

HOUSE OF ASSEMBLY

Tuesday 25 October 1994

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

STATUTES AMENDMENT (CLOSURE OF SUPER-ANNUATION SCHEMES) AMENDMENT BILL

Her Excellency the Governor, by message, intimated her assent to the Bill.

QUESTIONS

The **SPEAKER**: I direct that the following written answer to question No. 120 on the Notice Paper be distributed and printed in *Hansard*; and I direct that the following answers to questions without notice be distributed and printed in *Hansard*.

ENERGY

In reply to **Mr De LAINE (Price)** 11 October.

The **Hon. D.S. BAKER**: I can now report on the question raised by the member for Price on solar technologies. Current promotion of solar technologies is being carried out by both the Office of Energy and ETSA through research, demonstration and information programs. I agree with the member for Price that the wider use of solar, and other renewable energy sources, will have a positive impact on the environment and ease the load on South Australia's gas, coal and electricity requirements.

The Office of Energy designed the solar photovoltaic energy generation system for the 'Maldorky' homestead. In addition, seven household displays of solar and wind energy technology are being set up by the Office of Energy with the assistance of the Commonwealth's Renewable Energy Promotion Program.

ETSA will soon be launching a program to promote solar water heaters (and energy efficient appliances) by accessing the Commonwealth Government's Renewable Energy funding assistance. Through this program, both new home and current home owners having a bank loan would be able to procure solar and/or energy efficient appliances via their bank mortgage and have them paid for as part of their home mortgage. The interest rate is expected to be around 9 per cent and therefore significantly lower than credit card interest rates. In addition, those householders with no bank loans will be eligible for an 'energy card' to purchase specified appliances at the above lower interest rates.

Together with these programs, both ETSA and the Energy Information Centre have been assisting consumers with energy efficiency information and will continue to promote solar applications wherever they are economically viable. The above range of measures that are now in train are all expected to make a positive impact on the quality of the environment over the longer term. No additional incentives are planned.

MINES AND ENERGY DEPARTMENT

In reply to **Mrs HALL (Coles)** 22 September.

The **Hon. D.S. BAKER**: I respond to your query on the employment of women and the types of positions they occupy as follows:

Title	No
Clerical Officer	32
Data Entry Operator	1
Secretary	4
Personnel Consultant	1
Assistant Publicity & Promotions Manager, Ministerial Liaison	1
Library Technician	2.2
Deputy Mining Registrar	1
Information Technologist	2
Energy Project Officer	1
Geologist	10.6

Scientific Officer	2
Technical Officer	6.2
Drafting Officer	6.4
Total	71.4

MESA has no special programs in place tailored for the career development of women. However, Karen Lablack and Pru Freeman (both geologists) have been given opportunities to enter into corporate support roles. The Department also participates in part-time study assistance, and has supported nine female employees in undertaking part-time study this year.

WOOD SHAVINGS

In reply to **Ms HURLEY (Napier)** 22 September.

The **Hon. D.S. BAKER**: Brisk purchased wood shavings from Mt Gambier Pine Industries for a period of 11 months to October 1993. During this period, MGPI used mould inhibitor pentachlorophenol (PCP) to treat sawn timber before it was stacked for air drying. I am advised that PCP is a prohibited substance in food packaging under various State Acts. When this problem was drawn to the attention of Forwood, it terminated supplies of shavings from its MGPI plant and replaced them with material from the Mount Gambier Sawmill.

Brisk has brought a claim against Forwood for losses associated with the interruption to supplies, settlement of which was being negotiated by the crown solicitor on behalf of Forwood and its insurance underwriter. The matter has now been referred to a commercial arbitrator for resolution.

In these circumstances, it would be inappropriate to canvass the details of the claim or indeed respond to the particular issues represented by the honourable member in the question raised in the Estimates Committee.

Forwood has offered to continue to supply the wood shavings by-product upon receipt of written confirmation that it is suitable for the packaging of live crayfish for export from the Commonwealth authorities controlling exports and an appropriate commercial indemnity from Brisk to Forwood against any future claims arising from the use of shavings in food packaging.

PAPERS TABLED

The following papers were laid on the table:

By the Deputy Premier (Hon. S.J. Baker)—

Australian Financial Institutions Commission—Report, 1993-94.

Legal Services Commission of South Australia—Report, 1993-94.

State Electoral Office—Report, 1993-94.

By the Minister for Industry, Manufacturing, Small Business and Regional Development (Hon. J.W. Olsen)—

Art Gallery of South Australia—Report, 1993-94.

Economic Development Authority—Report, 1993-94.

South Australian Film Corporation—Report, 1993-94.

MFP Development Corporation—Report, 1993-94.

State Theatre Company of South Australia—Report, 1993-94.

By the Minister for Health (Hon. M.H. Armitage)—

Controlled Substances Act—Regulations—Declared Prohibited Substances—Cannabis Samples.

By the Minister for Housing, Urban Development and Local Government Relations (Hon. J.K.G. Oswald)—

South Australian Co-operative Housing Authority—Report, 1993-94.

Enfield Cemetery Trust—Report, 1993-94.

Local Government Finance Authority—Report, 1993-94.

Department for Recreation and Sport—Report, 1993-94.

By the Minister for Primary Industries (Hon. D.S. Baker)—

Forwood Products Pty Ltd—Report, 1993-94.

By the Minister for the Environment and Natural Resources (Hon. D.C. Wotton)—

Board of the Botanic Gardens—Report, 1993-94.

By the Minister for the Ageing (Hon. D.C. Wotton)—
Office of the Commissioner for the Ageing—Report,
1993-94.

By the Minister for Employment, Training and Further
Education (Hon. R.B. Such)—
Construction Industry Training Board—Report, 1993-94.

WORKCOVER

The Hon. G.A. INGERSON (Minister for Industrial Affairs): I seek leave to make a ministerial statement on WorkCover.

Leave granted.

The Hon. G.A. INGERSON: This morning I have been briefed by the Chief Executive Officer of WorkCover, Mr Lew Owens, on matters relating to an investigation by WorkCover and the South Australian Police Department into the leaking of draft amendments to the Workers Rehabilitation and Compensation Act 1986. That briefing concerned the circumstances surrounding that investigation and the findings and conclusions of the Chief Executive Officer and the South Australian Police Department. The briefing identifies that Parliamentary Counsel prepared and printed draft amendments to the Workers Rehabilitation and Compensation Act 1986 on Thursday 15 September 1994. That document was delivered to the Chief Executive of WorkCover that afternoon by courier.

The briefing also revealed that on Friday 16 September 1994 a member of the Workers Rehabilitation and Compensation Advisory Committee, Mr David Gray (who is a representative of employees nominated by the United Trades and Labor Council on that advisory committee), obtained possession of the three page index of that draft Bill, less than 24 hours after it had been delivered to WorkCover and prior to its having been forwarded to the Minister's office.

The briefing revealed that on Monday 19 September 1994 the Chief Executive Officer of WorkCover instructed the commencement of an internal investigation by WorkCover fraud officers of the alleged leak because he believed it to be a serious matter involving a breach of confidentiality. On Tuesday 20 September 1994 the WorkCover Chief Executive Officer, Mr Lew Owens, instructed and authorised WorkCover's fraud department to contact the South Australian Police Department to obtain their assistance in interviewing personnel outside WorkCover. It was not until late on Thursday 22 September that WorkCover advised the office of the Minister for Industrial Affairs that WorkCover had requested South Australian Police Department assistance in their investigation.

This briefing clearly demonstrates that neither the Minister for Industrial Affairs nor the Minister's staff were responsible for referring the investigation of this leak to the South Australian Police Department. That decision was taken by the Chief Executive Officer of WorkCover, Mr Owens. In fact, on 20 September, when Mr Owens decided to refer the matter to the South Australian Police Department, I, as the Minister for Industrial Affairs, was in Malaysia.

In this briefing by the Chief Executive Officer of WorkCover, Mr Owens explained his reasons for referring the matter to the police and indicated that the leaking of any draft legislation is a serious matter. Both the present and previous Governments had insisted on strict security, including the investigation of any leaks. Mr Owens indicated that first calling in the Fraud Prevention Department and subsequently the South Australian Police Department was,

he believed, justified and reasonable as CEO. He did not require, nor did he seek, board or ministerial approval for such action.

The conclusions arrived at by the Chief Executive Officer of WorkCover after receiving the police report indicate that an officer of the WorkCover Corporation, Mr Fred Morris, placed the three index pages of the draft Bill on the desk of a WorkCover review officer and that those pages were sent by facsimile to Mr Gray at his union office by a person unknown. Mr Owens has advised me that Mr Morris has been disciplined in a manner considered appropriate by the Chief Executive Officer. The police report also indicates that Mr Morris and Mr Gray have exercised their lawful right to refuse to answer any more questions by the police on this matter.

It is important to note that there is no evidence to support any claim that the document was released from the Parliamentary Counsel office. The only document found clearly emanated from WorkCover via the review panel. Mr Owens further advises that Mr Gray received the document but did not seek to procure it. In the event that there are further matters to report to this Parliament, I will do so at an appropriate time. Mr Speaker, I table the police report from the South Australian police to Mr Owens on this matter dated 24 October 1994.

STEAMRANGER

The Hon. J.W. OLSEN (Minister for Industry, Manufacturing, Small Business and Regional Development): I table a ministerial statement made by my colleague the Minister for Transport, Hon. Diana Laidlaw, in relation to SteamRanger and its relocation to Mount Barker.

Leave granted.

LOVERING, PROFESSOR JOHN

The Hon. D.C. WOTTON (Minister for the Environment and Natural Resources): I seek leave to make a ministerial statement.

Leave granted.

The Hon. D.C. WOTTON: I am pleased to advise the House that Professor John Lovering, the current Vice Chancellor of Flinders University of South Australia, has been appointed as the next Independent President of the Murray-Darling Basin Commission. Professor Lovering will take up his appointment in December when the current President, Mr Noel Fitzpatrick, steps down. Professor Lovering has a diverse background, excelling in both the public and private sectors. He is a geologist of international repute and has had extensive experience in the leadership of national and international organisations concerned with the natural sciences. In South Australia, Professor Lovering has played a key role in natural resources management, both in academia and as the inaugural Presiding Officer of the Natural Resources Council.

The council is, as the House would be aware, the peak body in South Australia for providing advice to myself and the Government on natural resources management issues. Some of the key issues which the council has tackled in the time that Professor Lovering has been its Presiding Member include the severe dryland salinity issues in the Upper South-East, development of a draft *Revegetation Strategy for South Australia* and ways of achieving a more integrated approach to managing the State's precious natural resources.

I am also pleased to advise the House that in these endeavours Professor Lovering will be replaced by Professor Martin Williams from the University of Adelaide as the next Presiding Officer of the Natural Resources Council. In view of his considerable expertise and experience, Professor Lovering is well placed to lead the Murray-Darling Basin Commission through the significant challenges ahead for the Murray-Darling Basin initiative. The initiative was established in 1985 by the Commonwealth Government and the State Governments of New South Wales, Victoria and South Australia as a cooperative approach to addressing land, water and environmental management issues in the Basin. The Queensland Government joined the initiative in 1992.

The Murray-Darling Basin Commission is the executive arm of the Murray-Darling Basin Ministerial Council. It has a diverse role, but some of its main functions are:

- to manage the water sharing arrangements between New South Wales, Victoria and South Australia; and
- to develop and implement strategies for managing the Basin's natural resources.

One of the key issues confronting the initiative of particular significance to South Australia is the need to achieve sustainable use and management of the basin's water resources. In view of this and the fact that this is National Water Week during which we place emphasis on achieving this goal for all our water resources, the announcement of Professor Lovering as the commission's next Independent President is very timely indeed.

QUESTION TIME

The SPEAKER: Before calling for questions, I advise that questions which would normally be addressed to the Minister for Primary Industries should be addressed to the Minister for Industry, Manufacturing, Small Business and Regional Development, and questions to the Minister for Health should be addressed to the Deputy Premier.

WORKCOVER

Mr CLARKE (Deputy Leader of the Opposition): My question is directed to the Minister for Industrial Affairs. Following the Minister's statement today, what information did the Minister have last week that led him to inform the Parliament that a police report, which was signed only yesterday regarding investigations into the release of the missing secret WorkCover Bill, would be put to Parliament this week? It also led him to say the following:

... you might need to duck when you see that one of your union mates might have a real problem to worry about.

He also said:

... I have not been informed by the Anti-Corruption Branch... on this issue.

The Hon. G.A. INGERSON: My statement last week to the Parliament was very clear, and that is how it stands. I had no knowledge whatsoever of what was in the report, as the member opposite would see, because the report was supplied to Lew Owens only today. As it relates to any involvement that I might have had, I think it is very clear, as I said in my ministerial statement, I was in Malaysia at the time the Chief Executive implemented and was progressing through the inquiry. I had no knowledge, as I reported to the Parliament the other day, of any of the issues, and they are all on the record to see what I knew.

INTEREST RATES

Mrs ROSENBERG (Kaurna): I direct my question to the Premier. What is the South Australian Government's assessment of the cause of the rising interest rates and their implications for South Australians and our economy?

The Hon. DEAN BROWN: Unfortunately all South Australians will now pay the high price for the financial incompetence and mismanagement of the Federal Government. It has failed to put in place an appropriate strategy to keep down the Federal budget deficit, and it has failed to put in place an appropriate strategy to deal with Australia's long-term debt. All we have from the Labor Opposition in this State on an issue where every South Australian will now pay through higher interest rates is laughter. I find it astounding, absolutely astounding, that the member for Hart should sit in this place and laugh over an issue like this.

The 1 per cent rise in interest rates, with the threat now throughout the financial markets this morning of further increases, will impose enormous hardship on families as they struggle to pay their mortgage and their interest payments. They will struggle, particularly in Kaurna, Mawson and other newly developed areas like that, but at the same time it will jeopardise the economic recovery taking place here in South Australia.

We have a Federal Government in Canberra where the Prime Minister himself acknowledged that he was the one who plunged Australia into the last recession. We have now come out of that and are heading into better times, or had been heading into better times. It appeared that the economy was improving but, once again, through its mismanagement, the Federal Government is plunging Australia back into a recession. This boom/bust mentality of the Federal Government, through its own incompetence when it comes to financial mismanagement, is paying dearly throughout Australia, because Australia cannot share in the sort of economic growth rate that we find in other surrounding countries in Asia.

Why cannot Australia have an economy that has a positive but stable growth rate? Why do we have to go from swings of very high levels of inflation and interest rates down to low interest rates and inflation and then back up again? This boom/bust mentality which has been inflicted on Australians over the past 10 years or so by the Federal Labor Government has left Australia as the laughing stock of surrounding countries. They sit back absolutely amazed that, time and again, the Australian Government can get it so wrong.

I join in what has been a chorus around Australia of a plea to the Federal Government, and particularly to the Prime Minister Mr Keating: for goodness sake, put in place a long-term debt reduction strategy and apply some discipline to your own budget deficit, in exactly the same way as the new State Government here in South Australia has done. We have tackled our budget deficit. We have tackled our debt problem, as have other Liberal State Governments. It is about time Mr Keating learnt something from what the State Governments have done in recent years.

WORKCOVER

Mr CLARKE (Deputy Leader of the Opposition): Did the Minister for Industrial Affairs or staff in the Minister's office have any discussions with police regarding the nature of their inquiries into the premature release of a WorkCover Bill, the subject of those inquiries and the individuals

involved, the content of the police report or the timing of the release of that report?

The Hon. G.A. INGERSON: No.

FINANCIAL MANAGEMENT

Mr CUMMINS (Norwood): My question is directed to the Treasurer. Is there any evidence that the Liberal Government's approach to financial management has been endorsed by some sections of the Labor Party? I understand that recently the Leader of the Opposition in Victoria, Mr Brumby, released a financial management plan, which represents a substantial change from Labor's free-spending policies of the past.

The Hon. S.J. BAKER: I was fascinated to read an article entitled Brumby's Economic Blueprint. Presumably, it was a summary of the new found economic wisdom of the Victorian Leader of the Opposition. Members might well have read the article and asked, 'What has happened?' Perhaps an election is on the way and the ALP wants to put itself forward as a coherent and capable Party. I was rather interested that Brumby's Economic Blueprint had a familiar ring to it. Mr Brumby pledged 'to maintain a financial surplus on the Current Account, even in a recession'. That is extraordinary stuff from the ALP. Perhaps he should talk to the Prime Minister because, consistently at the Federal level, the ALP has allowed deficits to run wild. Brumby went on to say:

Increases in Government spending must be justified in terms of improvement in services.

That is exactly what we have been talking about. Brumby further said:

The surplus will mainly finance the reconstruction of social and economic infrastructure, clear debt and/or allow for reduction in taxes and charges.

He must have read our manifesto. He also states:

New borrowings to finance a public asset must be repaid in full within the life of the asset.

That is exactly what we laid down prior to the last election. In fact, I think he must have had the Liberal Party's financial document that we placed before the people.

The Hon. Dean Brown: It would have been a good start.

The Hon. S.J. BAKER: Yes, it would have been a good start. He further says:

No borrowing to fund normal, recurrent Government services.

We laid down a program to achieve that by 1997-98. He goes on to say:

Total revenue from all sources must be comparable with or less than the national average.

Again, we are talking about being better than the rest of the States. Mr Brumby continues:

Debt will be capped in proportion to State productivity.

And so the document goes on. It may well be that there is a need for Mr Brumby to repair his image and his new found wisdom could well disappear after the election. I would like to think that many of those items on the list are an indication that he has seen what is happening in other States; that he has seen what the Liberal Government is doing in South Australia; and that he has suddenly found a little bit of wisdom and is, indeed, adopting what are genuinely strong, viable and prospectively healthy policies for the economy of his State. I commend Mr Brumby for at least coming into the light.

WORKCOVER

Mr CLARKE (Deputy Leader of the Opposition): My question is directed to the Minister for Industrial Affairs. What future action does the Government or the WorkCover Corporation intend to take against individuals named in both today's ministerial statement and in the police report tabled in this House today? What was the disciplinary action taken against the officer, and will any further action be pursued by the Government?

The Hon. G.A. INGERSON: In relation to this whole questioning exercise, it fascinates me that the Deputy Leader is running around trying to drum up this issue as being something that has suddenly dropped onto the surface and become known. I am aware, as the Deputy Leader is also aware, that Mr David Gray has been running around town—particularly in the union movement area—saying, 'Look what I have got. I have got this special piece of legislation. Look what the Liberal Party will do in relation to workers' compensation.' The Deputy Leader knows that that has been going on for three or four weeks. He knows that Mr Gray also went to the advisory committee and asked, 'Are you aware that this legislation is going on, because that is how I was informed? The Chairman of the advisory committee informed my office, and that is how I found out about the whole exercise.'

In relation to staff in WorkCover, this Government—and, I stress, as did the previous Government—has instructed the CEO of, in this case, WorkCover, that, if there is any leakage of major documents, he is expected to take action as the manager of that organisation and to advise his board. I point out that there is no mention of the Minister in that chain. That is an involvement that neither I nor any Minister of this Government would have in relation to direction of chief executive officers. I point out that it is a direction of all Governments that chief executive officers, whether they are of departments or of statutory authorities, as is the case here, are to take up and administer their management issues.

I have no idea what action has been taken in relation to the suspension or otherwise of the individual. All I know is what I was advised this morning, and as I have read out to the House: the Chief Executive Officer has made what he believes to be a suitable management decision.

