they took as against implementing a private prison. It is not what I am advocating, but what they did. It is highlighting that there are other ways to deal with the issue. It further states:

A return to a 40 hour week; reconstruction of sick leave entitlements; the introduction of an annualised salary, which incorporates components in lieu of penalty rates, shift allowances and overtime; greater flexibility of annual leave; the removal of medical and pharmaceutical benefits; a reduction for a natural attrition of 129 staff positions. Prison officers have given a commitment to achieve the savings and, as a result, make our prisons competitive with those in the private sector. Provided the savings and efficiencies are achieved, the Government of WA has given an undertaking not to privatise any existing Western Australian prison or contract out existing standard duties of prison officers in this State before 31 December 1997. This package is a milestone in industrial relations in this State, both in its content and negotiation process. It is also just the beginning, with further negotiations to take place.

I will not go on, but basically it says that the Government and the unions sat down and decided that they had a problem and that they should work it through. Whether that solution is acceptable to the union or its officers is not for me to say: it is not my responsibility. It may well be that some of those conditions are not acceptable to the unions in this State. That is their issue to manage. However, it demonstrates that it was a Tory Government in Western Australia that said, 'We do not think that private prisons work. We think that to achieve savings there are other ways to do it.' They got creative, got clever, worked it through and sat down with the trade union movement and delivered cost reductions, cost savings and essentially the goal that this Government is attempting to achieve was achieved in Western Australia just like that. Why can't this Government do it?

I pose the question to the Minister, if he would but listen: 'Why will he not look at sitting down with the trade union movement in this State, the Public Service Association and talk through the issue?' What does it matter whether you have private sector involvement? If you want to make some savings, the trade union movement in this State has demonstrated that it has the ability and the skill to deliver efficiency savings, if you talk to them. You do not have to shut them out.

That leads me to another important point, namely, as to what is driving this Minister and this Government. It wants to put up Mount Gambier as its test case, a prison which this Minister visited earlier in the year and he received extensive media exposure standing at the front of the prison saying what a terrible institution it was. He proceeded to outline a program of expanding it. The Minister wants to get private sector operators into that prison. I will question the Minister in Committee, but what does he say to the comment that his officers, his management, have already shown him the way

to deliver a greatly reduced cost of operation of that prison? The Minister has refused to listen and I have empathy with the prison officers and the PSA if they have as much trouble getting the Minister to pay attention as I am currently having. However, if I were in such a delicate position in my Party I would probably want to talk to every backbencher as well. Anyway, it is on the public record and he can answer that question in Committee.

Why will he not sit down with the union and ask, 'Can you deliver me the savings?' That is not an unreasonable question. The union has a choice: it can say 'No', and it knows what the alternative may be. But give it the chance. Why will he not say to the union movement, 'Deliver me savings to Mount Gambier?' The union has told the Minister that it can deliver the savings that he wants. It has documented the savings, so why will the Minister not take it on face value on that? What is the objection to dealing with an honest position from the union?

The Hon. W.A. Matthew interjecting:

Mr FOLEY: That is the fundamental point. Why does the Minister need the baseball bat of private operators to beat the union into submission? Why not ask the union to deliver the savings? Do what Cheryl Edwards did in Western Australia. I pose the question: did she use the baseball bat; did she threaten; or did she sit down and talk? I make the point that this Minister has failed in every area of negotiation with the union movement. He knows that I know that he has been delivered sufficient cost savings to achieve the savings that he is trying to get to operate Mount Gambier; but he has ignored the union and the officers because he does not want the union in Mount Gambier. He does not want the PSA; he does want the union officers: he wants a greenfield site with Smith and Jones or Acme Security Company. He wants to break the back of industrial representation in correctional services. It is consistent with every position put forward by this Government and he is pushing it with all the energy he can in the prison movement. Let us not be hoodwinked: he wants to deunionise our State's prisons.

On the Government's agenda is a bigger fish to fry than Mount Gambier. The Government wants a new 600-bed prison, and it wants to bring in a private contractor to finance, build, own and operate it. That is the real question. If I were a prison officer in this State I would not be sitting particularly comfortably tonight, because this Government has declared war on prison officers. Fair dinkum! I cannot think of a group individuals with a tougher, more difficult and more responsible job than trying to keep our State's thousand or so prisoners secure. As a community member, I want our prisons to be secure. I do not want our prisons to be in a state of chaos or crisis. If that takes double the number of prison staff to keep a stable prison environment, so be it.

The ACTING SPEAKER: Order! I warn members in the Speaker's Gallery that they are there with the permission of the Speaker. You sit silently and listen to the member who has the floor. I know that this is of great interest to some of you, but if you go on clapping or making any statements you will be removed.

Mr FOLEY: Thank you, Mr Acting Speaker. I suspect that when one's whole livelihood is at risk, the issue obviously generates a degree of passion and emotion. The point I make is that we are not talking about thousands and thousands of prison officers. I do not have the numbers in front of me, but the State's Correctional Services officers' numbers are not huge. The Minister can smirk and he may wish to take the axe to our prison officers.

He can do that. But, even if I remove myself one step back from the position of caring particularly about how many prison officers we have in our State prisons, if I were not a politician, if I were just a member of the community, I would want to be pretty safe in the knowledge that the officers had all the resources necessary to keep Yatala quiet, all the resources necessary to keep the ARC quiet, and all the resources necessary to keep Port Augusta Prison quiet. It is not good enough for me, as a private citizen, to go home at night wondering whether or not there will be a break-out from one of our State's penal institutions. If it takes 30 per cent more prison officers to keep the situation stabilised, so be it.

Mr Acting Speaker, as you would well know, like the police, the penal system is not an area where Government can compromise. The totality of the numbers of police officers and prison guards in this State is minuscule compared to the total number of public servants and, indeed, to the total work force.

We have seen yet again today an example of this Government's and this Minister's mismanagement of the State's prison system. I heard this Minister on the radio the other night as I was driving home. I could not believe my ears. He had the audacity to try to defend the doubling up of prisoners in cells in the Adelaide Remand Centre. He said, 'Well, that's not such a bad thing because when prisoners are on remand they have a few problems, obviously. They need a bit of supervision, and what better form of supervision than to have two prisoners together in the one cell to look after each other?' What an inane, ridiculous, ill thought out, irresponsible comment.

What do we see in the Adelaide Remand Centre today? We see flashpoint: we see officers injured, prisoners put at risk and people taken to hospital. Why? Because this Government is stocking our prisons full of prisoners. That is an inexcusable position for our State's prisons to be in.

I did a tour of Yatala the other week—it was the first time I had been there. There are three prisoners to a cell. I know that it is politically popular to be tough on crime and to say, 'Who gives a damn about prisoners?' There are three to a cell and one prisoner sleeping on a 1½ inch thick mattress on the floor. At wake-up time they are up, they have to put their mattress underneath the bed and squat in the corner. It may well be popular in the community to say, 'Damn the prisoner.' That strikes a pretty good political chord.

Mr Condous interjecting:

Mr FOLEY: Exactly—it strikes a strong political chord. But some of them are not murderers; some are not rapists. Some are juveniles and people who should be rehabilitated in our system. If we want prisoners to go into that system and come out with a life, so that they do not reoffend, we have to give them an opportunity. It is without parallel for us to rack 'em, pack 'em and stack 'em as we are currently doing in the Adelaide Remand Centre, Yatala and all our State's prisons.

I will be as strong as the next person on prison and law policy. We can lock them up longer and we can take those violent, disgusting, despicable prisoners and throw the ultimate sanction of the law at them. But, by crikey, what struck me at Yatala was one very telling point. I encourage every member in this House to walk through Yatala and see what I saw: a lot of nasty degenerates whom I do not want to see walking the streets.

However, overwhelmingly the people I saw in the prison were kids—I mean kids in their late teens and early 20s. Some of them should not be given any respect and some should be subjected to the full force of the law. But, some of

those kids actually should come out of that system hopefully with a new life. We should actually be trying to rehabilitate them; we should be trying to make them deliver a useful contribution to society. However, the Government will never do it when it is racking, packing and stacking them in the prisons.

For prison guards to have to manage that situation is intolerable. We have this Government whacking prisoners into the cells, holding them in longer and cramming them up at the same time as VSPs are being offered to prison guards and they are walking out the door. So, with more prisoners and fewer staff, what do you get? What we had today: prison staff in hospital. I plead with this Government. Politics is over; it won its election; it can get a bit sensible now, and ask, 'What do I want in prison policy? I want adequate resources and institutions under the care of the State.' It can give to the prison staff and management the resources that they need. The Government should not treat them like they do not have a role to play. It should work with the trade union movement in this State to deliver good—

Mr Rossi: What did you do in the last 14 years?

Mr FOLEY: I'd normally react to any member interjecting, but the member for Lee is beyond even acknowledging. *An honourable member interjecting:*

Mr FOLEY: Well, you can reveal all you like, but I was elected to this place eight months ago.

Members interjecting:

The ACTING SPEAKER: Order!

Mr FOLEY: Well, Sir, I said before that I would not acknowledge the member for Lee's interjection. I am winding up because it has been a long debate for me. However, I want to say that this honourable member, who wants to turn West Lakes High School into a detention centre for families in his community so that they can be observed and who wants single mothers with three children sterilised, does not deserve a seat in this Chamber. He is an embarrassment to this Parliament, to this State and, what is more, to his community.

I conclude by saying that this Government must respect that the prisons of this State need adequate resources and staff. Prisons should be taken off the front page and out of the media. The Minister should go back to doing his job, manage our State's prisons and do not—

Mr ROSSI: I rise on a point of order, Mr Acting Speaker. I take offence at the words the honourable member used in his last comment, and I would like him to withdraw them.

The ACTING SPEAKER: Order! Under the circumstances, the member for Lee has a point of order. I ask the honourable member to withdraw.

Mr FOLEY: I will not withdraw.

The ACTING SPEAKER: Order! Again, I ask the member for Hart to consider withdrawing.

Mr FOLEY: Sir, I will not withdraw those comments.

The ACTING SPEAKER: Order! The member for Hart has the floor.

Mr ROSSI: Objection, Mr Acting Speaker!

The ACTING SPEAKER: Order! There is no objection. The member for Lee will take his seat. The member for Hart.

Mr FOLEY: This has been a long contribution; I have no more to add. What I have tried to put on the public record is fact, expert opinion and a degree of emotion as well. I am coming from a position where I have, throughout my short term in politics, always looked at issues in private sector involvement in any Government enterprise with a degree of objectivity. I have earned the wrath of the PSA. I have gone against PSA opinion on certain issues to do with Government

management and finances. But I am also strong enough in character to back something in which I believe. I started this with an open mind. I have now formed an opinion, and I have put that on the record tonight. I urge the Government to reconsider its position, because it will fail. It is one that is doomed to failure on fact, principle and morality. However, what is the biggest indictment of the Minister is that this Bill is doomed to fail on its quality.

If I can give the Minister any patronising advice it is this: if he is going to run a debate in this House he should get his Bill right, think about it and draft it properly. It has more holes in it than a piece of Swiss cheese. It is a poor Bill that will fail. I suspect that ultimately, as a prisons Minister, if he has not already done so, he, too, will fail.

