HOUSE OF ASSEMBLY

Wednesday 18 October 1995

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

SCHOOL SERVICES OFFICERS

A petition signed by 19 residents of South Australia requesting that the House urge the Government to restore school services officers' hours to the level that existed when the Government assumed office was presented by Mrs Greig.

Petition received.

EMPLOYEE OMBUDSMAN'S ANNUAL REPORT

The SPEAKER laid on the table the first annual report of the Employee Ombudsman for the year ended 30 June 1995.

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

That the report be printed.

Motion carried.

PAPER TABLED

The following paper was laid on the table:

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

Director of Public Prosecutions—Report, 1994-95.

PUBLIC WORKS COMMITTEE

Mr ASHENDEN (Wright): I bring up the fifteenth report of the committee on the Wirrina Resort development overview and move:

That the report be received and read.

Motion carried.

LEGISLATIVE REVIEW COMMITTEE

Mr CUMMINS (Norwood): I bring up the fifth and sixth reports of the committee and move:

That the reports be received and read.

Motion carried.

Mr CUMMINS: I bring up the seventh report of the committee and move:

That the report be received.

Motion carried.

Mr CUMMINS: I bring up the annual report of the committee and move:

That the report be received.

Motion carried.

QUESTION TIME

WATER, OUTSOURCING

The Hon. M.D. RANN (Leader of the Opposition): Given the absolute importance of preserving and demonstrating the integrity of the tendering process for the privatisation or outsourcing of the management of South Australia's water, is the Premier prepared to seek an undertaking and a guarantee from the President of the Liberal Party that the Party will not accept any political donations from United Water, Thames Water or CGE, or any of its subsidiaries, given the track record of those companies in France and elsewhere?

Members interjecting:

The SPEAKER: Order!

The Hon. M.D. RANN: On a point of order, Sir, I am quite prepared to re-ask the question in silence.

The SPEAKER: Order! There are too many interjections. I invite the Premier to respond. The Premier is not required to answer any question or any part of a question that does not come within his responsibility.

The Hon. DEAN BROWN: I did not hear the last part of the explanation, but I do not think it was particularly worth hearing.

Members interjecting:

The SPEAKER: Order!

The Hon. DEAN BROWN: There was so much noise in the House that I only heard the first part. The Leader of the Opposition has a very conveniently short memory because if only he could think back a few months ago—

The Hon. M.D. Rann interjecting:

The SPEAKER: Order!

The Hon. DEAN BROWN: If only the Leader could think back a few months ago, when I indicated to the House that I had already taken up with the President of the Liberal Party here in South Australia that it would be inappropriate to take any donations during the tendering process from any companies—

The Hon. M.D. Rann interjecting:

The SPEAKER: Order! I warn the Leader of the Opposition.

The Hon. DEAN BROWN: I have made it very clear to the House. The Leader of the Opposition sat here and he heard me say that it was totally inappropriate for the Liberal Party to take any donations from any company during the tendering process where those companies were involved in that tendering process. The President of the Liberal Party said that she agreed with that position and would take it to the Finance Committee of the Liberal Party. I guess that she has done that.

Ms GREIG (Reynell): After yesterday's announcement regarding the preferred contractor for the maintenance of our metropolitan water system, will the Premier please clarify some aspects of the report? It has been reported that the Government is signing off South Australia's water supplies for 25 years.

The Hon. DEAN BROWN: I was listening to ABC Radio this morning and there was the member for Hart in his usual gusto manner carrying on, talking first of all about the privatisation of South Australia's water knowing full well that that was not the case, knowing full well that the assets have not been sold and that therefore South Australia's water has not been privatised. Then he made several statements. We all know that yesterday this House was informed about the details of the contracting out of the management and operation of the water supply. We all know it is a 15 year contract. That was clear: everyone understood that, but what did the member for Hart say on radio this morning? In case he has forgotten, I will quote him, as follows:

Whether we own the pipes or not—

and the fact is that we do own the pipes, so he deliberately made out that there was some doubt about that—

the fact is, he is signing off our water for 25 years.

Members interjecting:

The SPEAKER: Order!

The Hon. DEAN BROWN: There is more to it than that, because he immediately went on to say:

> At the end of the day, John Olsen is effectively signing off our water for some 20 to 25 years.

Mr Brokenshire interjecting:

The SPEAKER: Order! The member for Mawson.

The Hon. DEAN BROWN: I think it is also worth bringing to the attention of the House some apparent inconsistencies between what the member for Hart apparently thinks of the French water companies and what the Leader of the Opposition thinks. As we all know, the member for Hart went off to France earlier this year. Unlike the Leader, he did not spend 20 or 21 minutes with the companies involved: he spent some days there looking at their water systems so, as everyone would acknowledge, he spent much more time than did the Leader of the Opposition in looking at the performance of these French companies. When he came back he said on ABC Radio on 4 May the following:

> In fairness to the French companies in particular, they showed me some very good examples of how they do it in France, and clearly they have been doing it for a long time.

Mr Speaker, I invite you and the House to compare that statement with what the Leader of the Opposition had to say yesterday. He said that they have a track record in France that could only be described as unsavoury. Whom do we believe? Do we believe the member for Hart, who was saying in May this year—

Mr Venning interjecting:

The SPEAKER: Order! The member for Custance.

The Hon. DEAN BROWN: —that there are some very good examples over a long time of how well the French have managed the water supply in France, or do we listen to the Leader of the Opposition? Perhaps the member for Hart would like to stand up and explain the difference. That brings me to the Leader of the Opposition. I just wonder who he is acting for. Who is the Leader of the Opposition really the mouthpiece for? The Assistant Secretary of the Public Service Association, Mr Tony MacHarper, was on the Channel 9 *News* at 6 p.m. last night. I invite members to listen to what he had to say very carefully indeed. He said:

> Every time someone turns on their tap in Adelaide, the cash registers are going to be ringing in Paris and London.

Then, at 7.50 p.m. on the *7.30 Report*, the Leader of the Opposition had this to say—

Members interjecting:

The SPEAKER: Order! The Leader has had a fair crack of the whip.

The Hon. DEAN BROWN: He said:

> They know that when they turn on their tap the cash register will be ticking over in Paris and London.

Members interjecting:

The Hon. DEAN BROWN: So, there is the Leader of the Opposition quite clearly using the identical quotation to that of the PSA. In fact, he is obviously the mouthpiece for the PSA.

Members interjecting:

The SPEAKER: Order!

The Hon. DEAN BROWN: We know that the PSA in this matter is hardly in a neutral position. The other interesting thing is the similarity in the campaign between—

The Hon. M.D. Rann interjecting:

The SPEAKER: Order! The Leader has had more than a fair go.

Mr Becker interjecting:

The SPEAKER: And the member for Peake will come to order.

The Hon. DEAN BROWN: I again highlight the similarity in this campaign on water to that run against Roxby Downs and the anti-nuclear campaign run in the early 1980s. We know the extent to which the Leader of the Opposition was then involved in, frankly, some pretty dishonest and shabby tactics, as this House knows. He doctored documents and then produced them publicly—that is how desperate he was to try to make his point. He doctored the documents and then put them out publicly. The interesting thing is that Doug McCarty, who was a convenor of the Campaign Against Nuclear Energy, is now one of the key organisers in this water campaign.

Members interjecting:

The SPEAKER: Order! The member for Spence.

The Hon. DEAN BROWN: We also know the sort of campaign that Mr McCarty and the now Leader of the Opposition deliberately ran against Western Mining Corporation and BP over the proposed development of Roxby Downs. The Leader smeared those companies with the allegations he made against them. I ask all South Australians to just look at the results today. Roxby Downs has been a world class example of how well we can produce a major development here in South Australia and the enormous benefits that spin off to the whole of the State out of that development. So, shame on the Leader of the Opposition for being willing to be manipulated by the PSA and other people like Doug McCarty.

Members interjecting:

The SPEAKER: Order! When the House comes to order, we will continue.

GARIBALDI SMALLGOODS

The Hon. M.D. RANN (Leader of the Opposition): My question is again directed to the Premier.

Members interjecting:

The SPEAKER: Order! The member for Wright.

The Hon. M.D. RANN: In the Premier's meeting with health officials and Garibaldi on 4 February, did the Government agree to pay all costs incurred by Garibaldi for the testing of food samples carried out by the IMVS and, if so, why, and how much did that cost the taxpayer? An urgent fax from Neville Mead, the Financial Controller of Garibaldi, to the Health Commission dated 6 February 1995 requested confirmation within 15 minutes. The fax continues:

> . . . that all tests that are undertaken by the IMVS on behalf of Garibaldi are to be paid for by the SA Government as per an arrangement by representatives of the State Government on Saturday 4 February.

The Premier's statement to Parliament yesterday made no reference to financial assistance to Garibaldi.

The Hon. M.H. ARMITAGE: The testing to which the Leader of the Opposition refers is the very experimental technique that was being used at that time—the polymerase chain reaction testing—to identify even single genes in any particular E.coli 0-111 present to the level even, we believe, of maybe one bacterium in each sample. The test had only just been developed at that stage and indeed on that morning of Saturday 4 February we were given advice that it was experimental and that there were a number of factors in it

which literally at that stage could not be identified and completely validated. Accordingly, we believed it was quite appropriate that, as that was the case, the Health Commission, through the IMVS and the Government, would pay for the test.

WATER, OUTSOURCING

Mr BROKENSHIRE (Mawson): My question is directed to the Minister for Infrastructure. Now that the preferred bidder for the South Australian water outsourcing contract has been announced, can the Minister explain how small and medium sized businesses from South Australia will benefit from the partnership with United Water?

The Hon. J.W. OLSEN: I had the opportunity this morning to visit one of the companies that has already benefited by the arrangement put in place by United Water to go into the international marketplace. It is a South Australian company called Pope Industries, which was taken over four or five months ago by someone who has mortgaged his home and put all his life savings and investment into restructuring this company for the future. The company is currently employing about 90 people in South Australia. It is one of the companies that will benefit from a contract that links it into the Asian market. As we know, it produces industrial electric pumps (electric motors) used for pumping water and sewage. This company has been struggling for some time. It has only 13 per cent of the Australian market. This will now lift it not only to get a better share of the Australian market in terms of volume through that company but to access the international market place.

Since the consortium was formed to put in the bid by United Water, this company has secured contracts worth $1.6 million directly as a result of the link with United Water. These contracts have included a $1.2 million deal through Kinhill to supply the giant $1 billion Lihir Gold Mine in Papua New Guinea and a $400 000 contract through CGE at the Wyuwa Water Treatment Plant in New South Wales. The contracts have increased the turnover of Pope Industries in South Australia by 15 per cent. CGE is the preferred bidder to supply half of Manila with water and sewerage infrastructure and under this contract it will now be required to put it through United Water International, meaning that Adelaide will be the source to this international marketplace. This company will now have the capacity to get into the international marketplace where it did not have the capacity to do so before.

The major European companies have been supplying industrial electric motors—the Siemens and the other big companies of the world—and there is an ability now for South Australian based companies to go into that international marketplace and secure contracts. At the end of the day, the bottom line is that it generates jobs in this State for South Australians. I ask members opposite, if they cannot grudgingly acknowledge that this deal is good for South Australia, will they at least stand up for the individuals who will get a job in South Australia as a result of this deal?

GARIBALDI SMALLGOODS

Ms STEVENS (Elizabeth): Why did the Minister for Health tell this House on 11 October that Mr Neville Mead, the financial controller of Garibaldi, could not be prosecuted for withholding test results that showed salami could cause HUS because 'unfortunately, the test was the result of a private agreement between the Institute of Medical and Veterinary Science and Mr Mead', when the Government had agreed on 4 February to use taxpayers' funds to pay the costs of the tests?

The Hon. M.H. ARMITAGE: The test that had been done was well and truly before 4 February.

WATER, OUTSOURCING

Mr CUMMINS (Norwood): Will the Minister for Infrastructure advise when this House was told about the Government's plan to award a contract to develop an export focused water industry and to operate and maintain Adelaide's water and sewerage system? The member for Hart claimed on radio this morning that the Minister at no stage told the Opposition that the Government intended to contract out the management of water services.

The Hon. J.W. OLSEN: Of all the members opposite, I thought that the member for Hart gave some regard to his credibility and his reputation in this House for truthfulness and honesty, but what the honourable member has done in recent months is totally to jettison those attributes ascribed to him. The Premier detailed to the House how the member for Hart went on radio this morning and made statements that he knew full well not to be true. He knew that they were not true but pursued them on radio this morning, perpetuating the myth, the lie, in the community. In relation to the claim by the Leader of the Opposition and the member for Hart as to when they were informed of this matter, this House knows that it was reported in the *Advertiser* and on all television and radio stations in May last year when the Government responded to the Audit Commission report.

And I remind the House what the Treasurer had to say on behalf of the Government when he responded to the Audit Commission report publicly six months before any legislation was introduced to corporatise SA Water.

Members interjecting:

The Hon. J.W. OLSEN: Now they're shifting ground. They're caught out, so they're now going to shift the argument back a bit. This mob is good. Members opposite cannot rely on the truth to get them out, so they keep on peddling misinformation in the community. Let me quote what the Treasurer had to say.

Members interjecting:

The SPEAKER: Order! The member for Norwood and others.

The Hon. J.W. OLSEN: I understand the sensitivity, with their being caught out again now. In May 1994 the Treasurer stated:

> The Government has decided that, subject to favourable tender prices, the EWS will outsource the following activities:
>
> 1. The operation and maintenance of metropolitan water and sewerage treatment plants.
> 2. The operation and maintenance of Adelaide's water and sewer network.
> 3. Access to and extensions of the Adelaide water and sewer mains network and the provision of logistic support services based in the metropolitan area.

That is what the Opposition and the public of South Australia were informed of, well before any legislation was introduced in this Parliament to corporatise EWS to SA Water. During the Estimates Committee, the member for Hart asked me quite a number of detailed questions about the contract and the direction in which it would go.

The legislation to corporatise was introduced and passed with, I acknowledge, the support of the Opposition, and I

thank it for that, because after all is said and done we were really complying with the Federal Labor Government's policy of corporatisation under the Hilmer report, so the Opposition really had no choice but to support us, in compliance with Government trading enterprise principles. But then, as the Premier has already told the House, the member for Hart went overseas to check out these companies that would be involved in this process, having had about nine months' notice that we would proceed down this track. So, before the legislation was introduced into the Parliament, the Opposition had some seven to eight months notice of the—

Members interjecting:

The Hon. J.W. OLSEN: There are none so blind as those who do not want to see. I can understand the honourable member's sensitivity at his being caught out not telling the truth and misrepresenting the position on radio today, but he should not compound his problem. It was the member for Hart who was willing to tell any journalist in this town who wanted to ask that we were not going far enough; the customer service centre ought to go out also; why are we holding the customer billing centre, etc.? According to the honourable member, we were going in the right direction but we were making a mistake and should be going further.

The member for Hart cannot deny that, because half a dozen journalists in this town to whom he told that earlier this year are willing to tell anybody about what the member for Hart said. So, he cannot have it both ways. The point is that the Leader decided to roll the member for Hart on the policy aspect.

Members interjecting:

The SPEAKER: Order!

The Hon. M.D. RANN: On a point of order, Sir, perhaps the Minister for Infrastructure can tell us what he tells journalists about the Premier.

Members interjecting:

The SPEAKER: Order! That is not a point of order, and the Leader knows it. The honourable Minister.

The Hon. J.W. OLSEN: The fundamental point is this: at the end of 1994 we introduced legislation and we had the support of the Opposition, which knew under notice to the Parliament that we would be proceeding down this track of outsourcing.

Members interjecting:

The SPEAKER: Order!

The Hon. J.W. OLSEN: The Opposition has to get one track on this. It has been waffling all over the place. The fact that we have had but one question on water today would seem to indicate to me that it is not a bad deal: they have nowhere to go on it. What members opposite do not like is the way the unions have supported what the Government is doing. Not being able to embrace it, and being unable to find anything else wrong with it, the unions are not supporting the Labor Party in this instance. The best that the unions could come up with today was, 'It sounds too good to be true.'

There are deliverables in this contract and they will come to South Australia. Despite what the Opposition says, despite what the Leader of the Opposition and the member for Hart say and despite their track record in terms of opposing major development in South Australia, such as Roxby Downs, to which the Premier has referred, this one will go ahead also, and the beneficiaries will be South Australians.

GARIBALDI SMALLGOODS

Ms STEVENS (Elizabeth): Given the Premier's statements to the House on 11 October and yesterday on the importance of his discussions with Garibaldi on 4 February, can he recall all agreements reached at that meeting, including all Government assistance for Garibaldi, and can he explain why no record was kept of these critical decisions? On 11 October the Premier told the House that the meeting discussed the ongoing activities of Garibaldi, including whether it was likely to go into receivership. Yesterday the Premier's ministerial statement outlined some of the important decisions made on 4 February and said that the provisional liquidator needed advice from the Health Commission on liabilities the company may incur. Today the House has been told of an agreement for the Government to pay the cost of Garibaldi's testing.

The Hon. DEAN BROWN: The response given earlier by the Minister for Health clearly outlines the case. Experimental technology was being carried out by IMVS, under the Health Commission, and, therefore, with the level of expenditure and nature of testing, and because it was experimental, there could be absolutely no certainty in terms of the outcome. I recall that the validity of the outcome was still under question, and that is why I deferred to the Minister for Health. He and his officials were at that meeting discussing this matter in some detail.

The question asked earlier by the Leader of the Opposition implied that I did not refer to this yesterday: I suggest that he look again at the ministerial statement I made yesterday, in which I talked about the need to identify the source of infection. That is exactly the reason why these tests needed to be carried out.

Ms Stevens interjecting:

The Hon. DEAN BROWN: Again, if the honourable member would like to see my answer on that already, I have explained that in the ministerial statement. A clear statement was made by the Minister for Health immediately after the meeting and, if any of the officials present wanted to take notes, they could do so. I did not take notes, because I simply convened the meeting so that all the officials and their Ministers could discuss the nature of the infection and where that infection was coming from.

