HOUSE OF ASSEMBLY

Wednesday 15 November 1995

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

DOG FENCE (SPECIAL RATE, ETC) AMENDMENT BILL

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

SOUTH EASTERN WATER CONSERVATION AND DRAINAGE (MISCELLANEOUS) AMENDMENT BILL

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

SCHOOL SERVICES OFFICERS

Petitions signed by 317 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 were presented by Messrs Cummins and Scalzi.

Petitions received.

TAPLEYS HILL ROAD

A petition signed by 1 148 residents of South Australia requesting that the House urge the Government to support a tunnel underpass of Tapleys Hill Road located at the extension of the main runway at Adelaide Airport was presented by Mr Leggett.

Petition received.

VENUS BAY

A petition signed by 78 residents of South Australia requesting that the House urge the Government to ban fish netting in Venus Bay was presented by Mrs Penfold.

Petition received.

QUESTIONS

The SPEAKER: I direct that written answers to the following questions on the Notice Paper, as detailed in the schedule that I now table, be distributed and printed in *Hansard*: Nos 14, 19, 21, 24 and 28.

MFP AUSTRALIA

The Hon. J.W. OLSEN (Minister for Industry, Manufacturing, Small Business and Regional Development): I seek leave to make a ministerial statement.

Leave granted.

The Hon. J.W. OLSEN: MFP Australia's Technology Park, an initiative of the former Tonkin Liberal Government and the now Premier, has become the engine room of South Australia's economic rejuvenation. Recent figures show that growth in quality jobs at the park has been outstanding. Between September 1994 and September 1995, employment went from 980 to 1 360—an increase of almost 40 per cent. This is an indicator not only of the favourable climate being created for economic development generally in South Australia, but particularly of the focus and energy being created at Technology Park.

This growth in employment and economic activity has generated considerable demand for housing and other amenities which will be met by the MFP stage 1 urban development. Some of the companies which have shown the most rapid growth include:

- GEC Marconi, which develops, manufactures and installs radar, sonar and underwater systems, has increased its work force from 26 to 59 due to the establishment of a radar division to enhance the company's existing successful communications business;
- MRad, a world leader in testing and training systems for radars and other military sensors, which was recently bought by CAE Electronics, has grown from 28 to 43 employees in the past year, and the new owners plan to reach 100 in the next 12 months;
- Celsius Tech, which specialises in advanced electronics and systems technology, has grown from 67 to 106 employees;
- British Aerospace Australia has grown from 128 to 186 employees due to the establishment of the Royal Australian Navy Integrated Operations Team Training Facility. BAeA at Technology Park is also the base for work on the Parakeet mobile satellite communications system for the Australian Army;
- Signal Processing Research Institute, the Defence Communications Research Centre, has gone from 13 to 31 staff, and the Centre for Sensor Signal and Information Processing has gone from 22 to 36 staff.

This morning, the giant Tandem computer company, a world leader in the area of electronic commerce, announced that it is taking a close look at investment opportunities in the MFP project. Tandem senior executives from the United States are currently visiting Australia and have said that they are enthusiastic about the potential that the MFP will provide for the creation of innovative services and solutions for worldwide commercial markets in areas such as telecommunications, electronic commerce, smart card and on-line data base access.

A new announcement: Vision Systems has chosen South Australia as the base for its new syndicated research and development activities. The decision means that Vision Systems will almost double its current work force and take on 150 new employees. To increase the market potential for its products, Vision Systems has established three research and development syndicates to undertake further development.

The work will be focused on the Laser Airborne Depth Sounder system which has recently been sold to the United States' Navy. The first aircraft will arrive here on 3 December to be fitted with the system. Originally commissioned by the Royal Australian Navy and jointly developed by Vision Systems and BHP Engineering, LADS is a world-leading technology which revolutionises hydrographic charting of coastal waters. The LADS syndicate, in which Vision Systems is the major investor and the Defence Science and Technology Organisation the licensor of the technology, anticipates $24 million worth of product development work on the system over the next three years. This development will allow Vision Systems to offer the world's first in-service

laser hydrographic service. The total sales potential for the product is estimated at $800 million. Major markets to be targeted include South-East Asia and the Middle East.

Vision Systems will also spend an additional $10 million on product development to modify its movement detection and fire detection products to a broader commercial market, and it has recently given a demonstration of its RAPTOR system in Saudi Arabia. RAPTOR is a world-leading surveillance product which combines active Doppler radar with passive infra-red sensing, enabling high sensitivity target identification and strategic facilities protection. The company is also renowned for its advanced video-based security and surveillance system, Adpro. Adpro is widely sold internationally for the protection of valuable and strategically important sites, such as the Congress building in Washington DC and the Kennedy Space Centre. Its turnover in 1984 was just $1 million—it is approaching $100 million in the current financial year. Due to its rapid expansion, the company is experiencing skilled labour shortages in engineering, computing and science.

Vision Systems has been granted development approval to expand its existing building at Technology Park by an additional 1 700 square metres at a cost of $4 million to satisfy space requirements for its expanded work force. The company's decision to locate its R&D activities at Technology Park is further evidence of South Australia's leading position as a national hub for advanced design and manufacturing activities.

PAPERS TABLED

The following papers were laid on the table:

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

Coporation—By-laws—Walkerville—
No 1—Repeal and Renumbering of By-laws
District Councils—By-laws—
Angaston—
No 8—Moveable Signs on Streets and Roads
Kapunda—
No 1—Permits and Penalties
No 2—Moveable Signs
No 3—Council Land
No 4—Fire Prevention
Millicent—
No 1—Permits and Penalties
No 2—Moveable Signs
No 3—Streets
No 4—Garbage Removal
No 5—Council Land
No 6—Caravans and Camping
No 7—Animals and Birds
No 8—Dogs
No 9—Bees
Housing and Urban Development, Department of—
Report, 1994-95
South Australian Cooperative Housing Authority—Report, 1994-95.

PUBLIC WORKS COMMITTEE

Mr ASHENDEN (Wright): I bring up the sixteenth report of the committee on the Burra to Morgan Road upgrade and move:

That the report be received.

Motion carried.

LEGISLATIVE REVIEW COMMITTEE

Mr CUMMINS (Norwood): I bring up the ninth report of the committee and move:

That the report be received and read.

Motion carried.

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

That the report be received and read.

Motion carried.

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

That the report be received.

Motion carried.

QUESTION TIME

EDS CONTRACT

The Hon. M.D. RANN (Leader of the Opposition): Did the Premier read a full copy of the Special Master's decision on the multi-million dollar dispute between EDS and the State of Florida before he signed the EDS deal?

The Hon. DEAN BROWN: No.

Mr WADE (Elder): Can the Premier advise the House how the State of Florida's losses from Government computer deals compare with recent experience in South Australia?

The Hon. DEAN BROWN: The Labor Party in particular has been drawing attention to the sorts of problems they have had in Florida, well knowing the sorts of problems it had in Government in the years leading up to December 1993. It is worth bringing to the attention of the House why the Government decided to go to an outsourcing contract for data processing. The decision was not taken lightly: it was taken knowing that the former Labor Government had squandered millions of taxpayers' dollars through the mismanagement of data processing and the setting up of application systems for data processing here in South Australia. I will provide the House with some examples to show why the Leader of the Opposition, who was a key Minister responsible for this area, is so sensitive to this issue, as is the member for Hart, who was advising the then Premier on these same issues.

The Hon. M.D. Rann interjecting:

The SPEAKER: Order!

The Hon. DEAN BROWN: First, the then Labor Government tried to set up information utility No. 1 and then information utility No. 2. It lost $3.5 million. That money went right down the drain, down the gurgler, without producing any benefit whatsoever, even though the then Government claimed that information utilities Nos 1 and 2 would achieve savings of $90 million. If we look at the cost of data processing under the former Government, it was going up until we came to government. Let us look at the track record of the Labor Government in South Australia doing exactly the same sorts of things as Florida was trying to do, that is, to own the computer system and put applications on it. It tried to set up the Justice Information System.

Members interjecting:

The Hon. DEAN BROWN: We have all heard about the Justice Information System, which the former Government claimed would cost South Australian taxpayers $20 million, but it ended up costing South Australian taxpayers

$47.7 million as a result of the former Labor Government's mismanagement. There was then the courts computer system—

Mr Foley interjecting:

The SPEAKER: Order! I warn the member for Hart for the first time.

Mr Foley: Thank you, Sir.

The SPEAKER: He is warned for the second time.

The Hon. DEAN BROWN: As I was pointing out to the member for Hart, who advised the former Labor Government on these matters, the courts computer system was originally to cost $10.3 million. However, it ended up costing $25.4 million. There was then the Department of Road Transport computer system for motor vehicle registration. Designed to cost $4.5 million, it blew out to $11 million. Those three systems were originally going to cost taxpayers a total of $35 million, but they ended up costing taxpayers $84 million—a blow-out of $49 million.

No wonder the member for Hart and the Leader of the Opposition are specialists in identifying where you can get a computer system into trouble, because they did it year after year. They would leave the State of Florida for dead, because they blew over $49 million in just a few years. They put in the information utility system and blew over $52 million in just a few years trying to put in systems whereby they would run the system. I cannot think of a better reason for saying, 'Let's take that risk away from the taxpayers. Let's put that risk out there with a private company that is experienced in those areas and force it to carry that sort of risk.' That is exactly what the State Government has done with the outsourcing contract.

The Hon. M.D. Rann interjecting:

The Hon. DEAN BROWN: Because I read the summary of it.

The Hon. M.D. Rann: Given to you by EDS?

The Hon. DEAN BROWN: No, not given to me by EDS.

The SPEAKER: Order! I suggest to the Leader of the Opposition that he read Standing Order 137.

The Hon. DEAN BROWN: I read the summary that I got from an independent source.

The Hon. M.D. Rann interjecting:

The SPEAKER: Order! The Leader knows the rules.

The Hon. DEAN BROWN: The Leader is miffed because neither he nor his own spokesman on this, the member for Hart, until yesterday had even bothered to read the judgment. They had to come to us even to get a copy of the judgment. All they read was the 13 select pages sent by the Attorney-General from Florida.

The Hon. M.D. Rann: It was the summary.