ENTERPRISE AGREEMENTS

Ms GREIG (Reynell): My question is directed to the Minister for Industrial Affairs. What is the State Government's response to a proposal referred to—

Members interjecting:

The SPEAKER: Order!

Ms GREIG:—in the weekend press and media reports which would significantly increase baby-sitting fees?

Members interjecting:

The SPEAKER: Order!

The Hon. G.A. INGERSON: I thank the member for Reynell for her question. It is quite an amazing move by the honourable member in another place in relation to the employment of people in the home. The move was substantiated publicly in almost every place you could find by the shadow Minister, who is also the Deputy Leader. In 19 years of government, the Labor Party did not bother to introduce such measures but suddenly when in opposition it sees it as a big issue, and these are the sorts of ramifications that will result from the proposal put forward by the Labor Party: it

will cost approximately \$130 for a baby-sitter for six hours on a Saturday night; people will probably be forced to pay superannuation and to provide annual leave, sick leave and bereavement leave for people who work on a part-time basis; employees will be allowed time off to attend trade union training; trade union officials will be allowed entry into homes for inspection of documents; and people will have to keep written records and wage books, and make them available to trade union officials and also to the Department for Industrial Affairs.

This is the sort of nonsense that the Labor Party is going on with. What this State wants is for people to be free of this union domination nonsense; it wants the business community to be free to get on with the job of running businesses; and it wants husbands and wives, and their children, to be free to get on with running their family life instead of having to be caught up with this nonsense from the union movement. As I said earlier, we have had 19 years of Labor Government and not once did it attempt to bring in this sort of thing.

I offer a challenge to the Labor Party. The new Leader has been running around town saying that Labor listens. I wonder whether, in this instance, he will actually listen to the revolt that occurred over the weekend, ask the honourable member in the other place to withdraw the ridiculous motion that is on the table, and listen to what members of the public of South Australia want, and what they want is for their baby-sitters to be left alone so they can get on with living in this State.

WORKCOVER

Mr ATKINSON (Spence): My question is directed to the Minister for Industrial Affairs. Given the Premier's comment in today's *Australian* that the police investigation into the secret WorkCover Bill is *sub judice*, can the Minister advise the House how it is *sub judice* when no-one has been charged with an offence?

The Hon. G.A. INGERSON: I have not seen the article in the paper—whatever paper it was, but the reality is that there is no further investigation, I understand, as far as the police are concerned. That is not saying that that was the Premier's understanding at the time he made the statement. All I am saying right now is that there is no further action, as far as I have been informed by Mr Owens. However, as I said earlier, if Mr Owens wishes to proceed with any further investigation, it will be his decision as the Chief Executive Officer of WorkCover.

ECONOMY

Mr LEGGETT (Hanson): Can the Minister for Industry, Manufacturing, Small Business and Regional Development give details of several reports issued recently which point to economic recovery for South Australia, and will he explain the implications this will have for the future of all South Australians?

The Hon. J.W. OLSEN: The good news for South Australia just keeps on keeping on.

Members interjecting:

The SPEAKER: Order!

The Hon. J.W. OLSEN: It is a result of this Government's policies that have been in place now for almost 11 months—policies that are pro-business to create a good conducive business in South Australia and, from a range of surveys that have been released recently, clearly supporting

the thrust and the policy direction of this Government. It does not matter whether you take the National Australia Bank survey, the ANZ Bank survey, the Engineering Employers' Association survey: they all add up to the same direction—a new, clear, positive direction for South Australia. We are leading the nation in exports and employment growth.

The National Australia Bank survey released over the weekend indicates that South Australian exports are outstripping the national average. Companies are reporting a significant lift in profitability, trading performance and employment levels, to the extent that those in the manufacturing industry, in order to obtain trade skills people at the moment, are having to go and buy those people from other industries within South Australia, so acute is the current shortage in trade skills.

The ANZ Bank survey released only a few weeks ago showed that South Australia was ahead of the other States in creating new jobs. Job advertisements in September rose 51.7 per cent compared to last year and 14.1 per cent against the previous month. So, it does not matter whether you take it on a month on month or a year on year basis: the thrust of the ANZ Bank job survey is that we are creating more new jobs through those advertisements in this State than any other State in Australia. Underlying employment growth is 3.6 per cent, reflecting large new investments we have been able to attract to South Australia. These new investments have significant flow-on benefits for existing businesses in this State, in terms of subcontractors that are subsequently let as a result of the renewed economic activity in this State.

The Engineering Employers' Association survey indicated that 79 per cent of respondents reported busy or very busy levels of activity during the September quarter. Even more were expecting to become busy or very busy during the last quarter of 1994. Over 90 per cent—and this is where the comment comes in about order books being full—of companies surveyed reported good and satisfactory order levels, with a rise of almost 25 per cent from the June quarter, clearly indicating a significant pick-up in our manufacturing industries.

The Telecom *Yellow Pages* survey has indicated now for two quarters that the level of business confidence in South Australia is outstripping the increase in confidence across Australia. In addition, in South Australia 45 per cent of companies believe that the State Government is supportive of them—only 11 per cent working against them—indicating the lowest figure of any State in Australia. So, it is clearly recognised by small and medium business enterprises, that the policy thrust and direction of the Government is right.

In summary, the Government has restored confidence in the business community; it has lowered the cost of doing business in South Australia; it is helping companies to access export markets; and it is delivering jobs for South Australians—and jobs mean lifestyle choices.

WORKCOVER

The Hon. M.D. RANN (Leader of the Opposition): Given his statement to the House today and his comments to the House last Thursday, can the Minister for Industrial Affairs explain why the Government appointed Chairperson of the WorkCover Advisory Committee, Mr Bob Dahlenburg, told the committee last Friday that the Minister was very angry about the release of the secret WorkCover Bill and that the Minister had ordered a police inquiry? In view of this, does the Minister stand by his statement to Parliament last

week and today that he and his staff have had no involvement or discussions whatsoever with police on this matter and on the timing and tabling of the police report today?

The Hon. G.A. INGERSON: I have no idea what the Chairman of the advisory committee said at the meeting, but I can assure the Parliament that I will get a written and accurate report from him and have it tabled in this House. As I said earlier, I had no involvement—

An honourable member: Then why did you make the comment—

The SPEAKER: Order!

The Hon. G.A. INGERSON: As I said last Thursday, I had no involvement in this whole issue. It was set up by the Chief Executive Officer of WorkCover, whose statement I have indicated to this House today, but I have had no involvement whatsoever.

Members interjecting:

The SPEAKER: Order!

The Hon. G.A. INGERSON: I will get a report from Mr Dahlenburg to check the Leader's accuracy. I have noted the issues brought up by the Leader of the Opposition over the years, and I will get this matter checked out.

MODBURY HOSPITAL

Mr BASS (Florey): My question is directed to the Premier. Has the South Australian Government been advised that the Federal Government may intervene in its proposal for a private operator to manage the Modbury Hospital and, if so, what is South Australia's response?

The Hon. DEAN BROWN: I heard a number of things of great interest over the media during the weekend. Mr Duncan, the Federal member, was saying that the Federal Minister for Health, Dr Lawrence, was not going to allow private management to move into Modbury Hospital.

Members interjecting:

The Hon. DEAN BROWN: I found that interesting, because I made some inquiries with our own Minister for Health, who is not here today, and found that in fact the Federal Government privatised the management and entire operation, including ownership, of two repatriation hospitals, one in Queensland and one in Western Australia. Apparently it is good enough for the Federal Government to move in and privatise completely the repatriation hospitals in two States, but it is unacceptable when the South Australian Liberal Government proposes just to bring in private management at Modbury Hospital.

I checked on the position in other States as well and found that under a Labor Administration in Tasmania they had brought in private management of a hospital in that State. It is good enough for any Labor Government to do it but, when a Liberal Government proposes to bring in private management, it is going to be stopped by the Federal Government.

What particularly strikes me in this matter is the double standards of the Federal Labor Government. We have a Prime Minister who, at two COAG meetings and for 12 months, has been hammering the point day after day about competition policy, about how the States must adopt the recommendations of the Hilmer report, which is all about bringing in competition, private sector management and making sure we have competition in the way public entities are run. The moment the South Australian Government even suggests that there should be private management of Modbury Hospital, we find within a few days the Federal Labor Minister for Health wanting to step in and stop it. I can say to the Federal

Government, 'For goodness sake, send us a clear, concise and consistent message. Do you or don't you want competition? If there is to be competition, it should apply right across the board, including the health system.'

The other interesting point I heard on the radio over the weekend, and I saw a reference to it yesterday in the paper, was that a no-confidence motion was to be moved in you, Mr Speaker. I read this with interest, and I have been sitting here today, during the first 25 minutes of Question Time, waiting for this motion to come up.

The Hon. M.D. Rann interjecting:

The Hon. DEAN BROWN: We had the member for Spence speaking on the radio over the weekend accusing the Speaker of bias.

The Hon. FRANK BLEVINS: Mr Speaker, I rise on a point of order. Whilst I know that you give the Premier a great deal of latitude, and properly so, surely bringing yourself into the debate—

An honourable member: What's the point of order?

The SPEAKER: Order!

The Hon. FRANK BLEVINS: —is exceeding the latitude allowed under Standing Orders.

The SPEAKER: Order! I cannot uphold the point of order. The honourable Premier.

The Hon. DEAN BROWN: The member for Spence accused the Speaker of bias. If you are game enough to go out publicly and say that the Speaker is biased, then the least you can do is have the guts to come into the House and move a motion of no confidence. What happened? The Opposition lost its numbers. We have the Leader, the Deputy Leader and the member for Spence trying to put up this weak case for a vote of no confidence against the Speaker in the House today, and they could not even get six votes among their 11 members. They could not even get a majority in their own Party. No wonder a Federal Minister has recently described the Leader of the Opposition as 'Mr Also Rann'.

Members interjecting:

The SPEAKER: Order! I think the Premier has well and truly answered the question.

The Hon. DEAN BROWN: Mr Speaker, I come back to the fact that the Opposition has had a chance today to stand up and support what it has been claiming out there in the news media over the weekend but it has not had the guts to come in here today and carry it out.

WORKCOVER

Mr CLARKE (Deputy Leader of the Opposition): My question is directed to the Minister for Industrial Affairs.

Members interjecting:

The SPEAKER: Order! The Deputy Leader has the call.

Mr CLARKE: Given the Minister's statement today about the actions of Mr David Gray, does the Government intend to ask Mr Gray to step down from his position on the WorkCover Advisory Committee, or does Mr Gray still have the Minister's confidence on this key committee?

The Hon. G.A. INGERSON: I think I recall saying in my speech that there was no evidence to indicate that Mr David Gray had in any way attempted to procure the document and he had, in fact, received it. As the honourable member would know, Mr David Gray is a nominee of the UTLC and, on the evidence given to me today, which I have tabled in the House, there is no justification for removing him.

SMOKE ALARMS

Mr WADE (Elder): Can the Minister for Housing, Urban Development and Local Government Relations outline steps being taken to introduce changes to the Building Code of Australia with respect to the installation of smoke alarms? In South Australia we average about seven or eight deaths each year due to house fires. The majority of these deaths occur when people are asleep. People are overcome by smoke and fumes and cannot leave their houses in time to escape a fire. One such tragic fire occurred in my electorate only recently. I understand that evidence from Australia and overseas indicates that smoke alarms in the home save lives.

The Hon. J.K.G. OSWALD: I know the honourable member's intense interest in this subject and in the need to provide these devices in homes. The Australian Building Codes Board has been considering a proposal to include national provisions in the Building Code of Australia to require smoke alarms in all new buildings. Hard wired smoke alarms are compulsory in Victoria, and have been since 1991, and in New South Wales since 1 July 1994. The ACT introduced similar legislation on 1 September 1994, with Tasmania following suit with the introduction of an amendment to the Building Code of Australia to take place in January 1995. Queensland, Northern Territory and Western Australia are considering similar legislation. After recent consultation, I have concurred with the recommendations of the Building Advisory Committee for the compulsory installation of smoke alarms in new class 1A (domestic) buildings. This requirement will be introduced as a South Australian variation to the Building Code of Australia to take effect with the seventh amendment (to identify the specific amendment) to the code on 1 January next year. This date will ensure adequate lead time for the industry to design, document and tender on the basis of the new provisions before they come into effect.

The proposed provisions will require the installation of approved type hard wired smoke alarms (connected to the main electricity supply with a back-up battery) which are far more reliable than individual battery operated alarms. The cost of a basic but approved type hard wired smoke alarm is approximately \$60 to \$70 per installed unit in a new house compared with a battery unit which is approximately \$20. Residential smoke alarms are the most efficient and cost effective devices designed to awaken sleeping people in order to evacuate safely because smoke and carbon monoxide inhalation tends to put people into a deeper sleep and they become unaware of the fire.

The South Australian Housing Trust, the Metropolitan Fire Service, the Country Fire Service and the Industry Council of Australia support the introduction of hard wired smoke alarms as a positive step forward. Although the proposed provisions are intended to apply to new houses only, councils can require the installation of smoke alarms in existing houses in the event of new additions or refurbishment, as appropriate. The proposed legislation will not require house owners to maintain smoke alarms. Owners would be expected to undertake the simple task of replacing the back-up battery when necessary. I commend the use of smoke alarms to all home owners and urge members and members of the public who have not got them to buy them and put them in. I offer just one word of warning. If, like my household, you burn the toast it will set them off. They really are sensitive instruments and I strongly recommend them to everybody.

WORKCOVER

Mr CLARKE (Deputy Leader of the Opposition): What contact did the Minister for Industrial Affairs' chief of staff, Mr Peter Anderson, have with the Police Anti-Corruption Branch or WorkCover investigations into the leaking of the secret WorkCover draft Bill; did Mr Anderson accompany the Minister on his trip to Malaysia; and will the Minister apologise to Mr David Gray for the allegations that he made against him last week and who has been found not to have been involved in any illegal or criminal activities?

The Hon. G.A. INGERSON: I think that I need to organise a briefing at which I can sit down in a quiet corner and go very slowly for the Deputy Leader.

Members interjecting:

The SPEAKER: Order!

The Hon. G.A. INGERSON: First, my chief of staff was not with me when I went to Malaysia and Asia generally. As far as I am aware, my chief of staff has had no contact whatsoever with the Police Anti-Corruption Branch. I understand that my chief of staff was contacted by Mr Lew Owens some time in the week after Mr Owens set the whole thing in motion. I will find out for the Parliament what day that was, but I understand it was at least three or four days after Mr Owens initiated the thing. However, I will get that report for the Parliament.

The thing that staggers me about this whole exercise is that every question that we have been asked we have put on the table. The Government has nothing to hide. If the Deputy Leader would like a full briefing, which he has always been offered by me in relation to workers compensation, he knows where the Chief Executive Officer is. I am sure that all the nonsense and drubbing up that is going on could be alleviated by one simple call to the WorkCover Corporation where this whole issue can be put to rest for the first and final time.

NATURAL RESOURCE MANAGEMENT

Mrs HALL (Coles): Will the Minister for the Environment and Natural Resources advise the House whether he is taking any steps to better integrate natural resource management within South Australia?

The Hon. D.C. WOTTON: This is a matter of fundamental importance to South Australia, and I appreciate the member's interest in this subject. As a State, I think that all members would be aware of our unique position in terms of the challenges that face us in the management of our natural resources. On the one hand, South Australia is the driest State on the continent and, on the other, it has the terminal portions of two of Australia's longest river systems, the Murray-Darling and the Lake Eyre Basin.

The growing awareness of the need to manage our natural resources reflects their mutual independence and is reflected in the establishment of the Mount Lofty Ranges Catchment Centre at Mount Barker. I commend the officers who have been given responsibility in regard to the work that is carried out at that centre, because it brings together officers from the Primary Industries Department, the Engineering and Water Supply Department and the Department of Environment and Natural Resources with local government and the local community. It will facilitate the local community's input into local land management issues and at the same time make the expertise from within Government agencies more readily available to local government and the local community, and that is what we are keen to achieve.

During the winter recess of Parliament I visited New Zealand with the express intention of studying the development and implementation of the Resources Management Act 1991. It is a newly introduced model for resource management in New Zealand. I was very impressed with the legislation and the way that it is being administered. The primary objective of the legislation is to secure an ecologically sustainable base for New Zealand's natural resources. While the essential differences between our two countries, particularly in terms of the form of government and size of area involved, preclude the New Zealand model being adopted unchanged in South Australia, aspects of the model have the potential to work well in the South Australian context.

On my return, and as outlined in my report, I asked the Natural Resources Council to begin work on preparing an issue paper on how we can achieve a more integrated approach to the management of the State's natural resources. I anticipate that an initial report from the council will be provided before the end of the year. As I said earlier, it is of fundamental importance for this State and I hope that all members of the House will support it.

WORKCOVER

Mr CLARKE (Deputy Leader of the Opposition): My question is directed to the Minister for Industrial Affairs. Was the Government Investigation Unit, situated in the Attorney-General's Department, consulted by staff of the Minister's office or by WorkCover officials before a complaint was made to the police over the release of the secret WorkCover Bill, and what advice was received from that unit?

The Hon. G.A. INGERSON: I have no knowledge of any involvement of the Attorney-General's Department. It is not my responsibility to walk upstairs in my building and find out whether the Attorney-General is involved with the specific investigation of any matter.

EXERCISE BRAKESAFE

Mr BUCKBY (Light): Will the Minister for Emergency Services advise the House of the circumstances surrounding Exercise Brakesafe involving a simulated collision between a school bus and a semitrailer loaded with drums of toxic chemicals at Hamley Bridge on Tuesday 18 October?

The Hon. W.A. MATTHEW: I thank the honourable member for his question, which is an important question in his local area. Last Tuesday Hamley Bridge was the site of a simulated disaster. The operation assumed that six school students and a teacher had been killed in a crash between a school bus and a semitrailer loaded with drums of dangerous agricultural chemicals. Forty students were on the bus, with many assumed to be critically injured. Travelling a short distance behind the semitrailer was a livestock transport vehicle carrying 45 steers which, in attempting to avoid running into the accident scene, supposedly jack-knifed and rolled over. This was assumed to have resulted in dead and badly injured livestock, causing further hazards as the injured stock ran in all directions.

This scene formed Exercise Brakesafe, a simulated situation to test the local emergency services of Hamley Bridge and surrounding areas. Organisations represented in the exercise included the South Australian Police Force, the Country Fire Service, St John Ambulance, Red Cross, the Country Women's Association and the State Emergency

Service. Those in attendance at the simulated accident scene dealt with the situation in a professional manner, carrying out their allocated duties with precision. The exercise provided an opportunity to test procedures and reinforce cooperation between agencies and gave the opportunity for discussion on common problems between those agencies. It is important to point out to members that such a scenario could occur anywhere in the State. It is therefore important that our emergency service and back-up organisations are always at the ready. Only yesterday we were tragically reminded of exactly what sort of accident can occur by Queensland's dreadful bus tragedy. I am sure the feelings of all members of this House go out to the families of the victims on the loss and injury of their loved ones.

In a further test of our emergency services, South Australia's major disaster exercise, 'Team Spirit', will be conducted tomorrow by all agencies at the State Emergency Operations Centre in the police communications building at Carrington Street. The exercise is designed to practise the operational procedures of the State Disaster Organisation, the State Emergency Operations Centre, the Functional Service State Control Centres, in particular, the State Control Centre (Bushfire), and selected divisional emergency operations centres.