Members interjecting:

The SPEAKER: Order! The member for Unley.

Members interjecting:

The SPEAKER: Order! The member for Unley will resume his seat. We will not have a private discussion between the Minister and the Leader of the Opposition. I suggest to the Minister that while the Chair is addressing the House he not interject or he might get an early minute. The conduct of certain members is far below what the public expects. I will not put up with any more: the Chair has been very tolerant and I will start naming some people if necessary.

WATER, OUTSOURCING

Mr BRINDAL (Unley): Will the Minister for Infrastructure explain how comments about the management of large contracts made by the Auditor-General in the annual report to Parliament have been taken into account in preparing to contract and develop an export focused water industry in South Australia, as well as the operation and maintenance of Adelaide's water and sewerage system? I was most concerned

to hear on ABC radio this morning a Federal Minister who, by implication, was impugning the reputation of South Australia's Auditor-General.

The Hon. J.W. OLSEN: The Premier has responded to previous reports of the Auditor-General in a statement. In relation to several questions from the Opposition, the Premier has reaffirmed the position to this House. The provision of infrastructure and of services traditionally provided by the public sector is undergoing fundamental restructuring, and Federal Ministers ought to understand and know that full well because, in fact, the Federal Government and the Hilmer Report are requiring us to make some of the fundamental restructuring we are undertaking. The reasons which necessitate this restructuring are a severe limitation on public funds available to provide infrastructure and services. Look at what the former Government left us in terms of debt: spare available funds for infrastructure—zilch, zero. In terms of—

The Hon. Frank Blevins interjecting:

The Hon. J.W. OLSEN: The former Treasurer! He might well interject: he presided over this debacle of the debt level in South Australia. He might well be embarrassed. Secondly, I refer to the need to maintain and expand services to serve the community and attain economic growth. That is what we are seeking to do and achieve for South Australians. The principle with the water contract is no different from the principle enunciated by the Premier in relation to the EDS contract. It is taking our annual purchasing power and leveraging up economic development for South Australia to position this State ahead of the other States of Australia to carve out international market opportunities for South Australia. That is what it is about. The way to achieve it—

The Hon. Frank Blevins interjecting:

The SPEAKER: The member for Giles is out of order.

The Hon. J.W. OLSEN: I have no idea what the member for Giles is babbling about. If he could speak in English, Mr Speaker, I might be able to understand him.

The Hon. Frank Blevins interjecting:

The SPEAKER: Order!

The Hon. J.W. OLSEN: The way to achieve funds for infrastructure and economic growth is to open up Government contracts and services to the private sector, thus generating savings as well as private investment. There is a legitimate public interest for information on such contracts, an interest which appears to be in conflict with the need to protect the commercial position of Government and the requirement to achieve the best and competitive result for South Australia. However, that is resolved in both interests being served at different points in the contract development and negotiation process. As we have now completed the evaluation of bids and identified the preferred bidder for the water contract, it is appropriate for the public to be informed of the parameters of this deal, the framework for the contract, as it was set out in the bidders for the request for proposal, and indeed we have done that.

This provides not only public information about the scope of the contract—and that has been available for more than a year—but also a framework for the evaluation of the contract. When the contract is signed then, clearly, a summary will be available of that contract setting out the goals, the targets, the responsibilities and what will be achieved in the contract for South Australians. In that respect, this process is open for public scrutiny, debate and comment. I reinforce the point in my reply to the earlier question: this Parliament was given due notice, and the Opposition was given due notice. The Opposition is either deaf, dumb and blind or else it wants to ignore the reality.

GARIBALDI SMALLGOODS

Ms STEVENS (Elizabeth): My question is directed to the—

Members interjecting:

The SPEAKER: Order! The Deputy Leader—

Members interjecting:

The SPEAKER: Order! I warn the Deputy Leader. The honourable member for Elizabeth is endeavouring to ask a question and has been rudely interrupted by certain members. The member for Elizabeth.

Ms STEVENS: My question is directed to the Premier. Was the matter of a mandatory recall of Garibaldi products discussed at the special meeting called by the Premier on 4 February? Was such a recall recommended by health officials and did the Premier rule out such a recall and, if so, why? In his report on the death of Nikki Robinson the Coroner was critical of the Government's failure even to threaten a compulsory recall of Garibaldi products. Nikki Robinson died on 1 February and, although new cases were still being admitted to hospital, an uncooked Garibaldi product still had not been removed from sale at all outlets. No mandatory recall was ordered under the Food Act.

The Hon. DEAN BROWN: On 4 February the manner in which the whole issue was being handled was there for recommendation by the people from the Health Commission. In answer to the specific question, the honourable member's claim is wrong; it is false. She seems prone to want to get up in this House and make such false accusations by way of a question in the hope that someone might then run on the media that shabby statement.

Members interjecting:

The SPEAKER: Order! The Premier has the call and I intend to see that he is given the opportunity to answer the question.

The Hon. DEAN BROWN: I can indicate to the honourable member that the very first time the HUS epidemic was ever identified at a ministerial level, which was when the then Acting Minister for Health, the Minister for Education and Children's Services, walked into my office on a Monday morning and said, 'There has been a disease identified and we have identified, we think, the company it has come from and there are recommendations from the Health Commission in terms of recall.' My instruction to—and I think the Deputy Premier was there at the time—the Minister for Education and Children's Services, acting Minister for Health, was, 'Make sure that whatever the Health Commission recommends is effectively carried out,' and they were to have unlimited powers. That was the instruction to the Health Commission which the Minister for Education and Children's Services passed on.

WATER, OUTSOURCING

Mr ROSSI (Lee): Will the Minister for Infrastructure explain the corporate structure of United Water and say who will own the company?

The Hon. J.W. OLSEN: Once again, I refer to the script (which the Premier acknowledged) of what the member for Hart said on radio this morning: his statement that we had signed a contract with a French company is patently false and inaccurate. It is fundamentally wrong, and the member for

Hart knows it. As this House was told yesterday, within 12 months of this contract being signed the corporate structure that will be in place will be a South Australian registered company and the chairman of the board a South Australian resident and successful in terms of an engineering enterprise.

Six directors will be resident in Australia and 60 per cent of the equity in the company will be Australian, including Kinhill's operation. The company proposes to invite institutional investors such as AMP, National Mutual, and the like, who represent the investments of thousands of South Australians, to invest in this company, and there will be a public float so that South Australians can become involved in United Water International when it goes into the marketplace.

For the member for Hart to say this morning that this contract has been signed with 'a French company' is wrong. That is not the basis upon which we are going to a preferred bidder, and the member for Hart knows that full well. I appeal to the better side of his nature that at least he should be honest in his public representations.

Mr FOLEY (Hart): My question is directed to the Premier.

Members interjecting:

The SPEAKER: Order! The member for Hart has the call.

Mr FOLEY: Will the Premier advise the House whether the 1 100 extra jobs that he has claimed will result from the outsourcing of SA Water operations are a condition of the contract with United Water or merely an economist's estimate of the possible outcome?

The Hon. DEAN BROWN: The 1 100 jobs is a net figure, so there will be some loss of jobs. As outlined during the press conference yesterday, approximately 300 jobs are likely to go in the direct management and operation of the water supply. However, under the contract, there are specific provisions for the amount of exports that have to be achieved from South Australia over a 10 year period, and they are exports out of Australia. That figure is $628 million in constant dollar terms from today. Therefore, it will be greater than that if inflation is taken into account.

The company has put forward a schedule which it expects to be able to achieve, and I am able to say that the figure in the first year is $38 million. There will be damages if those exports are not achievable. It is part of the contract that the company must achieve that level of exports out of South Australia. That $628 million equates to a lot of exports in terms of products and services out of South Australia. The company went to Monash University for an independent assessment of the impact of that in terms of jobs, and the university found that it would create somewhere between 1 300 and 1 700 jobs on a constant basis over that 10 year period. Therefore, if one deducts the 300 jobs that will be lost from the Water Corporation, the figure of 1 000 extra jobs is very conservative, based on the estimate that somewhere between 1 300 and 1 700 jobs will be created, as put down—

Mr Clarke interjecting:

The Hon. DEAN BROWN: No, I back Monash University on its economic analysis rather than the Opposition here.

An honourable member: Every day.

The Hon. DEAN BROWN: Any day, as everyone would. When he was a Minister, the Leader of the Opposition managed to lose $3 000 million through a bank and $400 million through SGIC. Who would trust the Labor Opposition in South Australia with one dollar?

Members interjecting:

The SPEAKER: Order!

The Hon. DEAN BROWN: No-one. I indicate to the House that a figure of 1 100 jobs over that 10 year period is very conservative.

Mr SCALZI (Hartley): What is the Minister for Infrastructure's response to claims by the Community Water Action Coalition that pensioners, the disadvantaged and the elderly will suffer as a result of the contract to operate and maintain Adelaide's water and wastewater system? My electorate of Hartley has a significant number of pensioners and elderly people who, as a result of the fear campaign, have expressed their concerns on this matter.

The Hon. J.W. OLSEN: I notice that Mr Doug McCarty has made some public comments about this.

Mr Becker: Who's he?

The Hon. J.W. OLSEN: Well, if you would like me to explain, I would be delighted to.

The SPEAKER: Order! One question at a time.

The Hon. J.W. OLSEN: Doug McCarty is a close ally—

Members interjecting:

The Hon. J.W. OLSEN: Given the parroting of the same verse, perhaps the Leader of the Opposition would like to respond. It is well known that Mr McCarty and the Leader of the Opposition had a decade of working together against major projects in South Australia, using the old line, 'Don't let the truth get in the way of a good story' or 'Don't let the truth get in the way of trying to score a political point'. They also believed in repeating mistruths and misinformation and, through fear, they tried to frighten people over to improve their voting intention in the polls. That is what they are on about, but it will not work, because at last the truth is being filtered out to the South Australian community.

An honourable member interjecting:

The Hon. J.W. OLSEN: You would not know anything about truth being filtered one way or the other because you never play with the truth.

Members interjecting:

The SPEAKER: Order!

The Hon. J.W. OLSEN: I will get back to the point of the question, and that is—

Mr Clarke interjecting:

The SPEAKER: Order! The Deputy Leader of the Opposition is warned for the second time today.

The Hon. J.W. OLSEN: Pensioners and other groups in the community who currently receive Government concessions, and who have received concessions for decades, will continue to receive those concessions because they will remain available. There will be no change—none at all—in the provision of those concessions and services for pensioners and others in the community because the price setting for water and sewerage will continue to be undertaken by the Government of South Australia, as it has for 65 years. I do not know how many times I have to say it. I guess that, as long as the Opposition and Mr McCarty keep putting out the lie, I will have to repeat the truth of the matter, which is that those concessions will remain—

Members interjecting:

The Hon. J.W. OLSEN: I remind the member for Giles that country concessions or cross-subsidies for country people will also remain, so the honourable member need not worry about issuing a press release, as he usually does, through

ABC country radio and its network that country subsidies are about to go. The honourable member is wrong, I give you the drum! Cabinet has already made a decision in relation to that question and cross-subsidies for country residents in South Australia will remain. They are in place, and they will continue in South Australia. Given the nature of this deal, the only thing that Mr McCarty and the Opposition can do is rely on misinformation and mistruths about this matter. There is nothing in this deal that they can attack, and that is because it is a damn good deal for South Australia. I notice that members of the Community Water Action Committee want to get half a million signatures to demonstrate to the Government how—

The Hon. Dean Brown: They said they were going to send it to me, but they have not even been to see me.

The Hon. J.W. OLSEN: They have got nowhere near their half million yet. I think they have about 5 000 signatures. If they want to get half a million signatures, the Premier will have to be there in the year 2025 for that group to be able to present its petition. I note that some polls have been taken and that reference has been made to the fact that they have indicated that there is some concern within the community, and so there would be some concern in the community given the misinformation and the mistruths that have been put about. Now the substance of the matter will be there. The Community Water Action Committee issued a poll the other day that claimed that only 9 per cent of the population supported this proposal. I should like to look at that committee's methodology in considering that question.

Members interjecting:

The SPEAKER: Order!

The Hon. J.W. OLSEN: I point out to the Leader of the Opposition that the South Australian Water Corporation has not as a corporation commissioned polling. However, there is polling about; there is no denying that. The Community Water Action Committee has done a bit of polling out in the community. Now the truth is on the table and the real facts of this contract can be debated and put out for the public to see; now we will get a different interpretation within the community of South Australia of what this deal has to offer South Australians.

Mr FOLEY (Hart): My question is again directed to the Premier.

Members interjecting:

The SPEAKER: Order! The member for Hart has the call.

Mr FOLEY: Thank you very much for your protection, Mr Speaker.

Members interjecting:

The SPEAKER: Order! I suggest to the member for Hart that he ask his question.

Mr FOLEY: Thank you, Sir; I am endeavouring to. Will the Premier say specifically in which industry sectors the $628 million in exports will be generated?

The Hon. DEAN BROWN: Yes, I would be delighted to. In fact, the honourable member should listen to the Minister for Infrastructure, who has been talking about the sorts of companies involved. There are 150 different companies involved which are potential suppliers to these export contracts. United Water is a company with overseas affiliates that have literally hundreds of millions of dollars in procurement every year, not only the new contracts under United Water but also procurements that it must carry out in other areas. So, the sorts of companies that will benefit are those 150 companies in the manufacturing or service supply sectors that will be able to supply the detailed technical services to back it up—companies such as Philmac. I know the member for Hart probably has not been to Philmac.

Mr Foley: I have.

The Hon. DEAN BROWN: You have? That is good. In that case, if the honourable member has been to Philmac, he would understand that here is a South Australian company producing PVC piping and a large number of complex valves that are already of world class and accepted on world markets. What this contract means is that companies like that will be able to increase their exports substantially, because over a 10 year period this company—United Water—will be required to buy $628 million worth of product on present day values from those companies and to take that overseas for various projects. So, there is Philmac and Hardy, with its irrigation plant at Murray Bridge and some of the products it is making there, which are also going on to export markets. The Hardy company makes electric motors for pumps; I understand it is expected to get sizeable benefits.

I am sure the Minister for Infrastructure is willing to provide the honourable member with the list of 150 potential companies that will get the ultimate benefit out of this. They are the companies where the jobs will be increased. Engineering and service companies, such as Kinhill, which is a specialist in water engineering, will also become involved. So, the benefits will flow not just to one company but, very importantly—and I think this is the real benefit to come out of this contract—they will flow to 150 companies over that period. So, those 150 companies will see the direct impact of increased exports, increased employment and therefore a more secure long- term future in this State.

Mrs ROSENBERG (Kaurna): Will the Minister for Infrastructure explain what South Australia will be exporting under the Government's new water contract, and will he expand upon the Premier's previous answer?

Members interjecting:

Mrs ROSENBERG: Just be quiet and listen. For once in your life—

The SPEAKER: Order! The member for Kaurna has the call.

Mrs ROSENBERG: There are reports that the South Australian water contract will generate $630 million worth of exports for South Australia. Some of my constituents have expressed their concerns and the misconception that bottled water will be exported from South Australia.

The Hon. J.W. OLSEN: As the honourable member indicated, the Premier has just given a very full and detailed answer in respect of what will be exported. Let us take it one step further and look at the member for Hart's electorate. There happens to be a firm in that electorate called D&R Civil Pty Ltd. It employs about 23 people.

An honourable member: What's it called, again?

The Hon. J.W. OLSEN: D&R Civil Pty Ltd, of Largs North. It employs 23 people and is in the honourable member's electorate. It is one of the 150 companies that want to get into the export opportunity.

Mr Foley: Who is it?

The Hon. J.W. OLSEN: Do you want me to tell you for the third time? D&R Civil Pty Ltd of Largs North, with 23 employees. I note that the honourable member looks a little blank; perhaps if he goes for a ride around his electorate he might find it. It is into bulk earthworks, construction, drainage systems, concrete works, plumbing stations and the

like. The Leader of the Opposition might like to check with a couple of companies in his electorate, such as Greene Eden Watering Systems Pty Ltd, irrigation systems supply and installation—it is one of the other 150 companies that are involved in it—or Rys Pty Ltd, another of the companies based in the Leader of the Opposition's electorate.

If members opposite do not want to support companies in their electorate that are locked into this opportunity to go into the market, they should tell us and the companies that. Perhaps we will do it for them and pass on the message to the companies that the Opposition is not interested in supporting them. As we see the shift of companies from New South Wales and Victoria into South Australia, and as they are looking for electorates in which to locate, if members opposite do not want them in their electorates, that is fine; we will encourage them to go to the electorates where they are welcome. So, make up your mind: do you want economic activity and jobs in your electorates or do you not?

Mr FOLEY (Hart): My question is directed to the Premier. In light of claims about the export benefits of the water contract announced yesterday, will the Premier advise whether it is a condition of the contract that all activities of Thames Water and CGE in Asia be directed and organised through Adelaide, or will Thames and CGE's subsidiaries compete against United Water?

Members interjecting:

The SPEAKER: Order!

Mr FOLEY: CGE and Thames Water currently have subsidiaries operating in Indonesia, Malaysia and Thailand. A recent report by Baine and Co. commissioned by the Australian water industry stated that foreign water companies were unlikely to:

> . . . form an exclusive relationship with South Australian industry to pursue opportunities in Asia, given the strength of existing relationships and establish goodwill in the region.

The Hon. DEAN BROWN: Thanks for the Dorothy Dix question, because the answer is that, yes, United Water has exclusive access to almost all of Asia. I will ask the Minister for Infrastructure to supply a more detailed answer to cover every country involved in that, but the two parent companies have no rights to tender against United Water for the vast majority of the Asian area, including Indonesia, Malaysia, certain key provinces of China, India, Singapore, Vietnam, the Philippines and Cambodia. So, that covers the vast area of Asia where water infrastructure is so badly needed, together with effluent treatment. I know this from first-hand experience, having been into places like that and seen the enormous need for both potable water and effective disposal of effluent water. The important thing is that, as far as these two major international global companies are concerned, any bid into those areas must be through United Water, based here in Adelaide—a great coup for South Australia and a great benefit to South Australians.