The Hon. DEAN BROWN: Well, some summary. We can see how sensitive the Leader of the Opposition is, because he was the Minister responsible for information technology under the former Government that lost this money. He was the Minister who tried to set up information utilities Nos 1 and 2, and then Southern Systems.

The Hon. M.D. Rann: That's not true.

The Hon. DEAN BROWN: Well, it is true. The full responsibility now lies with the Leader of the Opposition for that blow-out in cost: he knows it, and he is embarrassed by it. The clear experience is that the way the former Labor Government did it in South Australia, the way they tried to do it in Florida, is fraught with troubles and with huge cost blow-outs unless it is properly managed, and quite clearly it was not properly managed under the former Labor Government. That $50 million is a very dear expense to the South Australian taxpayers for the mismanagement of Labor over the past four years it was in government in trying to handle data-processing in this State.

Mr FOLEY (Hart): My question is directed to the Premier. Who commissioned and who prepared the independent summary to which the Premier just referred about the Special Master's recommendation in the multi-million dollar dispute between EDS and the State of Florida, and why did he not read the full judgment before he signed the contract with EDS?

The Hon. DEAN BROWN: The summary I read was prepared by an independent reporting of the judgment handed down by the judge. I cannot think of a better independent assessment to get than a report prepared quite independently of either the State of Florida or EDS, and that is who prepared it. I am delighted that the member for Hart has asked a question today, because at five o'clock this morning the member for Hart put out a press release.

The Hon. S.J. Baker: Five o'clock!

The Hon. DEAN BROWN: At five o'clock this morning, out went his fax.

Members interjecting:

The SPEAKER: Order! The Minister for Primary Industries is warned.

The Hon. DEAN BROWN: The member for Hart clearly embarrassed himself in the House yesterday when he stood up and asked six questions without having even bothered to read the full judgment, which was clearly available, which had been offered to him and which he had not even accepted. Having made a fool of himself yesterday, he has a great ability to make an even bigger fool of himself today. What did he do? He put out this press release this morning, the opening sentence of which states:

> Premier Dean Brown has been embarrassed this week by an announcement by the Federal Industry Minister (Peter Cook) that the economic spin off to South Australia from the EDS computer contract with the Brown Government falls short by $200 million.

He picked that up because Senator Cook's press release on Monday talked about $300 million of economic benefit and he knows full well that we are expecting about $500 million of economic benefit out of the contract here in South Australia. He has obviously taken $300 million from $500 million and come to a $200 million difference. The trouble is that the member for Hart did not bother to read the next paragraph in Senator Cook's press release which talks about a seven year time frame and our contract is over a nine year time frame. Who ended up with egg on their face? Who ended up embarrassed? It was the member for Hart, who cannot be bothered even reading a press release from beginning to end—or even the second paragraph of the press release from the Federal Minister.

To make matters worse, he clearly fails even to understand what was said a few weeks ago when I announced the EDS contract. I pointed out that the contract starts at $565 million; that provided EDS were immediately competitive it would be offered at least another $100 million; and that the contract therefore was anticipated to achieve a target of $690 million and, if that was achieved, the $500 million of economic benefit would be achieved. In other words, it was on a sliding scale and that sliding scale went through the very point we announced in September last year for economic benefit to the State.

It appears that the member for Hart still cannot come to grips with the facts, particularly the size of the benefits and

the contract that we signed a few weeks ago with EDS. Why? For six years the former Labor Government tried to do a deal with EDS. That deal was much smaller—$200 million. After six years it could not even sign a memorandum of understanding. That is why members opposite are embarrassed about this deal. They fiddled around for six years; they took it to Cabinet and, even after 13 or 14 months of negotiating with the three companies on the short list, they could not get Cabinet support to sign a memorandum of understanding. They are clearly embarrassed by what we have achieved in less than two years for South Australia in what is the most unique computer outsourcing deal ever signed by a Government in the world and by what they failed to achieve, even though EDS said, 'Here is $200 million of economic development for South Australia, if only you are prepared to sign a contract with us.' They could not do so.

SAMCOR OUTSOURCING

Mr BUCKBY (Light): Will the Treasurer inform the House of the progress being made by the Asset Management Task Force in transferring the operations of the South Australian Meat Corporation to the private sector?

The Hon. S.J. BAKER: At the end of last month, we sought expressions of interest on the sale of SAMCOR. As members would appreciate, that has been on the Government's list for some time. We do not believe it is operating to its natural capacity or levels of efficiency, and it has incurred large losses over a long period of time. We believe it is not appropriate for Government to run abattoirs. After a considerable amount of work and liaison with the Minister for Primary Industries, we released a document which will allow people to bid for the facilities. In 1994-95, 790 000 head of livestock, which included cattle, sheep, lambs, goats, pigs and deer, were processed for clients of domestic and export markets.

The Asset Management Task Force is handling the sales process. Interested persons can bid on all or parts of the components. We are hoping that we will achieve an outcome that will produce a far better result for the taxpayers of South Australia. It is on the way: it offers opportunity for new providers to enter the system and in the long term will provide for a much more stable operation of abattoirs in South Australia, for the benefit particularly of export, as the potential still remains to be reached. The process is under way.

EDS CONTRACT

Mr FOLEY (Hart): My question is directed to the Premier. Did the Premier's due diligence process examine the law suit brought by the Colonial Life Insurance Company of America, Chubb Life Insurance of America and the Volunteer State Life Insurance Company of America, and what was learnt from that case? On 30 October, the Premier said:

> We have gone through all those bad cases around the world, anywhere they have occurred and with any company, and we have put in enormous detail. This contract is over 1 000 pages thick, and that is what we have been doing for the past 12 months.

Chubb Life Insurance of America and co-plaintiffs have claimed that EDS misrepresented the capabilities and status of development of its computer systems and fraudulently induced Chubb to enter into a contract. The plaintiffs claim damages exceeding $US20 million.

The Hon. DEAN BROWN: As I have indicated, as part of the due diligence process we sent a team from South Australia to both the United Kingdom and the United States to look at outsourcing contracts. We engaged a computer outsourcing specialist legal company from America (Shaw Pitman), which was aware of all those cases and could therefore bring to the negotiating table and particularly the legal table all that sort of experience to make sure that some of the mistakes made overseas were not made here.

It needs to be appreciated that this is a developing area. If we go back 10 years, there was virtually no contracting out of data processing, or very little: most of it was done on simple payrolls and things like that. Over the past 10 years, however, most of the major corporations of the world have undertaken outsourcing of their data processing. For example, Xerox, a huge company with data processing of enormous dimensions around the world, recently signed a $3 billion contract with EDS for data processing. The United States Government has done this with its defence work, the Government of the United Kingdom has done it with its internal revenue service, and the Australian Labor Government in Canberra has done it in a couple of areas including veterans' affairs. They have outsourced all that data processing—and, it would appear, very effectively indeed.

Through, first, going to Canberra and getting legal advice from lawyers who have been involved in the process in Canberra and then going to Shaw Pitman in Washington, we were able to bring together all the various cases where there had been problems with outsourcing contracts. In fact, the lawyer we had involved here was one of the legal negotiators for most of those big contracts around the world in terms of identifying the changes that were occurring in both legal standards and protection for clients. So, I assure the honourable member that we have done this very thoroughly indeed.

I think, though, that there is another point that we need to take up. As I said yesterday, where are the member for Hart and the Leader of the Opposition trying to head on this issue? Are they saying that, simply because EDS has been involved in litigation with the State of Florida, we should therefore not deal with EDS? This matter was raised with me this morning by Keith Conlon on the ABC when he asked me what are the corporate ethics of EDS.

EDS is a fully owned subsidiary of the General Motors Corporation. Am I to go out to Elizabeth and demand that General Motors-Holden's immediately close down its operation because one of its subsidiaries has been involved in litigation in one case in the United States? I would have thought that here in South Australia we would be proud of the fact that General Motors-Holden's has been a very good corporate citizen. In the same way as General Motors-Holden's is a fully owned subsidiary of the General Motors Corporation, so is EDS. But that is not good enough for the Opposition. My question in response to the member for Hart is: do you want this contract or not; do you want 900 jobs created in Adelaide or do you not; do you want EDS to set up its data management system for the whole of Asia—

Members interjecting:

The SPEAKER: Order! There are too many interjections. The Chair is not getting rattled, but members will hear the rattle of the door as they leave.

The Hon. DEAN BROWN: I challenge the honourable member to stand up and tell this House whether or not he supports this deal with EDS and whether or not he wants to see EDS based in South Australia. He is out there knocking every single new development that we happen to bring to this

State. He has been knocking the water contracts for the last 9 or 11 months, and he has been knocking this contract for the last 12 months, yet on the day of the announcement he says that he supports the contract. If ever there was a two-faced, hypocritical man it is the member for Hart who, having said that this is a good deal for South Australia, then tries to stick a knife into it day after day. Why has he done this? He has done this because he is embarrassed by the fact that the Labor Party could not negotiate a deal after six years, whereas we have done so, and done so very successfully, after two years.

TOURISM PUBLICATIONS

Mr LEWIS (Ridley): My question is directed to the Minister for Tourism. What benefits do we as South Australians receive from publications such as *Exploring the Flinders Ranges*, written by Dr Sue Barker, Professor Murray McCaskill and Brian Ward and published by the Royal Geographical Society, South Australian Branch, which the Minister launched this morning? Should we continue to encourage sponsorship of such publications from the tourism, mining and pastoral industries? Whilst I am a member of the Royal Geographical Society (South Australian Branch) and was present at this morning's launch, I nonetheless seek the information because I believe it to be of importance to the future promotion of the State.

The Hon. G.A. INGERSON: This morning I had the privilege of being involved in the release of *Exploring the Flinders Ranges*, which has been put together by the Royal Geographical Society. It is a magnificent tourism publication which, as you would know, Mr Speaker, features very well the area you represent and which has been put together with the help of four or five major Government departments, including the Department of Environment and Natural Resources, the Department of Mines and Energy, the Department of Road Transport and the Tourism Commission.