The exercise will be held from 9 a.m. to 4 p.m. and will assume that bushfires are raging in the Adelaide Hills, lower Eyre Peninsula and the Big Heath conservation park in the South-East of the State, while at the same time a hazardous chemical incident occurs at Penola. I am sure all members would agree that it is absolutely vital that our emergency service organisations continue to undertake such trial exercises to ensure that they are always at the ready and are prepared to confront such an occasion, if it should occur.

WORKCOVER

Mr CLARKE (Deputy Leader of the Opposition): My question is directed to the Minister for Industrial Affairs. Who prepared the drafting instructions for the secret WorkCover Bill, when were these approved by the Government, when were they referred to Parliamentary Counsel and why did the Minister not circulate the secret WorkCover Bill or advise interested parties that a draft had been prepared as part of the public consultation process?

The SPEAKER: Order! I point out to the Minister that he was asked more than one question.

The Hon. G.A. INGERSON: I think we probably need a little history so that everybody understands the process. I think it goes back as far as the Governor's speech, when the Government announced that it would amend the Workers Compensation and Rehabilitation Bill 1986. Once we move into that process of having formally notified this Parliament what we will do, the next step in most of these issues is that the Minister prepares a Cabinet docket. Under our system in most instances there is a 10 day rule. I think that probably after 10 days it went to Cabinet and, once it had gone through Cabinet and its drafting had been approved, I suspect that the Minister then advised his chief of staff, who probably used one of those dialling things called a telephone and rang the Chief Executive Officer of WorkCover and said, 'We have an instruction from Cabinet that says that in line with the Governor's speech you will make some amendments to the Workers Compensation and Rehabilitation Bill.'

That is the normal process followed by not only me as Minister but also by every single Minister of Government

whether of this Government or of the previous Labor Government. After that process, it is my understanding that, again with the use of the telephone, the Chief Executive Officer would normally ring Parliamentary Counsel, and in this instance the answer at the other end happened to be from the chief Parliamentary Counsel. I understand he organised a meeting with the Chief Executive Officer of WorkCover and that they sat down and discussed what issues should be in the draft Bill. When that process was completed this whole saga began.

MULTIFUNCTION POLIS

Mr BRINDAL (Unley): Is the Premier aware of public statements this week about the progress of the MFP made by the Federal Minister for Small Business, Customs and Construction (Senator Schacht) during his recent visit to Japan? Last week as part of its ongoing duties the Economic and Finance Committee questioned officers of the MFP, and we were impressed by the progress which had been made under this Government.

The Hon. DEAN BROWN: As part of the rebuilding of this State's economy one of the key thrusts of the new Liberal Government was to make sure that we gave a clear focus to the MFP. We all know the sad history of the MFP over the past seven or eight years and the way it was to become a high-tech urban development on the swamp area at Gillman. We were highly critical of that. During the election campaign I said we would give it a number of centres of excellence and a clear commercial focus and, as a result of giving it those commercial centres of excellence, we would give it a clear focus about how it should develop.

Our State Minister for Industry, Manufacturing, Small Business and Regional Development and I sat down with the Federal Minister in January this year. We talked about refocussing the MFP to make sure that it established these commercial centres and at the same time expanded the core sites so that the urban development would take place not around the Gillman site but around Technology Park. The Federal Minister eventually agreed to our position, and the Federal Minister and particularly our State Minister have been pursuing this vigorously. I am delighted to see the reaction now from public statements that the—

Mr Foley interjecting:

The Hon. DEAN BROWN: I have never said I would scrap the MFP. I suggest that the honourable member read the policy. What I said was that we would give the MFP a clear commercial focus. We said that the first centre established would be the information technology and computer technology centre. It is interesting to see how successful that has been, again opposed by members opposite. Every time we sit down to negotiate and get another major new announcement such as Motorola, Australis or EDS, members such as the member for Hart come out and attack them. The interesting thing is that the Federal Labor Minister has been talking to commercial companies in Japan. I point out to the House that yesterday morning he had this to say on ABC radio about how the Japanese companies have been responding when he talks to them about the MFP:

They've (referring to the Japanese companies) all recognised that in the last 12 months the MFP has come further in one year than in the previous seven.

Here is the Federal Labor Minister fully endorsing the refocussing of the MFP by the Liberal Government here in South Australia. Here is the Federal Labor Minister reaffirm-

ing the point that I put. Having had the meeting with our State Minister and the Federal Minister in January, I went off to Japan and talked about the new focus. I came back to this House and reported on the fact that the Japanese had received our new proposal very favourably indeed. Here we have 10 Japanese companies apparently expressing great interest in the development of the MFP here in Adelaide, as reported by the Federal Labor Minister. It just highlights that we now have the Federal Labor Government applauding what the new Liberal Government has done here in South Australia to refocus the MFP and get it going.

TIME ZONES

The Hon. FRANK BLEVINS (Giles): Does the Premier support South Australia's moving on a permanent basis to a Central Standard Time to put South Australia one hour behind Eastern Standard Time?

The Hon. DEAN BROWN: No, I do not, because I believe that that would take us further away from the Eastern States. It would throw airline schedules into greater confusion and I do not think it would be in the interests of South Australian companies doing business with the Eastern States of Australia; whether you like it or not, that just happens to be where the largest number of people live and where the largest number of companies exist. I am therefore not in favour of that proposal.

ASIAN RETAILERS CONVENTION AND EXHIBITION

Mr LEWIS (Ridley): Will the Minister for Tourism confirm that South Australia has definitely succeeded in its bid to host the Eighth Asian Retailers Convention and Exhibition in 1997 and provide some details of the positive spin-offs for our State's economy?

The Hon. G.A. INGERSON: I would like formally to announce to the House that we have just been given the right to host the 1997 Eighth Asian Retailers Exhibition and Convention here in South Australia. This event will be held at the Adelaide Convention Centre, injecting in excess of \$5 million into the State's economy and increasing export dollars enormously during that period. The retailers in Asia voted to support our bid after considering it against that of Taiwan. It was a magnificent presentation by Mr Bill Spurr on behalf of AFTA, with Belinda Dewhirst and Nicky Mathias as his two major supporting aids.

This convention is the result of my efforts as Minister and those of other people in the Retail Traders Association here in South Australia. When we went to Asia, we were able to sit down with this group and organise this very effective convention in South Australia. We might be able to announce another major convention early next week as a result of this visit.

I point out that the Leader of the Opposition organised a special letter in terms of the convention, and we thank him for, in this instance, supporting the Government and making it, as it should be, a true bipartisan exercise. The other point I make is that our winning this event means that it is the first time it has been held outside Asia. As a consequence, South Australia has beaten all the other so-called big guns in the other States to host this very important convention in our State.

ANGAS-BREMER REGION

Mrs GERAGHTY (Torrens): My question is directed to the Minister for the Environment and Natural Resources. Why did the Government give 6 000 megalitres of water to the Angas-Bremer region without this allocation being traded or auctioned—

The Hon. D.C. WOTTON: On a point of order, Mr Speaker, I think the honourable member has the wrong question. That question was asked last week.

The SPEAKER: It is the recollection of the Chair that a very similar question was asked last week. I will allow the member to continue to ask her question, but I have to advise her that she is not permitted to ask an identical question. The honourable member for Torrens.

Mrs GERAGHTY: Thank you, Mr Speaker. This is not the same question as was asked last week, although it is similar. The President of the Murray-Darling Basin Commission said that the Government's failure to trade or auction this water would send the wrong signals to irrigators along the River Murray, and this precedent could test the very fabric of the Murray-Darling Basin Agreement.

The Hon. D.C. WOTTON: I suggest that the member for Torrens look at the answer I gave to an identical question asked in the House last week.

INSURANCE AND RISK MANAGEMENT

Mrs KOTZ (Newland): Will the Treasurer advise the House what action the Government has taken to improve its insurance and risk management arrangements, given the extensive investment made in assets which belong to the people of South Australia?

The Hon. S.J. BAKER: I am pleased to report that the Government will take a whole of Government approach, as it is in all areas of public sector reform, to ensure that there is a consistent set of rules and that we are all working in the same direction. The same applies in relation to insurance. We are forming a captive insurance company in order to maximise our opportunities and to reduce our risks. Importantly, two items have to be considered. The first is the cost of insuring our assets, and the second is the extent to which we can reduce our risk thereby also reducing our premiums whilst having adequate coverage over our assets.

We have made substantial progress this year on both fronts, and we are forming a captive insurance company under my jurisdiction that will bring together those two components, namely, getting in order Government assets and information about the those assets, and making sure that individual agencies take responsibility for their own assets, for the repair of those assets and for their own risks associated with assets. Whilst we will have one insurance company acting on behalf of the whole of Government, the issues of responsibility will be considered by the individual agencies. When we go to the marketplace, we will be presenting a whole of Government coverage, but we will be asking individual agencies to better prepare themselves and reduce the risks associated with the assets.

A risk management fund will be set up to meet loss and claim payments above agreed levels of agency retentions, because there will be certain levels that each agency will have to pay before they have the use of Government insurance. They will have to provide a reserve to cover future losses and claims. They will pay premiums from this fund to the Government's commercial catastrophe insurance program,

and other commercial insurances deemed necessary and appropriate in connection with the arrangements. The fund will be used to meet the costs of administering the Government's insurance and risk management program. It will also be used to pay consultants for advice and to provide funds for some risk protection measures.

The important aspect is that we are making Government efficient and ensuring that Ministers and departments take responsibility for an area that has previously been grossly neglected. So, a range of benefits will apply as a result of taking a whole of Government approach. Time limits me: I could provide a full statement on this matter, but I will provide a briefing to anyone who should so wish.

ELECTRICITY TRUST

Mr QUIRKE (Playford): My question is directed to the Minister for Infrastructure. Can electricity consumers be assured that their commercial dealings with ETSA remain confidential? The *Advertiser* columnist Phillip White has alleged that personal details of his account with ETSA were used by the Acting General Manager in a letter to the Editor of the *Advertiser*. Allegedly, this letter sought to discredit Mr White and the criticisms he made of the ETSA tree lopping program.

The Hon. J.W. OLSEN: Yes.

WORKCOVER

The Hon. G.A. INGERSON (Minister for Tourism): I seek leave to make a ministerial statement.

Leave granted.

The Hon. G.A. INGERSON: During Question Time, the Leader of the Opposition stated that Mr Bob Dahlenburg had said at an advisory committee meeting last Friday, 'The Minister had ordered a police inquiry.' My office has just been telephoned by Mr Dahlenburg and he has denied that he made that statement at the advisory committee meeting.

Members interjecting:

The SPEAKER: Order!

The Hon. G.A. INGERSON: You just accused Mr Dahlenburg of saying it. I would have thought that, as the Chairman of the committee, he would know what was said. He further stated that he agrees he told the advisory committee that the Minister was very annoyed at the leak and that it was being investigated. That was his comment. I suspect there has been some fabrication on a bit of this issue.

In relation to the Deputy Leader's question relating to my chief of staff, I point out that, at the top of page 2 of my ministerial statement today, there is a comment that on Thursday 22 September—four days after the initiation of this whole saga—my chief of staff was advised. I also point out that that is two days after Mr Owens had instructed and authorised it to commence his briefing with the police. It was four days after the initial investigation involving the fraud squad of WorkCover and two days after the police had been called in.

FEMALE GENITAL MUTILATION

The Hon. S.J. BAKER (Deputy Premier): I think they had better start thinking about their questions. I table a ministerial statement relating to female genital mutilation made in another place by the Attorney-General.

AGED PERSONS

The Hon. D.C. WOTTON (Minister for the Ageing): I seek leave to make a ministerial statement.

Leave granted.

The Hon. D.C. WOTTON: In tabling the annual report of the Commissioner for the Ageing, I wish to comment briefly on some of the key issues it raises and on its relevance to the Government's 10 year plan for aged services, which I announced recently. The work of the Commissioner's office reflects the complementary objectives of encouraging older South Australians to preserve and exercise their independence as far as they wish, and of advocacy on behalf of those for whom supportive care is a high priority.

Social policy often develops slowly and incrementally. This is particularly evident in the case of policies for the aged, given that they involve the interests of the three spheres of government, the non-government and private sectors, and older people themselves and their families. The value of an annual report such as this one is that it assists readers to track policy developments as they evolve and to monitor emerging trends and issues which will require policy or program response from Government or the community. The Commissioner's report provides an up-to-date picture of the needs and circumstances of the State's older population, and it highlights the broad policy directions which must be pursued if we are to maintain and enhance the quality of life of our older citizens.

These directions will, of course, be refined through further consultation and will be incorporated in the 10 year plan. I would draw members' particular attention to the report's comments about the desirability of attuning our health services better to the needs of a rapidly ageing population, and especially the part of that population aged 75 plus; the current shortfalls in the provision of post-acute community care and some residential services; the demand for greater choice of affordable, flexible retirement housing, appropriate to the changing needs of older people; and the importance of programs to increase older people's sense of security in their own homes, on the roads, as consumers and in the wider community.

The report also underlines the part the policy can play in supporting older people's active role in community life. The highly successful Senior's Card scheme, for example, has emphasised the significance of older people as consumers. Increasing numbers of South Australian businesses are recognising the economic power wielded by the older population as a whole. The International Year of the Family has highlighted the part played by older people in family and community life, whether as grandparents, volunteers, neighbours or, since the abolition of compulsory retirement earlier this year, as people with a continuing role in the work force.

I believe one of our most important social tasks, as we move into the next century, is to foster a community perception of old age as a time with its own potential rewards, challenges and problems, like any other time of life. Only when that perception has taken firm root will we be able to

make full use of the wisdom and experience offered by our older citizens. The 10 year plan for aged services will express the Government's commitment to the current and future generations of older South Australians. The annual report of the Commissioner for the Ageing foreshadows a number of key elements to be included in the plan, and I commend the report to the House.

The SPEAKER: Before calling for grievances, I point out to the House that, with a little cooperation, Question Time can work far better, because today 23 questions were asked.

GRIEVANCE DEBATE

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

Mr KERIN (Frome): On Sunday, along with you, Mr Speaker, I had much pleasure in attending the dedication of the Sir Hubert Wilkins Visitor Centre, which is an \$80 000 community project at the Jamestown aerodrome. It is a great project for many reasons but, most importantly, it is a long overdue memorial to Australia's greatest forgotten hero. It is, indeed, a tragedy that in Australia—apart from aviation circles where he is considered a hero—little is known of Sir Hubert Wilkins. He was borne in 1988 at Mount Bryan East, which is north of Burra in my electorate, and raised in a large pioneering family that was driven off the land by drought.

After training as an engineer, Sir Hubert stowed away in a boat from Adelaide and found himself in Algeria amidst a spy ring, the slave trade and gun runners. From there he made his way to England and was sent to cover the Turko-Bulgarian war. He then found himself on the Canadian Arctic expedition with Stefansson. Sir Hubert participated in the First World War at the front line with Hurley as official cinematographer, for which he was awarded a Military Cross with two bars, and was described by General Monash as 'the bravest man I have ever seen'. He used the aeroplane to great effect in his photography, and he became an expert navigator.

After the First World War, he was commissioned by the British Museum to research the wildlife and people of northern Australia. For three years, mostly alone, he collected valuable data for the museum on the natural history of the area and anthropology of the Aboriginal people. In 1928, with Ben Eilson, Wilkins became the first person to fly across the Arctic, from Alaska to Greenland. Knighted soon after, he followed this feat by being the first to fly over the Antarctic continent in the same year. After this, Sir Hubert journeyed time and again to the Arctic and the Antarctic. He organised expeditions to the Antarctic by plane and coordinated the dramatic search for the Russian Aviator, Levanevsky, who was lost in the Arctic.

During the Second World War, he worked for the American Secret Service and was chief consultant to the American Army on Arctic and cold-climate training and equipment until his death in 1958. He was praised by the upper echelons of the American military. He was a popular though enigmatic public figure in the United States, unlike in Australia where he was little known. It is unfortunate that his achievements are not fully appreciated in Australia. It was considered that he needed a country with more physical and economic resources than Australia had to offer. On his death, in 1958, his ashes were taken to the North Pole by the United States submarine, *Skate*, and, after a brief ceremony, scattered at the pole under the Australian and United States flags.

The visitor centre at Jamestown is not only a tremendous tribute to Sir Hubert but also to the people of Jamestown, Hallett and surrounding regions. I would like to congratulate all involved, particularly Mrs Timmy Tiver, who made the initial suggestion of a dedication to Sir Hubert at the Jamestown aerodrome. I thank all those involved in the development of the concept, the extensive fund raising and the chasing down of grants, in particular Paul McInerney, the CEO of Jamestown District Council, who did most of that work. I thank those involved in the construction of the centre, which was carried out under the Jobskills and Kickstart programs, and in the organisation of what was a very successful weekend.

Many people were involved, as were the district councils of Jamestown and Hallett, and there were many sponsors from the local community: the Jamestown Flying Group, the Jamestown Apex Club, the Jamestown Ambulance Service and Australian Geographic. I make special mention of Dick Smith. Sir Hubert Wilkins is Dick Smith's hero and Dick Smith, through Australian Geographic, made a major financial contribution to the memorial. I thank him for his efforts on the weekend which gave the event a very high profile and which lifted the level of publicity, including his spending of \$1 000 for a pair of blown-out sandshoes at the celebrity auction. I would like to congratulate all concerned, and I am sure that you will join me, Mr Speaker, in recommending to other members that, if they are in the area, they should visit the centre.

Mr CLARKE (Deputy Leader of the Opposition): I rise in this debate to refer to the ministerial statement relating to WorkCover made by the Minister for Industrial Affairs this afternoon. I do so with utmost gravity and, after examining the facts as I know them, I make the following point without any apology: it is my belief that the Minister has misled this House with respect to the issues concerning WorkCover.

Members interjecting:

The SPEAKER: Order! The Deputy Leader of the Opposition may not be aware that he cannot allege that a Minister has misled the House without doing so by way of a substantive motion. So, the Chair cannot allow him to make those comments unless he does so in support of a substantive motion.

Mr CLARKE: The issue is that I believe that the Minister's answers in this matter have been less than frank. I draw the House's attention to his answer given to my very first question on 20 October. When referring to the police report, which he knew nothing about, the Minister said in *Hansard*:

That report will be before Parliament next week, and you might need to duck when you see that one of your union mates might have a real problem to worry about. If you want to bring that up. . .

Also, in answer to a question from the Leader of the Opposition on that same day, after I was missing, the Minister said:

. . . I have not been informed by the Anti-Corruption Branch and have had no discussion at all with the Anti-Corruption Branch on this issue.

Yet, the Minister is able to state categorically in answer to my first question that one of my union mates was going to be in trouble. How could he know that without knowing what is in the report? Indeed, in the Minister's statement today, the letter signed by Superintendent Schramm—

Members interjecting:

The SPEAKER: Order!

Mr CLARKE: —was only dated 24 October, and that is yesterday's date.

Members interjecting:

The SPEAKER: Order! There are too many interjections on my right.

Mr CLARKE: It is very important to appreciate those time differentials. The Minister was fully cognisant of what was in the police report last week. He had it down pat, and as to the investigation of union officials he was following it with the utmost interest. It was not a case, as he said in something of playful retort in answer to me, of his not knowing anything about it.