DUKE OF EDINBURGH AWARD

Mr CONDOUS (Colton): Will the Minister for the Environment and Natural Resources provide a progress report to the House on plans for the 1995 international council meeting of the Duke of Edinburgh Award? I understand that delegates from throughout the world will converge on Adelaide early next month and that several major functions are planned.

The Hon. D.C. WOTTON: I am delighted to advise that Adelaide will be the international spotlight for this important gathering of people representing up to 60 countries who will be getting together to discuss matters relating to the Duke of Edinburgh Award. Of major significance is the visit to South Australia by the Chairman of the trustees of the Duke of Edinburgh Award, His Royal Highness Prince Edward.

As members would probably be aware, the Cavan Youth Training Centre is very much involved in the Duke of Edinburgh Award scheme, and I am very pleased that that is the case. While details of Prince Edward's four-day visit are still being finalised, I can confirm that Prince Edward has agreed to meet with young offenders at the Cavan Youth Training Centre. I am delighted about that, because I believe it will provide a boost to the young people at Cavan, particularly those who are now participating in the award scheme. Those young people need that support.

The Duke of Edinburgh Award scheme has played a major role in the lives of thousands of South Australians in developing leadership skills and teamwork, communication and motivation skills through the Duke of Edinburgh Award concept. I am particularly pleased to see the scheme operating in youth detention centres, hopefully helping these young people to attain qualities of good citizenship as well. I am sure that all members of the House would agree that any effort to promote endeavour, discipline and training, particularly among those who have been on the wrong side of the law, is to be supported.

I look forward to being involved with this gathering of people from over 60 countries around the world. It will be an important conference not only for South Australia but for all people who have an interest in helping young people throughout the world.

WATER, OUTSOURCING

The Hon. M.D. RANN (Leader of the Opposition): My question is again directed to the Premier. Given the Premier's assurance to this House that he did, in fact, secure a guarantee from the President of the Liberal Party that no political donation would be accepted from any bidder for the water contract during the tender process, will he now give a similar undertaking that no donation from United Water, Thames or CGE will be accepted by the Liberal Party for the next State election campaign—

The SPEAKER: Order!

The Hon. M.D. RANN: —after the tender process?

Members interjecting:

The SPEAKER: Order!

Mr Atkinson: That's a disgrace!

The SPEAKER: Order! The Chair does not need any advice from anyone. The Chair is of the view that, as the Premier does not have the responsibility in relation to the collection of donations from any political Party, the question is out of order.

The Hon. M.D. RANN: On a point of order, Sir, the Premier was happy to answer the question earlier—

The SPEAKER: Order!

The Hon. M.D. RANN: —so therefore there seems to be a change.

The SPEAKER: Order! If the Leader gets to his feet, I will name him. The Chair has made a decision that the question is out of order. Therefore, that ruling stands and it will not be questioned.

SCHILLING, MR M.

Mr CLARKE (Deputy Leader of the Opposition): My question is directed to the Premier. In light of the Government's $700 000 settlement with Dr David Blaikie announced by the Attorney-General yesterday, will the Premier advise what will be the likely total cost for the South Australian taxpayers of the dismissal of his former head of department, Mr Mike Schilling, including Mr Schilling's superannuation pay-out? On 5 July the Premier advised the House that Mr Schilling was entitled to less than $200 000. Mr Schilling, like Dr Blaikie, was a member of the State Government's pre-1986 State superannuation scheme, which contained specific retrenchment provisions. The Premier, in announcing Mr Schilling's dismissal, said that he had not been sacked for misconduct or poor performance but rather because his department was refocussing its priorities. He also admitted that Mr Schilling had been paid a performance bonus of $20 000.

The Hon. DEAN BROWN: I can indicate to the House that the exact amount for the severance of Mr Schilling's contract is now known. The figure is about $143 000. I said earlier that I expected it to be less than $200 000. In fact, it is shown to be that.

The Hon. M.D. Rann interjecting:

The Hon. DEAN BROWN: I do not know how long Mr Schilling will live, unless the Deputy Leader of the Opposition can give me precise information as to how long Mr Schilling will live. I also point out that Mr Schilling's entitlements is a matter entirely between the superannuation board and Mr Schilling.

The Hon. M.D. Rann: That is the question you were asked before.

The SPEAKER: Order!

The Hon. DEAN BROWN: Therefore, I cannot give any indication—because I do not know how long he will live—as to how much his superannuation will cost.

STATE FLEET AUCTIONS

Mr VENNING (Custance): Will the Treasurer please provide details of the returns from the sale of Government motor vehicles through both public and trade auctions now being conducted? I am aware that State Fleet is conducting a series of trial auctions solely for motor vehicle dealers while the normal public auctions are also continuing.

The Hon. S.J. BAKER: The trade auctions have been very successful. We have now had three trial sessions with these trade auctions and we have been monitoring the price. In fact, to ensure that we are comparing appropriate vehicles in each of the trade sales, we have had an independent expert mark cars of the same type with approximately the same mileage and in the same condition. We followed that process for the previous two auctions. I can report to the House that we operate these trade auctions only as an experiment but, if the experiment continues to be successful, we will continue with it. We have had only three to date. We have had auctions every week for the public to attend, and they have been attended by both dealers and the public at large.

In my view, the results from the trade sales have been successful. On average for these specially matched cars we have achieved overall a better return from the trade auction than from the public auction. One of the issues is the extent to which you can segment the markets and the extent to which you can actually get a good result from auctions. As we know, quite often we are disposing of a large number of cars in a particular venue, and we do not often get the best price, because it depends first on public support, secondly the types of vehicles going through the auction and, finally, the level of interest in the auction at the time.

Taking all those factors into account—and having matched about eight cars in both auctions last time—we got a better result from the trade auction. It was also run at a very cheap price, at a price below market, so on both counts the State Government benefited. We will run another auction shortly. Again, if the experiment is successful, we will continue; if it is not, we will stop it.

TAFE EXPORTS

Mr BROKENSHIRE (Mawson): Will the Minister for Employment, Training and Further Education highlight how TAFE South Australia is playing a part in the export of intellectual know-how and technical training expertise to overseas education institutions and businesses?

The Hon. R.B. SUCH: There are many parallels with what is likely to happen in relation to the water contract, that is, more and more South Australians will earn their living selling their expertise to countries particularly in the Asia-Pacific region. That is currently happening in regard to education institutions, and TAFE certainly is one of those. We currently have arrangements with 16 countries including, for example, Indonesia, where we are training people in ship towing techniques and civil engineering; Papua New Guinea, distance education; Laos, hydro-electricity generation techniques; Nepal, curriculum development; Pakistan, fibre optics; Samoa, teacher training development; China, techniques in recovery of gold; and Portugal, distance education packages.

In addition, we have hospitality training links with Thailand whereby we are exchanging staff and conducting programs; the Philippines, developing curriculum materials; Japan, hospitality training; and police training in conjunction with States of the United States, other centres within the United States, including Phoenix and Arizona, Dallas in Texas, Washington State and Hawaii, to mention just some. The most recent is a contract signed with Argentina for us to provide the expertise to train people in refrigeration mechanics so that people there can help to reduce ozone depleting substances. These are some of the examples of how TAFE, in conjunction with the universities—and that is another success story—is exporting to these areas in terms of expertise. It has been predicted that by the year 2010 the Australian involvement in those areas of training for education in the Asia-Pacific region will be worth about $6 billion. TAFE in South Australia is already involved as a leader in that activity.

GRIEVANCE DEBATE

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

Mrs ROSENBERG (Kaurna): I refer today to the prevalent attitude in the southern community, encouraged, I am afraid, by local press articles, towards the unemployment

rate in the southern region and the assumption that there is a lack of Government initiatives to address the problems. An article in the Messenger Press newspaper of 4 October 1995 stated that almost 6 000 people were jobless in the Noarlunga region. It referred to a high unemployment rate of 13.2 per cent in the Noarlunga area. However, it failed to explain that the Noarlunga region covers the Fleurieu Peninsula from Hallett Cove to Victor Harbor, including Goolwa and Kangaroo Island.

It is true that the September Social Security figures on a monthly average indicate that 6 421 people in the Noarlunga region are in receipt of Job Search, New Start or youth training allowances. However, compared with the figures in the northern region, this is not as high as the public are encouraged to perceive. There were 4 842 people in Elizabeth, 4 602 people in Modbury and 5 933 people in Salisbury in receipt of the same types of benefits for the month of September.

The national seasonally adjusted unemployment rate for August was 8.3 per cent while the preliminary September figure is 8.5 per cent. Whilst the State's seasonally adjusted unemployment rate for August is 9.4 per cent, the preliminary September figure is 9.8 per cent. These figures are from the ABS labour force data, August 1995. The total unemployment rate in August for the northern region, which includes the suburbs I have previously mentioned, was 12.963 per cent, whilst the unemployment rate for the southern area was 8.306 per cent. Those percentages are both from the same labour force data figures.

This puts into perspective a little better the comparison of unemployment in the north and the south. The State Government has been working on a number of initiatives to address the State's unemployment problems as the Federal Government has decreased its budget allocation to many unemployment schemes in South Australia. Federal funding for labour market programs will be cut by $1.1 billion over the next three years and $430 million in the 1995-96 financial year. This implies that 174 000 places will be reduced and $30 million to $40 million will be taken from DEET activities such as Job Start, national training wage subsidies, LEAP programs and new work opportunities. Skills training will fall by $23.3 million and Skillshare grants will fall by $3 million. South Australia will therefore be affected by a decrease of $240 000. Monies allocated by DEET are generally divided depending upon need and the general unemployment situation in the area.

At the moment labour market statistics are very healthy for South Australia as evidenced by recent statements by the Minister for Employment, Training and Further Education in a recent press release and also in answer to a question in the House in the past couple of days. The State is actually funding a considerable amount of work to address unemployment, and Operation Flinders is one of those, which is currently funded to the tune of $162 000. Operation Flinders is an excellent example of some of the programs that exist and is encouraging our youth to participate effectively in our community. There is a 75 per cent success rate from this program.

As members would be aware, the State Government has instigated 1 500 new Government traineeships and $1.4 million is allocated for Kickstart programs in which 2 500 people are currently participating. This encompasses an allocation of $138 000 for the southern area. In my electorate a great many projects are being undertaken, particularly in the Aldinga Scrub and Aldinga Beach sand dunes area, and I also highlight the Youth in Motor Sport program. Kickstart programs involve training in viticulture, hospitality and gaming, fabrication and welding, business development, family day care and heavy vehicle licensing. These projects are specifically designed and developed to meet the unique needs of business and industry in the local community.

South Australia leads the nation in information technology, telecommunications and data processing operations. The State Government has committed itself to providing job opportunities and has allocated $164 million towards economic development programs. I am keen to encourage businesses and companies within the electorate of Kaurna to consider the schemes, promote production and focus on overseas development and interstate and local markets. The Southern Development Board has been working very hard with this community towards promoting tourism and special events such as the Aldinga Equestrian Park.

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

Mr CLARKE (Deputy Leader of the Opposition): We have quite an extraordinary admission from the Premier today with respect to Mr Michael Schilling. Regarding Dr David Blaikie, the Premier said that the $250 000 payment that the Government made when it sacked him last year was the top payment and no further. Unfortunately, the Premier has a habit of sacking people in the Public Service and then thinking about the costs and consequences after the event. The Premier has regaled this Opposition and this Parliament on a number of occasions, saying, 'Because I was formerly in private enterprise, I know how to manage a business.' I would have thought one of the first things you had to know about running a business was that, if you are to sack somebody, particularly in an unfair manner, you try to quantify the cost.

Members interjecting:

The SPEAKER: Order! The member for Unley.

Mr CLARKE: In the judgment of Mr Justice Olsson delivered recently concerning Dr Blaikie (page 17), there was an example of how smart our Premier really is in these types of negotiations. Mr Hannon, the lawyer representing Dr Blaikie, advised the representatives of the Government on 3 March last year that Dr Blaikie would settle his claim for a figure of $300 000 plus his other lawful entitlements—annual leave and long service leave. However, the Government would put forward an offer of only $250 000 and, because of that gap of $50 000, they withdrew that offer, although subsequently they put it back on the table after they had effectively put a gun to Dr Blaikie's head and said, 'If you don't agree to that amount of money, we will legislate to take your rights away from you.' That is all documented in Mr Justice Olsson's decision. Dr Blaikie was forced to resign.

As we have subsequently found out by his actions in the Supreme Court, he was found to have resigned under duress and consequently the settlement reached by the Government is more than twice what Dr Blaikie would have been prepared to accept in March last year. We also remember what the Premier had to say in this House on 26 September when he said, after Judge Olsson's judgment had been delivered:

> I have a very clear recollection of my meeting with Dr Blaikie and I stand by the evidence I gave to the court.

Mr Brokenshire interjecting:

The SPEAKER: Order! I call the member for Mawson to order.

Mr CLARKE: No appeal was lodged by this Government, although the Premier made great play of it. We know that the Premier would not go on appeal because he would not have his credibility subjected to being knocked out three-nil by a full bench of the Supreme Court of South Australia. He did not want to have to put his hand, shaking as it may be, on the Bible again, only to have it wither because of the falsehoods he told in the first instance before Judge Olsson. But, with respect to Mr Michael Schilling, the Premier has indicated today a payment of $143 000 in severance pay. The Premier was very careful to distinguish between severance pay and the superannuation amounts.

Mr BRINDAL: On a point of order, Mr Speaker, I believe the Deputy Leader of the Opposition accused the Premier of giving false evidence under oath, and I believe that is a most serious allegation that should be made in this Chamber only by way of substantive motion. I believe that you should order him to withdraw it.

The SPEAKER: Order! Did the Deputy Leader actually make that accusation as raised by—

Mr Brokenshire interjecting:

Mr CLARKE: In the interests of time, because they want to shut me up, I withdraw the 'falsehood' statement, but I point out that Mr Schilling is entitled to two-thirds of his pre-existing salary until he turns 65. The Premier knows the total cost, because the Government is represented on the State super board—

Mr Brokenshire interjecting:

The SPEAKER: Order!

Mr CLARKE: —but he does not have the guts to come into this House and tell the public of South Australia that his mismanagement, his cavalier dismissal of his own staff, will cost the taxpayers of this State well in excess of $600 000, because the Premier sacked the head of his own department without adequate grounds.

Mr Brokenshire interjecting:

The SPEAKER: Order! The honourable member's time has expired. I suggest to the member for Mawson, who has been interjecting from behind the pillar, obviously to prevent the Chair from seeing him, that he not continue. The member for Unley.

Mr BRINDAL (Unley): What a load of rubbish! It gives me great pleasure to follow the Deputy Leader of the Opposition, because everyone looks good when they follow him. What about the Deputy Leader of the Opposition talking to us about severance pay? I remember a gentleman who as head of the Premier's Department was considered surplus to requirements. What did members opposite do? Nothing as honest as saying that he was no longer needed: they sent him off to the university.

Mr Clarke interjecting:

The SPEAKER: Order! The Deputy Leader of the Opposition has had his opportunity.

Mr BRINDAL: They guaranteed that his salary for the whole time he would be at the university would be linked to the salary of the head of the Premier's Department: no questions asked. They virtually paid the university to take their dirty washing; that is how honest they were. And it is costing this State an ongoing fortune to pay blood money to get rid of people from previous regimes. The Deputy Leader comes in here and questions—

Mr Clarke interjecting:

The SPEAKER: Order! The Deputy Leader of the Opposition has been in the Chamber long enough to know that he just cannot continue to yell across the Chamber as if he is out barracking at the football or somewhere. I want it to come to an immediate end. The honourable member for Unley.

Mr BRINDAL: He questions the honest efforts of this Government. I might remind the Deputy Leader that the whole substance of his speech was the fact that this matter went to a properly arbitrated process through the court; the court made a decision, and I have heard neither the Premier nor any member of his Government say that he was not going to adhere to a rightful decision made in the court. The only people who seem to be grizzling in this affair are members of the Opposition. And well might they grizzle, because it is an indicator. We heard them this morning on water, and what a load of knockers they are. The member for Hart was somewhat timorous, trying to have it both ways at once. But members opposite brought over Senator Cook, because if they criticise they might be accused of knocking South Australia, and they would not like to do that: especially if this deal goes as well as all decent South Australians are hoping it will go.

If it goes well, they do not want to be associated with having knocked it, so they bring a Federal Minister out of the woodwork to get him—scurrilously, in my opinion—attacking by implication the Auditor-General of South Australia—who has seen all these figures, who has gone right through the deal—and implying that he is some sort of fool, that the Minister and the whole apparatus of this Government are fools, and that Senator Cook as a Federal Minister is the fount of all knowledge. I have news for Senator Cook: eight of our Federal members are members of the Liberal Party and, after the next election, hopefully, nine or 10 might be. That might be a message to Senator Cook about what the people of South Australia think of him and the policies of his Government in Canberra. He would be better off staying in Canberra and trying to run the Federal Government, which is causing more problems for every State in this nation than any other single cause. *The Hon. D.S. Baker interjecting:*

Mr BRINDAL: The Minister is unkind, blaming the Federal Labor Government for not being able to control the rabbit virus. But the lies being spread in the community about the water contract I find appalling.

Mr Atkinson: You are one of the most easily appalled people I know. You are appalled every sitting day.

Mr BRINDAL: I am appalled every sitting day because I have to look at the member for Spence every sitting day. For people to come in here and question is fine, but to spread a web of fabrication in the community is beyond the best interests of this State and of their integrity as members of Parliament. I heard on Matthew Abraham's program somebody peddling the Opposition line about a $5 shelf company, less than 24 hours after the Minister said that United Water has $3 million in issued share capital and $5 million in working capital.