Mr Clarke interjecting:

The Hon. G.A. INGERSON: No, I am afraid that my photograph is not in the front of it. It has been put together to promote tourism in the Flinders Ranges, and I congratulate all the departments that have worked together in this regard to ensure the effective promotion of tourism in this State. One of the pluses of this magnificent book's publication is the fact that 12 walking trails have been set up in association with it. Warren Bonython was specifically involved, and it covers 147 kilometres. The book features tours that one can take and outlines the geological issues of the region, as well as mentioning heritage issues involving old homesteads, stone tanks and watering points. About 200 volunteers have been involved in the book's publication, and it is something of which we as South Australians should be very proud in the tourism area. I commend the book to every member of Parliament.

EDS CONTRACT

Mr FOLEY (Hart): Did the Premier's worldwide due diligence investigations into disputes between EDS and its clients include the dispute with Blue Shield of California and, if so, what was learnt from that case? The *Wall Street Journal* of 18 May this year reported the following:

> Blue Shield of California concluded last year that EDS's performance was so poor that it needed a change. But it could not just dump EDS because EDS knows more about its computer system than Blue Shield itself.

A senior vice-president of the Californian health maintenance organisation said:

> We are sticking together for the sake of the children.

The Hon. DEAN BROWN: As I indicated, the lawyers we brought in knew of all those cases. The lawyers and therefore the due diligence process in fact covered that. It is relevant that I bring to the attention of the House that the member for Hart went to the Deputy Premier's office last week for a briefing on the EDS contract. That briefing was supplied to the honourable member by both the Office of Information Technology and EDS. They gave him a very detailed briefing, at the end of which the member for Hart asked no questions whatsoever about the validity or safeguards of the contract. What is the credibility of the man who sits here and asks these questions and who went through the briefing and could not even ask a question on the validity of the contract? It goes further than that, because this same member, this same wimp, was offered—

Members interjecting:

The Hon. DEAN BROWN: Yes, he is a wimp, because he was offered—

Mr CLARKE: I rise on a point of order, Mr Speaker. I ask the Premier to withdraw that comment as being unparliamentary.

Members interjecting:

The SPEAKER: Order! The Chair is about to give a ruling. I suggest to the member for Gordon and the Deputy Leader of the Opposition as members who hold senior positions that they do not carry on with what is a very juvenile escapade. I suggest to the Premier that the term 'wimp' is unwise and unnecessary and should be withdrawn.

The Hon. DEAN BROWN: Mr Speaker, I will refer to the honourable member as the member for Hart, as you want me to do.

Mr FOLEY: I rise on a point of order, Mr Speaker. In view of your earlier ruling, I ask the Premier to withdraw the remark that I am a wimp.

Members interjecting:

The SPEAKER: Order! There are too many interjections on my right. The Chair requests that the Premier withdraw the word 'wimp'.

The Hon. DEAN BROWN: I withdraw that word and will refer to the honourable member as the member for Hart. I indicated to the House that last week he had a briefing in the Deputy Premier's office, when he asked no questions about the validity of the contract or about the situation in Florida. There were no questions at all to either the Office of Information Technology or EDS. But, to make matters worse for the member for Hart, on several occasions since that meeting he has been offered by EDS a detailed briefing on the situation in Florida. He has refused that briefing and he has refused to receive the full transcript of the judgment handed down by the Federal Court judge. He came into the House yesterday absolutely ignorant on those matters. Where is the credibility of the member for Hart when people offer him the facts and the chance to ask questions? He does not even have the spine to ask any questions or to have a detailed briefing.

Members interjecting:

The SPEAKER: Order! The Deputy Leader of the Opposition and I think the member for Wright will not continue to interject.

TRADE VISIT, BRUNEI

Mrs PENFOLD (Flinders): Following the involvement by the Minister for Industry, Manufacturing, Small Business and Regional Development in leading South Australia's first ever delegation to Brunei last week, and his meeting with Government and business representatives from the BIMP-EAGA region, can he advise the House what business opportunities exist in this region and what the Government is doing to realise those opportunities?

The Hon. J.W. OLSEN: Following the signing by the Premier and Chief Minister, earlier this year, of the memorandum of understanding between South Australia and the Northern Territory, there was a joint mission to Brunei—

Mr Clarke interjecting:

The SPEAKER: Order! The Deputy Leader of the Opposition is called to order for the second time.

The Hon. J.W. OLSEN: —which was also attended by senior representatives from Indonesia, Malaysia and the Philippines, known as the East Asian growth area. With the organisation and financial help of the Economic Development Authority, 20 South Australian companies presented a range of goods and services including advanced technology, food, skin care products and gems. The trade exhibition was well attended, and the combined South Australian-Northern Territory section attracted special attention because of its outstanding presentation.

I acknowledge the officers in the Economic Development Authority and those in the Industry Department in the Northern Territory who put an enormous amount of effort into the presentation of the products from South Australia and the Northern Territory. As a South Australian looking at it, I was proud to see South Australia and the Northern Territory on show on that occasion. All firms had done considerable market research prior to the exhibition, and early indications are that there is substantial potential for the provision of goods and services from those companies into that region.

During the two days that I was there, I met the Assistant Minister for Industrial Development Sarawak, Malaysia, as well as the Primary Industries Minister of Brunei. The Chief Minister of Sarawak was educated in Adelaide and he visited South Australia earlier this year and met the Premier.

One of the projects of particular interest to South Australian companies is the Bakun power project—a hydroelectric power station which will provide electricity via a power line from this region via Singapore to Kuala Lumpur. A tender to build the power line is expected early next year. South Australian expertise, technology and marketing are required for the establishment of that power line. A South Australian company, one of the 20 companies represented in the region, will be going back early next year, with the support of the Economic Development Authority, to advance discussions further on the provision of that power line.

In addition, discussions were held on the rehabilitation of a sewerage system in Kuching, which has a population of 200 000. It includes plans to draw on the river supply for potable water, and they are looking for a consultancy to assist them in the development of their plans.

There are joint venture opportunities in the petrochemical industry, including gas, a wood-based industry, including furniture making, agribusiness and high tech. In addition, there is training and skills development. In this respect, Malaysia is facing labour shortages and will be importing labour from Indonesia. Opportunities will exist for South Australian educators to provide training and skills development programs for those Indonesian people going to Malaysia on one and two-year contracts to perform their work opportunities.

There is strong interest from Brunei and the Philippines in the development of links between that region and the Northern Territory and South Australia. The memorandum of understanding, the joint mission to Brunei, is a further indication that these trade missions from South Australia are really an investment in this State's economic future.

EDS CONTRACT

Mr FOLEY (Hart): Given the Premier's criticisms of the former Labor Government's management of the Justice Information System and his concerns at the cost blow-outs in that system, why has he appointed Mr Steven Taylor, a former Manager of the Justice Information System, to the position of General Manager in the Office of Information Technology responsible for the management of the EDS contract?

The Hon. W.A. Matthew: That's outrageous.

The SPEAKER: Order! The Minister is outrageous making such comments.

The Hon. DEAN BROWN: The member for Hart, for about the fourth time today, has fallen flat on his face in the mud, because Mr Peter Bridge is responsible for the management of the EDS contract. It is no wonder that the previous Government got into trouble. The member for Hart has made so many mistakes publicly in the past 45 minutes in Parliament that it is no wonder the former Government lost more than $3 billion with a bank and $400 million with an insurance company when he was its senior economic adviser. I would not put him in charge of my piggy bank, because he would blow it within an afternoon.

Mr Clarke interjecting:

The Hon. DEAN BROWN: Well, he did not sign contracts. No-one would come near South Australia whilst we had that inept Labor Government. We know that people came here and tried to sign contracts, as happened at West Beach where the developer was extremely critical of Mr Arnold, to whom the member for Hart was personal adviser, because that company lost millions of dollars as a result of the shabby deal that the Labor Government gave to the West Beach developer. We know the extent to which it upset EDS because it could not reach finality over six years. We also know that it upset BHP Information Technology on the same basis, and literally dozens and dozens of other companies.

I suggest that the member for Hart, before he asks his next question and again embarrasses himself by getting the facts wrong, because he has asked three or four questions today and every time he has made a mistake—

Members interjecting:

The Hon. DEAN BROWN: I just remind you of what you put in your press release this morning. Who has ended up embarrassed today? It is the member for Hart because, once again, he has got his facts wrong.

MENTAL HEALTH SERVICE

Ms GREIG (Reynell): What credibility does the Minister for Health give to recent reports which are extremely critical of the South Australian Mental Health Service?

The Hon. M.H. ARMITAGE: I noted a report this morning which quoted a survey relating to allegations about mental health. I thank the member for Reynell for her

continued interest in this particularly important matter. The reason I am concerned about the allegations is that they reflect a great deal of ignorance as to what is occurring in this important area. The allegations are simply incorrect. They are so incorrect, so false, that I am concerned about the motivation that might be behind the report.

Mental health services in South Australia have gone through a significant change over the past few years, but some people seem to be in a time warp, and that is a great shame. They are unaware of just how much has changed. One of the co-authors of this report, which is a consumer assessment of mental health services and which is to be released shortly, noted, in particular in a radio interview earlier today, that things have been going awry in the mental health area for five years. I remind the House that this Government has been in power for two years. I make absolutely no bones about it: the system that we took over was in chaos.

Let us not forget that a board had been sacked, there was a tragedy at Hillcrest Hospital, the hospital had been closed allegedly to put services into the community, and there was chaos. The first thing that we did when we came to Government was to work out whether the $11 million, which theoretically had been freed by the closure of Hillcrest Hospital to provide services in the community, was actually there. What did we find? Nothing; not one cent was there. The previous Government closed Hillcrest Hospital and provided no extra services in the community.

I will indicate to the House what has happened in the past two years. Prior to March 1994 the number of community mental health workers (including psychiatrists, psychologists, mental health nurses, social workers and so on) in the northern suburbs comprised seven full-time equivalents. There are now 50 full-time equivalents working in that community in the mental health area. In the southern suburbs in March 1994, three months after we came to government, there were 43 full-time equivalents working in the community in the mental health area. Now there are 77.

In the eastern suburbs in March 1994, 31 full-time equivalents were employed; now 63 full-time equivalents work in that community in the mental health area, as well as social workers, mental health nurses, psychiatrists, and so on. In the western suburbs the number has risen from 33 to 72 full-time equivalents. With respect to the country—an area which the previous Government delighted in ignoring because none of its constituents lived there—the previous Government displayed total ignorance of mental health services. In the whole of the rural area in March 1994 seven full-time equivalents were employed in the mental health area; now, 45 full-time equivalents are employed.