Mr Bob Dahlenburg's name has also been raised. In the ministerial statement today, given just a few moments ago, Mr Dahlenburg, apparently through the Minister's office, is refuting certain suggestions that were made in a question asked by the Leader of the Opposition. I might add that my informants—the people who were actually present at that meeting—recorded the words that Mr Dahlenburg used not once but three times, namely, that the Minister ordered the investigation, and they made notes contemporaneously with the statements that were made. We will await with interest the report from Mr Dahlenburg to see how that report stacks up with other evidence that has been put forward to me by those present at that meeting.

We have seen union officials harassed; we have seen them intimidated; we have seen the police's legitimate role compromised by the Minister; and we have also seen the Minister duck for cover on this issue in his ministerial statement because, at the end of the day, after all the charges have been made against people such as Mr David Gray, there is no action to be taken against him; he has been completely exonerated by the police, and by WorkCover with respect to any stealing of those reports—

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

Mr CLARKE: —and the Minister—

The SPEAKER: Order!

Mr CLARKE: —has not given an apology.

The SPEAKER: Order! The honourable member has already been in strife for defying the rulings of the Chair. The honourable member for Wright.

Mr ASHENDEN (Wright): Members would recall that last Thursday I was extremely critical of Hallett-Nubrik for its continual and flagrant breaching of licence requirements in relation to pollution emanating from its operations at Yatala Vale. Because of the false and misleading response given by the General Manager of Hallett-Nubrik to my comments, I believe it is necessary for me to outline the entire appalling history of this saga.

Some three to four years ago, the two major brick manufacturers in Yatala Vale, PGH and Hallett-Nubrik, were requested to reduce the levels of emissions from their smoke stacks. Unlike PGH, Hallett-Nubrik deliberately chose not to install such scrubbers. From that time until now, emissions from the Hallett-Nubrik smoke stack have been in excess of its licence requirements, and it is absolute nonsense for the company to claim that it had only once exceeded the levels stipulated in the licence requirements. I have reports commissioned by Hallett-Nubrik itself and conducted by Amdel and Consil, as well as results of numerous tests undertaken by the EPA, which show that the emissions have been continually in excess of licence requirements and, in fact, up to four times the licence level.

A flower producer in the area has lost at least \$150 000 worth of orchid production over the past three years. I have been contacted by local residents whose health has suffered from the emissions. It is nonsense for Hallett-Nubrik to claim that the emissions are not having an impact on health. I have been contacted by Mr Bob Rowlands of Melbourne, who was a scientist with CSIRO and who has told me that the emissions could have long-term health effects, particularly in the bronchia and lungs of local residents. I have been provided with a report which was obtained under the Freedom of Information Act and which was prepared by Classic Laboratories for Hallett-Nubrik. In that report, Hallett-Nubrik was advised by its own consultants that:

During the sampling period, fluoride and sulphur trioxide emissions have shown that they could exceed the regulations stated in the Clean Air Act 1984.

Those tests also showed that sulphur dioxide emissions were up to 340 milligrams per cubic metre, sulphur trioxide emissions were up to 350 milligrams per cubic metre, nitrous oxides were up to 450 milligrams per cubic metre and hydrogen chloride emissions were up to 350 milligrams per cubic metre—all way above safe levels. These facts and results were confirmed by the EPA.

It is important to bear in mind those levels when the World Health Organisation has stated that the limits, for example, of sulphur dioxide should be only 40 to 60 milligrams per cubic metre. In other words, the emissions from the Hallett-Nubrik operations have been seven times the levels stated as safe by the World Health Organisation. The effects of chlorine on health are nasal damage; the effects of fluoride are fluorosis; the effects of hydrogen chloride are eye and lung damage; the effects of nitric acid are lung damage; the effects of nitrogen oxides are respiratory disorders; the effects of sulphur dioxide are eye and lung damage, and so it goes on. And the General Manager is trying to tell me that I have been alarmist and that there is not a problem.

I repeat my earlier advice that Mr Rowlands has indicated to me that we are now seeing only the tip of the iceberg. He believes that there could well be ongoing long-term effects on the health of residents who have been living adjacent to the Hallett-Nubrik operations. I have also been advised that a test of rainwater in the area showed that fluoride levels made the water unsafe to drink. According to an environmental scientist, Struan Simpson, the sulphur dioxide, sulphur trioxide and oxides of nitrogen being emitted from the Hallett-Nubrik operations are of even more danger than the fluorides.

Not only have I been contacted by dozens of residents whose health has suffered because of the emissions from Hallett-Nubrik, but I have also been contacted by the Fairview Park Primary School Council and the Occupational Health and Safety representative of the Fairview Park Primary School staff.

Is Hallett-Nubrik trying to tell me that all these residents, all the primary producers, the Fairview Park Primary School Council, the staff of that school and its own consultants are imagining what has been going on? Additionally, the General Manager himself has admitted to me that Hallett-Nubrik deliberately chose not to install scrubbers three years ago, and he admitted—and knew—that the emissions from his plant were causing problems for local residents.

Since my election, I have been striving to have Hallett-Nubrik meet its licence requirements. As a result of the pressure I have applied and, as a result of the pressure the EPA is now being allowed to apply, scrubbers have now been

installed. Also, a new licence agreement will bring the levels down much lower than they are now. Finally, I must emphasise what this company and the previous Government have done in the past. Last year, the EPA attempted to have Hallett-Nubrik reduce its pollutants to a level at or below its licence requirements. The EPA was going to prosecute the company because it was not doing so. However, the previous Premier, Mr Lynn Arnold, intervened and instructed the EPA to withdraw any action. This is an indictment not only of Hallett-Nubrik but also of the previous Government. I am delighted that at long last justice is starting to prevail.

Mr BASS (Florey): Last Wednesday, 19 October, I raised a matter about people trying to get petitions signed in relation to Modbury Hospital. Just to remind people of that, I quote what I said, as follows:

The fact is that these people purporting to be from the Nurses Federation are telling lies to scare elderly people in my electorate into signing a petition. . .

I happened to get a copy of that petition over the last couple of days, and it states:

We the undersigned citizens of South Australia call upon the South Australian Parliament to. . .

It then lists the various points but nowhere in this petition is there anything about selling the Modbury Hospital. So, I suggest that when the petition does come forward it will be worthless. Over the weekend I had the pleasure of attending a meeting on Modbury Hospital's future called by the Coalition for Better Health. It said in the flier:

The Minister of Health has been invited, as have a range of prominent speakers presenting different views of privatisation, including arguments for and against.

There were five speakers, all arranged obviously by the Labor Party, and no-one put a balanced view. At this meeting, the member for Elizabeth, the shadow Minister for Health, was asked whether she had any idea of what will be in the contracts between the Government and HealthScope. She said 'No', because every time she asks a question she gets the answer 'Commercial confidentiality'. I remind the shadow Minister for Health that on 18 October 1994 a ministerial statement was made in this House which detailed exactly what was going to be in the contracts. So, if she wants to go out and play grubby little games, I suggest she start doing so honestly, because it is very clear—

Members interjecting:

The SPEAKER: Order!

The Hon. M.D. RANN: Sir, knowing that you are concerned to upgrade standards in this House, I point to the unparliamentary language used against a member of this House who is not present—'grubby and dishonest'.

The SPEAKER: The Chair is not sure whether the comments are unparliamentary. However, I suggest to the member for Florey that it is not in keeping with the standard that the Chair has been endeavouring to set in the past week. I ask him to withdraw those comments and use other words in their place.

Mr BASS: If they offend, I withdraw them. At the meeting to which I have referred, the member for Elizabeth was also asked who would own the hospital, and her reply was 'That's the problem; we don't know.' If the shadow Minister happened to be in the House on 11 October, she would have heard me ask a question of the Minister for Health, and he clearly replied that the hospital will not be sold. As I have said, if the shadow Minister for Health comes

into the north-eastern suburbs and chooses not to be up front and state facts, I suggest she stay in her own little electorate and deal with her own constituents, and that she leave the north-eastern suburbs to the people who have been elected to represent them.

I add that the Federal member for Makin was at the meeting, and he made a great deal of comment about the previous meeting when I had already accepted another engagement. But what did he do? He turned up 10 minutes late, made no comment, made a statement to the media, shot off somewhere where no-one knows and left a little underling to make a statement to the meeting. So much for the Federal member for Makin. There were approximately 80 people at that meeting, not 150 as the papers said, so I do not know who did the counting. But, if all 80 people were there, it represents less than half a per cent of the people in the north-eastern suburbs. So, that is how concerned the people are about what this Government is doing—doing something that will make Modbury Hospital an excellent hospital.

The Hon. M.D. RANN (Leader of the Opposition): I am sure that all members will agree that there is growing concern in the community about harassment and intimidation from gangs, and recent violent attacks by members of bikie gangs have highlighted the issue of gang related violence.

Mr Evans interjecting:

The Hon. M.D. RANN: I am surprised that some members of the Government backbench seem to regard this issue as funny. Yesterday I issued a discussion paper which focused on the increasingly prevalent presence of gangs of youths intimidating, annoying and sometimes even attacking ordinary members of the community as they go about their business. The particular concern is the increase in the number of young people carrying knives and potential weapons like baseball bats. I think all of us would agree, and I hope in a bipartisan way, that we need to take tough action to endeavour to rid our streets of gang violence. People should be able to travel to work and shop in our communities without being harassed or intimidated by young thugs.

Gangs are not a new phenomenon, but many in our community have expressed great concern at the apparent increase of gang related crime. Indeed, whilst it was not particularly referring to gang related crime, the Police Commissioner's annual report reveals that cases of serious assault in South Australia are up from 1 599 cases in 1992-93 to 1 666 in 1993-94. We do not yet have the gang problems that the Eastern States have, but we need an approach that tackles all aspects of the gang problem before it reaches those levels. So, I appeal to the Government for us to look at this in a bipartisan way and to come up with some constructive ideas about how we tackle the gang problem.

We need to consider how best we can give the police vital community support and the laws they need to tackle gangs in all their forms. The four main objectives should be: to rid our streets and public transport of gang crime; to reduce community fear of gang based crime; to ensure that violent gang activity is met with heavy punishment; and to discourage young people from joining gangs. There have been many examples of young people and gang members carrying seemingly innocent items like baseball bats or hammers. South Australians were, of course, shocked by the bikie gang attacks on a tattoo parlour in Broadview on 24 September and at the Flinders Hotel on 20 October, where baseball bats and iron bars were wielded as weapons.

The law says that these things are not, in themselves, offensive weapons and are designed to be used legitimately. On Saturday afternoon in a park a baseball bat is not an offensive weapon, but in a hotel bar after midnight it is clearly a different story. As the law stands, someone carrying a baseball bat in the street at night could do so lawfully if they say they are carrying it for self-defence or some legitimate purpose. This clearly gives gang members the ability to arm themselves. I believe that we should have a look at the law and examine its ramifications and that the law should be changed to remove the self-defence excuse to ensure that people armed in such a way can be convicted for carrying an offensive weapon when they clearly intend to use it against others. We should look at the intent of those involved.

Our police are concerned with the increasing incidence of youths found carrying knives, especially in areas such as Hindley Street. This matter was raised in the *Advertiser* earlier this year, when members of the task force in Bank Street commented on this issue. They were very concerned at the prevalence of young people, including kids as young as nine, who are carrying knives in Hindley Street. Section 15 of the Summary Offences Act prohibits the carrying of offensive weapons which can include knives. People, of course, do have genuine reasons for carrying knives for work or recreation. A fishing knife is not an offensive weapon in the hands of an angler on a jetty, but it is a different matter if someone is carrying such a knife in Hindley Street at 1 a.m.

Police believe it is too easy for those found carrying knives in our streets to avoid conviction by giving lame excuses before the courts. That was clearly identified by the police interviewed in the *Advertiser* report back in March. That is obviously ridiculous, and our police are being forced to deal with the problem with one arm tied behind their back. People caught with knives have in the past, according to that *Advertiser* report, told magistrates they were carrying the weapon to peel fruit or even to sharpen eyebrow pencils, and these have apparently been accepted, according to the *Advertiser* report, as lawful reasons for carrying those weapons.

The lawful excuse defence must be reviewed and toughened. We must act to prevent the effective use of lame excuses before our courts. Lawful excuses should be accepted only when police are told of the reason for carrying a knife at the time a person is actually found with the weapon. Excuses crafted later for the benefit of the courts should not be accepted.

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

Mr LEWIS (Ridley): No members of the Government find amusing the topic of gang violence to which the Leader of the Opposition has addressed himself. The thing we find funny—'funny' being defined as quaint or peculiar—is that the Leader, as a member of the previous Government and an adviser to that Government for 11 years, supported the former Government's sitting on its hands while we continued to draw attention to the seriousness of the problem that the former Government allowed to escalate while it cried crocodile tears about the infringement of civil liberties and the like every time we raised concerns of the kind referred to today by the Leader.

It is annoying for us to have to fix up the mess left by the previous Government, not only in terms of the levels of crime and so on that were allowed to develop in this State during

the former Government's term of office but also in regard to economic mismanagement. However, there is one matter on which I commend the Leader and all other members of the Opposition, and that is the topic that I wish to address immediately. I am pleased that not one person in this Parliament feels anything but support for the Family Farm Aid Concert, which is to be held on 30 October—Sunday next—at 7 o'clock.

Not one member in this place has any reservations whatsoever about putting up a notice in their electorate office or in any of the shops that they might visit in their immediate neighbourhood; indeed, they have done so willingly in response to my request that they do so. I want to thank them for that. The aspect that I find equally interesting is the incredible number of offers of support for the concert from the wider community. I have been particularly impressed and gratified by the levels of support offered by organisations such as Lions International, SA Great, the CWA, the Farmers' Federation, Rural Youth and even from the private sector, from the TELXON Corporation, Dynamic Computer Solutions, Ansett Australia, the Hilton International Hotel, and the recently formed Country Music Council of South Australia, and from public relations firms such as Stephen Middleton and Dulwich Promotions. Along with all members of the committee that came together to support the planning of the concert, I have been most grateful for the assistance the Government has given to enable the concert to be held.

The Entertainment Centre would normally cost about \$26 or \$28 for every seat if you could sell it out for a concert of this kind, but it is being provided by the Government at no cost; and the Government, through BASS, is foregoing the normal booking fee to enable the money raised from the concert to go to the cause. And the cause is those families in rural areas in South Australia who are suffering in consequence of depressed incomes over recent years and now the effect of the drought on top of that. The money will go to not only Farmhand but also to explicit causes, appropriate and necessary in South Australia, that are not covered by the Farmhand charter.

The other aspect which really impressed me was the readiness with which South Australian home-grown artists offered to provide their services as performers for the concert at absolutely no cost to the cause. People like Glen Shorrock, Thomas Edmonds, Elizabeth Campbell, Andrew Firth, John Schumann, Peter Combe, the List Family, Carole Sturtzel, Greg Champion, Beccy Cole, Bruce Hancock, Bev Harrell, City of Adelaide Pipe Band, The Swell Guys, Dya Singh, African Waza, Kozachok Ukrainian Dancers and even the Karcultaby Area School, which is coming from the Far West Coast. That school has had the support of the member for Flinders and the Minister who have put their hands in their pocket to pay the costs of getting them over here and then having them set up to stay in barracks at Hampstead for the weekend. The cast also includes Peter Tillett, Graham Hugo, the Adelaide Girls Choir and the Pembroke School Big Band.

Anyone can go to the concert at bargain basement prices, way below the cost of putting it on. It is the opportunity of a lifetime, and if people have never had the means otherwise to go to the Entertainment Centre, they can do so now. For adults it is only \$15 and children \$5, with a 50¢ booking fee for handling on top of that. However, I cannot believe what I have had to face in recent days, that is, the lag in ticket sales. Not even 700 tickets have been sold to date, and that is distressing to me and other members of the organising committee to whom I have spoken and also to members of the

Government. The time has come for everyone living here in the city—

The ACTING SPEAKER (Mr Bass): Order! The honourable member's time has expired.

SOUTH AUSTRALIAN WATER CORPORATION BILL

Adjourned debate on second reading.
(Continued from 12 October. Page 566.)

Mr FOLEY (Hart): I support the Government's Bill providing for the South Australian Water Corporation through the corporatisation of the EWS Department in South Australia. This is a significant Bill in terms of microeconomic reform in this State. I do not wish to indulge in a long second reading contribution to the Bill. It is important to get into the Committee stage and deal with the nuts and bolts of the issue as soon as possible. I am sure my colleagues will be pleased with the brevity of my contribution at the second reading stage. However, there are some important points that need to be made.

The Opposition supports the Government's Bill. I have foreshadowed an amendment, which I will speak to shortly. It is also important to note that, whilst we endorse and support the corporatisation, there are some areas about which we have some concern; there are some areas about which we offer caution; and there are some areas about which we are not totally comfortable but, in the totality of the reform, we must accept that some of these changes must happen. I appreciate that the Government is working under pressure from the Commonwealth in terms of the Industries Commission, the Hilmer report and the discussions that have taken place at COAG meetings.

As a State South Australia cannot be isolated from the national economy. Unfortunately, there have been too many people in South Australia who have wished this State to have some sort of glass dome over it in which we are insulated and isolated from the economic realities facing the rest of the country. Unfortunately, that view has impeded the State's development and it is an attitude that this State must break free from. Having said that, South Australia has some unique needs and requirements that must be dealt with somewhat differently to the normal course of action in the eastern States. Whilst I welcome Hilmer to an extent and I welcome reform in electricity and water for the obvious benefit they provide to the productivity and vitality of our economy, it must be noted that our State has some very real issues and problems that must be acknowledged and dealt with when we deal with Hilmer.

I do not believe that Hilmer is the sort of policy that can be adopted uniformly throughout Australia, that Hilmer and what Hilmer is about will apply to all States equally. The reality is that Hilmer should be considered more in principle, more in the direction in which Hilmer is trying to push this country, that is, that we have to become more competitive. None of us would argue with that, but each State has its natural disadvantages that have to be taken into context. I do not want to see an adoption of Hilmer *carte blanche* that would see us mortgage our sovereignty. While hypothetically

the reality is such that we could probably do away with our power generation in this State and simply plug into the electricity grid of the south-eastern part of Australia—

The Hon. J.W. Olsen: We won't be.

Mr FOLEY: Good. Hypothetically it could be argued that that could be done if we followed Hilmer through to the nth degree. The reality is that that is a silly and counterproductive proposition and we would be simply mortgaging our sovereignty as a State and we would have to question why a State such as ours needs to exist.

Equally with water, whilst it is different from electricity, the way that we approach our water in this State has to be different from the way that States such as New South Wales and Victoria have approached it. In this instance I acknowledge that at this point the Government has not gone down the Jeff Kennett road of selling the water utilities. In terms of the microeconomic reform of this country, I repeat that Hilmer in general is an important document and guide to the further development of our economy, of which South Australia must be a part. Having said that, there are elements of Hilmer about which I have great concerns and that I would not want to see taken on as the overriding principles of this Government. They can be articulated further down the line as we debate other aspects of Hilmer.

As a State it is important that we adopt the principles of Hilmer but do not follow the script of Hilmer through to the last page, because we should acknowledge our differences from other States. That is a view that many in this Parliament, including the Government, have expressed, and I suspect that we are now getting down to the detail of what the rhetoric actually means. As an Opposition it is important that we scrutinise the way that the Government adopts Hilmer to ensure that the State is protected in the vital areas of electricity and water.