To hear these falsehoods perpetrated by the member for Hart and others does no service to this State, does no good to public debate, and I think that decent members opposite should be ashamed. We must have public debate. They must question the actions of this Government, but they could at least do it honestly.

Mr ROSSI (Lee): Today I would like to make some comparisons concerning the epidemic involving Garibaldi.

In 1989, when I was helping the candidate for the seat of Albert Park, I approached the proprietors of Garibaldi about putting a sign on their front fence, and they allowed me to do so. Two years later, in 1991, this epidemic of E.coli appeared. There seems a very similar comparison to be drawn, in that in December 1993 I again approached the proprietors of Garibaldi to put up a Liberal sign, this time as the Liberal candidate, and the proprietors refused permission for political Parties other than the Liberals to put up a sign. It is quite coincidental, is it not, that in December 1993 a Liberal poster went up and in January of 1995 again we have this food poisoning epidemic? I wonder if some of the Labor employees at this place did not participate in deliberately contaminating some of the food. The way the Labor members across the House—

Mr CLARKE: On a point of order, that is an outlandish accusation. The member for Lee should withdraw that forthwith.

Members interjecting:

Mr CLARKE: If my ears heard correctly, he believes that members of the Opposition could have contaminated the food.

Members interjecting:

The SPEAKER: Order! My understanding of the comment of the member for Lee was that he was referring to Labor members of the staff of Garibaldi. That was my understanding.

Mr CLARKE: My point of order is still the point of slandering—I do not even know if there are Labor supporters amongst former employees of Garibaldi, but—

The SPEAKER: Order! That is not a point of order. The honourable member for Lee.

Mr ROSSI: I was going to add that the ferocity of members opposite in chasing this question in Question Time indicates that they may have had some interest in it. Leaving that matter now, I would like to refer to the Walk for Public Health leaflet that the PSA has put in all wards of the Queen Elizabeth Hospital. It reads:

> Sunday 22 October. 9.15 a.m. at the front of the Queen Elizabeth Hospital on Woodville Road, to 11.15 a.m. (approx), Health Minister Michael Armitage's office in North Adelaide, then to Parliament House and Elder Park. Dress up! Bring friends! Ride a bike! Rollerblade! Bring banners and signs! Go in your community bus! Queen Elizabeth Hospital—Keep it public. Keep it the best.

Earlier this month on 3 October I went to the Queen Elizabeth Hospital without appointment, looked through some of the wards and spoke to some of the patients, the nurses and the catering staff to see what complaints they had about the service at the hospital. I found a good response. They were happy with the food and with the service and the only people who complained to me were the doctors who said that the equipment at the hospital was over 25 years old and very dangerous. It was interesting to read the press release put out by the Minister, as follows:

> I have just given approval for nearly $6.7 million to be spent on replacing old medical equipment.

He further states:

> In some cases equipment, despite being hospital equipment, was actually dangerous to operate.

That is exactly what the doctors told me when I visited the hospital. The Labor Party and the PSA are going around promoting a public walk to keep the service at the hospital the best. They did absolutely nothing for the 14 years they were in power. I noticed outside the buildings that bricks were falling out of the verandahs.

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

Ms WHITE (Taylor): This afternoon I will spend a few minutes paying tribute to a community service organisation which provides a very valuable service to youth in this State, namely, the Lions Club throughout Australia. The service to which I refer is the quest it runs every year—the Youth of the Year Quest. Again this year I was privileged to be involved in the judging of this quest for the Salisbury Lions Club. Members may be aware that this competition is held within local high schools. Students in their senior high school years apply and compete and judgings are held at club, regional, divisional, State and national levels.

The Salisbury club competition was sponsored again this year by Mobil and G.H. Michell, which sponsor many activities in our local region of Salisbury. The quest itself assesses and looks at young people's abilities in not only academic areas but also in their sporting achievements, community service and cultural achievements. The judging also looks at their personality and general knowledge on issues of concern to people their age.

Another aspect of the competition is public speaking, which involves some impromptu questions to the students who must, sometimes for the first time, get up and without notice speak for a period of time on issues. I am always impressed by the types of issues in which students are interested. The judging in which I was recently involved brought up issues such as the republic, where young people want to see Australia in the coming years and what it is that is unique in being an Australian, and such like. One of the things of which I am constantly reminded is that young people are terribly interested in environmental issues. Most members in this Chamber who visit their primary schools regularly would know that primary school children are particularly interested in environmental issues and I am constantly put on the back foot when quizzed by seven-year-olds about my environmental credentials.

Mr Venning: You'd never be on the back foot.

Ms WHITE: Not from the Liberals I wouldn't be, but from seven-year-olds I may be. Speaking of environmental issues—

Members interjecting:

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

Ms WHITE: I was particularly heartened last month when we had a visit from Simon Crean in his capacity with NETTFORCE. He decided that in our northern region, where we have a high youth unemployment and general unemployment problem, a series of traineeships in environmental and sporting areas should be commenced because this is something in which young people are particularly interested. Many traineeships that have existed in the past have been in areas such as office administration. Many young people I meet on a day-to-day basis are not interested in that area. I am heartened at Simon Crean's acknowledgment of the fact that a need for such traineeships exists.

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

Mr CONDOUS (Colton): Today I am proud to stand up and speak on behalf of four of my young constituents in the electorate of Colton—children who are totally non-political but who have been living in West Beach all their lives and who currently attend the West Beach Primary School. I am

talking about Elizabeth, Simon and Philip Ouslinis and Craig Weeding, who came to my office and presented me with a petition signed by some 550 people objecting to option 3 being implemented, thereby directing the water that now comes out of the Patawalonga to go through a man-made channel through the West Beach sandhills. The Ouslinis children are members of the West Beach Surf Lifesaving Club. These children are very responsible young people and, without any prompting from anybody and unbeknown to their own parents, they made a decision, because they were concerned so much about the environment, that they would walk around the entire area of West Beach and collect 550 signatures to put across their viewpoint to this Parliament.

These children are concerned about the future marine environment and future of the western suburbs beaches, and rightly so. They speak not only on behalf of themselves but of all children their own age who are concerned about their future. You, Mr Acting Speaker, and I this week went to look at the dredging process of the Patawalonga and were astonished to see the black sludge coming out of it. We were told during the course of the tour that last week alone two adults were seen to reverse their utilities down to the Patawalonga and throw a refrigerator into it. They are the sorts of mistake adults have made over the years, thereby destroying the environment for the future of our children.

We owe it to our children to act responsibly and to look at the alternatives to option 3. The recommendations made by Pat Harbison in the Harbison report commissioned by the Henley and Grange council, the report by MFP Australia and also a report that has been put forward by Anthony Saris are sensible and responsible alternatives. For the sake of the Labor Party, I put on record that, during the past 20 years when you, Mr Acting Speaker, made it known that there was a major problem in the Patawalonga, it assumed that you were playing politics and were not prepared to do anything about it. Even in recent times the former Bannon Government put its head in the basket when it said, 'This is too hard. It is too difficult a problem to handle.'

Mr Venning interjecting:

Mr CONDOUS: That's right. So, it did absolutely nothing about it.

Mr Clarke interjecting:

Mr CONDOUS: I will, too. I support my four young constituents and will responsibly represent their views. I will fight to the bitter end to ensure that option 3 is dead and buried and, on behalf of those four young constituents and all the young people in Colton, I will ensure that their interest is made clear to this House by the Government in respect of the long-term commitment made by the Premier to clean up not only the Sturt Creek catchment and the Patawalonga catchment but also the Torrens River in the interest of the youth of this State.

I congratulate the three young Ouslinis children and Craig Weeding for showing their concern by collecting signatures for the petition to express the concern of the people of Colton and their objections and anger against option 3. As their local member I, too, am opposed to option 3 and am committed to continuing to put their views to this House. Like the Deputy Leader of the Opposition and Ivan Venning, I have gone on the record. I make the commitment that, should this decision not be reversed, I will lead my people in front of the bulldozers to stop the project.

HOUSING CO-OPERATIVES (HOUSING ASSOCIATIONS) AMENDMENT BILL

The Hon. J.K.G. OSWALD (Minister for Housing, Urban Development and Local Government Relations) obtained leave and introduced a Bill for an Act to amend the Housing Co-operatives Act 1991. Read a first time.

The Hon. J.K.G. OSWALD: I move:

That this Bill be now read a second time.

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

Leave granted.

The purpose of this Bill is to amend the *Housing Co-operatives Act, 1991* and extend its coverage to community housing associations. The intention is to create an enabling mechanism to establish a consolidated community housing program in South Australia.

The introduction of the Bill will extend the provisions and benefits of the *Housing Co-operatives Act*, which already works successfully for housing co-operatives, to community housing associations and to their tenants, some of whom represent very disadvantaged groups within our community.

The *Housing Co-operatives Act* currently provides for the registration, incorporation and regulation of tenant managed housing co-operatives. The Bill seeks to amend the Act through the provision of a separate schedule that will be responsive to the distinctive housing management needs of community housing associations, their tenants and members whilst leaving the Act substantially unchanged as it relates to housing co-operatives.

A key objective of the amendments is to secure the government's interest in the capital assets held by community housing associations. This will be achieved through the application of a statutory charge that will be affixed to the title of all program properties.

The statutory charge will enable housing associations to retain title over their properties and at the same time ensure the security of the substantial public investment in the program.

Community housing associations and housing co-operatives originally were both a part of the Rental Housing Co-operatives Program. In 1989 a review of the program was instigated.

Tenant managed housing co-operatives subsequently became involved in a restructure which culminated in the development and enactment of the *Housing Co-operatives Act, 1991,* and the establishment of the South Australian Co-operative Housing Authority.

Whilst the management of the Community Housing Associations Program became the responsibility of the South Australian Housing Trust, however, the day to day administration of the program, along with the Housing Co-operatives Program and the federally funded Community Housing Program, became the responsibility of the South Australian Co-operative Housing Authority.

Capital funds to community housing associations which had enabled them to purchase and build properties were frozen during 1990, pending a restructure, due to the fact that the program was heavily reliant on government subsidies.

An advisory committee was established to decide on the legal and financial arrangements for the new program, with representation from government, housing associations and the peak body for housing associations, the Community Housing Associations Forum.

Legal and financial propositions for new program arrangements were contained in a series of issue papers which were released for consultation with the community housing sector during 1991.

A final restructure report was presented to the previous Minister, during 1992.

The need for an effective management framework is important given that housing associations serve the housing needs of disadvantaged people within our community, including people with intellectual and physical disabilities, refugees, survivors of domestic violence and people on statutory incomes.

In the past 18 months there has been a concerted effort to develop a viable legal and financial framework for the program. In September 1994 the South Australian Co-operative Housing Authority (SACHA) assumed responsibility for community housing associations.

Under the guidance of the Community Housing Associations Program Advisory Committee, reporting to SACHA, amendments to the *Housing Co-operatives Act* have been developed along with new Funding Agreements to reflect the restructured program.

A new rent structure has been developed in consultation with

housing associations and has recently been introduced to reduce the reliance on government subsidies and increase the potential for the future growth and sustainability of the program.

The new rent structure will better utilise income derived from rent, providing housing associations with the opportunity to exercise more financial control over their day to day management, promote the benefits of best practise and establish accountable program reporting to the South Australian Community Housing Authority.

The Bill to amend the *Housing Co-operatives Act* will integrate the activities of housing associations and co-operatives and prescribe the financial and management arrangements of the community housing programs, which will be administered by a reconstituted statutory authority, the South Australian Community Housing Authority.

Accountability for program policy and performance will be the responsibility of the South Australian Community Housing Authority.

The membership of the Authority will be retained at its current level of seven members.

Five members will be Ministerial appointments. In order to provide for community housing associations one of these will be selected from a panel of three persons nominated by the peak body for housing associations, the Community Housing Associations Forum.

The remaining four Ministerial appointments will have expertise in finance, the housing industry or community housing.

Two members with expertise from the housing co-operatives sector will be selected from the housing co-operatives sector in the existing manner.

Housing associations are currently incorporated under the Associations Incorporation Act, 1985. This enables them to operate as incorporated bodies in areas of business activity not related to housing.

The Bill will enable them to remain as incorporated bodies under the Associations Incorporation Act, whilst registering under provisions of the amended *Housing Co-operatives Act*, which will be renamed the South Australian Co-operative and Community Housing Act. The benefit for housing associations in retaining formal links with both Acts will be that they are able to maintain their distinctive organisational character without the restriction of being confined to housing activities only.

For the purposes of registration a housing association will be required to comply with the following principles. That the housing association:

- is a 'not for profit' organisation
- is formed principally for the purpose of housing people
- provides services without artificial restriction
- provides a copy of their constitution to the Authority
- manages on the basis of natural justice
- applies any surplus obtained by the association to the provision of housing services.

A further key objective of the Bill is to provide the financial mechanism to pool the assets of the community housing program and to enable them to appear on the balance sheet of the South Australian Community Housing Authority.

The pooling of assets across the community housing program will effectively serve to create economies of scale and provide security for borrowings which will, in turn, result in greater security for the program and improved housing opportunities for housing associations and their tenants.

Through the introduction of appropriate legal and financial instruments contained in the Bill, the assets of the community housing program can be used to create sustainable growth across the sector.

Any net capital growth, realised through improved management of the community housing program assets, can be utilised to generate increased program funds to meet the demand for housing and can be applied towards servicing the program debt, representing improvements and efficiencies in financial practise.

The financial arrangements will allow for separate program reporting within the community housing program. This will enable program needs, costs, community service obligations and government subsidies to be individually identified.

We will not allow the community housing entity to become debt burdened as has happened with the Housing Trust. Most properties receive rebated rent and this subsidy must be identifiable and sustainable in the long term.

The application of appropriate financial regulations for the community housing program will ensure program accountability.

The Authority will require regulatory powers including the ability to restrict the borrowings of a registered housing association so that at any time the total borrowings do not exceed an amount equal to the current value of its properties.

Regulatory powers will enable the Authority to order amendments to the constitution of an association, as required, to ensure proper accountability and administration standards are set in place.

The Bill will provide the Authority with powers of investigation under appropriate circumstances.

It will provide the Government with the ability to protect the rights and interests of community housing members and tenants who have a disability by enabling them to be represented by a guardian or other nominated person.

The Bill will extend the provisions to appeal, available to housing co-operatives under the current Act, to housing associations. These provisions will make it possible for appeals to be made against decisions of a housing association as well as against decisions of the South Australian Community Housing Authority.

The amendments contained in the Bill provide for full accountability to the Minister through adequate reporting of the activities of the community housing program by the South Australian Community Housing Authority.

In view of the Commission for Audit's recommendations, and those of the Treasurer, the Bill contains provisions for dividends and tax equivalence payments similar to those contained in the *Housing and Urban Development (Administrative Arrangements) Act 1995*, reflecting a consolidated housing portfolio.

Performance agreements, across the portfolio, will specify the tax equivalents and dividends in reflection of an integrated budgeting and resource allocation process.

Capital adequacy and asset to debt ratios are already in operation under the *Housing Co-operatives Act* and will be extended to community housing associations under the provisions of the Bill.

The restructure of community housing in South Australia, reflected in the amendments, will meet the objectives of ensuring a more accountable, financially viable and stable community housing sector by providing the necessary legal structure to regulate the activities of housing associations.

The Bill will provide a structure to establish fair and equitable access to the program's housing resources, equity in rent setting across the program and improvements in the area of asset management through improved program reporting and accountability measures.

Finally the Bill to amend the existing *Housing Co-operatives Act* will provide the appropriate mechanism to establish, regulate and sustain a viable community housing program that is responsive to the needs of both community and government.

I commend the Bill to Honourable Members.

Explanation of Clauses

Clause 1: Short title

Clause 2: Commencement

These clauses are formal.

Clause 3: Substitution of s. 1

This clause substitutes a new short title in the principal Act to reflect the inclusion of housing associations.

Clause 4: Amendment of s. 3—Interpretation

This clause amends various definitions contained in the principal Act and inserts some new definitions necessitated by the proposed amendments.

Clause 5: Amendment of s. 8—The Authority

This clause substitutes a new section 8(1) which provides that the South Australian Co-operative Housing Authority is continued in existence as the *South Australian Community Housing Authority.*

Clause 6: Amendment of s. 9—Membership of the Authority

This clause amends section 9 of the principal Act by substituting a new subsection (1) dealing with the constitution of the Authority. Under the new provision the Authority will consist of seven members of which—

- five are appointed by the Governor (four being persons with appropriate expertise nominated by the Minister and one being chosen from a panel of three submitted by the Community Housing Associations Forum Incorporated); and
- two are elected, in accordance with the regulations, by the members of registered housing co-operatives.

Subsection (4) is deleted as a consequential amendment.

Clause 7: Amendment of s. 10—Conditions of Office

This clause consequentially amends section 10 of the principal Act so that it refers to the "Community Housing Associations Forum Incorporated".

Clause 8: Amendment of s. 16—Functions and powers of the Authority

This clause makes various amendments of a consequential nature to section 16 of the principal Act. It also amends subsection (4)*(a)* so that, consistently with the *Housing and Urban Development (Administrative Arrangements) Act 1995*, it refers to the Minister rather than the Treasurer.

Clause 9: Amendment of s. 18—Staff and use of facilities

Section 18 of the principal Act is amended so as to be consistent with the *Housing and Urban Development (Administrative Arrangements) Act 1995*.

Clause 10: Substitution of heading

This clause renames Division V of Part II "Operational, Property and Financial Matters" to more accurately reflect the contents of that Part as amended by this Bill.

Clause 11: Insertion of ss. 18A, 18B, and 18C

This clause inserts the following sections in Division V of Part II:

18A. Transfer of property, etc.

This provision allows the Minister, with the concurrence of the Treasurer, to transfer an asset, right or liability of the Minister to the Authority or to transfer an asset, right or liability of the Authority to the Minister, another statutory corporation (ie. a corporation constituted under the *Housing and Urban Development (Administrative Arrangements) Act 1995*), the South Australian Housing Trust, the Crown or an agent or instrumentality of the Crown or, in prescribed circumstances and conditions, to some other consenting person or body.