Mr LEGGETT (Hanson): We are dealing with a very serious issue, and I have been positively riveted to my seat for the past hour spellbound. I feel as though I have actually witnessed a comedy hour, a melodrama or B-grade horror movie all wrapped up into one. As I said, we are dealing with a very serious issue. I rise to support the Bill and I applaud the work done on this Bill by Minister Matthew and his department. This measure is innovative, creative and progressive, something with which the member for Hart would not agree. This Bill amends the Correctional Services Act of 1982 to enable the outsourcing of correctional services in South Australia to the private sector, which I think is very important and very significant. It has been introduced in response to the Audit Commission's recommendation (section 16.13), as follows:

The Department for Correctional Services should explore in detail the options for outsourcing various support and security functions, with the aim of reducing these costs to Government.

The whole thing is based, as much as anything, on reducing costs. The Audit Commission also made a further recommendation (section 16.14), as follows:

The Department for Correctional Services should, in the development of future plans to enhance the capacity of the prison system to meet the forecast demand growth, consider commissioning the private sector to construct and operate a prison of approximately 300-500 cells.

The outsourcing of correctional services to the private sector is a key element of this Government's correctional services policy. It is something that did not occur at any given time during the life of the previous Government. The operation and infrastructure management of correctional services cost the community approximately \$89 million in 1993-94, with the cost of the provision of correctional services in South Australia per prisoner being the highest in Australia. Obviously with that in mind something has to change; something must be done.

The recommendation of the Audit Commission has no hidden agenda, contrary to what the member for Hart says. It was to reduce costs and it recommended the outsourcing of selected services provided by the Correctional Services Department. These incorporate the operation and management of prisons, prison industries, catering, maintaining buildings, administration of community correction orders, prisoner transport, hospital watchers and the dog squad. This Government believes that increased competition through the outsourcing of selected correctional services will direct attention to the real costs of providing services through the public sector and expose subsidies and restrictive practices, which include the costs of capital, legal advice, insurance, transport and administration overheads.

Savings arising out of this competitive system will be applied to accommodating increased prisoner numbers, expanding existing services, and creating new Government services and/or returning funds to reduce Government debt. Again, I stress that this is what it is all about: reducing the debt.

As the member for Hart mentioned, private sector management has been introduced in Australia by a variety of political parties, including National, Labor and Liberal Governments of the past. Australia's first private prison, as the member for Hart said, was at Borallon and was contracted by the Queensland National Party Government. The second private prison, the Arthur Gorrie Remand Centre, was contracted by the Queensland Labor Government and the third, Juncie Prison, was contracted by the New South Wales Liberal Government, so indeed we have a mixture there.

Prisoner services have also been outsourced in other parts of Australia successfully. Victoria has recently awarded contracts for the management of prisoner transport; St Augustine's security ward, which is a part of the St Vincent Hospital; prisoner security at the Melbourne Supreme and County courts; and prisoner court transport services. The question to be asked is this (it obviously has already been asked: it was certainly asked by the member for Hart during his speech, which took almost an hour and a half to deliver): by outsourcing, will there be a reduction in the high cost of the prison system?

The Government argues that it will reduce costs. A report from the British Home office in July 1994 found that privately managed prisons have resulted in savings of between 10 and 40 per cent. Prisons surveyed were those privately owned in Australia, in the United States and also in Great Britain. South Australia currently has the highest prisoner operating costs in Australia, at the incredible figure of \$56 000. This compares with the considerably lower figures of Victoria, at \$43 389; the Northern Territory, \$43 139; Western Australia, considerably less again, at \$42 919; Tasmania, \$41 780; Queensland, \$39 170; and New South Wales with the incredible figure of \$23 375.

With the prison population likely to increase by approximately 40 per cent by the year 2000 the private sector can inject the capital funds necessary to build new prisons, and experience has shown that they can also provide new cells in a shorter time than the public sector and provide creditable management in correctional functions. Not only does outsourcing cut costs substantially, but Australian and overseas experience has already shown that involvement of the private sector can, first, generate creativity and enthusiasm in the management of correctional services by introducing new ideas and innovative practices, something which the previous Government did not do in 11 years. There was no such thing as creativity in the Correctional Services Department during the Labor Government's term of office.

An example of creative and innovative practices can be seen in so far as education, rehabilitation and work programs are given a greater emphasis in privately managed prisons. This is achieved through a reduced need for security staff by utilising modern prison designs and electronic surveillance, thereby allowing greater staffing resources for education, rehabilitation and work programs. Also, other private sector companies are involved very successfully in prison programs.

Secondly, the involvement of the private sector can provide alternative options when restrictive work practices and rorts become entrenched and resistant to reform. It will reduce exposure to industrial dispute and provide better work,

rehabilitation and training programs. The Bill details conditions with which contractors must comply, and it also enables employees of private management bodies to perform the functions of prison officers within the scope of a contract. It is orderly; it makes private managers accountable to the Minister and, in turn, allows the Minister to supervise the operation of private prisons.

Under this Bill the Minister has power to scrutinise proposed management bodies prior to contracting services out to them. The management body must also demonstrate that it is a reputable, credit worthy organisation and can meet the obligations detailed in the management agreement. The provisions of part VII of the Criminal Law Consolidation Act 1935 are extended to management bodies and their employees to provide the same disincentives to corruption that apply to public officers. The operation of the Ombudsman Act 1972 is also extended to administrative actions undertaken in private prisons.

A key feature of the proposed legislation is the appointment of monitors. It was the member for Hart who criticised the Government on the whole question of monitors. The function of monitors is similar to that of inspectors who are currently appointed under the Act to ensure that standards and instructions are complied with in the existing prison system: something which did not occur during the 11 years of anarchy under the previous Government. Under the proposed legislation, monitors will have unrestricted access to offender records and the premises of institutions. The monitor must submit an annual written report which will also appear in the department's annual report for presentation to Parliament.

This is very orderly legislation. To ensure that the outsourcing process is impartial and to make sure that it is fair and thorough and within the restriction of Government policy, it is intended that it will be overseen by a task force comprising representatives from key central agencies. The whole thing is very tight. It needs to be made perfectly clear that the Government, which has done magnificently well in the past eight months—particularly in the area of Correctional Services—does not intend to have all prisons in South Australia privately managed. When the Labor Party was in power for the past 11 years it could not manage one prison properly and everything fell apart—particularly in the area of education. It absolutely disintegrated. Members of the Opposition have no cause to open their mouths in debate because they know that they failed abysmally during those 11 years.

Experience both overseas and in other States demonstrates that Government prisons tend to reduce their operating costs when using a private prison as their benchmark. If this continues in South Australia, it will not be necessary to have all prisons under private management. One such prison that could be privately managed, as the member for Hart so decently mentioned in not very nice terms, is the new prison at Mount Gambier. This will be the first privately managed prison catering for 110 inmates. This institution is expected to be completed in late December 1994. In addition, in three years a 500 to 700 bed prison will be built in Adelaide and will also be tendered for private management. I support the Bill. It makes sense, and it is sense. It makes a significant contribution toward ensuring a high standard of administration and cost-effective management of Correctional Services.

Ms HURLEY (Napier): In looking at this Bill I find that the management agreement provisions seem to be remarkably vague in the standards that will be required to run our prisons.

This whole proposition is inadequate to guarantee to prisoners and their families that they will be treated with a reasonable level of care. From the Government side we have had insufficient examination of how much it will cost the Government to administer, review and oversee this system.

These cost considerations have been given short shrift in all the rhetoric, and I wonder whether these sorts of costs have been factored in to the estimates of how much of a saving is to be gained in privatising our prison system. This is an important issue because it has to be remembered that we are doing all of this at the expense of employees and inmates of the current prison system. The Government is fudging the figures and the effects—

Mr Clarke: Wait until you see tomorrow's budget.

Ms HURLEY: That is true, tomorrow's budget will be an even greater fudge. However, the Government has not really detailed even through its monitoring system exactly how it will approach this system and ensure that the regulations are followed and that the monitoring costs will be contained. Neither has it addressed properly what will happen if there is a failure in the system and how it will deal with that failure. Will the Government take over prisons, will it institute penalties? How will it deal with this problem? In a very thorough speech my colleague the member for Hart went through the problems with the system and the likely impact on our society.

I wish to take a slightly different tack and be realistic and acknowledge that the Bill will probably pass and, therefore, the Bill's provisions will become law and will be part of the system under which our prisons operate. Therefore, I urge the Minister to use his responsibilities under the legislation wisely. I ask the Minister to consider that all prisoners are not necessarily intractable and evil persons, that there are those who have made mistakes in their life for which they pay the price. These people—and most likely they are men, because the bulk of prisoners in our system are men—are human beings whose dignity and human needs must be respected. The Minister is a worldly person and will know that men are capable of small transgressions, little indiscretions, a little rougher than usual handling of one's wife or an infatuation with another woman. The Minister will know about that sort of behaviour and that those small things can lead unexpectedly to more serious matters and perhaps even a prison sentence. It can happen to the best of us.

Therefore, I appeal to the Minister to ensure that management agreements provide that prisoners are given facilities that encourage rehabilitation and meet the needs of prisoners. Prisoners have many needs, just like any man, including the Minister. They have basic requirements such as educational resources, medical treatment, gymnasium facilities and the like. I am aware that many members opposite have been scathing about providing facilities such as gyms for prisoners—they think it is an unnecessary luxury—but I know the Minister will be aware of the usefulness of such facilities and know how versatile they are.

Mr Leggett interjecting:

Ms HURLEY: Have you got a problem?

The ACTING SPEAKER: Order! The member for Hanson should not interject, and the member for Napier is not helping the situation by replying.

Ms HURLEY: As I said, the Minister will know the usefulness of such facilities for prisoners, how versatile they are and the way in which they can meet a number of needs. I am not talking about grandiose and expensive equipment and facilities; it could just be a small thing with a smattering

of equipment. The Minister will appreciate that with a little flair and imagination this equipment can be used for a variety of functions. I ask the Minister to bear these things in mind, that prisoners, too, need recreational and work facilities. Therefore, I urge the Minister to be responsible in drawing up management agreements with people. I think that it must be borne in mind that prisoners are not necessarily there solely to be punished and, as the member for Hart said, there needs to be some rehabilitation factor in our prison system.

The Hon. W.A. MATTHEW (Minister for Correctional Services): I move:

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

Motion carried.

Mr ANDREW (Chaffey): I rise this evening in support of this Bill for a number of reasons: first, because of the principle that is involved; secondly, because of a pragmatic point of view that I believe that this is the best way to go for the future of our prison system; and, thirdly, because my electorate does have some close association with one of the current penal institutions at the Cadell Training Centre, I believe I have a little bit of empathy arising from my experience as that relates to this proposed Bill. With respect to the matter of principle, I firmly believe (and this is consistent with what I believe is our general Liberal philosophy and policy) that the role of Government should be to provide the services and the utilities that cannot be provided more effectively and efficiently by the private sector. The Government should only supply or totally control them for reasons of fairness, social equity or, as required, to supply the appropriate safety net. In other words, as is the case with correctional services in this case, if the private sector has the potential to provide a more effective and efficient service with the appropriate safeguards, then the private sector should be given the opportunity to prove itself and have a go.