For our economy to grow, we must improve our competitiveness. South Australia is an economy with real problems, and I am yet to be convinced that this Government has policies in place which will resolve the major problems in our economy. One of my concerns is that the Government to date has been too ready to offer the chequebook in an attempt to buy industry to this State. I do not offer that as a direct criticism; I just wish to put down my view that we must develop an economic framework for this State. We simply cannot attract certain large employers or businesses to this State with the chequebook, because at the end of the day the money will run out.

There have been enough examples in the past. I acknowledge the failures of the previous Government and of Governments before that, including the Tonkin Government, which had a number of failures in this area. The reality is that, when Governments start buying business with the chequebook, they will not always be successful. There will be failures, and those failures can have a very significant cost to the taxpayer. Again, I caution the Government that, although in some instances the chequebook is an important element in developing the economy, it should not be the only instrument that the Government uses.

Turning to the South Australian Water Corporation, the Opposition does not have a fundamental problem with the corporatisation of the EWS. We have some concerns about the final shape and what is essentially left of the EWS as a corporation and we have some concerns about the Government's long-term plans, but I accept the Minister's sincerity in saying that at this stage the Government does not wish to privatise the EWS. One very good reason for that is that in

its present shape we could not sell it. What must be done before selling a Government trading enterprise or department is to put it into a format which makes it a saleable item. It is easy for the Government at this stage to say that it has no plans to privatise the EWS, because it cannot sell the EWS Department. However, in four or five years the Government could sell a corporatised, lean, mean water utility, and the reality is that there will be pressure on the Government over the years to do that very thing.

The Kennett Government in Victoria has jumped ahead of the normal course of events: it has gone straight out and put some of its utilities on the market. Jeff Kennett obviously has his own reasons for doing that, but we should not concern ourselves with those today. Eventually there will be competitive and political pressures and pressures from the various media and other commentators who wish to comment on our economy that the State of South Australia should, could or would be better served by a privatised EWS, particularly as at present it is the second largest trading business in this State. It has a monopoly and a guaranteed income source, so it would be a very attractive investment option for somebody wanting to invest in a very safe, sound and well cashed up business. In five years, when this has all worked through, it will be a very attractive purchase for somebody who wants to buy such a utility. I suspect it will also be a tempting option for the Government, which may have its own budgetary problems, to look at the possible windfall gain that it would make from selling the utility.

I am not suggesting that the Government has any ulterior motives down the track; I am merely putting on the public record that, as has been demonstrated in many examples in the United Kingdom particularly, in the past the normal course of action taken by Governments in other parts of Australia and in other countries has been to sell their water entities. They have put their Government agencies or departments into a corporatised format, got a commercial influence into them, shaken out the operational difficulties and turned them into trading enterprises. We will be monitoring this issue very closely. The Opposition will not support privatisation of the EWS. Whilst we are prepared to assist the Government at present in an important piece of microeconomic reform for this State, we are not prepared to see the State's water privatised. Should the Government wish to head down that road, it will buy one almighty fight with the Opposition, and I suggest that we would have a great degree of community support.

In supporting the Bill, the Opposition is continuing its constructive approach to the economic development of this State. It has been acknowledged by some that this Opposition is taking a constructive role. As the member for Ramsay and I have said, at the end of the day the economic reform of our State is above politics and is the most fundamental issue facing all politicians. There is little to be gained, except short, cheap headlines, if we choose to make politics out of major economic issues in this State. That does not mean that the Opposition is not in a position to scrutinise and to offer a differing opinion. We will do that, because that is the role of the Opposition.

We do not give the Government a *carte blanche* approach to how it chooses to develop our economy, except to say that where there are points which we think are to this State's economic benefit we will support the Government. It is on that basis that I come to the Chamber today and support the Government with regard to this legislation. I have a number

of questions which I will introduce in the Estimates Committee process—

Members interjecting:

Mr FOLEY: I am sorry—in the Committee process. I am glad that I have the four musketeers to my left offering advice.

The Hon. J.W. Olsen interjecting:

Mr FOLEY: All good Liberal members. I am glad that the four musketeers are here. I just hope that the four musketeers return and that perhaps D'Artagnan in the middle (the member for Custance) will one day find a home. Mr Deputy Speaker, I apologise for being slightly distracted. I will come to country members, and I am glad that there are some here today. One issue of concern is access to and equity of water in this State.

The supply of water is probably the most basic and important social service provided by Government. That is a pretty obvious statement, but unfortunately some of my colleagues in the Government do not pick up the obvious. How we provide water and services is an important question, and I suppose one of the advantages of a Government agency is that the Minister and the Government of the day have obvious direct influence over where the agency may wish to provide the service. One of the aspects that concern me—and I will draw this out in my questions—is how the Government intends to rationalise the issue of what is commercially appropriate for the corporation but what may be social justice issues that are more the domain of the Government.

That is an important issue because, if a corporation is looking at how best it spends its infrastructure or capital works dollars, it may not necessarily be of the same view as the Government of the day. It may be that an outlying suburb needing sewerage is deemed by the Government to be an important issue for both social and political reasons; however, the corporation may not rank that in its list of priorities. I would like the Government to explain how Governments of the future will deal with such an issue, because it is very important.

There are other issues, such as the pricing of the commodity. The Audit Commission's report is explicit—and I acknowledge that the Federal Government has put on some of these caveats. It expected the Government to increase the rate of return that the Government obtains from the assets employed by the Engineering and Water Supply Department. There are two ways to do that: one is to downsize the organisation to reduce the overheads and operating costs; and the second is to increase the revenue available to the organisation.

The Audit Commission makes very clear that our water in this State is among the cheapest in Australia. I do not think that fact would be lost on the Minister and I most certainly do not believe that such a fact would be lost on the new board. A new board coming in and looking at how it can operate its business would see very quickly that we have some of the cheapest water, and it is not by a small margin. In the 1991-92 financial year, the EWS was charging approximately \$279 per head of population whereas, for some of the other water authorities, that figure was close to \$320 or \$330. That is a tribute to the EWS and the good work it has done over the years to provide water at a cheap rate, but the reality is that any incoming board would see that as a revenue gap that would enable it to generate more revenue.

The Audit Commission report was particularly strong on cross subsidisation. It acknowledged—and I think my colleagues the four musketeers to my left as well as the

member for Chaffey would acknowledge—the argument that a commercial rate of return should be obtained. It acknowledges that we currently enjoy 2 per cent rate of return overall and that the target should be 4 per cent, but in the country it is a minus 2 per cent rate of return, so a significant loss rate is built into the provision of water to the country. I acknowledge that the report recommends that the Government should pick up the cost of transporting that water as a community service obligation, but it would be fair to say that the rate of return would remain, if not in the negative, very close to zero, which means that the ability for the country to deliver this increased rate of return is a problem for the Government.

Country members of the Liberal Party should be particularly concerned as to what this Government does with water pricing. I suspect that it will not pick up the recommendations of the Audit Commission. When a group of learned fellows is taken on to produce something such as an Audit Commission report, one of the problems is that they do not factor in the politics of their outcomes. I am sure the Government will not pick it up entirely, but it must be noted that it certainly has been an issue of great political debate in Victoria, where the Premier of Victoria shows that he is prepared to drive through reform with little regard for the reaction of his fellow Caucus members or Party members and without any real concern about what anyone thinks about what he does. I am not offering any comment as to whether Jeff Kennett's style is a good or bad way to govern: I will let others decide that, but I have my own opinion.

This issue has caused great concern in rural Victoria. The Victorian Premier has basically said to country Victoria, 'The cross subsidy is out. I will bring about a cost efficient Victoria, and it is out.' I must admit that his National Party colleagues have not agreed with that, and it may not be the final position. The country members of the Liberal Party, five of whom are enjoying this debate at present, should be extremely concerned about what might well happen when the Minister finally brings down his pricing regime, and I look forward with interest as to what that might well mean for the average person not just in metropolitan Adelaide but also in the country. Again it must be noted that, notwithstanding the Opposition's small numbers, we have been absolutely vigilant in our defence of rural South Australia. I think it will be acknowledged at the next election that we have been prepared to stand up for rural South Australia when perhaps other members have not been quite so forthcoming.

Another issue that has concerned the Opposition is the final shape and size of the new corporation. The Audit Commission report refers to contestability, and I quote from the chapter on public sector agencies' management accountability, recommendation No. 7.19, as follows:

Chief executive officers should review all functions and activities of their agencies and, by applying the principle of contestability, identify the activities and functions which can be outsourced.

My interpretation of that recommendation is that, particularly in Government trading enterprises which lend themselves to outsourcing, the Government should instruct its chief executive officers to identify those functions which could lend themselves to outsourcing and then to put pressure on the agencies to determine whether or not they can meet or better the benchmark of the commercial price to do that service. In the section on the EWS, the Audit Commission report a number of times makes the point that the Government should consider ways in which the EWS can introduce competition and commercial pressures into its operations.

However, that report does not recommend that we should undertake a wholesale gutting of the entity. It does not state that we should do away with every single function within the EWS that can be done by the private sector. It recommends putting commercial pressure on the EWS in an endeavour to bring about reforms in the way the work is undertaken in the EWS and to deliver savings to the entity and the Government; if at the end of the day the work force cannot compete with the private sector, perhaps those functions should be undertaken by a contractor. This Government has simply said that it will not give the 2 000-odd workers in the blue collar section of the EWS that opportunity: it will simply do away with their jobs and give them to the private sector. The Government thinks that will achieve efficiency savings and deliver real cost savings; it is not exactly sure, but the dictum of the private sector is that that must happen. So we see about 900 positions already lost from the EWS, and I am advised that there could be another 1 000 blue collar positions to go. To what? To satisfy a philosophy.

Even Cliff Walsh, the driest of dries, did not advocate the wholesale dismembering of the EWS to suit a philosophy. What he said was that we should introduce competitive pressures and contestability to see whether we can bring about reform and cost savings to the EWS. I have been extremely concerned, and the Opposition finds it quite deplorable, that the Government has with such speed and brutality dismembered the EWS, I believe for very little gain and for a lot of pain to those family members of employees of the EWS whose careers have been abruptly terminated.

I understand that a well-known and respected Adelaide consultant looked at the EWS Ottoway workshops, an engineering facility that has been around for decades in this State and a facility that has provided a quality of service second to none in South Australia. An independent analysis undertaken by Deloitte Touche Tohmatsu indicated that very point—that with certain reforms and with contestability and, I dare say, with a fear of closure, they could achieve enormous reform of that entity and deliver to Government a far cheaper service, one that the private sector would find very difficult to match. The Government did not accept that. It simply said, 'We will close down Ottoway. We will dismember those functions of the EWS and allow them to be done by the private sector.' That is the difference between a philosophy and what is good, common business sense.

I would have thought that the work undertaken by many of those employees over the years should have been acknowledged and recognised and did not deserve this treatment from the Government. There are other areas of concern. The maintenance of our sewerage system and water pipes is a major State issue: it is a major issue of Government. The Opposition has very real concerns that the quality of service we have enjoyed over decades is at real risk. Instead of dialling the EWS to get a main fixed, we now have to hope that a private contractor can be bothered to bring himself or herself out at the weekend or at night to do the work that would have otherwise been done by the Public Service.

That is why in Committee I will move an amendment to bring the Government back to where Cliff Walsh suggested it should be with respect to the EWS—to allow the employees of the corporation the opportunity to demonstrate to management that they can deliver a service at the determined appropriate benchmark. That is nothing less than a fair amendment. It picks up what Cliff Walsh recommended. Perhaps I will call it the Cliff Walsh amendment—

The Hon. J.W. Olsen: No, Cliff would not own that amendment.

Mr FOLEY: No, I do not think I want to call anything after Cliff Walsh. The amendment picks up the principle outlined in the Audit Commission report: 'Introduce contestability. Give the workers at the various work sites the opportunity to demonstrate that they can do the work as efficiently as, if not better than, it can be done in the private sector.' As I have said in this House many times, I have had a great degree of experience in the private sector, and the reality is that the private sector does not always do it cheaper. It does not always do it better, and its quality is not always as it should be. That is a true fact.

Mr Andrew interjecting:

Mr FOLEY: It is a reality that the belief that everything in the private sector is best is bunkum. It is not. In some critical areas, particularly in the areas of public infrastructure, I am not totally comfortable with the level of private sector involvement that this Government is introducing into our public utilities. I am now joined by the fifth musketeer. The musketeers in the corner would know very well that not always do we get the best outcome when we engage private sector companies. There are other pressures that cause private sector businesses to cut corners and do other things to meet a price within which they have tendered.

I have had great experience in that regard, and I am quite confident in saying that, when a company tenders a price for a service, when it breaks down what it has to do for that price, it finds that it has to make savings, and quite often that can be at the expense of the quality of the product. I reiterate that the Opposition acknowledges the need to continue to reform our economy. It should be acknowledged that the former Government had started the reform process in this very area.

The Hon. J.W. Olsen: I acknowledged that in my second reading explanation.

Mr FOLEY: Exactly, and I give credit to the Minister; he is one member of this Government who is prepared to acknowledge the bipartisanship and that the work of the former Government has been of benefit. It is a fact that—

Members interjecting:

Mr FOLEY: No, there are a few more. There is much to be said about the reform put in place by the former Government. As I said, the Opposition is taking a constructive and positive role for this State. However, in doing so, we are highlighting some very real concerns—a number of issues with which we are not comfortable.

I reiterate that I would like to see saved some of, if not the bulk of, the 1 000 jobs at present at very real risk of being lost—a further 1 000. In doing so, the Government can still achieve its efficiencies and rate of return. It can still achieve the savings it is targeting by simply giving the work force of the EWS a chance. For the decades of dedicated service given by these employees to their department, they deserve that chance. When my amendment is put forward, I hope that all members will respect it for what it is: it is about giving 1 000 employees of the EWS and their families the chance to hold onto their jobs.

Mr VENNING (Custance): I welcome the chance to speak in this debate. I also welcome this Bill, which changes the structure of our most important State utility. As we know—and we have heard the hackneyed phrase—South Australia is the driest State in the driest continent in the world. The EWS has the job of delivering this most valuable resource to the parched and isolated regions of our State. The

Morgan-Whyalla pipeline is a remarkable achievement in itself, particularly when it is realised it is now over 40 years old. It was a Liberal Government initiative, and the people of Whyalla, Port Augusta, Port Pirie and the Mid North are eternally grateful to the Playford Liberal Government for building it, and more recently to the Tonkin Liberal Government for filtering the water.

The problem is that, especially over the past 10 to 15 years (a period of predominantly Labor Government), much of our water infrastructure has gone well past its use by date. The bills to repair worn out pipelines are escalating: call-outs to repair pipelines and the huge waste of water are costing us dearly. We see reference to that in the Audit Commission report. Many of the pipelines must have pressure reducing valves installed to extend their life or at least to minimise the leaks. Imagine how the consumers feel when they turn on the tap and water dribbles out instead of a nice rushing flow. No wonder they get annoyed. Of course, that means they usually use less water.

That would also be part of the reason why EWS income has been reduced. EWS has been a great employer in our country regions, particularly in Crystal Brook, with which I am most familiar, as is the member for Frome. Crystal Brook is our home town. It is sad to see employment cuts in the region, decreasing from approximately 190 to 70 people, with tremendous repercussions it has had right throughout the community. It is marvellous how the community has battled on.

The EWS has been a great contributor to our local communities at all levels. I go right back to 1955 when the Crystal Brook swimming pool was being built. My father was the president of the inaugural committee. The EWS played a critical part in that project. In those days, country swimming pools were pretty rare, and the cost was heavy. If it were not for the EWS and its expertise in relation to design and water treatment, I am sure that exercise would have been much more difficult. Not only were EWS personnel involved but I know that the CEO personally was also involved in that project.

The Labor Government, over the past 10 years, was derelict in its duty in not continuing the filtration plant program commenced by the Tonkin Liberal Government. That program slowed right down and eventually stopped after the Myponga facility was completed. It is an absolute disgrace—and here I go on my hobby horse—that the Barossa Valley, even though it is widely acknowledged to be South Australia's tourism jewel, still does not have filtered water. Bruce Eastick, the former member for Light—and the current member for Light is continuing the campaign in his stead—battled for years (I have all the cuttings that the former member gave to me when he left the House) in his campaign to achieve clean water for the Barossa Valley.

It is quite a disgrace that the problem still exists, and that problem now lies with me, as the member in whose electorate most of that region is located. The water supply is absolutely terrible for most of the year. I intend to bottle some of it and present it to members when it has reached its full colour which should be shortly. Even when toilet closets have been flushed they look as though they have not been flushed from the previous user. That is most embarrassing for me as a member whose guests use the toilet when visiting my electorate office. It is extremely embarrassing, and the situation cannot be allowed to continue.

Hot water services give an inordinate amount of problems. People in the Barossa go to so much trouble to solve this

problem, whereas the situation existing elsewhere is one that most other South Australians take for granted. The Warren Reservoir is probably the main reason for this problem because the water in the Warren is very badly stained. It is a natural stain gathered from the bracken and natural undergrowth over which the water flows to reach the reservoir. I believe that the only true, real value for the Warren Reservoir lies in its becoming a recreational lake, which would be well used in that area. We should pump more water from the Murray River and filter it at the proposed Swan Reach filtration plant. I welcome the Minister's announcement and also the budget allocations to have this plant built at Swan Reach by 1997—

The Hon. J.W. Olsen interjecting:

Mr VENNING:—despite the recent campaign during the past week to beat up this matter. I know the Minister is very diligent in looking for various proposals to put before his department and the Parliament to have this plant constructed. I acknowledge the build, own, operate (BOO) scheme. People in the region would welcome any proposal put forward by the Minister that would enable early completion of this project. Also, water, or the lack of it, is the main factor prohibiting future development in the Barossa, and I pay tribute to the Minister and the many speeches he has made on this subject. The future of the Barossa is hamstrung for one reason and one reason only: water.

We acknowledge our magnificent wine industry, which is going from strength to strength, and it is upsetting to realise that lack of water stands in the way of the region's future growth. Much is being done by local boards and committees in relation to recharging aquifers and looking at irrigation efficiencies. Many companies—and I name one, Graetz Irrigation—have done much in the area to make irrigation more efficient, because so many of our growers are wasting water by over-watering, and I welcome the efforts being made using technology and electronic monitoring of the aquifers, the ground, plant and material so that only as much water is used as is needed. We can learn much from the Israelis in this respect. They have been working in this area for many years, and it is surprising to know that in Israel no water from streams flows out to sea.

I welcome the Commission of Audit Report, particularly where it refers to outsourcing. Comparisons with other States reveal that we have a problem, and that is why this Bill is before us this afternoon. I note in respect of non-metropolitan operating revenue in South Australia a decrease from \$268 million in 1988-89 to \$252 million in 1992-93, in comparison to Western Australia, involving a steady increase from \$299 million to \$324 million for the same period. That reveals a problem. Also, South Australia showed a 2.1 per cent return on assets compared to a 6.4 per cent return in Victoria and 4.5 per cent in Western Australia. I disagree with the recommendation on page 238 of the report, as follows:

The Government and EWS should review the current cross-subsidy between metropolitan and country water users (resulting from the common statewide water price, as indicated in table 14.4).