18B. Tax and other liabilities

Under this provision the Treasurer may require the Authority to pay, for the credit of the Consolidated Account, amounts the Treasurer determines to be equivalent to income tax and any other taxes or imposts that the Authority would be liable to pay under Commonwealth law if it were constituted and organised in a manner the Treasurer determines appropriate for the purposes of this subsection as a public company.

The Treasurer will determine the time and manner of payment of such amounts.

18B. Dividends

This provision provides that the Authority must, if required by the Minister, recommend to the Minister that a specified dividend or dividends be paid by the Authority for that financial year, or that no dividend or dividends be paid by the Authority, as the Authority considers appropriate.

The Minister may, in consultation with the Treasurer, approve a recommendation of the Authority or determine that a dividend or dividends specified by the Minister be paid, or that no dividend be paid.

If a dividend is to be paid, the Minister, in consultation with the Treasurer, will determine the time and manner of payment.

The Minister may allocate an amount (or part of an amount) received under this section in a manner determined by the Minister or may pay that amount (or part of it) for the credit of the Consolidated Account.

The Authority may not delegate the task of making a recommendation under this provision.

Clause 12: Amendment of s. 21—Registers and inspection

Section 21 of the principal Act is consequentially amended to include a duty to maintain a register of housing associations registered under the Act.

Clause 13: Amendment of s. 63—The Fund

Section 63 of the principal Act is consequentially amended to include registered housing associations. Subsection (4)*(f)* and subsection (5) are also amended so that, consistently with the *Housing and Urban Development (Administrative Arrangements) Act 1995*, they refer to a decision being made by the Minister after consultation with the Treasurer.

Clause 14: Substitution of heading

This clause substitutes the heading "Appeals" for Part XI of the Act.

Clause 15: Amendment of s. 84—Appeals

Section 84 of the principal Act provides a mechanism for the resolution of disputes between members of a housing co-operative or between a member and the co-operative.

Currently members of housing co-operatives may apply to a Review Officer for relief and if the Review Officer is unable to resolve the dispute within a reasonable time through conciliation, the matter is referred to either the Authority or the Minister, depending on the nature of the dispute, for a final decision.

Under the proposed amendments the same categories of disputes will be dealt with, but the applicant will appeal directly to the "relevant appeal authority" (which is defined to mean the Authority or the Minister, depending on the nature of the dispute). The relevant appeal authority may, however, only hear and determine an appeal if it is satisfied that the appellant has previously made a genuine attempt to have the dispute resolved through a prescribed mediation or conciliation process and that mediation or conciliation process has failed to resolve the dispute or has failed to resolve the dispute within a reasonable period of time.

The other amendments which it is proposed be made to this section are consequential to this change and ensure that the relevant appeal authority has the same powers as the current review and appeal bodies have.

Clause 16: Amendment of s. 107—Regulations

Section 107 of the principal Act is amended to include the power for regulations to make different provision according to the persons, things or circumstances to which they are expressed to apply.

Clause 17: Substitution of schedule

This clause substitutes a new schedule (contained in schedule 1 of this Act) into the principal Act.

Clause 18: Revision of penalties

This clause provides that the principal Act is further amended as set out in schedule 2.

SCHEDULE 1: Schedule Substituted in Principal Act

This new schedule specifically deals with housing associations and the application of various provisions of the Act to them.

SCHEDULE 2: Revision of Penalties

This schedule increases the monetary penalties currently provided under the Act and removes all references to divisional penalties.

SCHEDULE 3: Transitional Provisions—Registered Housing Associations

This schedule provides for the making of proclamations deeming certain existing associations to be registered housing associations on the commencement of the schedule. A proclamation made under the schedule may be made subject to conditions contained in the proclamation.

Ms HURLEY secured the adjournment of the debate.

WORKERS REHABILITATION AND COMPENSATION (DISPUTE RESOLUTION) AMENDMENT BILL

Adjourned debate on second reading.

(Continued from 17 October. Page 273.)

Mr CLARKE (Deputy Leader of the Opposition): The Opposition supports the second reading of the Bill. I indicate that I will raise a few questions in Committee when I will seek further clarification and/or undertakings from the Government in respect of certain issues. During the Committee stage I will elaborate on some of our concerns. However, the Opposition does support the Bill. I want to trace briefly some of the history of negotiations that led to the introduction of this Bill.

Earlier this year the State Liberal Government brought into Parliament the most draconian piece of workers' compensation legislation that this Parliament has ever seen. Arising from that process, the issue of dispute resolution procedures and how it was to be incorporated within the legislation was hived off the main body of that Bill on an agreed understanding that the Government, the Opposition, the Australian Democrats and the main stakeholders in workers' compensation, namely the employer community and the United Trades and Labor Council, would genuinely negotiate on an appropriate dispute resolution procedure.

I thank the Hon. Ron Roberts from another place who suggested this proposal to me and to Minister Ingerson during the course of those negotiations and at the height of the parliamentary battle that we were having with the workers' compensation legislation earlier this year. I also acknowledge the discussions that took place on this issue between David Gray, representing the United Trades and Labor Council, and

the Hon. Mike Elliot, from another place, about how we should handle this dispute resolution issue.

I believe that the parties were able to negotiate on this Bill because they do not have a bias on an ideological basis as to how we should bring about the best form of dispute resolution with respect to workers' compensation. We all share the same general principle of wanting an expeditious hearing of any disputes arising from payments for workers compensation, the payment of medical expenses, lost earnings and so on. We want it to be more conciliatory, with less litigation and with an overall reduction in costs to the scheme as a whole which, therefore, will avert any further attack on the level of benefits paid to injured workers. That is not to say that on every count the Opposition, the Government, the Australian Democrats and the other two major stakeholders agree totally with everything that is contained within this Bill.

The Bill represents significant compromises by all the parties that negotiated the agreement. For the record—and the Minister pointed this out in the second reading explanation—I was a representative on this *ad hoc* working party, along with the Minister, the Hon. Mike Elliot, David Gray from the United Trades and Labor Council (representing the United Trades and Labor Council) and Jane Cooper from the Employers' Chamber. There were many meetings over many weeks where input was sought from a broad range of community interest groups such as the Law Society, the Plaintiff Lawyers Association, trade unions, employers, review officers, judges of the Industrial Court and the like to try to arrive at the best solution to a vexed question.

As I said, the Bill represents compromises on the part of all parties. The major compromise was on the part of the Government and the employers. Their original intention was to be rid of the review officers in total and to have all arbitration handled by judges, with appeal rights based on the *de novo* principle, whereas the trade union movement wanted the *status quo* to remain, particularly existing rights of appeal to the Supreme Court. The Australian Democrats, it is fair to say, did not know which side of the argument to support originally. However, the Democrats indicated to both the union movement and me that they would not support the *status quo* and that change would occur. It was a question of what changes would take place. Therefore, the Opposition and the trade union movement were in a position of either having to stay with the *status quo* and risk whatever outcome would arise from the parliamentary process or to try to come on board the train, so to speak, and help manage the change or be left forlornly at the railway station out of contention.

The compromises, in very broad terms, are as follows: in respect of employers, the review officers, albeit under another name, as conciliation arbitration officers, will stay. There are no *de novo* hearings on appeal, but there is a right to re-hear evidence. The unions had to accept a more restricted access to the Supreme Court. Members of the legal fraternity had problems with respect to proposals to limit costs which could, in turn, impact as they see it on their ability to represent their more under-resourced clients. I had to reconcile myself to a number of issues in coming to the decision to recommend to my Caucus colleagues support for this Bill, and I had to keep in mind certain fundamental truisms.

First, I was not the Minister and the Labor Party was not the Government—we are in Opposition. We were not in the driver's seat and no-one can control events when he is not in the driver's seat. At best he can help to steer the driver towards his ultimate goal. Early last year the Hon. Michael Elliott made a point to me when I was remonstrating with him about certain concessions—concessions that I felt were too great—that he had made to the Government on the Industrial and Employee Relations Act. He put to me rather forcefully in terms that I could understand, 'You lost the election: you are not in Government. We in the Democrats are not about opposing every piece of Government legislation: we are about knocking off the worst excesses of that legislation; but that's it.'

The Hon. G.A. Ingerson interjecting:

Mr CLARKE: The Minister seeks to provoke me when I am trying to be bipartisan. However, I had to keep that in mind. I also had to keep in mind whether an all-out attack on the Government's original dispute resolution procedures and an insistence on the maintenance of the *status quo* would prevail throughout the parliamentary process and whether the legislation that would eventually emerge from the parliamentary process of late night sittings in the Legislative Council, endless negotiations in the wee small hours of the morning, where compromise wording would be put together in haste, would be a better result than the one that we embarked upon.

I believe quite emphatically that the answer to that question is 'No' and that the Opposition and the trade union movement would far better serve their constituency by embarking on the process that it did. The last point on which I had to bring my mind to bear was that the Australian Democrats had indicated clearly at an early stage of negotiations on this matter that there would be change to the dispute resolution procedures in the legislation and that it was a question of what changes would ultimately prevail.

Another task to which other Opposition members and I had to apply ourselves conscientiously was a consideration of the provisions of the Bill as to the restricted rights of appeal to the Supreme Court. The Opposition is very conscious of the views of many Labor lawyers, lawyers in general, and various trade unions on this issue. We understand their concerns and we understand that they believe that the rights of the workers are better protected if the workers can have their day in the Supreme Court. However, in looking at their arguments—and I might say that I spent a fair bit of time debating that issue, particularly with myself—I came to the conclusion, as did my colleagues, that a specialist tribunal such as the Workers Compensation Appeal Tribunal must have the dominant role in determining workers' compensation matters. Over time, those people have built up the appropriate skill and expertise in an area much like the Industrial Court and the Industrial Commission of this State where there are extremely limited rights of appeal to the Supreme Court.

Litigation in the Supreme Court is expensive for all parties, particularly injured workers and, while I acknowledge the fears of trade unions and some lawyers that certain judges on the Workers Compensation Appeal Tribunal are seen to be more conservative with respect to workers' rights than some other members of the Supreme Court, the fact of the matter is that Parliament cannot draft legislation around particular individuals who, over time, will come and go. I recognise that many lawyers are not motivated by self-interest or greed but in the genuine interests of their clients and they want them to be able to have access to the highest court in South Australia, if that is necessary. However, Parliament must draft legislation around the best interests of the community as a whole and, in particular, the injured worker community.

When the Supreme Court makes a ruling for an individual, whilst it may seem just for that individual, the results may

very well lead to significant cost pressures being applied on the workers' compensation scheme as a whole and that would tempt any Government, Liberal or Labor, to amend the legislation in such a way as to overcome the effects of that ruling of the Supreme Court or to attack the level of benefits that impact on 99.5 per cent of the injured work force. Of course, the Full Bench of the Workers Compensation Appeal Tribunal may well do the same as the Supreme Court and have the same impact on the workers' compensation scheme. However, it is hoped that a specialist tribunal dealing with workers' compensation matters day in and day out, and being familiar with the legislation and with the parties that appear daily before it, is less likely to cause such problems.

At the end of the day, this legislation has been drafted to place greater emphasis on conciliation proceedings at an early stage in the dispute resolution process. We want to discourage collectively all parties from believing that they have an easy passage to the Supreme Court to settle their case or dispute and encourage them to settle their disputes by conciliation within the processes of the tribunal. Many lawyers have attacked new section 88G as being populist and anti-lawyer. That section deals with the rights of the Government, by regulation, to fix a maximum fee that may be charged between client and solicitor, whether the client is an employer or an injured worker. I am not anti-lawyer. Many Labor lawyers, whom I will not name because to do so would risk leaving out one or two and perhaps give offence, have been of tremendous assistance to me and the Opposition in the past and, hopefully, will be in the future.

New section 88G has no work to do unless a regulation is drafted that sets maximum fees that can be charged. If the fees are set too low or too high, either House of Parliament can move to have them disallowed. I predict now that it will be many months, if not years, before such a regulation is drafted because I am sure that the Minister will be involved in endless negotiations with the legal fraternity on that point and, if it ever sees the light of day, it might be about time for Central Districts to win the grand final, but the legislation will be in place.

I point out again that these restrictions will apply equally to all parties. If we cannot at least start to try to corral these costs in the workers' compensation scheme, whilst some individuals may benefit from various decisions that are made in their favour, many thousands of other workers may ultimately suffer, because pressures will be brought back through the Government of the day to reduce benefit levels which apply to all injured workers.

Workers' compensation has sadly been a whipping horse of employers and conservative State Governments over the years, both here in South Australia and interstate. For too long workers' compensation premiums have been used as a loss leader by State Governments to attract and retain industry in their State at the expense of the level of benefits to be paid to injured workers. I mention briefly the example in Victoria under the Kennett Government where after 6 months all workers are pushed off workers' compensation and onto the Social Security safety net. Why the Federal Government continues to tolerate that type of behaviour where there is a cost transference from the employers, where the worker is injured, to the broader community through the Commonwealth taxpayer I do not know. I cannot see why a Federal Government of whatever political persuasion could not simply say to Governments such as the State Government in Victoria, 'If you do not have a workers' compensation system of benefits which meets certain minimum, humane standards, we will withhold X dollars in grant money, equivalent to the cost transference from employers to the Commonwealth taxpayer.'

Employers in this State and the State Government have also ignored the many advantages that employers enjoy in this State, with lower than average earnings in terms of attracting and retaining industry, even after taking into account all the labour unit oncosts such as payroll tax, workers' compensation, long service leave and the like. Overwhelmingly, when you add up all those components and all the oncosts, you find that, whilst South Australia may have a greater level of costs with respect to workers' compensation, South Australia is well below the Australian average and certainly well below our two major competitors in manufacturing—the States of New South Wales and Victoria.

I might point out that, since our debate on workers' compensation legislation earlier this year, on assuming office the New South Wales Labor Government has found that the previous conservative State Government had deliberately kept workers' compensation premiums lower than they should have been, even though the level of benefits was greatly inferior to that provided in South Australia. But, with the access to common law available in that State and the legal costs surrounding the processing of common law claims, the Government there has had to increase average premium rates to about 2.5 per cent, with vastly inferior levels of benefits to workers, and try to cap the costs of common law claims in that jurisdiction. The Workers' Compensation Authority in that State had recommended that the premiums should have risen to an average of about 2.8, more akin to the level in South Australia.

The Government in Queensland, which had traded on a workers' compensation regime with an average of 1.6 per cent in premiums, has found that it cannot contain the costs and has introduced legislation. I understand that, as is not unusual when Labor Governments deal with issues such as workers' compensation, it has met with a spirited response from the trade union movement and has found that even it will have to increase the average cost of premiums there to over 2 per cent and put a cap on common law benefits in that State also. That brings the South Australian average cost of 2.8 per cent well into contention. What we said when debating the legislation this year has come to pass: it was not that South Australia's premiums were too high but that the other States' premiums were far too low and were being kept artificially too low.

When I had the opportunity to meet the Ministers for Labour of New South Wales and Queensland recently, I expressed my great pleasure that they were finally being forced to face up to the cost of workers' compensation premiums, because I was tired of South Australia being singled out in this Parliament, particularly by the Minister opposite, as having workers' compensation premiums that were too high, when Labor Governments in Queensland and New South Wales had cheaper premiums at such appalling levels of benefit. I trust that the fact that they themselves have realised that they must increase those premium levels to more realistic levels will assist the workers in this State to retain the levels of benefit that are currently provided in the Act.

I will conclude my second reading speech at this time, because my concerns will be more appropriately dealt with in Committee. On balance, after considering all these competing interests, the Opposition does support the Bill. However, in Committee we will seek answers to questions on

various clauses and, if we and/or the Government find that, during the course of those discussions or questions and answers further issues need to be clarified (not with respect to the thrust of the Bill itself), they can be dealt with either in this House by way of amendment or, probably more appropriately, in another place.

I place on record my appreciation for the work that was put into this committee by a number of people. I will quickly pass over the Minister, the Hon. Mike Elliott and me as being participants on that committee, because that is what we are paid to do, but particularly I pay tribute to Jane Cooper from the Employers Chamber of Commerce for the work she put into the discussions. I give my very special thanks to David Gray and his union, formerly called the Metal Workers Union; it has another name now, but I cannot keep track of changes to the names of various unions. He did an outstanding job, particularly in the number of hours he and his union put in on behalf of the UTLC because, whilst he was paid by his own union to attend those meetings, it was a significant subsidy by that union and its employee towards the whole trade union movement in his attending all these meetings and studying all the papers in the lead-up to the various committee meetings that were held. I also pay tribute to Peter Anderson, the Minister's chief of staff and adviser in this area, and Gary Dayman, who is also on the Minister's staff and who did much of the secretarial and organising work on this Bill.

In conclusion, I believe that, on balance, this legislation is a good piece of legislation. It is not everything that we in the Opposition and the trade union movement wanted, but we have come a hell of a long way from that original first draft, when the first Bill was tabled by the Minister earlier this year. I believe the process of negotiation and consultation has been extremely fruitful and beneficial for all concerned. Speaking for myself, I can say that, when we discussed this issue in the committee it was done in a genuine attempt by all parties to try to accommodate each of our conflicting points of view whilst recognising that we still had our respective constituencies that needed placating in certain areas. While anyone can complain about certain aspects of the Bill, that it did not go as far as they would have liked, we are dealing with a political process where you cannot get everything your own way all the time, and you have to try to negotiate these very complex issues through a Parliament where, fortunately, the Government does not have the majority: otherwise, I suspect that discussions with the Government would have been brief indeed.

The Hon. Frank Blevins: Zero.

Mr CLARKE: As the member for Giles interjected, zero; I suspect that that would have been the truth.

The Hon. Frank Blevins: The same way as we dipped out.

Mr CLARKE: The member for Giles speaks for himself on that point, because I am a very consultative person. I commend the Bill and will address other issues of concern in Committee.