I turn briefly to highlight why we need—and I repeat—need to amend the Correctional Services Act to enable this proposed out-servicing of correctional service in South Australia to the private sector to proceed. It is simply because the figures and the evidence are clear cut. They illustrate the need to go in this direction because of two main areas. First, there is the sheer cost of operating our prison system in South Australia. Unfortunately, it is a sad reality that the current Government has inherited from the previous Labor administration the most expensive prison system in Australia. The cost per prisoner is the highest in the country. The evidence is well documented, and I will not repeat all the details. Suffice to say that the latest figures show, as has already been indicated this evening by the member for Hanson, that it costs about \$56 000 to keep a person in prison in South Australia, compared to the New South Wales figure of a little over \$24 000, and the Victorian figure of between \$43 000 and \$44 000. In fact, in 1992-93 South Australia spent about 25 per cent more on correctional services to provide a comparable level of service with all other States.

As most members here would be aware from their examination of the Audit Commission's report back in May, this fact was again reinforced by the Audit Commission and, in fact, the Audit Commission also recommended under paragraph 16.13:

That the Department of Correctional Services should explore in detail the options for outsourcing various support and security functions with the aim of reducing the cost to Government.

Similarly, it also recommended, in part, in paragraph 16.14 to consider commissioning the private sector to construct and operate a prison in the order of 300 to 500 cells.

The second direction of evidence to justify the need for the private sector to get involved is also clear cut, and that is where the private sector is involved, whether it is in outsourcing or direct management, there is evidence that significant cost reductions have been achieved. The trend is continuing, and is evidenced from interstate. It has already been explained this evening that in the eastern States Queensland already has two private prisons operating, and by all accounts will continue to operate those prisons in that mode. New South Wales already has one, and Victoria has one and is proposing to build and operate more under private operation.

Australian experience indicates that savings of up to 20 per cent can be achieved with the private operation of prison institutions. Overseas experience indicates the successful operation of private prisons, particularly in the United States of America and the United Kingdom. Independent studies from that latter country have provided the evidence to show that savings of privately run prisons can be anything from 20 to 45 per cent of the cost of publicly run prisons.

I believe that this Bill very appropriately and adequately sets the bounds and criteria for the aspects that must be addressed with any contracts and agreements between the Government and a private operator. This Bill will allow for the protection of both the Government and the private operators of prison institutions or outsourcing operators to provide those additional services, and in doing so, in detailing the conditions to which private contractors must adhere, will also allow employees of private operations to do the job of prison officers, and they will be specified under the conditions of those contracts. In doing so, they will protect not only the rights of the Government, as I have indicated, but will protect and provide for the rights and conditions of the offenders.

Just as importantly, though, private managers will be required under this Bill to be directly accountable to the Minister. I will mention some of those specific requirements as directed by this Bill. For example, minimum standards will be set for management bodies involved in private management and for their employees. Approval will be required by the Chief Executive Officer of all employees of the management bodies. Compliance will be required by the managing body and employees, and they will be under specific directions given by the Chief Executive Officer. Regular submissions will be required to be made to the Minister with appropriate reports and appropriately audited accounts. In addition, access to any prison will be required under private management and its records must be made available to the Chief Executive Officer as required.

Associated with this is the provision for independent monitoring of the outsourced services by the appointment by the Chief Executive Officer of special monitors who will be required and will have the powers to check that both the Act or any management agreement is being specifically complied with. As well, these monitors or inspectors must submit an annual report which must appear with the department's annual report and for presentation to Parliament. Without doubt, I believe that that will provide the appropriate safeguards for accountability for any privately managed operator and will provide that accountability right back to the presiding Minister and directly back to Parliament.

Unfortunately, whenever there is change that is partly, at least, justified on financial criteria, there is always natural apprehension that standards and the quality of service may suffer. However, I suggest that, if we look at it from one side of the coin, we see that some of the safeguards already mentioned provide not only the insurance to maintain current standards but also the provision to increase them or to improve them. I believe that, under the current restrictive public sector workplace practices within our prison system, such improvement potential is just not available. Whether it be, for example, in education, in rehabilitation or in work related options, the standards can be set in any agreement with a private operator. They can be set in the contracts that must be agreed to by any private operator so, again, maintaining and providing the potential and opportunity for actually increasing the quality of operation, control of operation and improvement of facilities and services to those within our prison system.

More importantly, from the other side of the coin, I suggest that a private operation or service can and will provide in a competitive sense an example of a culture that will stimulate the existing Correctional Services system. I want briefly to refer to the Cadell Training Centre as an example of the penal system presently operating in this State. I cite that as a continuing legacy (as I did when I began my comments) of the poor management of this State and the penal system by the Labor Government over the past 10 or 11 years because of the entrenched and restrictive work practices and the management's inability to fully maximise efficiencies and savings within our Correctional Services system.

I refer to the Cadell Training Centre since, although it is not directly part of my electorate, it borders it. A very significant proportion of the staff who work there live in my electorate, particularly near Waikerie, and a number of the Waikerie business houses service to some extent the operation of the Cadell Training Centre. While I do not profess to be an expert on the operation of the Cadell Training Centre, I suggest that I do have some empathy and understanding of the operation of the place, because over the past 10 or 12 years, in an informal sense, I have been a regular visitor to that institution through involvement in a spectrum of community programs.

For example, with the nearby Rotary Club, we regularly host international visitors. It has historically been my pride and joy to cite that institution as an example of what could be displayed in terms of performance and the operation of our penal system but I must say that, over the past 10 years as a regular visitor to that place, I have seen Cadell degrade in a physical sense, in an attitudinal sense and in the sense of work performance of the staff in that place, and not because the staff have been unable to perform their duties but because they have been restricted by the lack of incentive and opportunity in terms of employment.

I refer to the physical state of the place. Also, if you go back over the years, that place was the pride and joy of the prison system in South Australia, particularly in the horticultural area. It could say proudly that, with close cooperation with the Department of Primary Industries, local grower groups and local private enterprise, it could supply competitively and productively a wide range of products for the total penal system in South Australia, whether out of the dairy, horticultural or animal production areas. I am implying that it is a sad reflection on the operation that it has not been able to improve and move with the times. More importantly, I

would say quite comfortably and confidently that, if that institution at Cadell had been run by private sector management, there is no way in the world that it would have been allowed to deteriorate and run down to the extent that is so evident to all of us who have seen it over the past 10 years.

If private sector management had been involved, it would not have been involved in future contracts and it would have insisted that money be spent to upgrade and keep the system in a respectable, competitive, performing and comfortable environment. I acknowledge that some capital funds have been spent, specifically on a number of independent living units, but the whole operation of the Cadell Training Centre has degraded deplorably over the past decade. I do not intend in any formal sense to denigrate the staff in any shape or form. I suggest that the vast majority of them—

The DEPUTY SPEAKER: The honourable member will resume his seat.

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

A quorum having been formed:

Mr ANDREW: I do not intend to denigrate in any shape or form the staff at the Cadell Training Centre. In fact, my information is that over the past six months there have been some significant and real improvements in terms of efficiency and operation which should be commended and recognised. It is just a pity that the centre was not operating under a private system where it could be more adequately rewarded. It is the system which has restricted the ability to be more efficient and it has stifled some of the independent ideas, enthusiasm and initiative evident in many of the staff. I would have to say that, since being a member over the past few months, I have been surprised by the number of staff who have come to me in confidence, exhibited their frustrations and explained some of the gaps, holes, rorts and waste in the Cadell Training Centre. They have also named individuals who, from the evidence presented to me, quite rightly would certainly not get a job in the private system.

However, I repeat that it is only a very small minority and it is appropriate that I respect that confidence here. It does highlight that the private system as an option would offer more alternatives to providing those efficiencies as indicated. They have felt that frustration and no doubt I can understand that they have wanted to take the packages that have been operating. I venture to say that under private management, under joint arrangement, economic incentives would have been available to return some of the operations. I note down there that workshops are operating and fruit processing has been operating in relation to which, under private management, they would have provided the ideal situation for greater work rehabilitation and training programs to be implemented. I know that the Minister is continuing to assess his future with the Cadell Training Centre and I use those examples to highlight the potential for improvements to be made under private management. I know that a number of staff down there would be particularly keen to move into the private sector. I support the Bill and commend it to the House.

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

The Hon. M.D. RANN (Deputy Leader of the Opposition): I certainly do not support this Bill and, whilst I want to deal with the substance of privatisation, I have one principal overriding concern about this legislation. It is quite simply a recipe for corruption to become endemic within the corrections system in this State, not by intent and not by

design (I am not suggesting that for one moment) but because of inadequate safeguards, because of the sloppy drafting of this Bill and the poor controls implicit in it. All of us will be aware of allegations in the United States in recent years linking private prisons to criminal and illicit practices. All of us interested in the area of privatisation and corrections would be aware of claims made in the United States, Britain and Australia linking private prisons to a lessening of responsibility for prisoner education, health, safety, disease control and public safety. When you have a formula which, by its very nature, links big money, poor regulatory controls, criminals and an overriding profit motive you will get the prospect of corrupt practices, favours, deals and special privileges.

I am not so ideologically driven that I oppose privatisation at every turn. Indeed, I actually privatised the Government travel service as Minister of Tourism. I did so because I believed that the Tourism Commission, which was corporatised by me, should be concerned with promoting and marketing our State, and what we have to offer in tourism, both interstate and overseas, as a destination rather than selling outbound tickets at a premium to public servants and politicians in a monopoly situation that did not benefit the politicians, public servants, their departments or the public purse at all. It certainly did not benefit tourism in this State.

As Minister for TAFE I supported partnerships with the private sector such as the International Hotels School which linked Regency TAFE with private sector institutions internationally such as the *Cordon Bleu* Institute and the Swiss Hotels School. I also supported private training agencies in the training sector in terms of offering competition and being complementary to what TAFE had to offer.

However, we are not driven by ideology as is the Government. It is all about ideology and not about a pragmatic concern, a concern for public safety or for law and order: it is purely ideologically driven. When there is no overriding public imperative, when private sector involvement is believed to benefit, we should look at the motives behind the Bill. There are some areas in this State and in all States where the State itself must be involved—no ifs and no buts.

One area obviously is the judiciary. No-one, I hope—not even the most ideological—would suggest a private sector-run Magistrates Court or privatised judges. No-one, I hope, would suggest a privatised Police Force. The same formula should apply to the prisons because therein lies the problem. I believe that the member for Hart most aptly highlighted some of the problems: that there should be a proper division between the allocation and administration of punishment that should be maintained. Areas in which decisions have an impact on the liberty and freedom of an inmate, including disciplinary breaches, reviews of breaches, remission and parole decisions, transfer of inmates to more secure facilities, remand and reception functions and decisions about solitary confinement, should not be delegated to private companies. A proper framework with inbuilt safeguards which allows the State to perform these functions must be part of our correctional system in this State.