In a 20 month period, the number of people working in the community in the mental health area has increased from 118 to 307. I cannot stress enough that the people who write these reports simply are not looking at the facts. They are also not looking at the fact that we—not the previous Government—have introduced a telepsychiatry service for people in the country, so that people living in Berri, Mount Gambier, Whyalla and Port Lincoln are able to have direct access to a psychiatrist; and a director of telepsychiatry has been appointed. The number of full-time mental health workers for children in the community has doubled since we came to Government.

Brand new wards have been opened, just as Burdekin says, and just as the National Mental Health Strategy says. Brand new wards have been opened at the Lyell McEwin Hospital, and I do not hear the member for Elizabeth criticising that. We have installed 20 new in-patient beds at the Noarlunga Medical Centre and, if the unions will let us get on with our plans in the western suburbs, we will provide 30 beds in the Queen Elizabeth Hospital. Clearly, moves are in place to address the absolute mess that was left by the previous Government. The last and most important issue in relation to this report being released is that I, as Minister for Health, dumped the board.

Again, one asks why people would say that, because that is what happened to the previous board under the former Government. A few months ago the then SAMHS board came to me and said, 'We want these changes to be accelerated. We are more than happy to voluntarily disband and to put the power for moving these changes, which we totally support, into the hands of one person at the Health Commission so that it can be done properly and expeditiously, as should occur and as the previous Government simply fluffed.'

No-one is saying that we have yet achieved the perfect model. I understand only too well that demands are still to be met. Of course there are demands; there will always be demands but, when the number of people working in the mental health area in the community is increased from 118 to 307 in a 20 month period, the workers in the system and the system itself deserve commendation and great praise.

MODBURY HOSPITAL

Mr QUIRKE (Playford): Will the Treasurer confirm that the Advance Bank Pty Ltd, through the acquisition of BankSA, has a real estate contract on the BankSA premises at Modbury signed by the Government? Will he further confirm that Healthscope has a similar contract, signed again by the Government, on exactly the same land?

The Hon. S.J. BAKER: I can confirm that there is a BankSA site at the Modbury Hospital, and I can also confirm that Healthscope is running Modbury Hospital.

RIVERLAND CROP DAMAGE

Mr ANDREW (Chaffey): Will the Minister for Primary Industries inform the House what assistance could be made available to Riverland growers who lost crops in the severe frost that hit much of the State on 6 and 7 September this year? Recognising that some crop growth recovery has taken place over the past two months, and that the fruit and grape losses will be quantified only at harvest, I recently organised a deputation from the Riverland to visit the Minister to discuss with him options for assistance.

The Hon. D.S. BAKER: After that very severe frost in September, I pay tribute to the member for Chaffey for his efforts in travelling around his electorate on my behalf and, of course, on behalf of the electorate, to assess damage in that district. He did a very good job indeed. He went further than that, because he also made contact with the member for Mildura to ascertain what damage occurred interstate. In fact, he has gone even further because, on Friday, he will travel to Mildura to consult with the member for Mildura and assess the damage resulting from that very severe frost.

We wanted to ascertain whether we should approach the Federal Minister for Primary Industries to have those people who were affected by this frost in South Australia, Victoria and New South Wales included in some form of exceptional circumstances help. It has now become clear that there will not be assistance under exceptional circumstances. Initially, it was thought that the frost damage was very severe, but it

now appears that, in many cases, the damage will be less than 10 per cent of the total crop.

Yesterday the member for Chaffey brought members of the Riverland Horticultural Council to see me, and they were able to give me an on-the-spot assessment of how badly individual growers have been affected. It appears that quite a few apricot growers could be affected and, in fact, some could lose up to 100 per cent of their crop, but this has not yet crystallised. The amount of damage will not be known until growers have finished their picking season and, in many cases, it will not be known until the end of the financial year. We have said to those people that, under rural assistance schemes, a 50 per cent interest rate subsidy is available to anyone who has suffered those sorts of damages and who can demonstrate that, under Federal and State cooperation and legislation, they need carry-on finance or assistance through interest rate subsidies to keep them going over the next 12 months or so. I thank the honourable member for his help. His district should be proud of him in the way he got out and spoke to all the growers and stood beside them in their hour of need.

Members interjecting:

The SPEAKER: Order! The Deputy Leader should be aware of Standing Order 137.

HUS EPIDEMIC

Ms STEVENS (Elizabeth): My question is directed to the Premier. After negotiating with Garibaldi's insurance company and reaching agreement with QBE about medical care and compensation, did the Government consult with the parents of children and other victims of the epidemic before today's media release by the Attorney-General?

The Hon. DEAN BROWN: I am sure the honourable member appreciates that I have not personally been involved in the negotiations; it has been done through the Crown Solicitor's office. I understand that there has been consultation, particularly between the Crown Solicitor's office, the legal officers involved, the legal representatives for QBE and the lawyers representing the parents. As I understand it, contact has probably been made between those lawyers and some or all of the families involved. If the honourable member wishes, I will obtain further detailed information, but I was assured that it had been a three-party negotiation between the State Government, QBE and the legal representatives or other representatives of the victims involved in the HUS epidemic.

AMBULANCE SERVICE

Mrs ROSENBERG (Kaurna): Will the Minister for Emergency Services advise the House what vital role the South Australian Ambulance Service played in the life-saving rescue of Mika Hakkinen during the Australian Formula 1 Grand Prix?

The Hon. W.A. MATTHEW: I thank the member for Kaurna for her ongoing interest in and support of ambulance personnel, be they paid staff or volunteers. Following the justified praise yesterday in this Parliament by the Premier for the life-saving treatment undertaken by the medical team at the Grand Prix, I wish to take this opportunity to put on the record my tribute to members of the SA Ambulance Service for the work they undertook at this incident. I am advised that the first response to the accident scene was by a track medical officer, who was situated some 20 metres away from the accident and was equipped with a first response medical kit. The second response was by the crew of First Intervention Vehicle Four, crewed by Doctors Lewis and Cockings, ambulance officer David Hansen and CAMS driver Don Grieveson. Given the critical nature of the accident it was necessary to bring Extrication Team Two to the site, which responded with an additional medical officer and four ambulance personnel.

Mika Hakkinen was then extricated from his vehicle by ambulance officers using their Russell Extrication Device and a cervical collar to support his spine. He was then placed on a special beanbag mattress which, when the air is evacuated, forms the shape of his body and so supports the patient in the best possible way. I am advised that this crucial process was completed within just three minutes of the accident having occurred. This highly skilled team, comprised of doctors and ambulance officers, then treated Mika for approximately 16 minutes on the track side, administering fluids and drugs and performing a tracheotomy to provide an adequate airway for his breathing. There is no doubt that this treatment saved the driver's life.

The critically ill Formula One driver was then transported by ambulance to the Royal Adelaide Hospital, with transport taking just two minutes. The hospital's emergency staff were waiting on standby, having been advised of the impending arrival of the injured Formula One driver and his condition by the dedicated ambulance radio network specifically set up at the Grand Prix.

This professional team response involving both ambulance service and medical staff has received justified international recognition and, indeed, it has been said that this particular rescue has set a new role model to be adopted internationally. As Emergency Services Minister, I am very proud of the role of SA Ambulance Service personnel in this incident. It is a good indication of the commitment and training of the 33 ambulance personnel who worked at the Grand Prix for the duration of the four day event.

HOSPITAL REGIONS

Ms STEVENS (Elizabeth): Is the Minister for Health concerned by strong opposition to the inclusion of Whyalla Hospital in the northern and far western health service region and will he accede to requests for Whyalla Hospital to be established as the eighth region in country South Australia? Twenty eight doctors from the Whyalla Visiting Medical Officers' Association have written to the Minister and claimed that the Whyalla Hospital has been ignored and downgraded. The letter to the Minister states:

> This is disgraceful and shameful conduct by your officers.

The letter says that, in spite of Whyalla's representing almost 50 per cent of people in the new region, Whyalla Hospital has only one board member out of 14 and that services may be lost and specialists leave the area. The doctors also claim that the cost of $172 000 to establish the new northern region could be better spent on health services.

The Hon. M.H. ARMITAGE: The matter of regionalisation and whether Whyalla ought to be a specific region or part of a larger region containing the Port Augusta Hospital and about 10 other hospitals (I forget the exact number, but it is about that number) is crucial to the whole matter of regionalisation. In answering the question, I will take the member for Elizabeth back over the history of regionalisation.

The regionalisation exercise has been on the agenda, not in a bipartisan form, but both Parties have looked at it in a different fashion for five or six years. Indeed, there is the legendary green paper brought down by the previous Government when, I think, the Hon. Don Hopgood was the Minister. There was the even more legendary light green paper brought out by the member for Elizabeth's immediate predecessor, and both papers were saying that the benefits of regionalisation to the health system in South Australia and to country South Australia were paramount. We thought things were wrong with the way that was occurring but, nevertheless, the principle of regionalisation, which is allowing local areas to make local decisions, is important and it was part of our election policy. We have pressed on with that and we are now at the end stage of that process.

When the regions were first being drawn, I had one particularly interesting day in my office when representatives from the Whyalla Hospital came to me and said, 'We do not want to be in the region with all the other little hospitals, because the little hospitals will band together and outvote us.' On that same day I had a number of representatives from the little hospitals saying, 'We would rather not be in the region with Whyalla Hospital, because the big hospital will take us over.' That indicates the two different views. The bottom line in this is that regionalisation is a process for a better extension of services into regions and, when people are on regional boards, I expect them to take a regional perspective as they are no longer the representative of their hospital. They are to take a regional perspective and, accordingly, I believe that provides the role for Whyalla as a large hospital and for all the smaller hospitals.

TRAINING AWARDS

Mr ASHENDEN (Wright): Will the Minister for Employment, Training and Further Education inform the House how South Australia performed in the recent National Training Awards?