Mr VENNING (Custance): I commend the Minister on the introduction of this Bill. I congratulate the Government, the Minister and his staff for the work they did in negotiating a result to this Bill before it came before the House. I was very encouraged by the words of the Deputy Leader today. We want to see this sort of cooperation a lot more. I know that, when the Labor Party was in government, we attempted to do things like this, and we certainly did not get past the gate post. I commend the Minister and his staff for discussing the issues with all parties involved, particularly members of the Labor Opposition, the TLC and the Australian Democrats.

This is a commonsense matter. It is encouraging to sit here and listen to the debate today and learn that, where we had a problem with this situation, it has been coolly considered outside this Parliament to save the Parliament time. There is general consensus and, if issues can be worked out before coming in here, that is the only way to go. It is commonsense and it saves time and heated debate. Because of this, we will probably get an early minute again today.

Dispute resolution has been a very difficult area of our workers' compensation schemes, with which we have had problems for many years. This Government is making progress resolving many of the anomalies, some of which were very obvious, because they have been a stumbling block in the way of industry in this State. It is still far from perfect and much more work needs to be done. Since we first introduced a workers' compensation scheme, it has always been a problem. We will always need a scheme to protect our workers, but it went from being undercooked to being overcooked, so much so that, in the last days of the Labor Government in this State, the Labor Administration and its workers' compensation scheme, WorkCover, was out of control and many employers chose not to employ people because this scheme was such a burden to them. It was certainly loaded one way and premiums were extremely high in many industries.

I know that farmers today shy away from employing labour. Much of the unemployment today across Australia could be solved with the slack being taken up by once again encouraging workers to go back to the farm, because work is there. It is schemes such as this that have discouraged farmers from employing people. I know that, if a claim is made in relation to this issue, the premiums go from a reasonable amount to a very high amount. I know what happens now. Unless the claim is very serious, the farmer says to the injured person, 'It would pay me for you not to go through the workers' compensation scheme. I will cover this myself. I will pay all your costs and expenses, because it will be cheaper for me to pay your out-of-pocket expenses than for you to go through the scheme.' This is happening a lot more than people realise.

That is why we are seeing fewer claims on the workers' compensation scheme in South Australia: people are choosing to pay the out-of-pocket expenses of the worker rather than go through this scheme, which has been loaded against the employer. Our scheme needs to be fair to all. It needs to be fair to the worker. We need an adequate workers' compensation scheme to protect workers but also to give incentive to the worker to do the right thing. We have known that, over the years, the system has been rorted. A lot of nonsense has gone on, and the loser has been industry and the economy of this State. Also, the scheme needs to be fair to the employer. It needs to be a scheme which does not financially burden the employer, one in which both the boss and employee share the costs and outcomes. This scheme needs to be owned by the worker and the boss jointly.

Incentives need to be in place to encourage the employer to employ more workers and not be discouraged by a burden that has prevailed under our scheme. WorkCover has been a hurdle in the way of business and industry in South Australia. Genuine workers have been aggrieved by workmates who have rorted the system. Once again, the innocent and the well-meaning get hurt by the greedy and the person who rorts

the system. We have to sort out these situations so that the genuine injured worker is fully looked after but the person who deliberately chooses to cheat the system is revealed and does not benefit by cheating.

I support the ongoing efforts of the Minister and the Government to continue to amend this Act. No doubt many more amendments will be made before the end of this Parliament in this very difficult but important area. We will eventually get it right for the worker and the boss alike, and all in South Australia will be the better off. I commend the Bill to the House and I am pleased that it has the support of the Opposition.

The Hon. G.A. INGERSON (Minister for Industrial Affairs): First, I commend to the House the cooperation that has occurred between members of the committee that sat down to look at this review process. It consisted of the Deputy Leader of the Opposition (Ralph Clarke), the Leader of the Democrats in another place (Hon. Mike Elliott), and me, as the three members of Parliament; David Gray, representing the UTLC and employees; and Jane Cooper, representing employers and the Chamber of Commerce. As the Deputy Leader pointed out, we had excellent support from Peter Anderson and Gary Dayman, particularly from Gary, who put up with the many changes we made at the numerous meetings and then had to confront Parliamentary Counsel with those changes. He needs to be commended for the work he did.

Six months ago, when we sat down to consider this option, I think I was one of the sceptics who sat around the table and did not believe that the three parliamentary Parties could agree, let alone with the combination of the employer and employee representatives. I hope that in future industrial legislation we get the same cooperative spirit that was evident in this committee. There is absolutely no doubt that there has been compromise in this committee, but the compromise has really been more on detail than on principle. I think that is very important, because clearly we would not have got this agreed position overall if all members of the committee had not believed that significant change was needed. That is a very important point. It was an agreed position.

The Bill before the House is agreed in all cases, and we hope now that we can put it in place very quickly and get on with the job of trying to make it work in an administrative sense. I am not foolish enough to believe that everything will work peacefully or everything will work administratively, because I know there are a few in the community who want to make sure that it does not work. If the five of us who sat around the table could say publicly who they were, I think we would be 100 per cent correct in terms of the number of people, the individuals concerned and the organisations they represent as well. Obviously, we do not intend to do that, but it was surprising that, after sitting around that table for six months, there was such commonality in understanding why people would attempt to wreck this system.

Probably the most important single issue that has come out of this process is the legal pressure that has been applied in the last few days. I have been quite staggered at the number of telephone calls I have received from people who do not believe in any single thing that I represent but who have a significant interest in costs that might be generated by this scheme. I remember some time ago when I came into this place a senior Minister of the Labor Government telling me that workers compensation ought to be about compensation for workers and not for those who hang off the system. The telephone calls received over the past few days clearly have shown to me that those who hang off the system want to make sure that the system that is designed ends up as much in their favour as in favour of the workers. That is a pity but we live in the real world where income derived from representation is part of the system.

As part of this whole exercise I am very pleased that all parties concerned recognise that, if workers' benefit levels are to be maintained at the current levels, some of the other costs have to be kept under control. Having said that, I think it is clear, as the five of us recognise, that we should not at any stage compromise the rights of the workers or the rights of the employers. The combination of those two is not easy to resolve but as a group we believe that it has been resolved to the best of our ability, keeping it within a specialist court and a specialist system. We all recognise that the best way to resolve industrial issues—workers' compensation being a specific one—is to have it remain within a specialist jurisdiction.

Clearly, some of the problems in this scheme have come from decisions made outside that specialist system. Whilst there has been an attempt to control that jurisdiction, the rights of individuals, in our view, have not been tightened up to such an extent that it is unfair. There will be many people who will disagree with that. I suspect that the number of telephone calls and the pressure that is put on members of Parliament both here and in the other place over the next few days will clearly identify whether the people are coming from the point of view of actually representing workers or of representing their own pockets. I do not intend to put on the public record the names of those groups but it was very interesting at the second to last meeting that all five members of the committee reached exactly the same conclusion, and I think we have been proven to be absolutely correct during the past few days.

The Deputy Leader of the Opposition made some comments about workers' benefit levels. In the short term this Government does not intend to make any changes, but I herald to this committee and Parliament that if we are not able to keep the premiums under a reasonable level relative to the other States that is the only area in which the system can be changed. I hope that does not happen, but I make clear to the Parliament and everybody in the community that as a Government we do not intend this scheme to be at the top end of costs for the employers. If we cannot get it down into the middle rung where it ought to be, we will be back in this Parliament with the obvious aim of reconsidering the benefit structures.

The position in New South Wales and Queensland is quite frightening, and something about which I am concerned. Whether it involved a previous Liberal Government or any Government, the fact that New South Wales, in particular, seems to be in an uncontrolled state ought to be a matter of concern to everybody in the workers' compensation area. At this stage I do not think too many of us know exactly the cause of the problem, but clearly it is out of control and very significant changes will have to be made to that scheme. Although its benefit level may be the lowest in the country, other benefits and pressures in its system will have to be brought under control. I think we all recognise that. There is absolutely no doubt that the Heads of Compensation Committee set up by the Federal Government is concerned about the New South Wales position, about which I anticipate hearing more in the future regarding the financial aspect.

Queensland is a bit different. It is interesting to note the pressure that the union movement has been able to apply in the last few days. The common law is not coming out altogether but some minor change will be made. Clearly, their unfunded liability has never been properly recognised to its true extent. There will be changes in those areas as well. We are aiming to get our scheme to a reasonable position in terms of levy premiums within this country, and I think that our goal to be in the lower 2 per cent is still a goal worth aiming for within the current structure of changes we have now made.

This is the end of the first round of reforms that the Government brought before the Parliament some 20 months ago. It is a very fruitful end as far as this review process is concerned. The cooperation among committee members needs to be put on record and reaffirmed on many occasions, because it has been an excellent committee that has worked with one intention, namely, to try to achieve a workable solution for the employers and employees, and not a workable position for everybody else. The key to this is that the people who pay are the people who get the benefits. All the others ought to be working within a framework that maximises the benefits to the worker and minimises the cost to the employer.

In saying that this is the end of this round of reforms, there will be some other minor changes made in the next couple of weeks. They are changes which will be discussed at length with the Opposition, but they are mainly administrative changes. A couple of amendments require clarification, and we will be distributing the relevant details to all parties in the next couple of weeks. They are very minor changes that really have nothing to do with the reform process. They involve several review decisions that need clarification and will be brought into the Parliament as a separate issue from this Bill. I commend the Bill to the House.

Bill read a second time.

In Committee.

Clauses 1 to 12 passed.

Clause 13—'Substitution of part 6.'

New sections 77 to 81.

Mr CLARKE: My question relates to new section 78A(1), under which a full bench of the tribunal consists of three presidential members. It has been put to me, as the Minister would be aware from having been on the committee, that at least one of those presidential members ought to be a conciliation and arbitration officer, similar to the situation in the Industrial Commission of South Australia where a full bench tribunal can consist of two presidential members and one lay commissioner. There would be some advantages. It could be argued that someone who deals with the nuts and bolts of workers' compensation on a daily basis may be able to bring expertise to the appeal tribunal's deliberations.

The Hon. G.A. INGERSON: In the existing Act at present there is no provision for review officers actually to appear in the tribunal. It is our view that we ought to have the best legal advice on the tribunal, as we are recommending in this Bill that we should minimise the role of the Supreme Court in this area. It is our view that you would have the President, members and/or tribunal deputy presidents, of which we have only one, as members of the full bench of the tribunal. This issue was discussed at length by the subcommittee and it was our view that it would be best to have an independent group that has not been involved in any role in the case up to that stage. That is why we recommended that the full bench should consist of three presidential members.

Mr CLARKE: On page 7 of the Bill, new section 81(2) provides:

> A conciliation and arbitration officer must be a person of standing in the community with appropriate experience to work effectively in the conciliation and arbitration of disputes under this Act.

It is really trying to come to some sort of interpretation, which I appreciate the Minister is not able to give, simply because that would be in the hands of the tribunal or a court, but what does he believe 'a person of standing in the community' means? Could it potentially discriminate against minority groups or people from a non-English speaking background, for example?

The Hon. G.A. INGERSON: The same clauses apply under the Industrial Relations Act to the Industrial Relations Commissioner and the Enterprise Agreement Commissioner. It is really meant to apply to someone having standing within the industrial relations and/or the workers' compensation community. There is no way that any individual from a non-English speaking background or any other group would not be considered under this reference. As I said, it concerns their experience in the workers' compensation area.

Mr CLARKE: New section 81A(2)(b) provides for the term of appointment of a conciliation and arbitration officer being for no longer than six months. My understanding of this provision in the Bill, when we discussed it in the committee, was that this was for workload purposes; that if there was an overload of work the Government could appoint conciliation commissioners for a limited period. The Minister would appreciate that, if that became the norm rather than the exception, the quality of arbitration officers we could attract, if they were given only six months tenure, would be considerably diminished and could also open them to potential political compromise if they had to seek reappointment every six months.

The Hon. G.A. INGERSON: The purpose of this section is really to make sure that, if we have an overload position, we can appoint someone on an acting basis. Under the Industrial Relations Act the same position applies in relation to commissioners. The Industrial Relations Act enables acting appointments to be made in that area. But it is meant as no more than that: it is purely and simply a workload issue. The committee looked at this, and we wanted to make sure that all opportunities and problems were covered and that we could appoint someone on an acting basis.

I know that all parties are concerned about that, but parties are always concerned about appointments that Governments make. History has shown that in this area of industrial relations all Governments have made pretty good appointments over the years. Whilst there might have seemed to be some initial bias, they have been proven over time to be fairly good appointments by both sides of the House.

New sections agreed to.

New section 81A—'Conditions of appointment.'

Mr CLARKE: This section deals with the salary of conciliation and arbitration officers being determined by the Governor on a recommendation by the Minister. The issue has been raised as to whether or not, as these people are actually acting in a quasi-judicial function, they ought, like industrial relations commissioners and the Employee Ombudsman, to have their salary set by the Remuneration Tribunal so as to ensure that their judgments cannot be influenced by potential enrichment or otherwise at the hands of the Minister.

The Hon. G.A. INGERSON: There are very few occasions on which I like to support the actions of the

previous Government, but since that was in the previous Act and there has been no problem that I can see with the salaries under the previous Minister, I do not see any problems with the Governor making any recommendations in relation to the Minister.

Mr CLARKE: I refer to new section 81A(5)(a). The misconduct definition for conciliation and arbitration officers defines 'misconduct', although it is not limited to the definition provided. The conditions of appointment are more stringent than those of judicial or presidential appointments, and the question posed is why that definition should apply to conciliation and arbitration officers and not to others.

The Hon. G.A. INGERSON: One of the major reasons for putting it in was accountability. We will see this far more in Government legislation because we believe that it is appropriate and we need to improve accountability generally. It is straight forward in the way it has been set out. It clearly relates to misconduct, and there is no attempt to catch anyone in any way. It is appropriate in terms of accountability.

New section agreed to.

New section 81B—'Administrative responsibility of conciliation and arbitration officers.'

Mr CLARKE: My question follows on from the previous question where a conciliation and arbitration officer is responsible to, and subject to direction by, the President on administrative matters and subject to direction by the President on the duties to be performed and the times and places. Given again the *quasi*, if not judicial, nature of the job of a conciliation and arbitration officer, and the importance of the autonomy and independence of those officers, the concern is that this clause could be used to interfere with the effective functioning of a conciliation and arbitration officer's duty.

The Hon. G.A. INGERSON: First, this is straight out of the Magistrates Act. When considering administrative responsibility the committee looked at many existing Acts, and we felt that this clause in the Magistrates Act was appropriate in this instance. We question the assertion that review or conciliation officers are *quasi* judicial. That was the fundamental problem with the previous system. Everybody has wanted to move away from any inference or attempt to imply that the new conciliators or arbitrators have any judicial role at all because they do not.

Secondly, clearly they are independent and under the control of the President of the Industrial Commission in his role as President of the tribunal. The whole structure will give us a much better management process and enable us to get better case management and flow of claims right through the system. One of the major single issues that came up in the discussion from all parties was that case flow, management and better control ought to be put into the system. The point was made strongly that the Industrial Court and the Industrial Commission have some good systems and, if we could bring this under the control of the President of the Industrial Commission, we would end up with a perceptibly better situation. I say 'perceptibly better' because we have to prove it in future, but that was the reason for this grant of responsibility to the President: for management and better case flow.

New section agreed to.

New sections 82 to 85A agreed to.

New section 85B—'Representation.'

Mr CLARKE: New section 85B(3) deals with a situation where a conciliator presiding at the proceedings wants to speak to a person privately in the absence of the person's representative, and the representative's having to withdraw. Whilst I understand the basis behind that, which is to try to assist the conciliation proceedings, there is an argument that the representative should withdraw only if the person being represented agrees to their representative's withdrawing from the proceedings. An injured worker from a non-English speaking background potentially could be disadvantaged if their representative was not available to discuss matters frankly with the conciliator.

The Hon. G.A. INGERSON: First, this new subsection needs to be read in conjunction with new subsection (4), which was specifically put in to overcome the issue that the Deputy Leader has put forward. Secondly, it is not unusual practice in the Industrial Commission and in fact happens on many occasions, although it is not written into the Industrial Commission's conciliation process. It is very much standard procedure. Thirdly, and most importantly, it has been put in to ensure that there is no artificial blocking of the system by the legal profession. We make no apologies for that as clearly it does occur. That is why we have included it, along with new subsection (4). If the individual feels that the stage has been reached where they need legal representation, conciliation can be broken off. It is common practice and occurs in the Industrial Commission. Putting it into this type of process can only benefit the conciliation role.

One of the things about which we want to make sure is that the system is not run by the legal profession. That was the biggest single issue at which everybody in the working party was prepared to look. We know full well, and history shows us, that the running of the system and the jumping of process will be the first thing to bring it down. We wanted to ensure that at least the process got a chance to succeed. If it does not, I assure everybody that we will look at ways and means of coming back into the House to ensure that the conciliation process, which we think is an important change in this area, is able to work through the involvement of the legal profession.

New section agreed to.

New section 86—'Appeal on question of law.'

Mr CLARKE: I refer to new section 86(1). Section 206(2) of the Industrial and Employee Relations Act provides:

> However, a determination of the commission may be challenged before the Full Supreme Court on the ground of an excess or want of jurisdiction.

New section 86(1) provides that an appeal lies on a question of law against a decision of the tribunal, and therefore it can go to the Supreme Court. Does that also encapsulate excess or want of jurisdiction? Is it the same or does it need to be refined?

The Hon. G.A. INGERSON: I am advised that questions of jurisdiction are questions of law. New section 88H is specifically included in the Bill to cover that.

New section agreed to.

New section 86A—'Cases stated.'

Mr CLARKE: In relation to new section 86A(1), will the Minister explain the specific process by which this can occur? How will it work, and how will appeals limited to questions of law judgments that are plainly wrong on the facts be heard?

The Hon. G.A. INGERSON: It is important to go back in the process. When conciliation falls down, they go to arbitration. In the arbitration process we have a position of fact and a position of law that goes before the arbitrator. If the decision of the arbitrator is not agreed to, the same thing can then be reheard before the tribunal, where again the position

of fact and the position of law can be restated. So, the position is that on two occasions fact and law are stated in the case.