The situation of a profit of \$4.1 million in connection with metropolitan water services and a \$53.6 million loss on country services concerns me greatly. I note the member for Hart's previous comment, and I do not think we can accept that part of the report, because it involves a huge problem for us. This issue is also referred to in the Hilmer report, which was also mentioned by the member for Hart. I am saying that the cross-subsidisation of water delivery in South Australia should never be phased out; otherwise the cost of water to

country people would rise astronomically and would be way out of their reach. That would lead to massive centralisation and to depopulation of our country regions. Decentralisation is a matter that conflicts with the policies of both Parties.

I also raise the issue involving the isolated water connection, a matter about which I know the Minister is very knowledgeable, because I have discussed it with him several times. It annoys me greatly that we have restricted new connections to the water system, many of them being what we call the isolated water connection, involving a restriction of five litres of water per minute. A constituent of mine—and I hope he does not mind my mentioning his name— Mr Gil Strachan of The Gums, via Burra, on the Morgan Road, has a 16 kilometre pipeline, which he put there himself, connecting his home to the Morgan/Whyalla-pipeline.

At the beginning of that 16 kilometres of pipe he has a restrictor, which restricts him to five litres of water per minute. How ridiculous is that? There is a huge amount of water there, and one can imagine how much water comes out the end of a 16 kilometre pipeline travelling across flat ground: it just dribbles out. Mr Strahan's neighbour would like to share that resource and the cost of the pipeline, but with an outflow of five litres a minute that is ridiculous.

Travelling around my electorate, driving alongside the huge 30 inch main which runs from Swan Reach down to the Barossa Valley, I see these pathetic little connections coming off the pipes with their restrictors limiting water to five litres a minute. This has to be part of the reason why the EWS has not reached its full potential, because it is restricting the sale of its product; people are paying for this water. Why are there restrictions in areas where there is plenty of pressure and plenty of flow?

I fully realise that there are areas of the State where the infrastructure is worn out to the degree that the mains cannot keep up supply to some towns. I know that, particularly on the Yorke Peninsula, there are a couple of towns, and Adrossan is one, where the mains have deteriorated to such a degree that the demand has outstripped the supply. I can understand that, in that situation, new connections could be restricted to protect those whose properties are already on the supply. However, I cannot understand this ridiculous policy being enforced in many areas of the State connected to huge pipelines. I know that it is a hangover from the previous Government and the previous Minister, the Hon. Ms Lenehan, but I hope the present Minister can see the folly of the situation and solve the problem, because I find it a particular nuisance. I hope that under the corporation established the EWS will be market driven and sell as much water as it can at the highest pressure. The Minister assures me that it is under review, and I eagerly await that review.

I welcome the Audit Commission's report, particularly in relation to outsourcing. The water management in South Australia in the decade ahead will be critical. We waste too much water; we let far too much water go to sea in winter; we spill water; we flush water; we overwater; and we allow it to evaporate. I hope the various operations all fit together under a corporate structure, but that does give me some concern. The research and development required here will be quite massive, and I hope the Government will always be monitoring its progress. I welcome this Bill and congratulate the Minister on his efforts so far. However, there could be some pitfalls, and I will be ensuring that country interests are always protected. I support the Bill.

The Hon. FRANK BLEVINS (Giles): The Opposition view on this Bill has been put very ably by the member for Hart, and I endorse his comments. The only remark I want to make relates to the subsidies paid to country consumers. As all members would know, country consumers pay the same price for water as consumers in the metropolitan area pay, whereas the cost of delivering that water is something like 25 to 35 per cent more expensive overall. I believe that this policy is a longstanding one, and one that ought to be maintained.

To my knowledge, the EWS and Treasury have, on an annual basis, attempted to change the policy so that it is strictly user pay. I think that that is inappropriate in this area. I would remind the Minister that, when I raised this issue during the Estimates Committee, he gave me an absolute assurance that the Government would in no way alter or tamper with this particular subsidy, and all I require from this debate is that, in response to the second reading, the Minister gives me the same assurance; that the subsidy that country consumers have will not in any way be altered by this Government.

Mr BUCKBY (Light): I wish to commend the Bill to the House. In supporting this measure the Opposition shows a very responsible attitude. There are a few points which come out of the Audit Commission report and which will show great benefits through the corporatisation of the EWS. One of those benefits relates to the build, own, operate (BOO) and the build, own, operate and transfer (BOOT) schemes, which I see as being of particularly great benefit to my electorate, in that, as the member for Custance said, we have been waiting for some time for filtration of water in our particular area. The Government does not have the resources, due to the level of State debt, and these two schemes would allow the EWS to consider private enterprise's building that filtration plant at Swan Reach and either operating it or transferring it to the EWS at a later date. That would be a good result from the corporatisation of the EWS.

The Audit Commission report stated that the return on assets to the EWS in South Australia was 2.1 per cent, as the member for Custance has already indicated. What the member for Custance did not say was that, when both the Victorian and the Western Australian water authorities were set up, the return on assets improved in Victoria from 3.8 per cent to 6.4 per cent and in Western Australia from 3.7 per cent to 4.5 per cent. So, from the corporatisation of both those water bodies, significant efficiencies and improvements were achieved.

The Audit Commission report goes on to say that we should be looking at a 4 per cent return on capital from the EWS. I would support the member for Custance and members of the Opposition who maintain that the subsidy that currently exists in relation to country consumers should continue. Country consumers should not be disadvantaged by the fact of where they live, and the same pricing for water that applies within the metropolitan area should apply to country regions. Also, corporatisation of the EWS would allow that body to examine the water pricing policy within South Australia. At the moment, there has been much conjecture about property value being involved in pricing policy. The freeing up of water supply delivery and taking it away from a Government department would allow for this policy to be examined and submissions to be made to Government on how it could best attack that particular policy.

Opening EWS to the private sector, as has also been mentioned by other members, would show a particular improvement in the delivery of services. The Audit Commission has identified that capital savings of some \$7.9 million and operating savings of some \$21.8 million could be made, should the department be opened up to private sector competition. The member for Hart foreshadowed an amendment to provide that those members of the EWS should be given first option in that tendering process. In other countries, such as England, for instance, where all facilities supplied by Government must be brought to competition, in many cases those public sector workers actually tender for and win particular jobs because they are more efficient; they know the particular circumstances and intricacies of the job, and so have much better knowledge in terms of tendering for that particular service.

I am quite sure that, in many cases, were those current employees of the EWS to form a body themselves and tender for those particular services, they would be successful. As the member for Custance has said, many areas are restricted to five litres of water per minute. Lewiston, in my area, is one of those areas where significant development has taken place and further development is due to take place but is currently inhibited because of the lack of resources to lay mains to such areas. The corporatisation of the EWS, along with the estimated savings that could be made in outsourcing, would allow that money to go back into the provision of infrastructure and improve water services in this State. I support the Bill.

Mr ANDREW (Chaffey): I am pleased to rise this afternoon in support of the South Australian Water Corporation Bill.

An honourable member: Be brief; I was!

Mr ANDREW: I will try to be brief in response to the member for Hart, but I remind him—as I know he did in his contribution and most of my colleagues did in their contribution—that, as we are all aware, water is the scarcest and the most important resource in this State. In recognising that, I point out that its efficiency of distribution and operation of supply intrinsically goes hand in hand with that importance. I am delighted that the Opposition, through the member for Hart, is supporting this Bill, and I acknowledge that the Opposition has foreshadowed one minor amendment.

Members will also be aware that I have personal empathy with the water supply in this State through my irrigation background and my association in this case with water supply through Government irrigation areas. I support the Bill for a number of reasons: first, as I have stated, the importance of water distribution to this State; and, secondly, it is a matter of principle. My colleagues and I on this side of the House believe very strongly that, where a Government service has the potential to be supplied more efficiently or more effectively by the private sector, that opportunity should be provided.

I feel very confident that this Bill to corporatise the EWS of South Australia will succeed in providing that opportunity, and the ultimate revelation of that efficiency provision will be proven down the track. I will comment briefly on three or four important principles that are included in the Bill, and I will relate them to my electorate of Chaffey. The corporatisation of the EWS Department will make the supply of water more accountable. The mere fact that a board of directors has to be accountable and responsible in their own right and the fact that they have to create their own corporate plan, I

believe, inherently, will make the supply of water more accountable.

It will also make the supply of water more competitive. The Bill does this by outsourcing aspects of the supply through private contracting and the specific tendering process. This will increase the department's exposure to other businesses and as a result will increase competitiveness in this area. I also acknowledge two specific areas. First, in relation to economic development, I believe that the corporatisation of the EWS will be a particular bonus and a very strong facilitator in helping economic development in this State.

With respect to my electorate, in the past month or so a report has been released by an independent authority called SYNTEC in association with Monash University. That report compared regional development around this country. About 80 regions were formally assessed in terms of their current growth rate and their future potential. I gather that the Riverland, of all the regions assessed in this State, was placed in the top 10 in respect of its potential for increased growth. I will not oversimplify the issue, but I believe we are all aware of the importance of our water supply in terms of meeting that growth, irrespective and independent of irrigation development and as has been assisted and improved by the Government's passage of the Irrigation Act last session. To meet the industrial needs and the domestic growth that is foreshadowed in my area (and has been foreshadowed by the report), it is very clear that this corporatisation will be an added bonus in making that economic development more feasible, will make it happen more efficiently and will make it proceed as quickly as possible.

Of course, that will be reflected in terms of the value to economic development around the whole State, but that situation in my electorate is an appropriate and relevant example here this afternoon. In terms of economic development, the ability to contract out its major functions will be an adjunct to exposing it to lower cost structures and, of course, as alluded to earlier, it will produce best efficient practices. I notice that the corporatisation proposed in the Bill will give the new corporate structure the ability to contract its services on an international level, particularly in respect of the growth that is occurring in terms of our northern Asian neighbours.

The Minister for Infrastructure, in the past week, mentioned his recent trip to Indonesia. Jakarta has a population of something over 10 million, and yet its sewerage infrastructure is designed to cater for only half a million people. I highlight that as an example of how a corporate structure will give this body the ability to tender out and earn foreign capital for this State by offering professional services with respect to the growth of infrastructure services out of this country.

I return to one of the major principles that is fundamental in terms of the need to corporatise the EWS; that is, it will improve the quality of services on offer. Again, I refer back to my local electorate of Chaffey and the utter frustration felt in my electorate in all of the Riverland towns and by Riverland residents for many years at the lack of filtered water. It was only in the past week that the Minister for Infrastructure indicated that 10 per cent of the State's population still receives unfiltered water. I make quite clear in this place today that it is my electorate and my constituents in that electorate who make up a significant proportion of that 10 per cent who do not receive filtered water at the moment. I recognise and acknowledge that it will be through this corporatisation structure of the EWS that the facilitation

process will be more achievable in progressing this filtered water option to the residents of my electorate.

As has been alluded to by the member for Custance and the member for Light—and in recent weeks it was highlighted by the Minister for Infrastructure—the opportunity for new activity will be provided under the Build Own and Operate and the Build Own and Operate Transfer schemes. On behalf of my electorate I am delighted to congratulate the Minister and place on record in this place today my appreciation of the Government for bringing forward the capital works program to make sure that filtered water is likely to be well under way, as the Minister has indicated, by 1997 for my electorate and for many other country areas around the State.

I place on record that it is through the corporatisation of the EWS that such a body, by having a corporate entity, will be able to negotiate and write the required contracts with the private entities who will have the financial incentives in a private enterprise and corporate sense to enter into these BOO and BOOT schemes to provide this badly, urgently and fairly needed filtered water to residents in my electorate and other country areas of South Australia.

In conclusion, I note the influence of the Hilmer report on the Bill and I also acknowledge what has been mentioned here this afternoon concerning the equalisation that needs to be recognised for future water pricing for country areas in South Australia. I also acknowledge that the Audit Commission noted that South Australia is the only current supplier of water that is not operating under a corporate structure. That does not imply a need to move in this direction, but it highlights the reasons that other members and I have listed whereby a private competitive corporate structure is the only way to go to make sure that South Australia's water supplies, both country and metropolitan, are provided in the most efficient and effective way. Therefore, with that justification I am delighted to support the Bill.

Mr BRINDAL (Unley): I was not going to contribute to the debate, but I listened upstairs to the member for Hart's contribution. It can be said that the member, since he has been here, has learned a little: the trouble is that it is too little to enable him to speak solely on behalf of city members in contributing to the debate. I will not take too long, but I must commend my colleagues the members for Light, Chaffey and Custance on their contributions to the debate. I must also point out, Sir, as you would be aware from your long association with this Chamber, that the EWS in its current form has served us well. I believe it is 40 years since South Australia had a water restriction, which is in stark contrast to the rest of the nation. It is also in stark contrast to great cities like London where, if it does not rain for a week, there are often water restrictions.

Mr Foley interjecting:

Mr BRINDAL: The member for Hart has learned something: 'We've got the Murray,' he says. I point out to the member for Hart that London has the Thames, which is a considerably bigger river than the Murray and it does not stop them having water restrictions every now and again. To return to the point, 40 years without water restrictions is a proud record for any water authority, as is our record on sewerage. South Australia, because of a procession of concerned Governments, and because of good leadership in the EWS, is pre-eminent among many Australian cities in terms of its treatment of effluent and sludge.

That does not mean that there is not a need for change, and this Bill heralds a need for change by a Minister who has long

been concerned in this area. Any member who has been in this place for more than five minutes knows that it is often easy for Ministers to find themselves up to their neck in sewage, but there are few Ministers who can claim to have done that literally.

The DEPUTY SPEAKER: I think that is called the orders of the day.

Mr BRINDAL: Few members can claim that that has happened to them literally. You, Sir, would remember in the 1989 election a picture of the Minister diving off Glenelg beach examining the sludge.

Mr Foley interjecting:

Mr BRINDAL: If the member for Hart keeps interjecting it will just make my speech longer. The member for Hart says it was a good stunt. I hardly think it is a stunt when a concerned Leader of the Opposition points out to the people of South Australia that the member for Hart's electorate is being degraded by the diminution of seagrasses caused by pollutants and effluent flowing out into the gulf. The member for Hart might think that that is a stunt, but the Opposition thought that it was a good political point and a good matter of policy.

I point out to the House that, had there been a Liberal Government three years earlier than there was, there would be no sludge flowing into the gulf today and we would be four years further down the track in fixing up the problems that the Minister now brings to the House to be addressed. The Bill is most positive and has nothing but commendation from this side of the House. I said that the EWS has done a good job. The problem has been that the previous Government over the past decade lacked the leadership and courage to provide the money necessary for some of the major infrastructure works which it became apparent were more and more needed within the EWS.

Mr Foley interjecting:

Mr BRINDAL: If the member for Hart wants to refer to my grandmother, it is his business, but it has nothing to do with the debate. The other issue that the Opposition continually refuses to address, as you would be aware, Sir, is the issue of equitable payment for service. It was always easier to ameliorate the cost among the total water users, to spread the cost and to so avoid the issue of people paying for a service. If in this State there is wastage of water, and I believe there is, it is because there has never been a real incentive for people to conserve water. It is to the credit of the EWS that it can supply water to the point where we do not have to worry about its use, but it is to the discredit of the previous Government's leadership that we have not been responsible for it. The member for Hart seems more anxious to get home than he does to contribute properly to the debates in this Chamber. With those few words, the Government commends this Bill to the House.

The Hon. J.W. OLSEN (Minister for Infrastructure): First, I thank and welcome the Opposition's support for this measure and for the way in which the Opposition is looking at restructuring the economy of South Australia in the interests of South Australians. I welcome that thrust and approach. As the Opposition has pointed out, and as I pointed out in my second reading explanation, this is an essential process for positioning South Australia for the competition that will be required as a result of Hilmer and COAG decisions. A number of regional differences will flow from that.

In response to the member for Hart in relation to Hilmer and the need to look at South Australia's interests—a number of specific matters need to be addressed with Hilmer prior to South Australia's signing off—the Government agrees and said so at the COAG meeting. One reason for the COAG meeting being held in South Australia for two days at the end of February is simply that the South Australian Government in Darwin was not willing to sign off, in effect, a blank cheque for all the recommendations of Hilmer and the general thrust of those COAG meetings.

Those issues will be resolved at the COAG meeting to be held in South Australia in February. Regional differences need to be taken into account; for example, the water distribution network throughout South Australia is markedly different from that in Victoria and, therefore, there are regional differences. To expect and require a 4 per cent return on assets in country areas in South Australia, to offset the cross-subsidisation that the members for Hart, Giles and Custance referred to, is something that is not achievable in the short term—nor would this Government seek to implement it. We have some 24 000 kilometres of water and sewerage pipes throughout South Australia. We have an infrastructure network, as the member for Unley has said, that has enabled us for 40 years to be water restriction free in South Australia. That is because successive Governments over the past 40 or 50 years and beyond have put in place infrastructure to meet the projected needs of South Australia, and they have done it well.

With the majority of the population of South Australia being resident in metropolitan Adelaide, we need to develop the regional areas further, and an essential commodity in that development is the provision of water. Therefore, to proceed with the removal of the cross subsidisation, as recommended by the Audit Commission, and to meet the Hilmer requirement of 4 per cent return on capital is not achievable because of the regional aspects of South Australia. I can assure the member for Giles and others that in any pricing review that is undertaken, as it has been undertaken every year by the former Government prior to promulgation in December for operation from 1 January each year, the water pricing structure is looked at.

I can also assure the House that in looking at the water pricing structure there will not be significant disadvantages flowing through to country areas of South Australia. I have lived in country Australia for most of my life and operated a business there, and I understand the importance of the provision of essential services and on the same basis as in the metropolitan areas of Adelaide. If we are to attract and establish development in regional areas, we cannot put impediments in the way by making the costs of establishment in country areas greater than the costs of establishment in the metropolitan area. Therefore, there is a regional development focus to pricing that needs to be taken into account in future just as it has been in the past.

My second reading explanation clearly nominated that we were not introducing the Victorian model of competition in the South Australian Water Corporation and that we would not seek to do so. I can assure the member for Hart that during the life of this Government there will be no privatisation of any of the functions of the South Australian Water Corporation as we are intending to establish it. It is not on the agenda. We want the EWS Department to become the South Australian Water Corporation, a responsible corporatised body under the Public Corporations Act with a board, a

disciplined commercial focus and charter and the ability to return dividends to the State of South Australia.

As the member for Hart has pointed out on a number of occasions, it has been a very good citizen. This financial year the South Australian Water Corporation will contribute \$51.6 million to the revenue of South Australia. Importantly, that \$51.6 million contribution, as indeed ETSA's contribution to the revenue of this State, has meant that we have been able to maintain a better level of other essential services, such as education and health, than would otherwise be the case as a result of the State Bank debacle. I am sure that the member for Hart understands that these Government commercial trading enterprises by contributing to revenue are, in effect, contributing to the provision of other essential services to South Australians, and long may that be the case. We are projecting that by the third year of operation the South Australian Water Corporation will contribute \$85 million annually to the State's revenue so that the State can provide a whole range of other services to South Australians or, as in the case of ETSA in one instance, contribute towards the reduction in the superannuation fund liability that we inherited.

In relation to community service obligations, the new water corporation has a commercial charter and focus and in that way it applies a discipline to the Government. If it has a community service obligation and it wants to put in place a service, it will have to be identified, costed and incorporated in the figures. There is a discipline that is applied to the Government in its decision-making process, and so there ought to be.