The Hon. R.B. SUCH: I thank the member for Wright for his question. Last Thursday night I had the privilege of attending the Australian National Training Awards dinner in Sydney. It was a great pleasure to see a South Australian, Joseph Cleland (Joe, as he prefers to be called), win the national award as Aboriginal/Torres Strait Islander Trainee of the Year. He won the South Australian award and I was delighted that he was able to visit Parliament today, because he is a fine example to other young Aboriginal people. Joe is a third year carpentry and joinery apprentice at Douglas Mawson Institute and he is employed by TAFE. As a result of winning the national award he will be travelling overseas on a study scholarship. It is to his great credit, because he wants to be a role model for other young Aboriginal people. He has already achieved and we should all be proud of his efforts. We wish him well on his study tour overseas as a fine example of a young Aboriginal lad achieving and setting a good example not only for young Aboriginal people but for all young South Australians. Well done to Joseph from South Australia.

SOUTHERN DISTRICTS WAR MEMORIAL HOSPITAL

Ms STEVENS (Elizabeth): Will the Premier take action to ensure that the Southern Districts War Memorial Hospital is upgraded to provide 45 public hospital beds in line with commitments made by him—

Members interjecting:

Ms STEVENS: —to the hospital in 1993—not me.

Members interjecting:

The SPEAKER: The Premier. The member for Mawson.

The Hon. DEAN BROWN: I am delighted that this question—

Members interjecting:

The SPEAKER: The members for Mawson and Spence are both warned.

The Hon. DEAN BROWN: I am delighted—

Members interjecting:

The SPEAKER: The member for Mawson is warned for a second time.

The Hon. DEAN BROWN: I am delighted that this question has been raised by the honourable member opposite, because it gives me a chance to put on the record exactly what has occurred with the Southern Districts War Memorial Hospital over a number of years. First, under the former Labor Government funding for this hospital was cut by 40 per cent—

Members interjecting:

The Hon. DEAN BROWN: By 50 or 60 per cent, as the member for Mawson suggests. There was a cut of between 40 and 60 per cent in the funding for this hospital.

Members interjecting:

The Hon. DEAN BROWN: There was a huge and massive slashing by about half in terms of funding.

Members interjecting:

The Hon. DEAN BROWN: If the honourable member will listen, she will learn for once.

The SPEAKER: The honourable member will not be here if she—

Members interjecting:

The SPEAKER: Order! The member for Elizabeth will not interject again.

The Hon. DEAN BROWN: I can point out to the honourable member that, given that the funding was cut by about half under the former Labor Government, having attended a very hostile public meeting against the former Labor Government at McLaren Vale, the incoming Government made a number of commitments, all of which it has lived up to, including an excellent deal whereby the hospital got a number of private beds at no cost. I think it was 15—

An honourable member interjecting:

The Hon. DEAN BROWN: Turned it into a private hospital with 15 private beds.

An honourable member: It was 25.

The Hon. DEAN BROWN: It was 25 private beds at no cost whatsoever. If you worked out the benefit of that to that private hospital, you would see that it was about $90 000 a bed, times 25, and that shows the huge benefit given to that hospital by the incoming Liberal Government. Then the hospital (which members will appreciate is a private hospital, with a private board) blew the budget very quickly indeed. Under any circumstance, I guess the Government, having given this enormous benefit and having contracted back 15—

Ms Stevens interjecting:

The Hon. DEAN BROWN: The member for Elizabeth should just listen, because I heard her on this subject publicly a few days ago and she was wrong—plainly wrong. I invite the member for Elizabeth—and I know she is new to this place; I know she was not an adviser to the former

Government—to just sit and listen to the facts. She would not know. I suspect she has paid one visit there only. She is a Johnny-come-lately, trying to buy in politically, knowing that at the hospital—

The Hon. S.J. Baker: A Jill-come-lately.

The Hon. DEAN BROWN: Yes, a Jill-come-lately. Knowing that there is a little bit of concern, she is trying to stir up a political storm on this issue. Let us be quite clear, because the honourable member has touched on a hospital which used to be in my electorate and which is now on the border of my electorate. I know the facts extremely well—much better than she does. So, given that the funding was cut by 50 per cent, this Government then gave it 25 private beds at no cost and contracted to take 15 of its beds as public hospital beds. On top of that, when the funds were mismanaged and the hospital ran out of money at the beginning of the year, in about March, this Government stepped in and put in additional funds to make sure that the hospital got to the end of the financial year. It also put into that hospital an administrator to look at the financial situation. We found that the funds of the hospital had been mismanaged, and mismanaged very badly.

We then brought in probably the best private hospital manager in the State, the Ashford Hospital, and asked it to look at the entire hospital. We found that the hospital had made substantial investments without any business case being put together for them. In other words, it decided to invest money in new facilities, and it had not even bothered to ring the local doctors to find out whether the doctors were going to refer patients to the hospital. What it found was that the hospital spent the money on additional facilities, but then the doctors did not use them. Ashford Hospital, which had been brought in as a hospital manager, found that the facilities were there, the investment had been made but there were no patients to bring any revenue into the hospital.

If I remember rightly, the Health Commission approached every doctor, GP and specialist in the southern districts, and it got one response only from a doctor wanting to use the facilities. It then telephoned the doctors and the specialists, and it got two responses.

The Hon. M.H. Armitage: It was Ashford.

The Hon. DEAN BROWN: Ashford did the telephoning, not the Health Commission. What you had was a complete mismanagement of both the investment and the funds during the financial year by the board of the hospital, and in particular by the administrator, who I understand had his employment terminated by the hospital board. As a result of that, the hospital is now facing closure—and I stress that this Government has bailed it out not just once but three times. Therefore, what more would the honourable member now be asking this Government to do, after it has bailed out this hospital and the inadequate financial management on three occasions? Surely the member for Elizabeth is not asking us to go and squander more public funds on a hospital that clearly is not attracting the patients.

OFFICE FOR THE AGEING

Mr SCALZI (Hartley): My question is directed to the Minister for the Ageing. When will a permanent appointment be made to the position of Director of the Office for the Ageing? A number of agencies are inquiring about the future of the position, because the current appointment of Director is on a temporary basis only. Members would be aware that I have a significant ageing population in my electorate and a lot of organisations that serve people from diverse background. They are concerned about the status of this position, and therefore I seek a resolution.

The Hon. D.C. WOTTON: I am very happy to be able to provide a resolution to the honourable member's major issue. Quite seriously, the member for Hartley has referred to the large number of older constituents in his electorate, and I know that he looks after them very well. The position of Director and the appointment of an advisory board on ageing are central to major changes being implemented in the structure of the Office for the Ageing in South Australia. Before I indicate to the House who the new Director will be, I would like to take the opportunity to be able to commend the current Acting Director, Ms Judith Roberts, who has done an outstanding job in helping drive a number of policy and department changes to ensure the office is in a position to lead and change policy on ageing issues in South Australia. Of course, we all realise that our State has the nation's fastest growing ageing population.

I am very pleased to be able to announce that South Australia's first full-time Director of the Office for the Ageing, which replaces the previous position of Commissioner, will be Mr Jeff Fiebig. He is currently the assistant State Manager of the Department for Human Services and Health, with responsibility for aged care, health, and Aboriginal health. His major responsibility over the past 10 years has been the management of the Commonwealth's aged care program in South Australia. Over the past 12 months, he has been a member of the reference group—

An honourable member: Is he South Australian?

The Hon. D.C. WOTTON: —yes, he is a South Australian—for the 10 year plan on aged services. He has been able to bring a wealth of experience to this group from his background in aged services, and his contribution has been excellent. Mr Fiebig is well respected by the South Australian Council on the Ageing, and in the community. I look forward, as I am sure do all members of the House, to the strong contribution that Mr Fiebig will make with the new restructured Office for the Ageing in South Australia.

PORT PIRIE REGIONAL DEVELOPMENT BOARD

Mr CLARKE (Deputy Leader of the Opposition): My question is directed to the Minister for Industry, Manufacturing, Small Business and Regional Development. Why did the Government renege on an undertaking given by the former Labor Government to the Port Pirie Regional Development Board that investors in the proposed Port Pirie container manufacturing venture would receive an establishment incentive of $1 million and a full 10 year payroll tax exemption, together with other incentives; and what is the Minister currently doing to ensure that this project is not lost to the people of Port Pirie? The Port Pirie container venture would provide employment for up to 285 people when full capacity was reached, as well as being a major import replacement industry. The Liberal Government has offered only a $500 000 establishment incentive payment and a payroll tax exemption up to a maximum value of $2 million, which would be significantly less in value than the 10 year exemption offered by the former Labor Government. South Australia does extend beyond Gepps Cross.

The SPEAKER: Order! The Deputy Leader is commenting.

The Hon. J.W. OLSEN: Let us just compare the two payments, that offered by the former Government and that

offered by this Government. The assistance package being discussed by the previous Government for the project happened to be-

Members interjecting:

The Hon. J.W. OLSEN: I am glad it was asked. I sent the question over a little earlier. In the first instance—and this refers to the former Government—it involved $450 000 in business incentives based on 100 to 300 jobs. That was verbally conveyed to the Regional Development Board and to potential investors. No written offer was made, as the project was still being defined in discussions with potential investors.

An honourable member interjecting:

The Hon. J.W. OLSEN: This is from the files of the Economic Development Authority of South Australia and the officers who have the responsibility of making allocations and incentive packages on behalf of the Government of South Australia. I suggest to the Deputy Leader of the Opposition that its authority, therefore, is unquestioned. It involved finance under the South Australian Housing Trust factory finance scheme and a payroll tax rebate under the enterprise zone scheme for 10 years. The current assistance package offered by this Government is a $500 000 business incentive ($50 000 up on the former Government's proposal), with finance under the South Australian Housing Trust—

Mr Clarke interjecting:

The SPEAKER: Order! The Deputy Leader of the Opposition is out of order.

The Hon. J.W. OLSEN: —factory finance scheme and a payroll tax rebate to a maximum of $2 million over 10 years. If the schemes are compared, some consistency has clearly been maintained in the offer for this particular project. I highlight to the Deputy Leader that the gestation period for this project has been somewhat long. The possibility has been discussed with a range of potential investors, and there has been a commitment from this Government to assist them. As the Chairman of the board, now Mayor of Port Pirie, would be able to attest, during the Christmas-new year period, on either a Sunday or a holiday (I forget which day it was, but it was a non-working day), with a view to specifically assisting this project I met with people who had travelled from overseas.