As far as the appeal is concerned, the process would relate to the matter of law. The appeal is then on a matter of law to the Full Bench of the tribunal. If there is a position in which the tribunal believes that it is not capable of hearing a position of law, it would state the case to the Supreme Court. That is the process. So, we have the position of fact and law being heard twice: first, at arbitration; and, secondly, the rehearing on appeal. The fact of law is dealt with by the Full Bench of the tribunal. If the Full Bench of the tribunal believes that a case should be stated in the Supreme Court, that will occur.

New section agreed to.

New sections 87 to 88D agreed to.

New section 88E—'Rules.'

Mr CLARKE: This deals with the President making the rules of the tribunal. I take it that the tribunal's rules are subject to gazettal, and hence any motion of disallowance by either House of Parliament can be given effect to.

The Hon. G.A. INGERSON: There is a need for rules, and that was widely discussed. There is no doubt that we looked at the rules set in the Supreme Court. They will be gazetted. So, yes, Parliament will have the opportunity to look at them as regulations. We believe that the rules need to be discussed, and the people whom we believe should be involved are listed under new section 88E(2).

New section agreed to.

New section 88F—'Costs of proceedings.'

Mr CLARKE: This new section provides that the cost of proceedings before the tribunal will be at the discretion of the tribunal. I am seeking confirmation that this is in line with section 95, rather than the loser pays. Will the Minister explain why new section 88F should not be deleted, as this is covered by the discretion provision under new section 95?

The Hon. G.A. INGERSON: First, new section 88F clearly says 'subject to this Act', which brings into play new section 95. New section 95 sets out the costs that were in the original Act, in any case. It just clarifies those costs and clearly enables the tribunal at its discretion to authorise costs. The other point that needs to be made is that WorkCover picks up the employee's costs, in any case. The traditional system is not varied in any way at all. This new section sets out clearly how the costs will be prescribed. Again, one of the major issues for the committee was: how do we keep the costs under control? There is absolutely no doubt and no question—and I do not want anyone from the public to misunderstand this—that I as Minister, the committee, Parliament and the Government believe we need to keep control of the costs. If we do not keep control of the costs in this area, how can I stand up as Minister and say, 'We have to control medical costs, pharmaceutical costs, dental costs and physiotherapy costs' if we do not have some control over the costs in this system?

One of the reasons for introducing it and suggesting that the President of the tribunal should have management responsibility is to control the costs and to make it accountable. This whole process of cost is one of containment. We believe that it is a reasonable cost structure, and I have been staggered by the telephone calls that I have received this week from people who have been working in the system for years and who have been quite happy to take the costs but who suddenly find them unbelievable. I suggest that either the snout or the trough is not wide enough. Now that it has been tightened up, a few people are getting concerned. After what I have said today, I suggest that the telephone calls will increase. However, as far as this Government is concerned, we have to keep these costs under control.

As I said at the beginning, all five members of this committee believe that there should be cost containment. I do not want to keep dobbing them in, but it is true. The Government believes that, by regulation, it will be able to sit down with the parties concerned and talk about what reasonable cost increases there should be over time, knowing full well that they will be regulated and that it will not be an open-ended system.

Mr LEWIS: I want to underline what the Minister said and support the position taken by the committee on the matter. I make it absolutely plain that it is not just the cost of those matters to which the Minister has referred that have got out of kilter but the costs of the review process as it used to be. It was outrageous. A number of cases were brought to my attention during the term of the last Government and since this Government has taken office involving review officers who were brought in to look at the matters. The review officer would do that and make recommendations to the corporation, which would just say, 'No, we are not going to do that.' Not only would the corporation leave the aggrieved injured party having no payment made under the provisions of the Act for the disability they suffered and for the medical costs they incurred and the other expenses to which they went but the corporation would also force the poor sod to go to the limits of his or her ability to finance appeals against the corporation. They were not losing any money because the advocates for the corporation still had their salary coming in, but not the poor injured workers.

They thumbed their nose at the entire process and constantly rolled it on until the worker ran out of money, patience or sanity, or all three. That was absolutely outrageous and the corporation as much as anybody is to blame for that mess. It is also responsible for the injustice that it perpetrated in those cases. I am sure that, of the cases that came to my attention, it could be multiplied many fold, and I applaud what the Minister is trying to do in this regard. I trust also that, in the process, the tightening of the law in other respects through these amendments will call to account those contemptible runts, in terms of their intellectual capacity and their moral and ethical behaviour, on the staff of the corporation for the way in which they have treated people who have been injured at work and have not been given what the legislation intended they should have got for wages lost, medical costs incurred and other incidental costs incurred in preparing and presenting their claims.

New section agreed to.

New section 88G—'Recovery of costs of representation.'

Mr CLARKE: Subsection (1) contains the provision about which I wished the Minister good luck in my second reading contribution with respect to his discussions with the legal fraternity on fixing scales for costs. I trust that, if he succeeds, he will never again need a lawyer in his lifetime. They have a habit of getting back at you, Sir. This measure cannot come into operation until a regulation has been introduced. There is some concern that, as far as legal costs are concerned, it will apply only to a worker's representative. I wonder whether my understanding is the same as the Minister's that any constraint on costs is to apply equally to worker representatives and employer representatives.

Whilst it is not mandatory in the legislation, in seeking to set what the maximum fee should be, the Minister should take

into account the preparatory work that goes into these cases. Often the employer representatives or the corporation will use investigators to do a lot of the leg work, if I might put it that way, whereas the worker representatives or lawyers have to do a lot of that leg work themselves, particularly the proofing of witnesses. I should like some understanding from the Minister that, if he is brave enough or courageous enough to set a maximum scale of fees, to be fair to all parties, it takes into account the amount of preparatory work that goes into representing a worker.

The Hon. G.A. INGERSON: I thank the Deputy Leader for his support. Perhaps he might be able to give me some advice on whom I should get to represent me. These measures are all contained in the Act, so the previous Government did a good job in that respect. It is nice to know that I am not involved in ground-breaking reform and that the previous Government had the forethought to include this provision. It applies to both sides, so both the employer and the employee are affected by it. I do not want to pre-empt what might happen in any further upgrading because, as it is already there, we will just see what happens in the future. We will become involved in consultation as is required under new subsection (2) and, if there needs to be any upgrading, we will consult and sort it out.

Mr CLARKE: I understand why the Minister might feel constrained about exactly what features will be put into the formula for setting the fees but, whilst he consults with the Crown Solicitor, I assume that, as a matter of course, he will discuss the issue with the Law Society so that he is fully seized of the facts as to the costs that are incurred legitimately by legal representatives in this area. Like the Minister, I am concerned to ensure that legal costs are kept under some form of control but, at the same time, I want to ensure that fairness applies in this area. As the Minister well knows, during the course of discussions on this measure, it was made clear to the *ad hoc* committee that it was very important that the worker representatives are treated fairly. The Minister points out to me every day in the House that there are a swag of non-unionists out there who do not have the benefit of union representation.

They may have to use legal representation where important preparatory work, which can be expensive, is involved. If that is denied them in terms of their being able to be part of the equation, those people would be at a serious disadvantage in having legal representation afforded to them. I think this is probably a back door method on the part of the Minister in encouraging trade union membership. I am glad to see that he wants to adopt policies that assist trade unions in recruiting new membership. It is a bit like St Paul on the road to Damascus; he has had a late conversion after he has done his best to do us in the eye, but perhaps this is his day of atonement.

The Hon. G.A. INGERSON: I thank the Deputy Leader for his question. I had intended to consult him but, as he represents only 30 per cent of the work force, I will have to ask somebody else. Yesterday I was told that union membership is at 30 per cent and going down rapidly. I know that the Deputy Leader is very interested in the setting of these fees. As part of this process I assure the Deputy Leader that I will consult him and his Party, and hopefully we will be able to arrange a bipartisan outcome. The community can be assured that we will consult with the Law Society and with employers' and employees' representatives to ensure that before this decision is made there is a reasonable amount of consultation. I want to make sure that the Deputy Leader is not left out, because I am really looking forward to a bipartisan approach in this area. I have not yet worked out which group in the 70 per cent I will have to consult, but I will have to find someone.

New sections 88H to 90 agreed to.

New section 90A—'Time for lodging notice of dispute.'

Mr CLARKE: This deals with new subsection (2). Are the powers to be delegated to all conciliation and arbitration officers? If not, this would severely restrict the conciliation and arbitration officers in carrying out their full functions, and some might end up as conciliation officers only, which in our view would be inconsistent with the dispute resolution amendment legislation that we have before us.

The Hon. G.A. INGERSON: Again, we have put some constraints into the system, because we believe they are necessary. There are inordinate delays in the system now and we believe that more administrative accountability is necessary in this area. Clearly, the President needs to have that power and would delegate it to one or more of the conciliators or arbitrators. I suppose you could say that all the arbitrators or conciliators may have that power delegated at any one time, but it will be under the control of the presidential member as to who gets it and when they get it.

New section agreed to.

New sections 90B to 92B agreed to.

New section 92C—'Procedure in conciliation proceedings.'

Mr CLARKE: I would like information from the Minister about new subsection (5). I am concerned that a legal or other representative of a party may foul up in making a settlement. The affected party may be interstate, in the country, hospitalised, just not present or, even if he or she were present, very poorly advised by that representative. Subsequently it may be found that they were poorly advised in the sense that mistakes were made either in fact or at law, and potentially that party could suffer. I know we have discussed in the Committee stage the 'slip rule' which, as I understand it, under some common law provides that justice cannot be made perverse, so that if a grave injustice was done the common law would find some way to righting a grievous wrong that occurred. What is the Minister's understanding in that area?

The Hon. G.A. INGERSON: This was one of the major areas of concern that we needed to resolve in the committee. There are two points. First, the committee believes that, for conciliation to work, if the parties in the conciliation process make an agreement, there must be some rule that provides that they cannot come back another day. That is the purpose of the provision that it is binding on the party. However, that being said, the advice that we have been given is that the tribunal itself has an inherent ability to suspend its own orders if an error has clearly been made in that area of jurisdiction. As the Deputy Leader says, it is called the 'slip rule'; I do not know whether that is right, but in principle I think it is.

We want to ensure that people cannot automatically run through this conciliation process, then go into arbitration and into the tribunal as a matter of course. We really want to encourage all parties to conciliate; if they cannot do that, to arbitrate; and, if they are not happy with that, to use the re-hearing and appeal system. That is the way that the Government and the committee believed it ought to work. We believe that this area is crucial to the whole process. If it does not work, I am quite sure that this will be one of the areas to be referred to the full parliamentary Committee for resolution.

New section agreed to.

New sections 92D to 93A agreed to.

New section 93B—'Special provision about lump sum payments.'

Mr CLARKE: This new section deals with the 10 per cent variation in terms of trying to induce settlements; if settlements do not match up or offers are made which are 10 per cent above or less than the amount offered in conciliation proceedings, the worker is not entitled to costs of the arbitration proceedings. I know that 10 per cent is an arbitrary figure (why not 8 per cent or 9 per cent, for instance?); 10 per cent can be a fairly high tolerance level if we are talking substantial sums of money. A proposition that has been put is a figure of 5 per cent, which would still provide some form of inducement for parties to settle.

The Hon. G.A. INGERSON: Again this new section is designed to get agreement. Clearly, if it is at too low a percentage, you will not achieve agreement, if that is the process you wish to achieve. We want to discourage people from going to court when they believe they might be able to force it out past 10 per cent. That is the objective of the whole process of trying to get people to sit down, reasonably conciliate and understand that that is what the process is all about. Further, there has to be some risk involved if you decide to go on in the process. By fixing it at 10 per cent, it does add a risk factor. We threw this around for many hours also, but they were the reasons, to put some risk factor into the equation but primarily to encourage people to reach agreement.

Mr CLARKE: I think there is a spelling mistake in the second line. Should it not read, '. . . or more than 10 per cent'?

The Hon. G.A. INGERSON: I think it is in fact correct now, but we will reconsider that. Basically, it means 'less than, the same as, or less than 10 per cent above the amount'. I think the honourable member will find that it is correct. If there is any question on that matter in the other place, we will discuss that.

New section agreed to.

New section 94 agreed to.

New section 94A—'Constitution of tribunal.'

Mr CLARKE: This deals with the situation where the President can decide that a particular issue shall be referred to a full bench of the tribunal so that the dispute can be heard and determined. Ordinarily I appreciate that that would not be regularly used, and the committee basically discussed this so that issues of significant importance could be dealt with quickly by the full bench of the tribunal rather than have the time consuming process of going through conciliation, arbitration and then appeal. However, that could potentially be subject to some abuse where not necessarily cases of major moment could be referred directly on to a full bench for hearing and circumvent, if you like, the normal conciliation and arbitration process. This legislation is very contingent on the appropriate regulations and rules that are drawn up and on the importance of providing that a constructive and consultative process is followed in ensuring that the regulations that are drawn up complement properly the intent of this legislation.

The Hon. G.A. INGERSON: In the committee's discussions, it was clear there were some examples of cases where, once the conciliation was finished, they involved matters of law and needed to be pushed through the system very quickly. There is no question that it is a fast-tracking process. We believe that it ought to happen only at the direction of the President, so that in this management accountability process the conciliator would be able to advise the President there were significant matters of law and it could go straight through to the full bench of the tribunal. Again, it was a significant process that was discussed and we think it will be very effective.

New section agreed to.

New sections 94B and 94C agreed to.

New section 95—'Costs.'

Mr CLARKE: I do not want to be seen as an advocate for the legal profession in this area, but I want to ensure that proper legal representation is available to injured workers. Obviously that will be available only if sufficient costs are able to be awarded, so an injured worker can avail himself or herself of a competent lawyer. I note that, with respect to a judgment of the Full Court of the Supreme Court in the Sloane case, the Chief Justice commented that the fee for preparation for a review hearing was in his view unrealistic. What I am putting to the Minister is again what has been put to him earlier with respect to costs.

Whilst I appreciate and support his view that costs need to be carefully contained within the system, they cannot be applied in such a manner that it effectively denies injured workers their right to be able to take proper legal advice and have proper representation before the tribunal to have their case heard and dealt with fully. It is the old story, in workers compensation matters in particular, of the inequality and bargaining power between, in most cases, employer and an employee who is out of work and without income or sufficient means to prosecute their case effectively.

The Hon. G.A. INGERSON: First, this is a redraft of what exists presently. I have said that before, and I am always glad to support the previous Government when it got its legislation right. We just recognise that. Secondly, it is important to note that millions of dollars is already being paid out in legal costs. In my view, adequate payment is now being made for legal representation, and it is not my intention to change that position. The legal profession, like everybody else in this system, has to wear some changes in costs. We have already implemented a 15 per cent reduction, and we want to make sure that everyone else bears the cost, including the legal profession. We have asked the employers to pay the first two weeks now, instead of the first week. We have asked the medicos and all the others in the medical profession to take costs up to 25 per cent. The legal profession is adequately compensated in this area for their costs, and we have no intention of increasing it dramatically.

New section agreed to.

New sections 96 to 97B agreed to.

New section 97C—'Costs.'

Mr CLARKE: Why was it necessary that regulations about costs and proceedings under this part had to be specially mentioned in this part of the Bill rather than under the general provisions with respect to costs throughout the Bill?

The Hon. G.A. INGERSON: This provision has been drafted as a special section in the legislation. We need to ensure that costs can be regulated under this new section. It is a new part of the legislation and the costs relevant to this jurisdiction need to be recognised in this section.

New section agreed to; clause passed.

Clauses 14 to 16 passed.

Clause 17—'Transitional provisions.'

Mr CLARKE: Subclause (8) has been the cause of some concern, as the Minister is well aware. The President may

assign a person who continues in office under subclause (7) (that is, the existing review officers) as a conciliation and arbitration officer or in some other capacity on the tribunal's staff either as a conciliation and arbitration officer or in some other capacity. In the case of the Industrial Commission, as we found in the Industrial Relations Act, all commissioners went across as industrial commissioners; not that they could be assigned to some task other than as an industrial commissioner. Our concern is about the maintenance of their independence on the transition. It is common ground between the parties negotiating this provision that, to all intents and purposes, whilst it is at the discretion of the President and not the Government or the Minister of the day, virtually all the existing review officers with the possible exception of one or two would in fact carry over as conciliation and arbitration officers.

I would like confirmation that that is the Minister's understanding of that point, recognising that it is in the hands of the President and not those of the Government, and not wanting to interfere with the independence of the President or the judiciary in the exercise of that function. It is a matter that caused a great deal of discussion within our committee and it does have some people a little anxious that potentially, on a wholesale basis, all review officers may suddenly end up licking stamps, even though they may keep their salaries and working conditions until such time as their appointment drops off. It is important for the maintenance and integrity of this new scheme that that proceed smoothly.

The Hon. G.A. INGERSON: It is important to note that remuneration and any accruing rights to leave are to be guaranteed; so, in terms of salary and leave, there is no change. I remember that some time ago in this place members of the Labor Party talked about the independence of the President and clearly advised me that I should not get involved with the role of the President in his independence, so I am a little surprised at the honourable member's comment and the question. The committee discussed at length the need for the new tribunal to be efficient; that the President should have the ability to organise resources to the best of his ability; and that, obviously, he needs discretion. That is what this is all about. We have said to the review officers, who will now become conciliation and arbitration officers, that their job in the system is there if they wish to stay.

Having said that, the President needs to be independent. As I said once before, there is an absolute necessity for the President to have that independence, and I have previously had that advice from the Deputy Leader. We believe that he will reorganise the review officers to fit into the conciliation and arbitration process, using their expertise to the maximum.