The pricing of water was also raised by the member for Hart. He said that water prices were particularly low when compared interstate. I draw to the attention of the House that it is low, despite contributing \$51.6 million to revenue this year and \$85 million projected in three years, and we can keep this low cost commodity at the same time as injecting valuable funds to retire debt and to provide other services. It is the Government's intention with regard to power, water, WorkCover, payroll tax and a whole range of costs, to keep costs down in order to return South Australia to being a low cost State. I can assure the member for Hart that we will not jeopardise that low cost State base by increasing water prices across the board in a way that has been speculated by the Opposition on a number of occasions. That will not happen, because we are determined to keep down costs in order to make South Australia an attractive place in which to invest.

The member for Hart referred to an amendment that he wants to put on file. Shortly after I took over this portfolio, it was put to me that there should be the capacity for in-house bidding by the EWS against private contractors, and I agreed to that. In January 1994 the New South Wales Department of Water Resources requested the loan of a package water treatment plant to filter toxic algae-laden water to maintain supply to an area near Cowra. That filter measured 6.5 metres high by 1.5 metres diameter, and it had to be transported across. I asked the department what the cost was, and it estimated \$800. We obtained two private sector quotations from external companies of \$850 and \$1 500 respectively. As the department's quotation was \$50 under the nearest private sector competitor, I authorised the department to transport the filter. Here was a function for which the department wanted to compete with the private sector, it came in under the private sector quote, and so I authorised it.

Several weeks after the event, I followed the matter up. I asked the department what the actual cost was, having

completed the exercise. The department having originally quoted \$800, the final cost to complete the delivery was \$2 170—well in excess of the two private sector quotes. My point is that, if a function is outsourced, the risk is carried by the outsourcer—the private sector. I assume that it was a fair, equitable and legitimate quote, not just \$50 under the nearest private sector competitor in order for the EWS to get the job. For whatever reasons—they are all listed and I saw why there was a significant overrun—the taxpayers of South Australia picked up the cost. If the work had been outsourced, the taxpayers would have had zilch cost; it would have been as per the quote and the tender. One of the reasons why I am a strong advocate of the private sector doing work is that the Government—the taxpayer—does not carry the risk at the end of the day. There is a classical example as to why—

Mr Foley interjecting:

The Hon. J.W. OLSEN: It is one example of many. Having been goaded by the member for Hart, if he wants more examples, he will get them. There are others in relation to economic development. As with the principle being applied to EDS and outsourcing IT&T, you leverage up your purchasing power for economic development in South Australia. I want to see the purchasing power of the Engineering and Water Supply Department (South Australian Water Corporation) in outsourcing also being leveraged up to get economic development in South Australia.

Two international companies, a number of national and many South Australian based companies have contacted the EWS and expressed interest in undertaking a range of functions. Coupled with that will be the basis of the economic and industry development factor as part of the outsourcing function. In using our purchasing power, we will achieve significant economic and industry development in South Australia. Because this State has a small population and does not have the economies of scale, we have to use our purchasing power the best way we can to get industry and economic development in the State. We have proved it can be done with EDS and the outsourcing proposal, and the principle can be exactly the same in this case: first, we remove the risk to Government of overruns; secondly, we achieve economic industry development; and, thirdly, we put the intellectual property and the industry development in joint venture between the South Australian Water Corporation and the private company that comes in to undertake the process to undertake a whole range of projects in the Asian region.

One example is Jakarta, which I visited last Monday and Tuesday. Officially, it has a population of 10 million people, but it is thought there are at least 14 million people in Jakarta. It has a sewerage system that was designed for 500 000 people, so I do not need to demonstrate to the House the enormous opportunities for South Australian and Australian based companies in accessing that infrastructure requirement. Indonesia has a population of 180 million people, and the forecast is that within 20 years there will be 270 million—an extra 90 million people. If there are major infrastructure problems now, one can imagine what those problems will be in 20 years. Indonesia is currently looking at \$50 billion worth of infrastructure over the next 5 to 10 years to meet current requirements.

We need to put the intellectual property in the Engineering and Water Supply Department on a commercial footing in a joint venturing proposal to open up those opportunities in the Asian region. We can either be intimidated by the Asian region and what it has to offer us in the future or go out and meet that challenge and opportunity. If we do the latter, we

will take South Australia from being a State with a small population base and with small economies of scale and reach into a market that has the economies of scale to bring to South Australians security of job opportunities and economic future. That is where I would like to see the signposts of South Australia—restructuring the intellectual property that has been built up in the Engineering and Water Supply Department through necessity. This State has been small and has had to be innovative to get where it is today, because we have not had the population and the economies of scale to do otherwise. There is a saying that, if you can make it in business in South Australia, you can make it in business anywhere in Australia. I think that is quite true because of our natural hardships. That has resulted in the Centre for Water Quality Studies, which is internationally recognised throughout the world for its work on blue-green algae containment.

The work on water quality undertaken by the Engineering and Water Supply Department and part of DENR was recognised by two international symposiums held here, one which took place in February-March this year and one which I opened three or four weeks ago. International experts from countries right across the world came to South Australia and acknowledged the intellectual expertise that has been built up in our agencies. Those people are a great asset to this State. We must let those people participate in the development of South Australia in the next generation—after the year 2000 and beyond. We must put the structure in place that will enable that for the benefit of South Australia and for the excitement and fulfilment of those people as their intellectual property reaches out into the international marketplace, carving out a reputation for South Australia as the State of expertise in water—in the Centre for Water Quality Studies that we are working on and a range of other areas. That is where the multifunction polis comes in, with the sewage treatment plant, the recycling of 50 million megalitres of water that is currently discharged into the gulf, the seagrass die-back, the fish breeding ground die-back that affects export markets, and the mangrove swamps, to which birds from Siberia migrate.

Mr Foley interjecting:

The Hon. J.W. OLSEN: Yes. The honourable member should recognise the importance and significance of the mangroves close to his electorate. That is beside the point. It is an environmental issue which is very important and which is a beneficial side issue from the commercial points that I am trying to make. This restructuring is important for the future of the instrumentality, the finances of South Australia and future economic activity in South Australia. I guess that is one of the reasons why the Opposition is supporting this Bill, and I acknowledge that.

One or two other members referred to total allocation and further dispersion of water throughout South Australia. Under the Murray-Darling Basin Commission, we are entitled to 1 850 gegalitres of water. So we have a finite resource, and we must use that resource in the best way possible. As the member for Chaffey would be aware, we are spending \$5 million this year on restructuring the irrigation practices in the Riverland. We also have support from the Federal Government in terms of regional economic development structure to undertake better irrigation practices in the Riverland so that we use the finite resource of water with greater productivity levels and fewer salinity implications in the Murray River. Therefore, the calls for further extensions and expansions of the scheme need to be taken into account with regard to priorities, because of the finite resource that

we have. Economic development must be the first priority, because that generates jobs and without jobs people do not have lifestyle choices, to which I referred earlier today.

I can assure members that the Government is intent on putting in place filtration for the Barossa Valley, the Adelaide Hills and the Murray River towns with populations of more than 1 000 people, and it is my intention to drive the process and have it in place in 1997 or thereabouts. It is a commitment of the Government that it is absolutely intent on attempting to achieve that in that time frame. If we made the decision tomorrow to commit all the funds to a water filtration plant, we would not get it on stream much before that, in any event. Members must understand that there are planning, construction and implementation phases and we cannot just have a filtration plant there tomorrow. We have already committed funds for the planning phase to look at BOO and BOOT operations for the filtration of water. It will proceed, and we will want to honour the commitment that I have given on behalf of the Government so that at the end of the term of this Government we will be able to look back and say that the commitment has been fulfilled and honoured.

Again I thank the Opposition for its support in this measure. It can be assured that privatisation is not on the Government's agenda: we want to proceed down the track of securing for South Australia a water corporation that provides South Australia with a springboard for economic development into the next generation, securing a better economic base for this State.

Bill read a second time.

In Committee.

Clauses 1 to 6 passed.

Clause 7—'Functions of corporation.'

Mr FOLEY: I raised in my second reading contribution the issue of access and equity and the fact that how the Government intends to reconcile what the corporation may see as its priority may not always be what is to the social good of the State, and I acknowledge the political requirements of the Government of the day. Considering the board structure and commercial focus of the entity, will the Minister comment on the social justice aspects and how the Government of the day may consider its political requirements can be achieved if the corporation has its commercial charter?

The Hon. J.W. OLSEN: Under the Public Corporations Act, each year the responsible Minister, the Treasurer and the corporate body will establish a charter for the year, with performance agreements, outcomes, programs to be put in place, and dividends to be required by Government in the performance of that organisation. So, in the establishment of the performance agreement between the Government and the corporate body, the Government can write in its requirements of the corporate body. In addition, the Minister has the capacity to direct the corporation to put in place a particular program if the Government is of the view that that program is important.

Mr FOLEY: From my quite extensive and detailed research on this topic, particularly in the United Kingdom, one of the real impacts of the privatised entity—and I acknowledge that we are not privatising this entity but we are taking it one step away from Government—has been the way the corporation has dealt with consumers who have been tardy in paying their bills and in some areas, I suspect, negligent. What we have seen in the UK is a significant increase in the number of disconnections of water, compulsory sale of homes and, in some cases, compulsory land acquisition, as the commercial entity has gone about recover-

ing debts that arose, not just from consumers but from businesses and rural communities. The assets involved have been quite significant.

I am not for one moment suggesting that this corporation will set about evicting somebody from their home and selling the home with the first water bill that is not paid on time, but it is an important point, and I would like the Minister's advice as to what influence, controls and safeguards the community can expect in terms of a decent and orderly approach to the recovery of debt by the corporation.

The Hon. J.W. OLSEN: We have a quite different structure, as the member for Hart has indicated, from that in the UK, where they are private sector companies pursuing bottom line private sector objectives. We are proposing that the corporation will have one shareholder, and the one shareholder will be the Minister, the Government of South Australia. So, the only shareholder of this corporate body is the Government of the day. In addition, no powers are being transferred to the corporation which would entitle it to cut off a water supply. Those powers are being retained by the Minister under the provisions of this legislation and schedule.

Mr FOLEY: Will the Minister confirm the outsourcing of computers? He mentioned previously EDS. Would he clarify it once more for me? As the Premier has indicated, perhaps it is that thick brick I have between my two ears, but who will be running the State's water billing system—the EWS or EDS?

The Hon. J.W. OLSEN: The EWS has a contract with Tandem that has some distance to run. The contract with Tandem has had some hiccups, if I could put it in that context, but Tandem has given an absolute commitment that it will put in place the scheme as originally proposed without any additional costs at all to Government. That will take some time to organise. Whilst that contract is there, that contract will run its course. I would expect that, once that contract has run its course, this will be a matter that will be referred to EDS as part of the Government's outsourcing program. Of the 144 or 145 agencies that are in the basket of areas to be considered by EDS for outsourcing, some will take a number of years.

Mr FOLEY: For how long is the Tandem contract?

The Hon. J.W. OLSEN: I think it involves at least another 15 or 18 months. It was a contract of about three years. I will ascertain the exact details of that for the honourable member. I will obtain those details.

Clause passed.

Clause 8 passed.

New clause 8A—'Consideration of employees' ability to provide services competitively before contracting out.'

Mr FOLEY: I move:

Page 3, after line 32—Insert the following clause:

8A. The board must not cause water or wastewater services or facilities to be provided on behalf of the Corporation by another party under a contract without first giving full consideration as to whether the Corporation can provide the same service or facility competitively.

I spoke in detail about this amendment in my second reading contribution, and I appreciate the Minister's response. One thing I have learnt, particularly with my experience in Government, is that it is very easy to provide examples to argue a case, and perhaps if I had been a little more prepared I would have had counter cases to show the Minister where the private sector has had significant cost overruns and has done it in such a way that it has passed those cost overruns back to the private contractor. I do not think we can automati-

cally assume that, with every contract the EWS writes with an outsourcing firm, that is the bottom line that EWS will pay.

The reality, particularly when the construction side of things is involved, is that the private sector is very clever in ensuring that its contracts are written so that there are escalation and various other clauses that allow cost overruns and mistakes, should I say, to be passed back to the prime contractor. I do not think the Minister should automatically assume that his example does not go both ways, because I certainly have had that experience, as no doubt the Minister has also had in his dealings with business.

I take the point that there are examples where the department has said it can do something at one price and then it has had massive cost overruns. That puts a further challenge to the Government: if there are deficiencies within the ways in which the department does its costings for certain projects, and if there are deficiencies in the way it executes the work, perhaps further work needs to be done in reforming and improving the way in which the EWS conducts itself as a business entity. With the corporatisation and the commercial pressures, those sorts of mistakes and examples that the Minister has shown us will become fewer, because those mistakes simply cannot be made if people want to hold onto their jobs.

This clause is about putting pressure on the work force; it is about putting commercial reality into the way the work force conducts its work; and it is simply saying that, if a package of work is to be outsourced, those employees presently employed within the EWS will be given an opportunity to demonstrate to their management that they are able to reform their own workplace and their own practices, and deliver a price at a determined benchmark. I do not think that is an unreasonable request or an unreasonable expectation because, at the end of the day, that will still suit the commercial needs of the corporation and the financial imperative of the Government.

I do not see any reason why we should simply, automatically adopt a philosophy that any work undertaken by blue collar contractors within Government is bad or cost inefficient; and that we simply take that business away from Government and hand it over to the private sector, because, in the Minister's words, 'The taxpayer is then no longer at risk.' That is more of a challenge to the management of the EWS than that the workers within that entity are not able to provide the service.

I suspect that the Minister's analogy of \$800 being \$2 000 reflects poor management rather than the person's involvement in the function. I do not know why the blue collar worker, or the person delivering the function, should pay the penalty for a management error in costing out what should have been the true cost of that function. I ask the Minister to consider this amendment. It is a serious amendment, and it is one designed to say to the staff of the EWS, 'Your services are valued. We don't want your employment to be terminated simply because of our philosophy. We are prepared to give you an opportunity to demonstrate that you can deliver a service at a determined benchmark level—at a best practice level—and, with that, you and your family's future can be secure in the knowledge that your jobs are still intact.'

I acknowledge that the Minister will not accept this amendment in the Committee. That is unfortunate but, as is the case with the democratic process, the Government does not have its right of way automatically in another place, where no doubt this battle will be fought. I do not see that

there is a lot to be gained at this point in dividing on this issue, except to say that we will take this amendment to the other place. I would ask the Minister, in the period between now and when it is debated in the other place, that he have a good look at this amendment; that he give it due consideration to see whether there is a way in which we can protect EWS employees from this unnecessary future situation being put to them by this Government.

The Hon. J.W. OLSEN: The Government will be opposing the amendment before the Committee for reasons that I nominated in my reply on the second reading. Where in-house bidding is allowed, private sector groups have become very wary of spending money to submit bids on the basis that they have a suspicion—and, in many instances, a rightly founded suspicion—that the in-house costings and bid do not incorporate all the normal costs that a private sector company would have to put in place.

I am sure that the member for Hart would well understand that private sector groups that look at Government providing a service have argued consistently that, in the Government's providing that service, it never accounts accurately for the total cost of the provision of the service. If you have in-house bidding that suspicion or concern will remain, and you will not get a cross-section of people submitting bids, as has been the case in the Eastern States. In addition, the Government has said repeatedly and consistently—and this is in terms of protecting the position of the employees of the EWS, or the Water Corporation in the future—that it is against outsourcing for the sake of outsourcing.

We have said that unless there is a competitive tender for a particular job it will not be outsourced. So, this Government and this corporation, whilst I am Minister, will not be outsourcing for the sake of outsourcing. We will be outsourcing to gain a bottom line benefit. If the submitted tenders are not competitive with the past performance of that section of the EWS, it will not be a function that is outsourced. If my memory serves me correctly, we said so in the Audit Commission statement; I have said so publicly on a number of occasions; and I have given that assurance at meetings with EWS personnel. So, in reversing what the honourable member wants to put in place via the amendment, there is a clear commitment by the Government that if no competitive tenders are submitted the function will not be outsourced: it will be retained by the new corporate body.

New clause negated.

Clause 9—'Corporation to furnish Treasurer with certain information.'

Mr FOLEY: This is an area in which I am extremely interested. I made the comment earlier that the EWS is certainly in the top three trading enterprises in this State, including BHP and Mitsubishi. Can the Minister identify for me the approximate valuation of the entity? Is there an asset valuation of the business enterprise? The Government is creating a corporation, and I would be interested to know the asset value of that corporation.

The Hon. J.W. OLSEN: I cannot answer that question. We have consultants currently undertaking valuations of all assets of the EWS and the proposed corporate body. That information is not yet to hand, but I have no difficulty in making that available to the honourable member when the consultants complete their report.

Mr FOLEY: I will ignore the hurrying up from the member for Unley, who is keen to go home for dinner: I find the parliamentary process more important. I am interested in the dividend policy of the EWS. The Minister has budget

projections as to what dividends or State taxation is expected from the corporation. What is the methodology involved? Is it corporate tax rate? Is it what the Treasurer says he needs to help frame that budget? I am very concerned to ensure that we do not have a situation here where the EWS is simply used as a cash cow, because if this is to be a commercial entity working under a commercial framework there needs to be a strict dividend policy; there needs to be a framework for what revenue the Government will take out. I do not think the community would accept the situation where the Government simply nominates a figure it needs from the EWS to plug its budgetary gaps.

The Hon. J.W. OLSEN: I refer the honourable member to clause 30 of the Public Corporations Act, under the heading 'Dividends', which sets out the procedures by which the Treasurer, the Minister and the corporation will establish the dividends payable to the Government each year by a corporate body. As the honourable member most probably is aware—and I have alluded to this in my previous remarks on the Bill—there will be a \$51.6 million contribution this year, and we anticipate a contribution of up to \$85 million within three years. It will not impact on the capital works program of the Engineering and Water Supply Department, and it has not impacted on it this financial year. In fact, there has been an increase in the capital works program this year from \$73 million, which was originally projected, to \$81 million.

So, the fact that revenue is being brought back into the Treasury does not impact on the capital works program and the provision of further infrastructure by the Engineering and Water Supply Department, and that is a very important point to make. As is the requirement under the Hilmer report, and as the Prime Minister stressed at COAG, Government trading enterprises must operate on a commercial ground. Therefore, they have to contribute the equivalent of at least company tax rates to Treasury, as well as provide a dividend to the shareholder, as is the normal base in a private sector operation. In this instance, the beneficiary is the Treasury and the Government is the only shareholder of that instrumentality.

Mr FOLEY: As I said, the Parliament is creating one of the largest commercial trading enterprises in this State—a massive trading enterprise once removed from Government. Decision-making—

The Hon. J.W. Olsen: Owned by the Government.

Mr FOLEY: Owned by the Government as a shareholder but once removed from Government. There would be no need to highlight to the Minister other Government trading enterprises which have been owned by the Government but which have been once removed and which have got into the odd financial difficulty.

The Hon. J.W. Olsen interjecting:

Mr FOLEY: I think it is fairly obvious to which institutions I am referring. The point I am making is a very real one. What disciplines, what checks and balances, and what overriding controls will be in place? We have a board that will be borrowing money; the debt levels of the EWS are roughly \$3 billion to \$3.5 billion, so it is a heavily indebted business. That is no reflection on its gearing; its gearing ratio is fine, but it is an entity which holds a lot of debt and which continually borrows money and continually trades. I am concerned as to how we, as a Parliament or as a Government, will ensure that we do not see any bad business practices reflected as a cost to be borne by the taxpayer.