In relation to regional economic development, the Mayor of Port Augusta introduced the 'north of Gepps Cross' line, and the Deputy Leader is using a pretty old and hackneyed throw-away line Mayor Baluch used about 10 or 15 years ago indicating that South Australia ended at Gepps Cross. Let me respond to that old hackneyed phrase. Regional economic development funding, since the November 1993 election for the electorate of Frome, where the local member has consistently pursued the interests of his electorate—

Members interjecting:

The Hon. J.W. OLSEN: He has not done badly, because his district has had about $655 000 worth of assistance in the form of Regional Development Board funding for two consecutive years of $150 000; a BARA officer of $60 000; special board projects in 1993-94 of $60 000, and $50 000 in 1994-95; the Peterborough regional office of $40 000; a prospectus for a company in Port Pirie to undertake a float of $15 000; a by-products plant of $75 000; and a mainstream program total for the area of $55 000, making a contribution from the South Australian Government to the particular region of $655 000.

It really does put a lie to the claims by the Deputy Leader when he goes there and says that regional development commitment is just lip service. Some lip service, Mr Speaker—$655 000 and commitments on the debt to assist this particular project! I have consistently discussed it with Mr Madigan, the board and the council and will continue to do so.

Members interjecting:

The SPEAKER: Order!

The Hon. J.W. OLSEN: I am more than willing to facilitate matters in regional areas of South Australia and will continue to do so. Given the time, I would not want to go through the whole list of companies we have assisted in regional areas which not only saved but created new jobs in South Australia. What this Government has done with its regional economic development package is give-

The Hon. Frank Blevins interjecting:

The Hon. J.W. OLSEN: We are practising what we preach. We practise what we preach in assisting regional economic development boards, as has been clearly demonstrated in this case.

Members interjecting:

The Hon. J.W. OLSEN: It seems to me I need to go through all these companies and projects. I would hate there to be any doubt about the commitment of this Government to regional economic development. If that is accepted at face value by the members opposite, I am pleased that at least they can see that point today.

SOUTHERN DISTRICTS WAR MEMORIAL HOSPITAL

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

Leave granted.

The Hon. DEAN BROWN: The member for Elizabeth asked a question a few minutes ago about the Southern Districts War Memorial Hospital at McLaren Vale. It is appropriate that I bring to the attention of the House, first, statements made by the honourable member in the Messenger Press on 4 April. I have heard the honourable member making public statements during the past two weeks calling on this Government to make more effort to keep this hospital open. On 4 April last the honourable member told the House—

Ms Stevens interjecting:

The Hon. DEAN BROWN: The honourable member said:

> Public money should not be spent on propping up the McLaren Vale private hospital, Opposition Health spokeswoman Lea Stevens says. Ms Stevens says the Health Commission paying specialist management consultant Jeremy Syme to assess the Southern Districts War Memorial Hospital is 'outrageous'.

She goes on to say:

> It should be run on its own . . . if it is a private hospital (finances) are their business. It has already had a lot of Government assistance with more beds and a redraw of the boundaries to qualify as a country hospital.

Here we had the honourable member just six months ago taking one stance whereas for the past two weeks she has gone to the other end of the spectrum.

Members interjecting:

The Hon. DEAN BROWN: I also draw to the attention of the House a letter received by the Government from the board of this hospital on 26 July 1994. I will quote only part of the letter, because it is reasonably long, as follows:

> The hospital agrees in principle with the conditions that the hospital will be licensed as a 25 bed 'private community' hospital, designated in the country. This action would restore the original status of the hospital and would not affect the provisions of public services which are to be based on a casemix contract.

The letter continues:

> The consideration that you have given to the hospital is greatly appreciated by the board and the community.

Ms Stevens interjecting:

The Hon. DEAN BROWN: That was a letter to the Minister for Health, and members can clearly see that when it suits the member for Elizabeth she will go down and play politics, even though the matter is one affecting the other side of Adelaide entirely, and even though six months ago she was advocating that no money should be put into that hospital whatsoever by the State Government. The Government has put the money in—

Ms Stevens interjecting:

The SPEAKER: Order! I name the honourable member for Elizabeth for continually defying the rulings of the Chair.

The Hon. DEAN BROWN: I would—

The SPEAKER: Order! The Premier will resume his seat. Does the member for Elizabeth wish to be heard in apology or explanation because of her continual defying of the rulings of the Chair?

Ms STEVENS: I apologise for my interjections.

The SPEAKER: I point out to the member for Elizabeth that the Chair has been most tolerant and has endeavoured to take into account the small number of members on the Opposition benches. On this occasion I am prepared, with a great deal of reservation, to accept the explanation. Let me say to the member for Elizabeth that the Deputy Leader of the Opposition has gone very close to being named for his conduct. This is the final warning to all members. No further explanations will be accepted by the Chair. The honourable Premier.

The Hon. DEAN BROWN: I have clearly made my point. The member for Elizabeth has switched for no more than pure political convenience from one complete spectrum to the other. One moment she says that no public money should be put into this hospital—

Mr QUIRKE: On a point of order, Mr Speaker, clearly this is debate, not a ministerial explanation.

Members interjecting:

The SPEAKER: Order! The House has given leave to the Premier to make a ministerial statement, and the Premier is proceeding. I accept that the Premier has strayed a considerable distance in this ministerial statement. I ask him to wind up his remarks, because he indicated that the ministerial statement would be brief.

GRIEVANCE DEBATE

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

Mrs PENFOLD (Flinders): Today, I have two stories from Flinders that are an inspiration for others. Two people on Kangaroo Island who asked themselves the question, 'What can I do?' have come up with profitable enterprises using native flora. They are Ian Schaefer, a fourth generation farmer on the island, and Jayne Bates. Just over three years ago Ian looked at a pot plant in a plastic pot in his lounge and thought how much better it would look in a timber tub. So he made one from the timber of the Kangaroo Island swamp gum (*eucalyptus cosmophylla*). Friends saw his container, liked it and asked for one to be made for them. So a business was born. Ian felt that, if that was the response locally, others could well be interested in buying wooden tubs for pot plants.

It took Ian one day to make a suitable container for his plant; now it takes 12 minutes. The planters are crafted from naturally fallen timber which is allowed to cure in its natural state. Some of the timber being used is from land cleared 45 years ago—it supplies the rich dark coloured timber—some is from windfallen trees, and some is from trees killed by rising salt. The fallen trees must mature for five to 10 years. The crafts made do not require a lot of timber. Ian is now researching the growth rate of the swamp gum with a view to planting trees for future use and also to combat a salt problem.

This remarkable business was made without borrowing any capital. Ian's workshop typifies the Australian farmer's ingenuity. Starting with a simple Triton saw bench, he has now set up machines, all of which have been manufactured from salvaged materials and described by one person as a Heath Robinson prototype, which enable him to carry out all the necessary steps to produce the end product with a minimum of time and effort. Standard machines to handle the processes were unavailable, and having machinery custom built was not an option because of the high cost.

Having developed a product, Ian then had to find a market. He started by selling locally in island craft centres then ventured into Adelaide craft shops. He personally visited the potential markets armed with a business folder showing photographs of the range of products, price range and a business survey sheet. To keep up with the marketing side of the business, Ian devised a computer program to keep records, not only of customers and accounts but also to keep a close check on the market trends for the various articles. The planter tubs are still the principal product manufactured in this amazing workshop. However, Ian has branched into bottle stands, jewel boxes, coffee tables and bread boards. This range of goods is geared to the upper end of the market. Ian is now developing a swamp gum letter opener which will enable him to tap into the lower priced souvenir market.

The swamp gum is ideal for the craftsperson because of its beautiful colours, with the older wood having rich earthy tones. Ian is believed to be the only craftsman working solely with this unique wood. There is practically no waste, the smaller offcuts being used to make bread and cheese boards in a design of small pieces of timber, ensuring that each design is unique. And to quote from Ian's advertising: another plus is that no trees are cut down to make the products. This is the story of a waste product (dead trees) being turned into a fast growing industry.

Another success story using the unique flora of Kangaroo Island is the export of *thryptomene erica*. Jayne Bates, realising the advantages of diversification, attended a flower growing seminar on Kangaroo Island where an exporter held up a sample of *thryptomene* and spoke of its export potential as a cut flower. Island people have long used this flower in floral arrangements, so last year Jayne arranged for a trial shipment. There was no need to seek out a market; the market came to the door. More flowers were wanted. It was evident that more suppliers were needed. So Jayne rang around and had a dozen families picking 3 000 bunches a week during

the picking season from mid-August to the end of September. The optimum time for picking is when the spray is 60 to 80 per cent in flower. Quality control is vital. It is hard backbreaking labour, but at a rate of 250 kilograms a day at a return of $3 a kilogram it is worth while.

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

Mr ATKINSON (Spence): The Premier's statement in the House yesterday on the Indochinese Women's Association lost a sense of proportion. The idea that the struggle for control of the organisation could affect the outcome of any seat in the coming Federal election is merely funny. I think the Premier realised this when he prefaced his unprovoked attack on Councillor Tung Ngo with the words 'As I am advised', the full sentence being:

> As I am advised, this election in fact represented an attempt by the Australian Labor Party to gain control of the Indochinese Australian Women's Association for Federal election purposes.

ICHAWA is a benevolent association relying mainly on Commonwealth funds. It has no influence whatever on people's voting intentions in a Federal election, and its money and staff cannot be used for that purpose and never will be. There has been a personality clash between people supporting Sister Elizabeth Ngia and people critical of her role. The result of the ballot resolved the matter in favour of the supporters of Sister Elizabeth. There, I think, the matter must rest.

When I was approached weeks back by the ICHAWA dissenters, I gave them a hearing and then raised their concerns with the appropriate person, namely, the Premier's Parliamentary Secretary for Multicultural and Ethnic Affairs, the Hon. Julian Stefani. Our conversation was respectful and proper. It is a pity that the struggle for ICHAWA has now been overlaid by Party political involvement. Let us be clear where this political involvement originates. I was invited as Labor's spokesman on multicultural and ethnic affairs and as the local MP for the Woodville area to attend the meeting, as I had done the previous year. I declined the invitation. I could foresee how the presence of a politician could be misinterpreted in the circumstances of a bitterly contested annual meeting.