What we are seeing, despite an attempt to try to rush debate, is one of the major and most substantial changes to the prison system since we had prisons in this State. Of course, none of us is saying that we should not continue the process of prison reform. We just have to look at what the Adelaide Gaol was like as a remand centre and look at the Remand Centre today. Many important reforms were initiated

and put through by Ministers such as Gavin Keneally, Frank Blevins and others over the years. I am not claiming today that we should put a halt on reform. There is no doubt that the process of change needs to be continued, but it is also equally true that the Government will not achieve those reforms by going down a side alley of privatisation policies that ignore basic safeguards which are ultimately in the interests of the public.

I believe the community is entitled to a guarantee from the Government that if it proceeds with legislation such as this, seeking to involve the private sector, it will not lead to a dual standard in the prison system with the commercial operators taking the so-called soft edge parts of correctional services that do not deal with the protection of prisoners or prisoners with special needs, such as HIV positive prisoners, and leaving those problem areas to be the prerogative of the public sector. That has happened elsewhere in Australia and overseas. I believe it would be a sad day for this State and for prisons that remain in the public system if only the soft parts of the system were included in the private sector operations. Private sector operators elsewhere in Australia have not, in my view, shown any inclination to manage difficult prisoners, so it seems fairly obvious that the public system would be at a significant cost disadvantage if it were forced to run the expensive, difficult, hard parts of the system all in the cause not of a better prison system but of blind ideology.

There has been no explanation so far about how this Minister, who has been on a couple of overseas trips, seen a few prisons and swanned around, intends to manage the operational interface between the State correctional system, which will remain under Government control, and private operators. This Government has not adequately explained how it will ensure consistency in dealing with offenders. I believe that this is a fundamental issue that has to be addressed. If a prisoner is sentenced for a particular period of time and classified in a particular way as a matter of the justice system through the courts, that prisoner ought to know that there is consistency in the way that he or she is dealt with across the systems, both private and public.

The Government has also not explained the responsibilities of contractors who operate within the prison system. What will be their responsibilities for costs which may arise from escapes from prison as well as the associated costs that the community bears in the use of community resources? What will the Government do if escapes occur through poor management of the system by the private sector because of management problems that may arise in the operation of private prisons?

Certainly, I think all of us will remember that front page story, I believe it was, in the Queensland *Sunday Mail* of 28 June 1990, headed 'Killers plead for private prison'. The report states that the inmates at Borallon Prison were lobbying the Premier to keep the gaol under private management. Therein lies a story. Of course, other things were raised. The *Australian* of 7 April 1992 reported:

Mr Wayne Calabrese, the Chief Executive of Australasian Correctional Management, the company that operates the remand and reception prison in Brisbane and which is in the process of building [at that stage] a private prison in Junee, New South Wales, admitted that the American parent company was involved in some serious run-ins.

Of course, it certainly had some serious problems with the provision of correctional services in the State of Texas.

I want to hear a guarantee from this Minister. We have all heard about 'O.J.' Matthew and the escorts up the Main

North Road. But I want to hear some guarantees from him that the background of some of the organisations that will be lining up in his view to be interested in dealing with the Government to establish private correctional facilities in Victoria will be carefully considered. Where are the safeguards? This is a poorly drafted and very sloppy piece of legislation without adequate controls.

I believe that the Opposition will continue to take the view that there are serious and significant problems with introducing major commercial operations into the management of prisons. Of course, if we are talking about the medium and high security end of the system, we honestly believe that there will be no cost advantages from this course of action.

Again, there has been insufficient attention to detail. This is a very important and sensitive area of Government policy—the management of corrections. It is an area which has, quite properly, a national and international overview. We certainly cannot have some rush of blood to the head so that some Minister can chalk up a few brownie points with a few mates.

If the Government is expecting to obtain budgetary savings as a result of this proposal, it is almost certainly wrong in the long term. Of course, the only other possibility is that the Government expects that it can reduce the quality of rehabilitation and other services to prisoners under the guise of privatisation. If that is its motivation, it is quite seriously endangering our entire community. Nearly all prisoners sooner or later, whether serving time concurrently or cumulatively, return to the community. If the Government simply fails to provide an adequate framework within the correctional system for rehabilitation then basic, fundamental community safety is under threat.

In terms of the question of privatisation, there is no doubt whatsoever that you cannot separate out major parts of our criminal justice system. Implicit in doing so, we must remember that the criminal justice system involves making decisions that affect a person's liberty; it should not be delegated to a private company. Prison restricts a person's liberty and a correctional institution can determine how long a person spends inside it. If a person has committed an offence whilst inside prison, he or she may spend longer in that institution as a form of punishment. If a prison is privatised, instead of that issue being determined by the State, it will be determined in part by a private company that has a pure profit motive.

Of course, there are some other areas apart from disciplinary proceedings where I believe it is vitally important that the public sector—that is, the Government, with clear lines of responsibility to a Minister—continues to play an important part. I also want to refer to some recent articles over the past five or six years on this matter. I want particularly to refer the House to an article by Amanda George which was published in the *Legal Services Bulletin* of April 1989 and which said:

Private prisons will try and have tried to impact on Government policy through lobbying just as any business concern does. Reductions in sentences and the promotion of alternatives to prison will clearly affect the potential market of private prisons. They will be in a position, however, to publish lurid descriptions of violence in prisons reinforcing a perceived need for increased facilities. This will feed the imagination of the media, creating an environment of fear in the community. Such tactics will support policies that ensure that their beds are full.

We must take into account that crossover between the pure profit motive and public responsibility and public accountability. Amanda George also stated:

The next specific concern is that the private prisons would have special treatment and would seek to get the best behaved prisoners and reject those who are regarded as difficult.

Further, she said:

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

That position has been supported in a number of articles and reviews, including that by Richard Harding, headed 'Private prisons in Australia', published in *Trends and Issues in Crime and Criminal Justice* by the Australian Institute of Criminology in May 1992. So, time and again, we have seen these facts coming through. First, there are no long-term cost savings; secondly, there are threats to prisoners' welfare; thirdly, there are threats to public safety and public interest; and, fourthly, fundamental liberties should be the prerogative of the Crown, through the Crown to the Minister and through the Minister to the Parliament, not to private operators.

I can find no evidence in either the United States or elsewhere that privatisation of prisons saves money in the long term. Again, I want to refer to a paper that was delivered to the Australian Institute of Criminology conference in November 1992 by Mr Allan Brown, who said:

The common theme that emerges from the US literature is that the case for or against the superior cost efficiency of the private operation of prisons over public operation has not yet been made.

Mr Brown summarises his remarks by quoting from an article by Mr Dilulio, published in 'No escape: the future of American correction,' which states:

Despite a variety of claims to the contrary, there is absolutely nothing in either the scholarly or the non-scholarly literature on the subject—no journal article, no Government report, no newspaper story, no conference proceedings, no book—that would enable one to speak confidently about how private corrections firms compare with public corrections agencies in terms of costs. . . or any other significant dimension. The necessary comparative research simply has not been done, and reliable empirical data are still scarce.

So that is a range of reasons why we should not rush down this road. As I said before, my principal concern relates to the prospect of endemic corruption emerging within the corrections system. When the freedom of a person who has fallen foul of the law is taken away, she or he, no matter how abhorrent the crime, must be treated humanely. We must not allow the treatment to differ from individual to individual, because that would be a case of the law falling foul of itself. Guidelines have been established to maintain standards in prisons.

It is important that there is equality in prisons. It does not matter how long people are in prisons: they should be treated equally, whether they are doing six months or 60 years. Their punishment is the time they serve. That is the way it is, that is the way it ought to be and that is the international standard. There must be some certainty about standards of treatment across the system.

In considering the management of prisons, it is important that a proper balance be struck between prisoners' rights, public safety and accountability, and the management of prisons. I recognise that it is a very difficult and delicate balance.

Many members of the community believe that people should be locked away for life with absolutely no rights. I have been one who has been fairly tough on the law and order issue over the years, but when one considers prison management, which is the main object of this Bill, there should be no

dual system. The prison system is not perfect. Prisoners are not the easiest of people to deal with. There is strong argument that important areas of the justice and emergency services system, such as the police and prisons, should be run by the Government, or be directly accountable to Government through their employees. It is quite clear that this Bill is ill-thought through. It does not have adequate safeguards, and there are no reasons except ideology for supporting it.

Mr KERIN (Frome): I rise to support the Bill. Despite what we have heard tonight I do not believe the Bill is about ruining the careers of correctional services officers, and it is not about ruining the lives of young prisoners; nor do I feel it is ideologically based, and it is not a free kick to corrupt organisations. The Bill addresses a fundamental problem, which many of my constituents would like to see attacked head on. Over the past decade there has been growing dissatisfaction within the community about many aspects of law and order, sentencing and correctional services.

We have seen several Bills already passed by this Government on the issue, and clearly we are on a path of implementing necessary reforms to the laws and a different approach to sentencing and the protection of citizens and their rights. It is now logical that by supporting this Bill we then allow changes that will lead to reduced costs of detention in South Australia. These changes are not only desirable but are made necessary by the economic mess we are in. This Bill will allow the Government to implement its policy of outsourcing correctional services in South Australia to the private sector.

This is seen as a key means of decreasing the costs of imprisonment in South Australia. The State cost of \$56 000 per prisoner per year indicates that we have a problem compared with figures of \$40 000 and \$30 000 in certain other States, going down to \$20 000 in New South Wales. We are indeed a long way out in that respect, and it is costing our taxpayers a lot of money. Under the present Government, costs have already been reduced to some extent with staffing of the Department for Correctional Services reduced by 10 per cent.

This Bill will now allow the department to further reduce costs: it is not simply an opening up of the system but addresses in detail the key features with which the Government and the private sector must comply when developing contracts and agreements. The appropriate checks and balances, standards, accountability and staff approval criteria are addressed in the Bill. We heard in Question Time today of claims made in the PSA leaflet that privatisation of prisons is a direct breach of pre-election promises. The member for Hart agreed tonight that the Minister is a long-term advocate of privatisation. The honourable member confirmed the Minister's statement today that he was misrepresented in this leaflet.

I have never been a union basher, having stated my beliefs in this House that there have been and always will be some bad employers. Reforms during the short term of this Government have ensured that in future unions face the same challenge as private organisations have faced for years, and that is to perform. I hope that unions that satisfy their members' needs will prosper. During the election campaign many union members were concerned at the spending of their membership money to prop up failing political interests—and, in the case of SAIT, the wasting of money on a failed candidate.

These concerns are still being raised with me and the statements in the PSA leaflet concerning private prisons, particularly the statement on Minister Matthew's pre-election promises, do little to suggest that members were given the correct information. Debates such as this receive absolutely no assistance from departures from the truth, and the public servants involved deserve to be told the truth by both the Government and the union. The Public Service is vital to South Australia and it is about time that public servants were told the truth, rather than their being subjected to sensational claims and scare tactics.