The Hon. J.W. OLSEN: Clause 9 requires the Treasurer to be furnished with certain information, so the Treasurer can access that information from time to time. Unlike the

difficulties that were experienced in the State Bank of South Australia set of circumstances, in this instance the Treasurer has the capacity to access the information required to make a judgment as to the trading capability of a particular entity.

In addition, the Public Corporations Act was designed to set performance targets, agreements and objectives between Treasury, the Minister and the corporate body so that there will be laid out, well before the start of a financial year, what the performance requirements are of that corporate body. Any deviation from the performance requirements will no doubt action both the Minister and the Treasurer, as they are entitled under this legislation, to access that corporate body to check on the performance, the decision-making and the policy direction of the board.

Mr LEWIS: The Minister has referred in the course of his remarks to the capital works program presently being undertaken by the EWS, shortly to become the corporation. Will a penalty be imposed on the users of potable water in those locations where the potable water they get is unfiltered at present but where, as the Government said recently, it is soon to be filtered? It would be untenable, quite unjust and quite unfair to impose a high cost burden on users of unfiltered water, when their water is filtered to meet the capital works costs of providing that filtration, since all those users, particularly in the river towns in my electorate, have been paying standard water rates and have contributed to the establishment of filtration plants for the filtered water, which is now reticulated to the metropolitan area.

I therefore seek from the Minister information about whether or not those communities along the river will have a double whammy; namely that they have contributed by debt servicing to the cost of providing filtered water for the metropolitan area, and will now have to service the debt incurred entirely alone to provide the filtered water in their own circumstances.

The Hon. J.W. OLSEN: In South Australia, we have the equitable situation where there is an equal price for water across the State. The provision of water to country areas of South Australia is very substantially subsidised. I have no argument with that; it is a statement of fact. So, when the honourable member refers to country people contributing towards the cost of filtered water in the metropolitan area, that needs to be balanced against the cost of the infrastructure and the return on the infrastructure throughout country areas of South Australia that does not go anywhere near to meeting its cost. In fact, you would find on analysis that the metropolitan area of Adelaide is paying very high amounts towards the subsidy for the country areas of South Australia.

Be that as it may, by putting in place a BOO or BOOT scheme in Murray River towns to get filtered water, they will not have, as the honourable member refers to it, a double cost; we have a common price of water across South Australia. I would hope to be able to continue a common cost of water across South Australia, and those country towns along the Murray River would pay no more for the provision of filtered water just as the metropolitan area of Adelaide pays no more for the filtered water that it receives.

Clause passed.

The Hon. J.W. OLSEN: I move:

That the time for moving the adjournment of the House be extended beyond 6 p.m.

Motion carried.

Clause 10 passed.

Clause 11—'Establishment of board.'

Mr FOLEY: Can the Minister provide me with some more details as to the specific type of directors that he intends to appoint? Will he be appointing five business people? Would it be safe to assume that, with such a small board, there will be no political appointments in terms of ex-politicians, and so on, and that the Governor will appoint five skilled business people?

The Hon. J.W. OLSEN: As the Audit Commission report on page 377 nominated, the legislation does not define the desirable characteristics of board directors. The primary objective for appointment of boards should be the probity, technical and commercial ability and experience of the directors. Certainly they are the factors that will guide me in my recommendation to Cabinet, Executive Council and the Governor as to the composition of the board.

Mr FOLEY: As the Minister would be aware, the Federal Government has moved to a position where it is the Federal Government's intention to have 50 per cent of all board positions filled by women by the year 2000. I notice that the Bill makes no reference to the intention to have appropriate female representation on the board. Is that merely an oversight, and is it the Government's intention to ensure that we have significant female representation on the board?

The Hon. J.W. OLSEN: It is no oversight. The Liberal Party does not believe in set quotas and does not believe in incorporating in legislation set gender quotas for respective boards. I assure the honourable member that, within the attributes that I referred to earlier in respect of the appointment of directors, there will be gender balance within those attributes selected for the board.

Clause passed.

Clauses 12 and 13 passed.

Clause 14—'Remuneration.'

Mr FOLEY: Remuneration for directors is always a very topical issue. What will be the salary for board members and for the chair or chairperson of the board?

The Hon. J.W. OLSEN: Those matters have not yet been determined by the Government. However, the Government is reviewing fees across the board to ensure that there is some equity and standard across all Government functions, boards and committees. In this instance that matter has not been determined.

Clause passed.

Clause 15—'Board Proceedings.'

Mr FOLEY: We have in another place—much to my annoyance, but that is by the by—the Statutory Authorities Review Committee. It has no input in this place, and that is my area of annoyance. Will the Minister consider making copies of the corporation's board minutes available to that committee?

The Hon. J.W. OLSEN: No, I see no valid reason why the corporation's board minutes should be distributed. The Treasurer and the Minister will have access to those minutes as and when required. It would not be my intention as a Minister to access the board's minutes on a regular basis. A performance agreement will be put in place, and that will be the basis upon which the policy direction and the determinations of the board will be judged.

Mr FOLEY: What power does the Minister have over the board? Again, we have this trading enterprise. The Bill has not clearly spelt out the Minister's powers to oversee the board. I am just a little fuzzy on that one.

The Hon. J.W. OLSEN: The Minister has the capacity of direction of the board. I refer the honourable member to

section 6 of the Public Corporations Act which deals with ministerial control. That gives the Minister capacity to direct a board in writing.

Clause passed.

Clause 16—'Staff of corporation.'

Mr FOLEY: What is the anticipated salary of the Chief Executive Officer of the corporation?

The Hon. J.W. OLSEN: That has not been determined—it will be a matter for the board. I anticipate that the current Chief Executive of the EWS Department, Mr Phipps, will be the new Chief Executive Officer of the corporation. I expect that employees who are transferring from the EWS to the new water corporation will preserve their current entitlements and conditions and that that will also apply to the Chief Executive Officer.

Mr FOLEY: Is the Minister able to give me an assurance that all current employees will maintain their superannuation entitlements? Can the Minister advise whether or not new employees of the corporation will have access to the SSS scheme, or will they be required to join a company or private superannuation scheme?

The Hon. J.W. OLSEN: No existing employee will be disadvantaged in any way, including superannuation. As it relates to new entries, by negotiation with the board superannuation arrangements that have equity can be put in place.

Mr FOLEY: Will employees of the corporation have right of access back into the general Public Service, and equally will public servants have the opportunity to access or compete for positions that are available within the corporation—a sort of two way function between the two?

The Hon. J.W. OLSEN: Yes, and yes.

Mr LEWIS: Members will note that I did not participate in the second reading debate, and that should not be taken as an indication that I intend to make a second reading speech now. I want to place on record, under this clause, some observations which I have made over the time that I have been a member of Parliament, and more particularly in recent months, about the diverse qualifications of EWS staff. I refer also to what could have been done and should have been done during the past decade at least, if not in earlier times, to take proper advantage of and derive greatest benefit from those skills largely developed within the framework of their training in the department.

The kinds of things to which I refer are the very unique innovations which in other departments, universities and so on are given wide publicity. However, until this Government came along no recognition for those skills and technologies developed in their teamwork application was made. The previous Government made no attempt whatever to identify those unique skills and technologies developed within the department other than, say, in water treatment. Furthermore, no attempt was made to sell it overseas.

If members take a cursory look at the kinds of equipment which has been developed by a wide range of teams in various divisions within the department, there is some really brilliant work being done, much of which is marketable to the rest of the world. For instance, there has been work on extending the life of valves and pumps way beyond what was expected of them at the time they were first designed, cast and assembled. That work, because it saved the department in terms of replacement costs, has saved our State millions of dollars annually. That work reduces not only replacement costs but also maintenance costs. These procedures could have been sold to other similar utilities elsewhere in the world, but they were not.

I place on record my profound respect for the skills and outstanding work which has been left unsung for so long and my belief—and I know it is a belief that is shared by the Minister and many of my colleagues—that one of the things the corporation can do to generate revenue the moment it comes into existence is to get an inventory of all those innovations, items of equipment, treatments and other things which it owns and which were developed by its staff. And, having done so, it should set about marketing those things interstate and, more particularly, overseas, to generate additional revenue, which will thereby reduce the burden that consumers will have to pay to meet the balance of the department's outlays in the charges it will have to levy to remain solvent when it becomes a corporation.

With those few remarks, in acknowledgment and without attempting to detail any of the projects that I have looked at or spoken to members of the staff about, I simply say to the Minister how much I appreciate what this legislation means and how much better the corporation will be able to provide opportunities for staff, to offer bonuses to staff and to establish a whole new culture in the workplace, encouraging people not only to do their best personally but to do their best as part of a team and benefit everyone in deriving recognition for it by way of remuneration, and so on, along the way. I say to the Minister, then, praise the Lord, let me help pass the ammunition!

Clause passed.

Remaining clauses (17 and 18), schedules and title passed.

The Hon. J.W. OLSEN (Minister for Infrastructure): I move:

That this Bill be now read a third time.

In response to the member for Ridley, I indicate that my remarks in the second reading stage alluded to the fact that we could undertake commercialisation of the intellectual property of the department overseas. I refer him to those comments, which are certainly consistent with the remarks just made by him. In closing, I thank the staff of the EWS, Pierre Gebert and Nez Fernandez who have assisted with the drafting of this Bill and worked through the process of implementing the policy of the Government reflected in the Bill presented before the House.

Bill read a third time and passed.

ADJOURNMENT DEBATE

The Hon. J.W. OLSEN (Minister for Industry, Manufacturing, Small Business and Regional Development): I move:

That the House do now adjourn.

Mr BASS (Florey): Since becoming the member for Florey, I have had many small business people approach me as a result of problems associated with the Tea Tree Plaza Westfield shopping complex. In the *Leader Messenger* of 12 October 1994, the Westfield State Manager, Mr Don Hawking, made some comments about small businesses in the shopping complex and I refer to some of the comments attributed to Mr Hawking, as follows:

Westfield Tea Tree Plaza has hit back at claims that small businesses in the shopping centre are being strangled by high rents and unfair competition.

He is quoted as saying:

... the success of small business depended on tenants' ability and activity. It had nothing to do with the landlord or the rent paid.

He is quoted further in the article as stating:

... claims of people working 80-hour weeks without drawing a wage and businesses not making a profit illustrated perfectly that some people either lack management skills or began their venture with little or no professional advice or with insufficient capital.

He then states:

As tragic as their cases may be, Westfield cannot be held responsible.

All I can say is that Mr Hawking is really not in touch or does not admit that the decisions Westfield makes affect some of the businesses in Tea Tree Plaza. Indeed, I refer the House to three examples of small businesses in the Westfield shopping centre and what has happened to these businesses. I wonder how the Manager of the plaza can possibly claim that the plight of small businesses is nothing to do with Westfield.

The first example is of a small business which, over the years, has built up a profitable income from its activities. I do not intend to name these tenants, because they are scared of what the Westfield people might do. When this trader's rent came up for reassessment and a new contract, he found that his rent had increased by almost 40 per cent. On top of that, he was told by Westfield that he could no longer carry out a certain part of his business that was actually making 20 per cent of the profit. When the trader asked why this was so, he was told another shop was opening in the complex and was going to do the same sort of business that was creating 20 per cent of his income. That small business trader had worked hard over the four or five years that he had been there. He had built up his business but, when the lease came to be renegotiated, his rent was increased and Westfield told him that he could no longer carry on part of that business that raised 20 per cent of his income.

Another business competitor—and this is the second example—looked at purchasing the business, looked at the competition and found that in the complex there were six other shops selling similar lines to the business that they were contemplating buying. They did their homework and purchased the business. That business has now been owned by this small business person for three years and, in the three years, the competition has increased from 6 to 15 similar outlets. In other words, the competition has increased by 150 per cent. No matter how smart that small business person was, he could never assess the profitability of that business when he was going to have 15 instead of 6 competitors. How the manager of Tea Tree Plaza can say that this problem has nothing to do with the landlord is beyond me.

My last example relates to the purchase of a small business which dealt in a certain line of goods. Within a few months of the purchase of the business, Westfield altered the area directly in front of the small business person and opened a similar business selling the same sort of goods. In other words, the small business person did his homework, looked at the profit margin and the competition, felt they could make it work if they worked hard at it, and so they bought the business. Through no fault of their own, within a matter of months they had a competitor right on their doorstep.

If that was not bad enough, shortly afterwards another small business directly opposite moved out and Westfield leased that shop to the manufacturer of goods similar to those being sold by the other two. From being the sole distributor, he now has two competitors within a stone's throw of his shop, one of them being the manufacturer of these goods. How could the failure of that business be put down to the inability of that person to run the business?

To make matters worse, Woolworths, also close by, got into a price war with the manufacturer of these goods. The original small business person who had done his homework and gone into the business suddenly found that he had two competitors within a stone's throw and one of those competitors began a price-cutting war with Woolworths. What chance did the original small business person and the second one who set up in front of him have? Those three examples show that the Westfield shopping complex at Tea Tree Plaza is not helping small businesses in the complex.

In this article the Manager goes on to say that all rents were agreed when leases were signed and that rents reflect the size and position of the outlets. That may be, but I wonder whether the rents would have been agreed and the leases signed if those people knew that within a few months, or even a year, they would have increased competition.

Mr Hawking said that rents for the seven leases renewed during the past year had increased by an average of only 6.7 per cent. I have nothing to disprove what Mr Hawking said, except that, when many of these small business people in the shopping complex negotiate their first rent, it is very low. I know of two or three shops in the complex which have very low rents. Of course, they will build up their businesses, and as soon as it comes to signing new tenancy agreements their rents will go up and the businesses will no longer be profitable. All I would say to the Westfield State Manager, Mr Hawking, is to come clean and to start treating small businesses fairly so that they can exist.

Ms STEVENS (Elizabeth): I want to put on the record some views and opinions about what is happening at Modbury Hospital. However, before doing so, I want to spend a little time addressing some of the points made earlier by the member for Florey in an extraordinary tirade of spiteful, offensive, patronising and inaccurate remarks in his grievance debate. A meeting, held at Modbury on Saturday, was organised by the Coalition for Better Health, not by the Labor Party, as the member for Florey said. I find it interesting that people like the member for Florey should have such a dogmatic view that, if anyone has anything to say in opposition to what they believe, it must have been a set-up by the Opposition. Healthy debate is an important part of the democratic process, and I think that is what that group was intending to do.

Mr Bass: Where were the speakers for the Government?

Ms STEVENS: The Minister had been invited to the meeting but, as we heard, we believe that he was at the races during that time and was unable to attend.

Mr Bass: Tell members how that was addressed to the meeting.

Ms STEVENS: I should like to go on. The member for Florey said that I had deliberately given inaccurate information to mislead people at the meeting and that the Minister had outlined the detail of the contract in relation to Healthscope and Modbury Hospital. He also mentioned the Minister's speech on 18 October. The Minister made a ministerial statement on 18 October in which he outlined in fairly superficial detail the things that were to be covered in that contract. I had a meeting with people from the Health Commission on Monday, and they explained that they were only just starting, with highly paid lawyers—the best that they could find—to try to work through the detail of the contract. That is what we are referring to. It is not only what the Government is going to do: it is the ins and outs, the details, that people are worried about, and that is what the

contract is about. If the member for Florey thinks that the ministerial statement revealed what a contract is, thank goodness he is not the Minister for Health.

The member for Florey also said that I should keep my nose out of the north-eastern suburbs and stick to my little electorate of Elizabeth. As the shadow Minister for Health, I have been contacted about this matter by many people who reside in his and other electorates, and as shadow Minister for Health it is my responsibility to take up those issues. I also remind the member for Florey that the Government is intending to make a major change in the way that health services are delivered in this State and, as such, they deserve scrutiny. People are concerned that this has not happened. I think that the member for Florey should be encouraging scrutiny rather than putting people down.

There was plenty of opportunity for the member for Florey to voice these concerns on Saturday in front of the people at the meeting, but he did not. He remained silent during that time and was not prepared to make those comments until he came into the House today, protected by privilege and surrounded by his mates. He was not prepared to say those things in front of people from his own community.

Mr Bass: Was I invited to speak? No.

Ms STEVENS: You had the opportunity, as did others, to ask questions and make comments, and you did not. The only thing you did was to refuse to help in the advertisement of a follow-up meeting when a support group for Modbury Hospital was to be formed. That was your contribution to that meeting.

I should like to go on and speak in detail about the privatisation of Modbury Hospital. A very complex set of changes has been proposed. There are four different aspects to this privatisation: first, the building of a 65-bed private hospital to be collocated at Modbury; secondly, the outsourcing of various aspects of the hospital's operations, such as pathology, maintenance and other services; thirdly, the use of private money for the refurbishment and upgrade of public hospital facilities; and, fourthly, the management of the public hospital facilities.

These are very big changes, it is the first time it has ever been done and we deserve to know all the ins and outs about what will happen. Essentially, that was the tenor of that meeting on Saturday. People voiced those concerns and said that they have not had these answers and that they need them. One of the points I made was that when similar (but not identical) plans were made for Flinders Medical Centre (as we know, a private hospital will be built there and there will be some sharing of functions between the public and the private hospitals), this process occurred over four years, not over six quick months, which is the situation at Modbury Hospital. So, there are very many issues to which people rightly deserve to have answers. Today in Question Time the Premier referred to the remarks made by the Hon. Peter Duncan at the meeting, and he made quite a point about the Federal Minister for Health, her concern, and so on.

Mr Bass: He never spoke at the meeting.

Ms STEVENS: As you know, his comments were read out to the meeting and were conveyed from the Federal Minister for Health to our Minister for Health. The issue about Federal involvement is important, and it is not surprising that the Commonwealth Government has legitimate concerns about what is happening in the States in relation to privatisation issues. In particular, in relation to South Australia it is interesting to note that there has been a \$32 million cut to our health budget but that at the same time

Commonwealth payments to South Australia from the Federal Health Minister have increased by about \$30 million. So, that means there has been a total decrease in the State allocation to the health sector of about \$60 million.

The Federal Government obviously has legitimate concerns about cost shifting: we know that; it has been discussed and no doubt it is being discussed today when Health Ministers around the country are meeting. The cost shifting is a concern, and the interesting thing about cost shifting is that in the end we all still pay. All the taxpayers pay, whether it is the Federal Government or the State Government that is paying for the health services, and the concern is that the taxpayers pay more. So, as a result of the meeting on Saturday, a resolution was passed, and I will read it out so that it can be on the record.

Mr Bass interjecting:

Ms STEVENS: If you ring the Coalition I am sure they will provide you with it. If you listen I will read it to you. The resolution states that the public meeting:

rejects the decision of the State Government to privatise Modbury Hospital services;

supports the call for a parliamentary select committee to review the decision;

calls on:

the Coalition for Better Health to continue its advocacy on behalf of the community and service providers;

the Coalition for Better Health to prepare a major submission to the parliamentary select committee;

the Modbury board of management to withdraw its support for the State Government's decision whilst the parliamentary select committee is reviewing the matter;

the Minister for Health to refrain from entering into any contracts for the privatisation of health services at Modbury whilst the parliamentary select committee is reviewing the matter.

I believe that most if not all of the people at the meeting, perhaps excepting the member for Florey, felt that that was a reasonable outcome; that there was not a lot of shouting and screaming but a reasonable outcome for the future of health services in our community.

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

Motion carried.

At 6.30 p.m. the House adjourned until Wednesday 26 October at 2 p.m.