Allegations have been made by disappointed candidates against the Hon. Julian Stefani. These allegations have been made not merely because the Hon. Julian Stefani attended the meeting but because he participated in the slanging and the canvassing. I do think Julian should have foreseen the consequences of his participation, even if the allegations against him are not correct. The first reaction of the Premier to these allegations was not to explain the Hon. Julian Stefani's conduct but to attack Councillor Tung Ngo, who last May was the first Vietnamese-Australian to be elected to local government in South Australia. The Premier told us that Councillor Ngo attended the ICHAWA meeting and, horror of horrors, Councillor Ngo is a member of the ALP.

Let the House be in no doubt about Councillor Ngo. There is no allegation by anybody that Councillor Ngo behaved improperly at the meeting or that he should not have been at the meeting. The only allegations of improper conduct are against the Hon. Julian Stefani and Mr Jorge Navas, the husband of the defeated presidential candidate. The House can work out without further explanation that Tung Ngo is of Indochinese origin and the Hon. Julian Stefani and Mr Navas are not.

Tung Ngo came to Australia as a 12-year-old in the company of his older sister. He had fled communism in a boat. He is a thoughtful, polite and sensible young man training to be a school teacher. His community is proud of his achievement. The Premier's only allegation, made in the fourth paragraph of his statement yesterday, is that Councillor Ngo attended the meeting and that Councillor Ngo is a member of the ALP. Here the Premier did something that not even National Action's Michael Brander did during the Enfield council campaign in which Mr Brander and Tung Ngo were candidates in May: he tried to smear Councillor Tung Ngo. This comes on top of the Premier's statement in the House last year that people who criticise the human rights record of the Socialist Republic of Vietnam, such as Councillor Tung Ngo and I, should apologise to the Vietnamese community in South Australia. I do not know how the Vietnamese community in South Australia is supposed to apologise to itself. I do hope that this is the end of this unpleasant episode.

Yesterday, during Question Time, the Minister for Employment, Training and Further Education admitted that a member of his personal staff had telephoned the Opposition spokesman and pretended to be a TAFE student for the purposes of obtaining a document to which he was not entitled. The Minister has not disciplined his staff member for this impersonation. Just before the last election, the vice president of the Liberal Party, Mr Shane O'Connell, rang the ALP head office purporting to be Mr Bernard O'Connor, a member of the Spence ALP sub-branch and a resident of 4 Paget Street, Ridleyton, for the purpose of obtaining tickets to the ALP's campaign launch. Owing to my intimate knowledge of Spence's 300 ALP members and my own electoral district, I was able to tell the ALP from memory that Mr Bernard O'Connor was not a member of our sub-branch and that 4 Paget Street was a business address and not a private residence. Mr O'Connell's business is at 4 Paget Street.

Mr ANDREW (Chaffey): I congratulate the Premier on his continuing initiative in respect of the clean up of the Murray River via the Murray-Darling 2001 Bicentennial project and on the progress that he is achieving in convincing neighbouring Premiers from New South Wales and Victoria of the need to contribute to the $300 million plan to improve the Murray River. There is no doubt in my mind that, by the Premier and this State taking the leadership and initiative in this process, we as end users of such a valuable resource, and one that is unfortunately continuing to deteriorate in quality terms—and this is well documented—will be the real beneficiaries from any increase in commitment from our Eastern neighbouring States or from the Federal Government. I note that the Premier has already secured an in-principle agreement from the Federal Coalition Leader, John Howard, for increased support in this area from a future Federal Coalition Government.

Since the Premier's suggestion over recent weeks of a special levy, possibly on water use, to fund further improvement of the Murray River, I have used the opportunity over the past two or three weeks to talk publicly, either casually, formally or by invitation (particularly to irrigators), about the proposal. During that time I have received a spectrum of letters, phone calls and discussions on the issue. I will briefly summarise and put on the record a collation of some of those comments and communications which I have received over the past couple of weeks and which I have formally conveyed

to the Premier and to the Minister for the Environment and Natural Resources.

First, I believe that Murray River irrigators generally accept that more needs to be spent on projects for the enhancement of the Murray River—whether this be through specific infrastructure projects, facilitation of education for irrigators or improvement of irrigation systems in the irrigation arena. Secondly, there is an understanding that the use of Murray River water resources by New South Wales and Victoria is nowhere near as efficient as that of South Australia. Because of drainage impacts in those States—particularly in Victoria—there is under-utilisation of that resource, and because of this there is significant potential and opportunity for South Australia to negotiate increased Murray River flows for environmental reasons or for further development in South Australia. Further, the fact that irrigators do not currently pay a water resource levy in South Australia, unlike Victoria and New South Wales—and Victorian irrigators would argue that they pay .5¢ per kilolitre as a resource levy—is a major impediment to negotiations on such transferability.

Overshadowing this is a national competition policy which was set in place in early 1992 by COAG for a national strategy for ecologically sustainable development. It was further agreed to in terms of the reform of the water industry with particular reference to water pricing. Naturally, there are also concerns that beneficiaries of all Murray River water should contribute to its clean up— whether they be urban, commercial, domestic or industrial users. There should be clear criteria in respect of how the money is spent so that any levies raised do not go into State funds but are spent on specific improvement projects in South Australia directly associated with improving the quality of Murray River water. I have recently been able to indicate to people in my electorate that that will be an important responsibility of the Murray River Catchment Management Board when it comes into operation from July next year.

I have indicated that any levy on irrigators must be fair and affordable. It should be consistent with the earning capacity of the land, if possible, or provide incentives for improving the efficiency of the irrigation system operating. I believe that any price near 1¢ a kilolitre is unrealistic for irrigators. I have strongly put this argument to the Premier and to the Minister for the Environment and Natural Resources. I look forward to the South Australian community continuing to support the Premier and the Government in their priority to improve the quality and the future of the Murray River as a major and fundamental resource for all South Australians.

Mrs KOTZ (Newland): It concerns me that day in and day out in this place my poor ears have been assailed by the assaults of the member for Elizabeth on all matters relating to health services in this State. I bring to the attention of this Parliament some of the positives in the health area. First, I refer to the area represented by the member for Elizabeth in this Parliament. I am quite sure that the member for Elizabeth will support the substance of my remarks. The Northern Metropolitan Community Health Service has been undergoing new structural reorganisation. I am sure that the majority of members in the northern metropolitan area would have received a report from the director of that health service which would have brought them up to date on exactly what has happened in respect of the amalgamation of the Salisbury Community Health Service, the Lyell McEwin Community Health Service, the Tea Tree Gully Community Health Service and the Elizabeth Women's Community Health Service. They have been amalgamated into one larger provider unit which was proclaimed on 3 July 1995.

The director advises members of the appointment of a new board of directors, with the chairperson being Ms Anne McLennan and the deputy chairperson being Mr Peter Whittington. Other appointments to executive positions include Ms Michele Falconer, who has been appointed to the position of chief executive officer, and Ms Jan Horsnell, who been contracted to act in the position of chief executive officer. Ms Raven North has been appointed to the position of director, services and programs. Other appointments and the location of service providers are also provided within the report, including a report on the expansion and development of the buildings that are required to house the administration of the health service.

At Munno Para, plans are well under way for a new service site. The health services embarked on a collaborative venture with the Family Planning Association. The new site will be in the new Munno Para shopping centre and is scheduled to be operational by the end of the calendar year. In the area of youth services at Salisbury, the current site is in the Parabanks shopping centre at Salisbury, but this is considered to be completely inadequate. So, negotiations to lease the shop fronts adjacent to the current facility are under way. Plans are nearly completed for the internal fixtures on that site. At Salisbury West the planned expansion to the Salisbury West team has meant an expansion to its buildings, and planning is commencing for those extensions. With respect to the corporate office on Commercial Road, a two-year lease on the office adjoining the existing site has been taken out to accommodate the corporate and administrative functions as well as the regional service positions.

The report runs through the many different services now introduced into the northern metropolitan area, and the director concludes with these comments:

> While this organisational change has been managed within a climate of resource reduction and radical change in the public sector, the driving force for the development of the. . . service has at all times been the health needs of the community in the northern metropolitan region. . . as a result, the quality of services has not been compromised and, in fact, the quality, range and availability of services have been enhanced within our current limited resources.

She goes on to say:

> It is widely acknowledged that people in the northern metropolitan community have significantly higher health needs which are exacerbated by issues of compound disadvantage. We believe that the creation of the Northern Metropolitan Community Health Service places us in a strong position to advocate for their needs and for increased resources to better meet those needs. We have received enthusiastic support from the South Australian Health Commission and the Minister for Health and we are hopeful that our plans will be received by our colleagues and our community.

I can assure Miss Horsnell that we are delighted with the progress that has been made under her direction, and we commend the hard working efforts to bring this multi-faceted and quality health service to the northern region. I am quite sure that if the member for Elizabeth reads this document, 'Information update on the formation of the Northern Metropolitan Community Health Service,' which covers six pages, she will be as impressed as we are.

Mr FOLEY (Hart): I rise again to talk about the EDS issue. Today the Premier has launched a very personal attack on me, throwing words at me such as 'wimp,' 'childish,' and all that. I can live with that. I am big enough and have broad

enough shoulders to live with that abuse. However, it just shows how sensitive the Premier is on this issue. The Premier today challenged me—

Mr LEWIS: I rise on a point of order, Mr Acting Speaker. During Question Time today the member for Hart sought and had the Premier withdraw that expression because he considered it to be unparliamentary, so he cannot refer to it in this debate. For him to refer to it still flies in the face of Standing Orders and their intent regarding the conduct of business and the control of quarrels in this Chamber.

The ACTING SPEAKER: The point is taken. There is no point of order.

Mr FOLEY: Thank you, Sir. This tactic is used every time I rise to speak on this issue. Today the Premier challenged me to restate my position on EDS. I will do it: it has not changed from day one. I welcome EDS's corporate commitment to this State, but I would be failing in my duty as the Opposition shadow Minister for Industry if I did not put the Premier under scrutiny on this contract and, indeed, EDS itself.