Correctional Services officers have an equal right to be told the truth. Despite some of the insinuations tonight, it is not the Government's intention to place all prisons in South Australia under private management. The Minister has taken note of the experience elsewhere in Australia and overseas that Government prisons tend to reduce their operating costs when benchmarked against private prisons. Assuming this occurs in South Australia, there will not be the need to hand over the existing prisons to private managers. I am aware of the Minister's desire to see the new Mount Gambier gaol as the first privately managed prison in the system. The 500-plus bed prison to be built in the next few years could also be tendered to private management. The Bill does not oblige the Government to do that, but it allows that option. Obviously that matter will be considered on the basis of the initial results.

Mr Venning: Re-open the Gladstone gaol.

Mr KERIN: We could re-open the Gladstone gaol. Many of the concerns raised by the member for Hart are genuine, albeit perhaps selective. I also acknowledge the need to identify the strengths and weaknesses of existing systems. If June is a nightmare, as quoted, obviously we should not copy it, but we should identify whether it is a nightmare and, if so, ascertain why. We must have a system at the end of the day which works. The member for Hart said that we need to be creative. I agree with him and I feel that this legislation is necessary for that to occur. The concerns raised tonight by the Opposition are the challenges we face. A creative approach can see public safety protected under a privatised system. I support the Bill and look forward to a system which is safe and secure but which does not continue to cost South Australian taxpayers the premium they are presently paying.

Ms STEVENS (Elizabeth): I rise to speak against this Bill, and I want to start by saying that I was quite surprised to hear the Minister say that he had researched the issue in depth and had visited a number of countries overseas. He mentioned prisons in the United Kingdom, United States and, of course, Australia. I was surprised and I ask him where the evidence is of his research. When we look at his second reading speech, we see that it does not contain any evidence at all. Where is the evidence of this research; where is the thinking; where is the critical analysis of the issues? It just is not there. The second reading explanation begins:

The operation and infrastructure management of Correctional Services costs the community approximately \$89 million.

And away the Minister goes, talking in terms of dollars and cents and cost cutting. Where is the research and where are the big issues? The big issues are very important, so I will approach this Bill by looking a little wider than the economic argument on which the Minister's position is entirely based. The role of a Government in our society is to provide leadership and to manage things; to manage the way things

happen and to take into account a number of factors, such as economic, physical, social and cultural factors. The Government has to lead the processes by which we collectively solve the problems and meet the needs as we see them. It is a complex process. It is a matter of balancing the factors. It is a matter of introducing checks and balances. We hold very dear civilian rights, which we have to balance against community good, and that is the role of a Government.

Mr Venning interjecting:

Ms STEVENS: That is one of them, but it needs to be balanced. We hold quality of life, including individual freedoms, freedom of information and scrutiny of public processes, high in our democratic society. So, a Government has to ensure that the highest level of basic services are provided to achieve the goals of society, and we need to have a good education system, a good health system, a good police force and good prisons. The Government has to ensure that the services are there, that they meet society's goals and that they are producing the required outcomes. And Governments do not have to do it all. The Government can use the private sector; it can use the public sector; and it can use the voluntary sector.

Each of these has their strengths, and the Government needs to think about how they can be applied effectively. It needs to mix and match to get the best product with each case decided on its own merits. It needs to balance all the factors: economic, social, physical, cultural, ethical, and decide which sector needs to be involved and the extent of its involvement. This involvement will vary depending on the situation. The production of food in a hospital, building maintenance, maintaining buildings on public sites against, for instance, the supply of teachers in schools—they are all very different issues. Each one needs to be looked at on its merits according to its purpose.

Where do prisons fit into all this? This is the fundamental argument that faces us. Crime itself is clearly the domain of Government. There can be no crime without laws. No crime can occur without the breaking of laws enacted by Parliament. A criminal is only a criminal because that person is so defined by agents of the State through law enforcement via the police and through the adjudication process via the courts. This is one responsibility that a Government cannot give away. Taking a person's liberty is such a serious step that confinement in prisons must be the responsibility of the State. There must be a point beyond which a Government cannot divest its powers and yet still hold the obligations of citizens to obey the law.

Within a prison there are some functions that can be delivered by other sectors: catering, building maintenance, prisoner education programs, rehabilitation programs, literacy programs, etc. Many of those things occur now. However, functions that impact on the liberty and freedom of inmates—decisions about disciplinary breaches, reviews of those breaches, remissions, parole decisions, and solitary confinement—must be the realm of the State. People need to be accountable solely to the State and not to private shareholders. It is an important distinction and it is the fundamental one in relation to this argument. If we believe that the public sector is not doing it well enough, the Government has to fix it and has to work within the public sector to ensure that it does. It does not abrogate its responsibility as the Government and hand it over to someone else. There is a far more basic principle at stake. We need to define the standards and improve work practices to ensure that the public sector does it right. It can be done and already is being done.

As the member for Hart mentioned, even in the United Kingdom, the conservative Government acknowledges that allowing private companies to allocate punishment breaches fundamental constitutional and political rights: the very basis on which our society operates. The Government's rationale for the privatisation of prisons is plainly and simply to cut costs. It arises out of the Audit Commission—that definitive document of the Brown Government, that flagship of the Brown Government heading us into the future. Our prisons cost the most in the country; therefore, we have to reduce the cost and now we are into ways of doing it without thinking of the wider issues. Where is the argument on other grounds? Where is the balance of the factors? Where is the indication of the research that the Minister has done where he, as the leader in this sector of Government, produces all the issues, paints the vision, and comes out with an argument that encompasses the whole lot?

It is just not there. Where is the argument in terms of the role of prisons, in terms of punishment and rehabilitation? None of that is mentioned, and I believe that is the fundamental flaw in the whole argument. I would also mention some other points that I have picked up. In his speech the Minister gives examples of where outsourcing can occur. He mentions a whole range: operation and management of prisons, prison industries, catering, maintenance of buildings, administration of community correction orders, prisoner transport, hospital watches and even the dog squad. As I have already mentioned, I can live with some of those areas, for example, catering and building maintenance. Those activities could be undertaken by contractors but, as I have mentioned, some of those activities should be undertaken by the State and should not be divested by the State. The Minister stated:

... increased involvement of the private sector in provision of Government services will lead to the transfer of technology and ideas between the public and private sectors of the economy and will introduce positive changes in public sector management. . .

That is simply resorting to dogma: it is superficial, it is not necessarily so, it is not thinking it through in terms of the best way of doing things or considering each situation on its own merits. The Minister then stated:

The private sector can inject the capital funds necessary to build new prisons and . . . can also provide new cells faster than the public sector and provide creditable management in correctional functions.

Is this the rationale for having private prisons? In other words, they can provide the capital to make the cells quickly and so we will throw in the management as well! Private prisons are not a new idea. The Minister refers to examples in the Eastern States in terms of saving money, but even then it is not clear whether this is the case—it is not proven. Writing about Queensland prisons, Paul Moyle states:

Analysis of the unit costs from the Queensland Corrective Services Commission indicate that Borallon had a net expenditure of \$1.519 million whereas Lotus Glen had a net expenditure of \$1.328 million. Crucially, the net daily unit cost per offender was \$104.69 for Borallon and \$101.54 for Lotus Glen. The department changes this figure by adding the cost of overheads to Lotus Glen, yet not adding a proportion of the overheads to Borallon. This artificially increases the unit cost per offender for Lotus Glen to a figure higher than the net daily cost at Borallon. Borallon uses the services of head office of the Queensland Corrective Services Commission and other administrative support just as other public sector prisons do. Therefore, it is unrealistic to expect the public sector to have this cost added on to their overheads while at the same time excluding Borallon.

These official figures are even less flattering to Borallon when it is considered that Lotus Glen has significant disadvantages in its operation that would make it more expensive to run than Borallon.

The arguments in terms of cost cutting cannot be borne out. As to proposed section 4(2), the explanation of the Bill states:

... provides that certain employees of management [staff]... will... be taken to be employees of the Department for Correctional Services. One effect of this will be to extend to employees... the right to use reasonable force under section 86 of the Act.

Despite all the things that I have mentioned before in relation to punishment and the role of the State, this is certainly not a worry for this Government, which says, 'We will just hand it out to private employees.' Full privatisation is certainly not the answer for our prison system. Today people referred to the document produced by the PSA and they poured a lot of scorn on it, but I think that document raises some interesting and important issues. I will quote from the section headed 'Major Practical Questions' because I do not think these matters have been addressed, either. The document states:

There are also a great many unanswered practical and legal questions involved in prison privatisation. What happens if a prison contractor goes broke? Who picks up the tab? Does the Government ease contract conditions if a contractor is facing financial difficulties? To what degree should contract breaches be tolerated before a contract is cancelled? If facilities are destroyed in a riot who pays for them?

How will contracts be monitored? How much will this monitoring process cost? What if the Government wished to cancel a contract for a prison owned by the private sector and no public facilities were available? What if a private prisoner contracts AIDS? Who is liable? Can a private prison operator transfer inmates between States if there are vacancies in one State and excessive numbers in another State?

They are not theoretical questions; they could happen, but they are just not addressed. I conclude by saying that the privatisation of prisons, the running of prisons by persons other than the State, is fundamentally flawed. It should not be part of our democratic society. On that ground alone we should not consider it, but even on the grounds of cost cutting, which is the major driving force behind the legislation, it does not stand up, either.

Mr BASS (Florey): Tonight the member for Hart and, in fact, several members on the other side of this House have made many quotes, allegedly from experts in the privately managed prisons department. It is a little bit like getting an opinion from a lawyer and then someone else taking the same situation to another lawyer and getting a contrary opinion. For every quote that the member for Hart has made tonight, I am sure we could find a quote from another alleged expert that is contradictory. Notwithstanding the member for Hart's quotes from an alleged expert, let us look at the original legislation; that is the Correctional Services Act of 1982 where many of the matters raised by the member for Hart are already canvassed in the principal Act.

The Bill before us, the Correctional Services (Private Management Agreements) Amendment Bill, is legislation that will enable the Government to implement an initiative which will reduce the annual cost of keeping a prisoner in custody, an annual cost, I might say, which is totally unacceptable and which must be addressed. The Audit Commission recommended the outsourcing of selected services that are presently being provided by the Correctional Services Department, those services being the operation and management of prisons, catering, maintenance of buildings, administration of community correction orders, prisoner transport, hospital watches, guards and even the operation of the Prison Dog Squad. The Audit Commission also recommended that a new prison could be constructed and managed

by the private sector. I will deal with the last recommendation first—to build a new prison. The Government will not have to build a new prison to commence this procedure.

What we will do is take what was the former Labor Government's white elephant, the Mount Gambier gaol, and increase the number of prisoners it will hold to 110 which, although still below numbers required to make a privately run prison attractive to private enterprise, is a number of prisoners that can be managed by private enterprise at a profit to that company. The private company will be able to run that prison at thousands of dollars less than it would cost to have a prison in the system at present.