Mr CLARKE: My final questions deal with not what is in the Bill but whether the Government would contemplate in another place an amendment that would establish the employee advocate unit, which is already in existence and which is funded by the corporation, and that it would come within the ambit of the tribunal although there would be a manager of the unit. It could also set out how those advocates would be appointed following negotiations with the parties directly affected. The employee advocate unit is very important. Overwhelmingly, over 80 per cent of its work is done on behalf of non-unionists, and every member of this Parliament uses the employee advocate unit extensively on a daily basis, referring constituents to that unit.

I would be interested to hear the Government's submissions in that area. I do not believe there are any in-principle arguments for its maintenance. I know there is a suggestion that perhaps it should come under the umbrella of the Employee Ombudsman, but that would remove the unit's direct link with WorkCover.

The Hon. G.A. INGERSON: The Government opposes the introduction of the employee advocate unit and in the other place will not support its introduction. We believe that the administrative role, which is all it is, can be guaranteed by the board. We have already approached the board, following discussions with the UTLC, and asked it to look at how an independent employee advocate can be set up under its control. I note that it was there previously and it is my understanding that it is still there, but the board ought to set some strong rules on its independence.

I see no justification for setting up an independent unit under the legislation: it would create another unit within the workers' compensation system. There is absolutely no doubt that there needs to be independent advice and also no doubt that the employers ought to have that, but I have a strong view that the union movement and the employers' associations ought to do this themselves. Every single time someone finds one little hiccup with the administration, they want to put it in the legislation. I do not accept that, and the Government will not support it.

There has been only one case in which the independent officer was said to have been stood over. I have investigated that and found no evidence for that. Just because the story is running around we are now to put it in legislation and have an independent advocate. I think that is nonsense: there are better ways to do it, and we are prepared to talk to the Labor Party and anyone else to see whether we can sort it out without making it a legislative role.

Clause passed.

Short title passed.

Bill read a third time and passed.

TELECOMMUNICATIONS (INTERCEPTION) (MISCELLANEOUS) AMENDMENT BILL

Received from the Legislative Council and read a first time.

CONSTITUTION (SALARY OF THE GOVERNOR AND ELECTORAL REDISTRIBUTION) AMENDMENT BILL

Received from the Legislative Council and read a first time.

HUS EPIDEMIC DOCUMENTS

The Hon. M.H. ARMITAGE (Minister for Health): I seek leave to make a ministerial statement.

Leave granted.

The Hon. M.H. ARMITAGE: This afternoon in another place the Hon. R.R. Roberts repeated an allegation that the South Australian Health Commission has persistently refused to supply crucial documentation ever since the State Opposition Leader's freedom of information request was made on 8 February. He also indicated that some documents had been provided. He went on to say:

> It is equally true that documents continue to be withheld. It has reached the point that the Ombudsman yesterday directed the Health Commission to release all the remaining documents to the Opposition.

Yesterday the Ombudsman, without any notification to the South Australian Health Commission, issued a direction to

the South Australian Health Commission to release the remaining documents. If the Ombudsman had contacted the Health Commission prior to issuing this direction he would have been informed that it is the Health Commission's understanding that all its obligations under the Freedom of Information Act had already been fulfilled. The precipitate nature of this action is unfortunate and I intend to seek further information and justification from the Ombudsman about this matter.

It has been established within the Health Commission that the documentation, which was required to be provided within the scope of the freedom of information application, had already been provided to the Leader of the Opposition. Following urgent discussions this morning between the Ombudsman's office and officers of the Health Commission, the Ombudsman has responded by letter to the Chief Executive Officer of the Health Commission, with a copy to the Leader of the Opposition, indicating:

> As stated in the direction of yesterday, I understood the documents to comprise the entirety of the remaining documents which fell within the scope of Mr Rann's freedom of information application. Then, to my surprise, from submissions put this morning by the Health Commission to this office, I have learned that the Health Commission considers that there may be some pages within the documents which do not fall within the scope of Mr Rann's application. Of course—

and this is important—

> my direction to you could only ever apply to documents within the scope of the application and, accordingly, I now advise that my office is in the process of clarifying which of the 152 pages of the document are within the scope of the application. I will keep you informed of my deliberations.

I inform the House that it is the South Australian Health Commission's complete understanding that all documents within the scope of Mr Rann's freedom of information application have already been supplied, as I have indicated to the House on several previous occasions.

I am also aware of comments made earlier today by the member for Lee in relation to the recent haemolytic uraemic syndrome epidemic and the 1991 food poisoning episode. I dissociate the Government and the Health Commission from these comments. There is nothing in the Coroner's report to indicate that any employee was deliberately responsible for the contamination of any Garibaldi product.

MOTOR VEHICLES (HEAVY VEHICLES REGISTRATION CHARGES) AMENDMENT BILL

Received from the Legislative Council with a message drawing the attention of the House of Assembly to clause 7, printed in erased type, which clause, being a money clause, cannot originate in the Legislative Council but which is deemed necessary to the Bill. Read a first time.

SITTINGS AND BUSINESS

The Hon. G.A. INGERSON (Minister for Tourism): I move:

That the sitting of the House be extended beyond 6 p.m.

Motion carried.

GARIBALDI SMALLGOODS

Mr ROSSI (Lee): I seek leave to make a personal explanation.

Leave granted.

Mr ROSSI: I apologise and withdraw any comments I made in relation to any Garibaldi employees during the grievance debate this afternoon.

ADJOURNMENT DEBATE

The Hon. G.A. INGERSON (Minister for Tourism): I move:

That the House do now adjourn.

Mr EVANS (Davenport): I rise to place on record some thoughts in regard to the need to rethink the management of open space areas within our community. This thought process comes about as a result of what has happened in the Hills area in recent times, particularly in my electorate with Craigburn Farm and Blackwood Forest. It happened prior to that, over 100 years ago when the Belair Park was first established. It all relates to the management of open space. Over the years, when Governments or councils fall on hard times, one of the options they look at to raise finance is the sale of their open space. I have some concerns about that in the Davenport electorate unless it is managed properly. I am aware that the Government has gone through an extensive consultation process in respect of the Blackwood Forest land, and the residents of the Davenport area are grateful for the Government's going through an 18-month consultation process to decide what should happen with that land. Hopefully the decision will be handed down in the next three or four weeks, and the community is looking forward to hearing the decision.

If you reflect on some of the decisions that councils have attempted to make around the State over the years, there needs to be some rethinking of the way we handle our open space. I cite the example of the Johnson family's donation, by way of trust, of the Stirling oval to the Stirling council. On at least two occasions to my knowledge the Stirling council has sought legal advice to overturn that trust so that it can develop the Stirling oval into either a shopping complex or some other development. Obviously that was not the intention when the land was donated, and the courts have not accepted Stirling councils's approaches to develop the land. This also happens with road reserves where councils have, under various Acts, the right, given certain procedures, to sell those reserves.

It is my view that a need exists within communities to put open space important for future generations into community trusts that are not owned by Government and not owned by council but owned and managed by community groups. A community trust could be established, with its management board made up of such clubs as Rotary, Apex, and Lions and members of the local schools, local churches, local environmental groups and local sporting groups. One of the advantages of such a trust is that it would take the management and ownership of the trust out of Government and council hands. So, if a council such as Stirling council—which found itself in financial difficulty after the fires in 1981 or 1983—or the Government falls on hard times, this land is kept out of the decision-making process because it is not owned by Government or council but by the community. Those people who are interested in open space and those who want to save open space for the future need to develop it.

There is no doubt in my mind that many local councils would be willing to continue to pay the maintenance costs on their open space. For example, if the Government were to go to a local council and say that it wants to give it 15 acres of

open space, it would cost the council no more to pay the maintenance on that land if it was owned by a community trust than if it were owned by the council itself. The advantage is that it does give the hands-on community the ownership of that land, which can only be of benefit.

Some people have expressed concerns that it may well mean that the local community would have to go out and indulge in fund raising to maintain the land. I do not believe that that would be the case. I see it as being negotiated between the council and the community trust that operates the land when the trust is set up. However, I do not have a problem if the community wants to develop part of the land for an environmental park, a sporting or recreation ground or whatever the community wishes. I do not see a problem with the community raising money to provide for that specific purpose. Society needs to encourage volunteerism and encourage groups to be actively involved in the development of their community.

The idea of a community trust to manage open space is something that I have floated with the Minister for Environment and Natural Resources in regard to the Blackwood Forest land. It comprises some 52 acres (or 20 hectares) of land, and we are not sure whether all or part of it will be open space. Whatever the open space component is when the final decision is made, I would like to see it donated not necessarily to the Mitcham council but to a community trust, so that it can be managed and operated by the community, with a legal agreement drawn up with Mitcham council in respect of the maintenance costs of the land.

For well over 20 years, the people in the Hills community have argued that they would like to manage their open space. They argued that with the Craigburn Farm incident, although Craigburn Farm was not Government owned: it was privately owned by Minda, although Government has since bought a considerable amount of that land. At that stage they argued that the community would like to manage the open space. During the latest episode with Blackwood Forest, which has been a matter of community discussion for well over 15 to 20 years, people have always argued that they would like to manage that open space land. I have done some research on this Australia-wide, and I cannot find an example of land that has been donated by Government, or council, to a community based open space trust. If this is agreed to—and it is a matter for the Minister and Cabinet—it may well be an Australian first.

As the urban sprawl continues in Adelaide, it is important that society looks at ways of managing its open space to a point where councils cannot sell it when they run upon hard times because of an act of God—for example, fire or flood—or through mismanagement of its administration and that society can lock away certain tracts of open space that cannot be touched by Government and council. With regard to the reform of local government that is currently being discussed within the community, who knows what group will end up managing the open space that currently is under council ownership. For all we know, the open space that is currently managed by Mitcham council could end up being managed by a considerably larger council which has a different thought process and a different belief in terms of its administration from the present Mitcham council.

My view is that, if society wants to protect its open space, it has to think up different ways of doing it. One way of doing it is to set up community trusts for the open space, that is, to take the ownership of large tracts of open space out of Government and council hands and put it in the hands of a community trust. With any community trust it is important that the management be set up so that it cannot be overtaken by any political or politically motivated group. For that reason, by using other groups as management members, for example, Rotary Clubs or hospital and education groups, it makes it almost impossible to take over that trust because of all the groups that are represented on the board. For instance, you would have to take over the Rotary Club, the education and hospital groups or whatever.

There are ways that these community trusts could be set up to protect them from being taken over by a single issue group, which I think is important but, more importantly, it puts the management of a community asset where it belongs, and that is at the absolute grassroots of the community. I hope that people will give some thought to the management of our open space and to the idea of putting open space into community trust, because only then is it truly protected from any decision that may be made by a Government or a council in the future.

The Hon. M.D. RANN (Leader of the Opposition): Tonight I want to call on the Premier to give a categorical assurance that no campaign donation will be sought or accepted by the South Australian Liberal Party from United Water, Thames Water, CGE or its subsidiaries. Earlier today, I asked the Premier to seek an undertaking from the President of the Liberal Party that no donation would be accepted. His reply was deliberately misleading. He told the House that he had already secured an undertaking from the President of the Liberal Party—

Mr EVANS: I rise on a point of order, Mr Acting Speaker. The Leader of the Opposition is making claims to the effect that the Premier has deliberately misled the House and I think that is clearly not the case and he should withdraw.

The ACTING SPEAKER (Mr Bass): Exactly; it must be way of substantive motion, therefore it should be withdrawn.

The Hon. M.D. RANN: I will withdraw the word 'deliberately', but his reply was misleading. He told the House that he had already secured an undertaking from the President of the Liberal Party that no donation would be accepted during the tender process. But that is where he stopped. The Premier did not answer my question fully. He did not rule out accepting donations from United Water, Thames Water, CGE or subsidiaries after the tender process was completed. When I asked a second question specifically asking for a guarantee that no donation would be accepted for the next State election campaign, I was ruled out of order. Indeed, the Premier interjected that my question was out of order. He did not want to answer a more specific question.

So, the question remains unanswered. Will the Premier give this Parliament a guarantee that the Liberal Party will neither seek nor accept any campaign donation from the successful tenderers for this giant water project? Unless the Premier gives such an undertaking, a suspicion will remain. Let us remember that this is the Premier who did not tell the truth, the whole truth and nothing but the truth about Catch Tim and Moriki out there in the community—not in the Parliament, out there in the community.

The Hon. R.B. SUCH: I rise on a point of order, Mr Acting Speaker. The Leader of the Opposition, I believe, is transgressing Standing Orders by, once again, imputing the motive of the Premier and I think he should withdraw those allegations.

The ACTING SPEAKER: Order! I accept the point of order: it is outside Standing Orders and I ask the Leader of the Opposition to withdraw that allegation.

The Hon. M.D. RANN: I was not referring to any claim in this Parliament: I was referring to the statements that the Premier made in the community. I made a point of specifying that in what I said.

The ACTING SPEAKER: Whether it is said in this House or outside this House, you are imputing improper motives of the Premier and I ask you to withdraw it.

The Hon. M.D. RANN: The Premier accused me of doing a deliberate untruth and that was put in order.

An honourable member interjecting:

The Hon. M.D. RANN: All right. In that case, I believe that the Premier told deliberate untruths about Catch Tim and Moriki. Then we saw the Premier's crony, Rob Gerard, involve himself and others in creating a chain of shelf and paper companies in Hong Kong and Singapore designed to launder campaign donations to the Liberal Party. The source of those donations was deliberately covered up. Rob Gerard, the Premier's mate, participated with other senior Liberals in a deliberate attempt to bend the law and mislead the public about the source of campaign donations.

The Hon. R.B. SUCH: I rise on a point of order, Mr Acting Speaker.

The Hon. M.D. RANN: Rob Gerard is not a member of Parliament.

The Hon. R.B. SUCH: Once again, the Leader of the Opposition is imputing a dishonourable, dishonest motive on behalf of the Premier and I think it is against Standing Orders to do so.

The ACTING SPEAKER: Order! I do not accept the point of order.

The Hon. M.D. RANN: It is now vitally important that the Premier rule out categorically the acceptance of any campaign sling by the Liberal Party from United Water, CGE or Thames. CGE has one of the shabbiest reputations in Europe when it comes to campaign donations. For United Water to say that these issues did not concern senior executives of the company is a joke. The British water companies are major backers of the Tory Government. The Minister for Infrastructure says that his reputation is on the line with this $1.5 billion contract. The Premier's integrity is also on the line. If he is not prepared to rule out donations from United, CGE or Thames, then a smell will remain. Are the Liberals on a promise for a future donation? Is this a Government that wants to cleanse itself after Catch Tim and Moriki or is it expecting another sling?

I turn now to matters in another hemisphere. Recently I visited Greece and Cyprus, and I want to commend to all members of this House the excellent work by the Hellenic Chamber of Commerce in arranging for a South Australian stand at Hellexpo in Thessaloniki. I was treated extremely well and I was delighted to be able to speak at the opening. I hope that the Premier will accept an invitation to go to Hellexpo next year and join me there, because it would be very good to see bipartisan backing for the South Australian Hellenic Chamber of Commerce's superb exhibition at Hellexpo. I hope that the Premier will accept this invitation in good faith. Jeff Kennett was there a few months ago as was Demetri Dollis, the Deputy Leader of the Opposition in Victoria. It was good to see such bipartisanship and it would be great to see the Premier standing alongside me at Hellexpo in Thessaloniki.

Something that does concern me is a couple of letters that I have received recently. The first, supposedly from the Macedonian Orthodox Community and signed by Jim Milanko, President, is one of the most bizarre and sordid letters that I have ever received. When commenting on the subject of Macedonia, the letter reads:

> Your publicly expressed views on this subject matter are, quite apart from the fact that they are based upon several falsehoods, biased, insensitive, discriminatory and thus, given their political context, corrupt. . . To this point in time we have understood, I believe, why foolish, misguided and opportunistic politicians like Julian Stefani and Jeff Kennett have sold themselves to the Greek Government and its Australian-based lobby for the promise of electoral support and, amongst other things, 'gold medals' and of course, ostentatious trips to Salonica and the Greek Islands.

That is an outrageous attack on those people. The letter continues:

> However, it is seemingly without precedent in the current history of this grubby episode for a Labor Leader such as yourself, the alternative Premier of this State, to fall to such outrageous depths of political misconduct by mimicking and thus further perpetuating what is nothing more than standard Greek Government diatribe/propaganda on the so-called 'Macedonian Issue'!

There are pages and pages of abuse against me and others, including Jeff Kennett, and there is a demand that I reply within seven days. I have sent a copy not only to members of the Greek community in Adelaide but also to my lawyer.

Today I received a visit from the Turkish Ambassador. I thought it was a courtesy call but, shortly after he arrived, he launched into the issue of Cyprus. That is something about which I feel very strongly and, indeed, the South Australian Labor Party has a strong tradition in supporting a free and independent Cyprus. A motion about the continued Turkish presence of troops and now settlers following the invasion of 1974 was debated and supported by all members of Parliament in this place. The Turkish Ambassador presented me with another bizarre letter—it seems to be my week for bizarre letters—from the Turkish Republic of Northern Cyprus to the Premier of South Australia attacking me as Leader of the Opposition of the Southern Australian Provincial Parliament over a press conference I gave in Greek Cypriot controlled South Cyprus.

The letter talks about my biased representation of the Cyprus question. Its author sought to put the record straight and to bring to the Premier's attention a whole series of things. He called on the Premier to pull me into line. I told the Turkish Ambassador that my position is square with the United Nations and with the Commonwealth of Nations, and that it is supported by the European community and by the Federal Government. Quite frankly, I am in a lot better company than the Turkish Ambassador for, after all, the Turkish Republic of Northern Cyprus is recognised by only one country in the world, and that is Turkey. We have seen persistent human rights abuses by Turkey and Turkish troops in Cyprus and I will continue to press this issue, because it is one of justice. Anyone who reads Amnesty International reports will know about the massive human rights violations by the Turkish regime. I find it bizarre that the Turkish Republic of Northern Cyprus claims to be independent from Turkey; yet its letter was delivered to me by the Turkish Ambassador, and that says a lot in itself.

Motion carried.

At 6.14 p.m. the House adjourned until Thursday 19 October at 10.30 a.m.