I now turn to another recommendation for outsourcing, and that is the transport of prisoners. At the present time, there are two types of prisoner escort. The first is the Correctional Services Officers who escort prisoners to and from the Supreme and District Courts, and who also act as security guards while prisoners are at these courts. Then there is the Police Department, which conducts escorts to and from the many magistrates courts in the city and suburbs of Adelaide, and which escort prisoners from country police stations to Adelaide prisons and Adelaide courts. The police, while conducting these escorts, are not on the road. They are not being proactive or reactive as the case may be. They are escorting prisoners. These are highly trained police officers escorting prisoners.

The officer in charge of the Para Hills police district recently conducted a survey on the time his officers were involved in prisoner escorts and found that, if his officers were not involved in escorts, he would have the equivalent of one extra patrol on duty seven days a week. So, by outsourcing many of the duties involved with prisons, it will have three positive results. The first is that fewer Correctional Services Officers will be away from their duties in the gaols. The second is that more police officers would be on the road and, thirdly, there would be a reduction in costs for several of the services.

To outsource many of the duties performed by police and Correctional Services Officers, one must remember that these services are involved with human beings, the prisoners, albeit they have forfeited their right to freedom because of offences they have committed or have been accused of committing, but still have the right to be treated as human beings. At all times, both Correctional Services personnel and police are controlled by very strict legislation in relation to how they treat prisoners. To outsource some of these duties I have previously mentioned will mean that personnel, other than police and Correctional Services Officers, will be entrusted with these duties, and they must have the same regulations and rules, etc., that have to be obeyed in the way the prisoners are treated.

This Bill details the conditions which contractors must comply with. It enables employees of private management bodies to perform the function of prison officers within the scope of the contract. It makes private managers accountable to the Minister and, what is more important, it allows the Minister to supervise the operation of the private prisons. Some of the areas covered, which are the key features with which the Government and private sector management body must comply when developing contracts and agreements, include: minimum performance standards for management bodies and their employees; approval by the Chief Executive Officer of all employees of the management bodies who are to come in contact with prisoners; compliance by the management body and employees with directions given by

the Chief Executive Officer; periodic submissions to the Minister of reports and audited accounts; indemnity of the Crown by the management body; prohibition of devolution of responsibilities by the management body or of changes to the control of the management body that is a body corporate without the approval of the Minister; and immediate access by the Chief Executive Officer to all prison premises and records.

The Bill also contains provisions to protect the Government and individuals, including police checks for criminal records in regard to the management body and employees and a requirement that it demonstrate that it is a reputable and credit-worthy organisation. The provisions of the Criminal Law Consolidation Act are extended to management bodies and their employees to provide the same disincentives to corruption as apply to public officers. The Ombudsman will be able to investigate the administrative actions of private prisons. In the event that the management body fails to perform its responsibilities, the Bill provides for emergency staffing and the ability to order the management body from the prison, and that answers the member for Elizabeth's point.

The Bill provides for independent monitoring of outsourced services through the appointment of monitors by the Chief Executive Officer to ensure that all aspects of the Act and the management agreement are being complied with. Monitors will have free and unrestricted access to offender records and premises of institutions, and will assess and review services provided against minimum standards and performance indicators which will be provided in the management agreement. The monitor must submit an annual written report, which will also appear in the department's annual report for presentation to Parliament. The function of a monitor is similar to that of prison inspectors who ensure that standards and instructions are being complied with in the existing prison system.

To ensure that the outsourcing process is impartial, fair, thorough and within the parameters of Government policy, it is intended that it will be overseen by a task force comprising representatives from key central agencies. These include the Department of the Premier and Cabinet, Treasury, the Attorney-General's Department, the Economic Development Authority, the Department for Industrial Affairs and the Department of Correctional Services.

As I said, construction of the 110-bed Mount Gambier prison is expected to be completed later this year, and we will then see exactly what savings privately run prisons give. I know that it is a new way in South Australia of managing prisons. It has been done overseas successfully; it has been done interstate successfully; and I have no doubt that it can be done in South Australia successfully. I support this legislation.

Mr QUIRKE (Playford): If ever there was a kid put in charge of the cookie jar, it is this Minister in charge of prisons. I must say that, when he took over this job, he took it with absolute glee and delight. I must compliment him on the fact that he is the only Minister for prisons I have met who actually enjoys his job. A number of them have been around, but most of them have not been all that keen on the job but, at the end of the day, this one obviously takes a great delight in the job he has to do. In a flight of fantasy at the end of last year we heard this great speech.

Mr Wade interjecting:

Mr QUIRKE: The honourable member would be well advised to read Standing Orders if he wishes to interject. At

least, the member for Hanson had enough IQ to dash back to his seat so that he could interject. I suggest that the member for Elder do the same. In this flight of fantasy we were told that the gaols had, in fact, already been privatised under the Labor Government. We were told earlier this year, I think in January, that we had already privatised the gaols; we had handed them over to the criminals and to the prisoners, if I remember rightly. I received a copy of the press release that came out which said that everyone was running the gaols, according to this Minister, except those people who were supposed to be doing it and those who were paid to be doing it.

In fact, a rather shocked *Advertiser* reporter rang me and asked whether I realised that the prisoners were already running the place, that the gaols had been privatised. I thought for a moment and it occurred to me at that point that this was the beginning of a degree of bashing the employees in the prison system who, in most instances, do a very difficult job for not a lot of money. They do not necessarily like their job as much as other people like theirs, but it is a socially necessary job. Many people in this House would commend them for the work they do, but I doubt whether many of them are in this Government. Certainly, earlier this year the Minister did his usual stunt of whipping up a storm and telling us that the whole thing was real. It was a flight of fancy, and we have seen a few others since.

The longest ministerial statement—and I have heard some rippers in my time—was the one that the Minister made to the House yesterday. His front bench is still trying to get over how he could set up Question Time for them as he did yesterday, because nothing went right after it—and it did not go too well during Question Time, either.

We have a piece of legislation before us that does not surprise me one bit. The only thing that surprises me is that it was not introduced a bit sooner. Let us strip the veneer off all this. If we look at the record of this crowd, we find that this Government is about winding back working conditions for ordinary people, and now it is the gaol officers turn. That is what this is all about. The Government knows that, when it hands over all these services (and I am sure it will get this legislation through; maybe it will not, as the other Chamber might have different views about it), it will bring in private companies that will reduce the amount of money paid to most of the workers who will have to perform those services. Memories are a bit short around here, because I remember that in 1992 the then member for Bright, now the Minister, would get up in here day in and day out and raise the name of Marshall Spiero.

The Hon. W.A. Matthew: Marcel.

Mr QUIRKE: I thank the Minister for the correction; he certainly remembers the incident. He got up day in and day out and wanted to know what had happened. If I remember rightly—and I am sure that the Minister will correct me in a moment, or maybe someone else will—he was a rather dangerous individual who, as I understand it, did not have the proper escort; he was on his way to court from Yatala, and some of his friends held up the van, produced firearms, extricated Marcel and sent him on his way. The member for Bright thought that was a pretty terrible incident, and I agree with him. It was slack and sloppy. It was dreadful.

I would sit up there where the member for Mawson is now, in my sin bin. I was up there for three years. I remember being in cobweb corner; it was in my last days. I was soon to be paroled from being in cobweb corner at that time, so I guess it was in the middle of 1992 when these incidents

occurred. I wonder what will happen if the Marcells of this world are shifted around in some private little truck that was a Tip Top bread delivery van, supplied by some little corporation from which the Minister can pinch a few cheap dollars in providing this service.

The PSA document—and I do not intend reading too much from it—stated something of interest. Being somewhat of a historian, I have a bit of interest in this. It states that private prisons are nothing new. We know that. It further states:

You may recall that the first white settlement of Australia was in response to a prison overcrowding problem in England.

Indeed, there was a debate in the 1780s about what to do with the prisoners who were kept in hulks and various other establishments around the place. The proposed solutions were a little different, but the debate went something like this.

Russell Ward goes on about it in his book at great length, if anyone wants to look at it. He worked out that it cost £102 to shift a convict to New South Wales and feed and look after that convict for the average length of his sentence before he got a ticket of leave. It only cost £4/13 to hang the bloke. The solution by a number of Conservative and Tory politicians in the 1780s was that they ought to literally pull the chair from under these people and save a few quid. At the end of the day this is nothing more and nothing less than an exercise in cost cutting, without any of the social responsibilities.

Governments in this country are charged with a large number of responsibilities. The provision of law and order is one of the most fundamental. We have heard from the member for Florey that highly trained police officers ought to be out there on the road doing their job. If that is the argument coming from the member for Florey, the Minister might want to do something about police officers in our gallery every day. He might want to bring in a private company to do that job. I think, Mr Speaker, and I see you concurring, Sir, that that would be a few police officers he could liberate. After all, I do not think we need the sort of care that Marcel Spiero did.

In relation to police officer training, I must say that there are a number of instances in this world where I would suggest that carting dangerous felons around the place is an exercise that ought to be done by the more highly trained law officers in this country. We can look at the dog squad. The one based at Northfield, or wherever it is housed, is an outfit especially trained by the police. It is the Police Dog Squad—it is an offshoot of that, according to my information (which may or may not be correct). I do not know what will happen to that outfit. Perhaps the Minister would like to tell us in his response. How many of those sorts of facilities will they try to transfer to some private company? They will have quite a few industrial problems on this.

I am open to the Minister advising us what he is going to do about that. I have read his second reading explanation and can find nothing in it about that sort of thing. I am waiting, my vote is pending, and I want to know what he is going to do about some of those other people who get a living—albeit not a very good living, but it is a living—out of the job that they do and the services they perform for his department. What will happen to them and their families? We on this side would have thought that the Minister could have put that in his second reading explanation. He could have assured us over here, and probably have shortened much of this debate, by letting us know what will happen to these people. Another point following closely on that is that we are told that if we have a privately managed prison (and some members have

made this statement, and it is in the second reading explanation and the report on the Bill) the Minister can send in staff straightaway, that as soon as there is an incompetence, a problem or the place is burning, like Yatala did some years ago—

Mr Clarke interjecting:

Mr QUIRKE: That is a good point, but I do not know that we can say that about him just yet. At the end of the day we have a situation where, when it turns white hot and reaches a critical mass, we can press the panic button, take it out of the hands of private individuals and hand it over to some of the Minister's more highly trained staff. My guess is that the Police Department of South Australia will be called in to pick up the pieces when this happens.

I use the word 'when' because unfortunately the history of correctional services across the world is that from time to time the incarceration in many instances of dangerous and desperate people for increasingly lengthy periods of time leads to situations where law and order break down. I do not know how the management consultants will handle this, but I know that this Minister is saying that he has the reserve powers to pick up all the pieces. I think he had better start practising pressing the panic button a few times, because I suspect he will have that sort of problem. I suspect that the people he will bring in to manage the prisons will not be capable of dealing with the problems and issues that are likely to emerge.

I say that because I have been following the debate in the past eight to nine months with regard to where we are going with correctional services. There is no doubt that under this Government—and I suspect that it has the support of most of the community—prison sentences will be long. I have no doubt that the numbers in prisons will grow dramatically and that another major prison somewhere in Adelaide will be necessary within three years. There is no doubt that many of these prison populations will reach flashpoint and there will be problems. I suggest—as I have suggested before—that under this Minister they may come a little quicker than under other Ministers.

I recall 10 to 12 years ago the Tonkin Government and some of the problems that it had with the prisons and what happened to one of its Ministers. It started the fine ministerial career of the member, as he is now, for Kavel. I understand that he came in to pick up the pieces. Indeed, he has shown himself to be a fine fellow here and a very sound debater. Of course, I should not mention his name around this Minister, should I, Mr Speaker?

It was suggested that I should discuss Stalag West Lakes, as it has often been called on the Opposition side of the House. I do not know whether the private prison idea will catch on. This year we have seen workers' wages cut, unions which represent their workers shafted and industrial relations Bills which were agreed to and rubber-stamped at the other end of the corridor here. We have seen an attack on working conditions such as we have not seen before. In the last day we have seen a cut to superannuation and the cheek of this crowd to come in here and say that the Federal Labor scheme in Canberra, which is the basis of this Government's new super scheme, is not only generous but its idea.

I suggest that if this Government proceeds to build another prison, we ought to listen very closely to what the good Minister for the Environment and Natural Resources said yesterday. He obviously endorsed the idea of Stalag West Lakes. It sounds like an ideal facility! The question that we asked was whether he thought the member's idea was good.

We expected to get some sort of fob off, which is a reasonable thing when such questions arise. We expected him to tell us that it was our fault, that everything from the bad weather all the way down was the former Government's fault, and then single a few of us out for special attention. But we did not get that at all. We also thought that the reserve answer might be to get up and mumble a bit and sit down out of sheer embarrassment. But, no, we got the idea of the penal institution there reinforced.

I recall on State election night that was the booth that everyone was hanging their hat on. I remember being in the tally room and one member, who I will not name, came to me and said, 'He's not going to win, is he?' That is what one very prominent member said. I said, 'Unfortunately, because of the West Lakes Shore booth, I think he will storm home.' Well, I was wrong. I thought he would win by 500 votes, as I said to a certain prominent member of the Government front bench. He was horrified.

Mr Clarke interjecting:

Mr QUIRKE: No, I am not getting into that. To my astonishment, he won it by only 426 votes. However, he won it on West Lakes Shore. I have to tell a story about a great friend of mine who was responsible for giving prisoners the right to vote.

Mr VENNING: I rise on a point of order, Mr Speaker. Will you, Sir, rule on relevance? This has nothing to do with the debate at all.

Mr QUIRKE: We are still waiting to hear you.

The SPEAKER: Order! I suggest that the member for Playford link his remarks.

Mr QUIRKE: A good friend of mine was responsible for giving prisoners the right to vote. I will link my remarks by saying that prisoners also vote in this State. In the old electorate of Playford the only box I did not win was the Yatala Labour Prison. There are two views as to why that happened.

Mr Venning interjecting:

Mr QUIRKE: Yes, I did doorknock it. There are two theories as to why that happened. The first, which is probably the correct one (I do not know), is that in fact prisoners always vote against the established Government. Indeed, if the Government sticks it down at West Lakes we will prove that theory at the next election. The other theory, which I think is much more unfair, is that the sort of person who is likely to be in prison is much more likely to be a Liberal voter. That theory has been put to me and put to me very seriously. I must say that in all the gaols in the land it is obvious that there must be something in that, because there is no Liberal Government anywhere in the country that wins a prison box. We oppose the legislation.

Mr BROKENSHIRE (Mawson): I rise to support the Minister on this Bill. I would like to talk for a little while on the detail of the Bill. I will introduce some general comments to support the Bill, given that already quite a lot of detail has been put forward by members on this side.

It is interesting to read the *Hansard* of yesterday and the comments made by the member for Ross Smith about the State's economic difficulties being well known to the Treasurer and the Government prior to the last election. He said that blind Freddy understood the financial difficulties the State was in at that time. If that is the case, blind Freddy had a fair bit more sight than the previous Government, because even a week or two before the election the then Government was still making mistakes to the tune of at least \$100 million.

Of course, when we got into government we found that those mistakes were much larger than that. So, Blind Freddy certainly had a bit more sight than the previous Government, and members opposite would do well to remember that.

This all ties in with the reason why this Bill is being introduced. I remind those on the other side—and for the benefit of my electorate—that that debt of \$8.5 billion and the \$350 million underlying recurring budget deficit that we have had to take over mean that we must make some changes. Of course, we all know that, if nothing changes, nothing changes. We have to introduce some changes; otherwise, we will end up totally down the gurgler. So, here is an opportunity to bring the private sector into one portfolio area within the Government to rationalise and restructure and yet still provide a very good service to the public of South Australia.

During his address, the shadow Minister, the member for Hart, made an analogy about directors and responsibilities to shareholders. I remind him that as members of Parliament, and particularly as members on the Government side, we are directors for the shareholders of this State, and the shareholders of this State are the taxpayers. Those taxpayers put us into government to ensure that we make changes that will get this State back in order.

It was interesting also listening to the Opposition spokesman on correctional services only yesterday. A comment was made about his not having asked a question since early May 1994. His reply was, 'Well, frankly, I have more important issues to deal with than that.' That epitomises how much interest the Opposition spokesperson on correctional services really has in the portfolio area. If I were the Leader of his side, I would certainly be looking for someone who had some genuine interest in correctional services to take over from him and who did not just stand up and create a lot of theatre and drama tonight because he happened to have an audience in this House.

I have much sympathy for prison officers. In fact, when I was younger, one of my father's best friends was a prison officer at Yatala, and I know the difficulties that prison officers encounter in their day-to-day duties. It is a difficult job. It is a job that I certainly would not like to have, and I am sure that most members in this House would respect the fact that prison officers do have a difficult job. Of course, we have to look at protecting and supporting them wherever we can, and I know that, under a Brown Liberal Government, that will be first and foremost of our intentions, as indeed it is with all public servants who come under our jurisdiction and care.

Also, we must look at the rehabilitation of prisoners. I am the first to admit that we must look closely at how we could better rehabilitate prisoners, because obviously we do not want them reoffending. Of course, for petty offences it is much better if we get the prisoners out doing community service orders. Our Government is doing a good job of that, and we are seeing that happening more and more every day.

On the other hand, with regard to second and subsequent offenders, and hardened criminals, I make no apology whatsoever for the fact that we should throw the book at them and, in some cases, probably even throw away the key. Therefore, we must make sure, as members of the public are demanding, that we have adequate prison facilities. Of course, to do that we must look at an expansion of the existing prisons.

We all know what has happened in this State with criminal activity over the past few years. In fact, we only have to look at the figures to see that under the previous Government criminal activity in this State blew out, partly because we got

too soft. Members of the public now have said that no longer do they want to be soft, and no longer do they want to have a problem in making a decision on whether their daughter can walk down to the neighbour's place at 6.30 of an evening. They want a Government that will lead by example and put in penalties that will get a message through to these unfortunate hardened criminals and subsequent offenders who will never be able to be rehabilitated, and that is the other group. As I said, some can be rehabilitated. I know that within the Correctional Services portfolio that will happen, but we must get tougher on these who reoffend. That is why we brought in the truth in sentencing policy, and already that is starting to have some influence. The message is getting around, and I strongly support that.

With regard to the cost of running those prisons in South Australia, we all know that South Australian prisoners are costing us on average \$56 000 per person per year—and this, I must stress, is excluding the capital cost for the incarceration. But for one year in South Australia it is \$56 000 to keep a prisoner in a cell; in New South Wales, it is \$23 000 per person; and I have not heard of problems in New South Wales any more than I have heard of problems in any other State or, indeed, in South Australia when it comes to how those prisons are run.

It is interesting to hear the Opposition saying that we should not be going ahead and privatising, etc., because we will not be in a position to honour our Government obligations. What a load of rubbish! Governments are responsible for education and for health, but some of the most successful schools in this State are private schools. Students are getting a good education, and the Government's responsibilities are being met. Of course, we know about the successes of private hospitals and the good service they provide. Many people opt to use private hospitals for health care. Of course, the Government is performing the supporting role that Government's need to perform and taking on its responsibilities.

Savings arising out of this competitive system will be applied to accommodating increasing prisoner numbers (everyone realises that in time we will need additional cells and prisons) and also to expanding existing services and creating new Government services, or just possibly—and this is something that the Opposition never thought about doing; it thought it could just keep borrowing money, and we all know that is not possible—making some savings and returning them to the Government coffers so that we can reduce that massive debt, the legacy that all South Australians inherited, and get on with the job of providing even more services.

Capital is obviously not available from the Government to build new prisons and we will be looking at BOO (build, own and operate) systems, which are working very well around the world. It is much better to look at that sort of system, where we can still provide the services, than further putting this State, our children and grandchildren into deeper debt and ultimately total bankruptcy. It is sad that the Opposition is supporting—and, as I see tonight, encouraging and frankly gleaming about—industrial upheaval, riots and fires. Members opposite have talked all night about the bad things that will happen because our Correctional Services Minister happens to be taking some initiatives to help get this State in order.

I would have thought members opposite would be a lot better off looking at the positives from this initiative, seeing the savings that can be provided for the whole community and getting on with the job of supporting us. Private manage-

ment and outsourcing will allow private companies to take over selected services. We must support all initiatives that save money. We are not talking about getting right out of Public Service Association members' work areas into the Correctional Services area of Government: all we are talking about is outsourcing some of the facilities and services that are required and bringing in a segment of private management. Any reasonable and rational person would support that.

Moving around one's electorate every day one finds many people commending the Minister on his initiative. It is probably worthwhile at this stage reminding those on the other side what the Government is really here for. I have said it before, but I know that the Opposition does not understand: the Government is here, first, to make laws that protect and enhance this State. Secondly, the Government is here to provide facilities, services and infrastructure that the private sector either cannot or will not provide.

Obviously we are able to fit in some private management, some outsourcing and privatisation of certain sections of the emergency services portfolio in this way. Why should the Government provide all the services and facilities when the private sector is keen to do the job? Provided the job is done properly, the Government has met its obligations. Clearly that is the case with this Bill. Contrary to what the Opposition spokesman said, the Minister has clearly indicated that there will be an estimated 20 per cent—not 45 per cent, as members opposite have said, but 20 per cent—savings through lower operational costs due to restructuring of staff and better management resources. We are not a bottomless pit and we cannot go on paying out when we can save this sort of money. The PSA pamphlet was amazing, referring to privatisation and the loss of citizens' liberty: once again, I did not read anything in that pamphlet about the rights of the victims. It would be good if the pamphlet considered what happens to the victims when these hardened criminals do the damage out there which we unfortunately know some of them do.

I have no sympathy with hard core offenders, but I do have much sympathy for the people in my electorate who are unemployed, who need health care and services, who needed good education services, more police to protect them on the streets, better roads, more transport, and it goes on and on. By introducing this Bill and allowing some privatisation, it will free up some of the wasted money currently being spent within the system, and it will allow us to address issues that have not been addressed for a long time.

In conclusion, I highlight a couple points in relation to the Bill which I believe are very important. First, prisoner services have been outsourced in Australia and overseas, a matter to which some members have already referred. Victoria has recently awarded contracts for the management of prisoner transport. I know that some South Australian companies are very keen to have an opportunity to do that, and I am sure they will do it well. Contracts have also been awarded for the management of the St Augustine's security ward, prisoner security at the Melbourne Supreme and County courts and prisoner court transport services.

This Bill will generate creativity and enthusiasm within the management of correctional services by introducing new ideas and innovative practices. It will lead to a transfer of technology between both private and public sectors, and that is something that this Government is encouraging. It will assist in making positive changes to public sector prison culture, and I believe it will provide alternative options when

restrictive work practices and rorts become entrenched and resistant to reform.

Overall this measure will provide better work, rehabilitation and training programs, things that this Government is making sure will apply through the provisions contained in this Bill. That is what Opposition members have been calling for, and if they read the Bill they will clearly see that specified. The Bill details conditions with which contractors must comply. It enables employees of private management bodies to perform the functions of prison officers within the scope of the contract.

Mr CLARKE: I rise on a point of order, Mr Speaker. Could the Minister for Industrial Affairs deport himself with his legs closed rather than open? I find it somewhat disconcerting.

The SPEAKER: Order! The honourable member will resume his seat.

Mr BROKENSHERE: Once again, Mr Speaker, we see how serious members of the Opposition really are about helping us get on with the job. They come up with frivolous points of order, and the member for Ross Smith is always the main interjector day in and day out. He is just like a big school boy.

This Bill enables employees of private management bodies to perform the functions of prison officers within the scope of the contract; it makes private managers accountable to a Minister; and it allows the Minister to supervise the operation of private prisons. In other words, all the checks and balances are contained in this Bill, and if Opposition members were fair and honest about it they would admit that. In the event that the management body fails to perform its responsibilities the Bill provides for emergency staffing and the right to order the management body from the prison.

Finally, this Bill is necessary to give the Government the ability to contract out correctional services in a manner that protects both the Government and the offenders; and, even more importantly in my opinion, it creates another opportunity to start saving money in another department, and therefore it will work further down the path towards restoring the economy, which will provide a new direction and a positive future for all South Australians. That is something which all South Australians clearly requested on 11 December, and this Government will not be scared off from the job of rebuilding this State and, in so doing, saving money. Therefore, I support strongly the Minister and commend this Bill to the House.

Mrs GERAGHTY (Torrens): Much of what I wanted to say has already been said tonight, so I will just make a few points which I feel still need to be raised. The proposed privatisation of our prisons raises many questions for both those on this side of the House and those in the community. Governments have a responsibility to the people they represent, and the introduction of proposals such as this—privatisation of the prison system—is a matter of grave concern. Governments must own and manage the services within the community that affect the community. Where are the safeguards? No matter how carefully we set the ground rules, Government will not have control if we privatise the prison system.

I note that the Bill provides the Government with the right to remove a prisoner from the custody of a management body at any time. If there is a need to put such a clause in the Bill, it is obvious that the Government itself has no confidence in the act of privatising the prisons.

The only objective of the Government is to save money. What about moral commitment to the community? What about responsibility? What about controls to ensure that prisoners are treated fairly and with compassion? Not all prisoners are heinous creatures. The reasons for being in prison can be many. It is up to the Government to ensure a just environment. Let us look at the officers who work in the system. What kind of working conditions will they face under privatisation? More of their conditions will be eroded, and they will face longer working hours with fewer support staff. Officers could be placed in situations where they will work with less back up and no doubt will be placed in positions where they will be in danger without support during possible threatening situations. There will be no security at all.

Privatising means that whoever takes on the system will only do so if there is money to be made. I have no doubt that money can be made, but at what expense? Cutbacks will create an environment within the prison system that will eventually lead to disruption of order, discontent and eventually chaos. What then will the Government do? New section 9E provides:

... management. . . and the Minister is of the opinion. . . failed, or is likely to fail, to carry out its responsibilities.. the Minister may—

(a) order the management body and its employees to leave the prison. . .

It goes on to provide that the Minister may staff the prison with employees of the department, including employees of another private management company. It also provides that costs could be recovered from the management body.

It is all about money—not a word about principles or justice. This is purely an exercise in cost cutting and not one of social conscience. The concern for the prisoners and officers is secondary to the financial aspect. We know full well that, if the private sector becomes involved in the prison system, it will not do so from a position of social consciousness—it will only happen if it can make a profit. Business does not embark on a venture for the experience or the fun of it. Business has commitment to shareholders, and shareholders want a fair return for their investment. They want a profit. What happens when there is a disruption in a prison? Who will step in then? Will it be the Government? Will the management of the prison forego some of the profit and reinvest it into the system to restore calm? I think not. I think we will find that the Government will have to subsidise the management body because it will have found that, to service the shareholders at the expected rate, it is forced to run a very tight ship. What about the social responsibility of management to assist in the rehabilitation of offenders? This could be a recipe for disaster.

Profit and social responsibility rarely go hand in hand. Can anyone expect management to provide and maintain the programs that will enable prisoners to gain the skills they need to re-enter the community? Prisoners need such programs. They need rehabilitation to enable them to make the transition from prison life back into the community. Will a private management body be financially responsible for that at the expense of shareholders' profits? Although I will not dwell on this matter, what about riots and breakouts? Who will have the skills to deal with such situations? Who will ensure the protection of the community? This Bill is full of problems. There are no safeguards. It is ill-conceived, unprincipled and will not be one the Government will want to own up to in the future.

Mrs ROSENBERG (Kaurua): I support this Bill and place on record some reservations about total privatisation. It is known to most South Australians that the previous Government completely failed in the provision of Correctional Services in South Australia. The Audit Commission report clearly identified that South Australia has the most expensive administration costs in correctional services in Australia, amounting to \$89 million in 1992-93. The cost per prisoner is \$56 000 excluding capital, which compares very badly with Queensland at \$39 170 and New South Wales, which is the lowest at \$23 375 per prisoner. The last two mentioned States have some private prisons. South Australia was spending 25 per cent more on Correctional Services compared to the same service interstate. This high cost is even more alarming when one considers that, under Labor, 25 per cent of South Australian prisoners were remandees. In other words, Labor filled one-quarter of our prisons with unfortunates who could not afford to pay their fines.

In fact, Labor went so far as to build an entire remand centre to house those unfortunates, rather than putting into action its oft-repeated rhetoric about social justice and allowing those people to do community service orders or something similar to cover their debt to society. The lack of lateral thinking from the other side meant that their solution was to release violent prisoners to home detention and leave the find defaulters in prison. No wonder the community has accepted so well the changes introduced by the Minister and applauded our efforts to put commonsense back into this system.

The Audit Commission has recommended that the Department for Correctional Services should explore outsourcing support and security functions and develop plans to enhance prison capacity. In response, the new Mount Gambier Prison catering for 110 inmates will be privately managed. The Bill allows this process to be put in place. With prison populations likely to increase by 40 per cent by the year 2000, it is necessary to save costs and allow the savings to be used for new prison facilities to accommodate increasing prisoner numbers. Outsourcing can cover other areas such as catering, building maintenance, administration of community service orders, transporting of prisoners and hospital watches.

The Bill contains a series of checks and balances and, in particular, conditions with which contractors must comply. The PSA is at the propaganda machine again and I notice the pamphlet distributed by Jan McMahon, the General Secretary of the PSA, raises issues of corruption and abuse of the system in private prisons which led to the call for public prisons. It is interesting to note that the quote used to support the call for change is from 1898. Can she not find a quote later than 1898?

New section 9B gives the Minister, the CEO or the Commissioner of Police the power to investigate proposed management bodies and their employees. New section 9C allows for the intervention of the Ombudsman. New section 9E allows the Minister to intervene when management has failed in its duties. Certainly, these are enough checks and balances.

The propaganda pamphlet further raises the issue that the Liberal Government is introducing private prisons and hence cheaper systems to avoid higher taxation. Therefore, one must assume that the PSA is advocating higher taxation to fix the State's debt created by its mates in the Labor Party. I wonder how many PSA members want higher taxation. Ms McMahon's pamphlet also complains that data in private

prisons is kept secret, but this is covered more than adequately in the Bill in new section 9F, which provides that monitors will directly supervise the undertaking of management agreements and must report to the Chief Executive Officer. Costs associated with this action are taken from the management body.

The public is protected by many checks and balances in the legislation, and I mention them only briefly because they have been covered earlier. There are minimum performance standards, approval by the CEO of all employees, compliance by management to the CEO in new section 9, indemnity of the Crown, prohibition of devolution of the management body's responsibilities, and immediate access by the CEO to all prison premises and records.

The PSA seems worried about the standard of workers employed in private prisons and claims that the cost savings that have been shown clearly by other Australian States of around 20 per cent would result in lower wages. More interestingly, it then suggests that these lower wages will mean a lower quality work force. I find such a statement from a union repugnant indeed and suggest that it sends a clear message to the community about what unionists really feel about workers. The assumption by the PSA that poorly paid workers are poor quality workers is rejected by me and by any other person who has respect for the real Aussie worker. Workers are clearly protected in the legislation by a series of conditions to which the contractors must comply, including maintaining accountability to the Minister. Further, part 7 of the Criminal Law Consolidation Act is extended to management bodies and employees to set the same set of protections for workers in private prisons as in the public system. Possibly the most outrageous statement made in the PSA pamphlet is that private prisons mean that we are delegating the State's power to punish individuals to private prisons, and that suggests a solution that there be extension of Government regulations to protect prisoners from contractors' abuse. This has been sufficiently covered in my previous words, but it must be noted that private or public is irrelevant. The State never delegates its power to punish; that comes through the sentencing legislation and through the judicial system which sets the penalties. The prison is merely the tool used to house the prisoner, not to determine the punishment.

I raised at the beginning my reservations about total privatisation and have given consideration to some of the arguments put as reasons to oppose full privatisation. First, the interstate examples are new and we do not give a long timeframe to consider the success or otherwise. The American system is put up as an unsuccessful system. However, only 1 per cent of America's prisons are privately operated so, if the system is not successful, then the problem is being contributed to by 99 per cent of public prisons.

I have considered the suggestion that we will dispense with our responsibility as a dispenser of punitive measures and rid ourselves of public accountability and monitoring of the process. The private prison system asks us to consider whether we are divesting to private authorities the function of the State to punish and imprison community members. I have considered carefully all those arguments, as previously mentioned, and the clauses of the Bill that address those issues and I can support, on balance, the move towards privatisation as long as this is done with stringent observance of the checks and balances.

In conclusion and in supporting this Bill, I note that it is stated that there are limits to privatisation in many areas of Government interventions. This Bill sets a good balance

between Government dominated correctional services and privately funded outsourced services, most importantly while protecting the safety and rights of the prisoner and saving the taxpayers of South Australia considerable money to put towards more prison facilities. It is disappointing that there is a need to house more and more people in the prison situation, but the community demands and deserves protection. Our Government is about satisfying that demand in the

most cost effective method possible. I support the Bill.

Mr CLARKE secured the adjournment of the debate.

ADJOURNMENT

At 11.54 p.m. the House adjourned until Thursday 25 August at 10.30 a.m.