This is the largest contract of its type ever entered into by any Government anywhere in the world. It is the first contract of this type to be entered into by this Government, and for me not to be asking questions and putting the Premier's performance under scrutiny would be most negligent. I would have thought that we had learnt from the past that we cannot afford to make mistakes when dealing with multi-million dollar Government contracts.

The disturbing admission today by the Premier again centred on the State of Florida. As we know, the State of Florida has entered into a $60 million law suit with EDS. Yesterday in this House the Premier attempted to make the point very strongly to me that I had not, in his words, read the 63-page judgment of an independent Master of the court in America. Today we had the astonishing admission by the Premier that he had not read the same document that he accused me of not reading yesterday. What is even more frightening and damaging to the Premier's credibility is that he did not read it before signing the EDS contract. Worse still, he was made aware of the existence of this document 10 weeks before he signed the contract whilst he was in America. That is a devastating admission by the Premier. It goes further to make me a very worried member that this Premier had not done the most basic homework.

My criticism is not with EDS; it is with the Premier and the way that he has handled this project. I expect the Premier of this State, before signing away for a generation this State's IT expenditure, to have done his homework. He came into this place yesterday and accused the Opposition of not doing its homework and then made the startling revelation today that when he should have read a document he failed to do so. On that issue the Premier stands condemned. Today, he said that he had read a summary.

It is time now for me to issue a challenge. I challenge the Premier to show this Parliament and the public of South Australia the summary of the Master's report into the conflict between EDS and the State of Florida that he saw when he was in the United States. If he cannot reveal that document, more questions must be asked. Even if such a document exists, how can it be as important as the Premier taking the time to read the judgment, decision or recommendations, particularly in the light of his performance yesterday and his saying that he was on top of the issue and had done his homework?

Let us remember that this Premier announced this contract 15 months ago—15 months too early. He could not contain himself. He was criticised by the Auditor-General for falling down on due process. He failed to protect the interests of South Australia by running out and announcing the contract before he had done his homework. The Premier stands condemned for failing the most important and basic function of a Premier, and that is to do his homework.

Mr BRINDAL: I rise on a point of order, Mr Acting Speaker. I believe it is out of order to make a display in this place.

Mr FOLEY: What display?

The ACTING SPEAKER: There is no point of order. I was not aware of any display. I again remind the House that when members are speaking in this debate frivolous points of order deny a member the opportunity to make their point, and that concerns me.

Mr LEWIS (Ridley): In the course of the remarks that I wish to make today I want to remind the member for Hart that, when he stands in this place saying what he does and crying crocodile tears, he invites the derision which is now being directed to him publicly for the inconsistencies in the position that he has taken on this contract. For him to presume that it is merely the Premier attacking him simply begs the question. What about the integrity of the journalists to whom I have been talking in the corridors of this place and elsewhere? The member for Hart got a fairly easy run from little old Keith Conlon on 5AN this morning because of the way in which Conlon conducted a kangaroo court on the question of the EDS contract. Nonetheless, the facts will speak for themselves, and the member for Hart will have to accept that he has screwed up.

I want to draw attention to another matter which worried me earlier in the week. I refer to the recent utterances of the AMA President, Dr John Emery, when attacking politicians and Ministers about firearms' controls. The comments that he made were about as sensible as someone else saying that we should ban bed pans or surgery in hospitals because there has been a rapid increase in post-operative infections from antibiotic resistant bacteria that come from unclean, non-sterile utensils in hospitals. He said that by the turn of the century there would be more deaths from the irresponsible criminal use of firearms than there would be on the roads. That is an outrageous and inconsistent statement to make. It has no basis in logic or fact.

An honourable member interjecting:

Mr LEWIS: He could have shot himself in the foot, but I reckon that someone else might have got between him and the gun. Perhaps he intended to do that, trying to discover where his brains were. He said that we should have more stringent controls on guns. It would seem to me that, to be consistent, we should also have more stringent controls on flower retailing and restrict the display of flowers for sale to fully closed cabinets in registered flower shops to cut down on the increasing incidence of asthma and hay fever and other pollen-induced allergies. In fact, it may be that we should ban some flowers altogether because they represent a risk.

I do not know why he does not focus attention on health risks, both physiological and psychological, from the more serious limiting behaviour of the so-called recreational use of narcotics, which he allows to go unchallenged. Some members of his profession are saying that we cannot control the use of narcotics and the trafficking in them, so let us legalise or decriminalise it, that is, supply the drugs freely,

at no cost to their users, or at least at no more than the cost of dispensing, whether they use heroin, pot, ecstasy, speed, crack, or anything else. That is crazy; that is inconsistent, and it will not help public health in either the control of the diseases that will come as a consequence of the recreational use of those drugs or of the addiction that will arise from it. Indeed, the parents of people, such as the young lass, Miss Wood, should be very disturbed, in my judgment, about the kind of utterances that he makes about firearms compared with the utterances he ought to be making about the irresponsible, criminal trafficking in drugs and their use. It is simply not sensible to allow that to continue.

I now refer to the concern expressed to me recently by Murray Watch about whether or not it will have funding for the great work it does at very little cost to the public purse. I guess that it would continue at no cost to the public purse. I believe that Murray Watch ought to be regarded as part of the same kind of scheme as we have in Neighbourhood Watch and Rural Watch, though I assure Murray Watch that the Minister responsible, the Hon. David Wotton, the Minister for the Environment and Natural Resources, will be making funds available to it in the forthcoming financial year.

TAYLOR, MR S.

Mr FOLEY (Hart): I seek leave to make a personal explanation.

Leave granted.

Mr FOLEY: Earlier today I made reference to Mr Steven Taylor, a senior officer in the Office of Information Technology, and drew reference to his role as a senior manager with the JIS under the former Government, which was a comment in response to an earlier attack by the Premier. That reference to Mr Steven Taylor should in no way be taken as a reflection on his performance or ability, and I acknowledge that Steven Taylor was a manager appointed at the end of the JIS contract. I was simply reminding the Government that senior bureaucrats serve both Governments, but in no way was it a reflection on his ability.

The ACTING SPEAKER (Mr Becker): My attention has been drawn to the practice of some members waving theirs arms either during speeches or during the sittings of the House. I will ask the Speaker to rule on this matter, as there seems to be some concern as to whether it is improper behaviour.

STATUTES AMENDMENT (WORKERS REHABILITATION AND COMPENSATION) AMENDMENT BILL

The Hon. G.A. INGERSON (Minister for Tourism) obtained leave and introduced a Bill for an Act to amend the Workers Rehabilitation and Compensation Act 1986 and the WorkCover Corporation Act 1994. Read a first time.

The Hon. G.A. INGERSON: 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.

This Bill addresses a number of technical matters relating to the *Workers Rehabilitation and Compensation Act 1986* and the *WorkCover Corporation Act 1994* which have been incorporated into one consolidated Bill. These matters have arisen over the past six months, and whilst important in their own right, have been deferred until now whilst the Parliament has dealt with broader issues relating to WorkCover legislation and the dispute resolution system.

There are six issues dealt with in this Bill. They concern the cessation of weekly payments at retirement age, the delegated powers for the self-managed employers pilot scheme, the definition of unrepresented disabilities and three exempt employer issues. The exempt employer issues concern application fees for exempt status, differential administrative levies and the assessment of outstanding liabilities when ceasing exempt status.

The policy issues related to each of these matters have been discussed with key industrial stakeholders through the Workers Rehabilitation and Compensation Advisory Committee and, to a lesser degree, with the Working Party which was recently established to consider the dispute resolution legislation passed by this Parliament last month.

The proposed amendments to section 35 of the Workers Rehabilitation and Compensation Act 1986 concerning retirement age and sections 14 and 17 of the WorkCover Corporation Act 1994 are necessary as a consequence of recent decisions of the WorkCover Review Panel and Workers Compensation Appeal Tribunal which have declared previous legislative amendments made by this Parliament on these issues to be invalid or inoperative.

In relation to the cessation of weekly payments and retirement age, the April 1995 amendments to the principal Act limited the payment of weekly compensation from the previous statutory formula to pensionable retirement age under Federal social security legislation. The effect of this amendment, which came into operation on 25 May 1995, has been that weekly payments of compensation to men have ceased at age 65 but to women at age 60. This provision has been successfully challenged before a Review Officer and the Full Workers Compensation Appeal Tribunal in the matter of *WorkCover v Piller* as being constitutionally inconsistent with the Federal Sex Discrimination Act 1984.

This Bill proposes a common date for the cessation of weekly payments at age 65 for both men and women (or an earlier date where a normal retirement age for that occupational grouping can be established).

This measure is to be made retrospective to 25 May 1995.

One of the key elements of this Parliament's amendment to the WorkCover scheme passed in May 1994 (and operative from 1 July 1994) was the introduction of a Self-Managed Employers Pilot Scheme which allows some large non-exempt employers to manage their own claims. This scheme has operated successfully for nearly 12 months.

However, a decision of a Review Officer on 6 September 1995 in the matter of *WorkCover (Inghams Enterprises) v Warren* decided that the legislative provisions passed in May 1994 did not confer sufficient power to the WorkCover Board to allow this scheme to operate independently from WorkCover. That decision was upheld by the Workers Compensation Appeal Tribunal on 25 October 1995.

The Bill redrafts the statutory powers of delegation to specifically address the grounds raised by these decisions, and will enable the Self-Managed Employers Pilot Scheme to continue.

This measure also needs to be made retrospective to the commencement of the WorkCover Corporation Act, 1 July 1994.

When the Parliament restricted compensation for journey accidents in its May 1994 amendments, it consequentially amended the definition of an 'unrepresentative disability'. An 'unrepresentative disability' is a disability that does not become part of the claims cost of that individual employer for the purposes of levy calculations. WorkCover has recently identified an unintended consequence with the operation of this amendment. The amendment was not intended to apply to those journeys which form an integral part of the employment eg transport industry. This has meant that employers in those industries have not had their claims taken into account for bonus/penalty purposes.

The Bill addresses this issue by restricting the definition of "unrepresentative disabilities" to disabilities in section 30(5)(b) of the principal Act and not disabilities in section 30(5).

In relation to exempt employers, there is no legislative basis for an application fee to be payable when a business seeks exempt status. This means that the administrative costs associated with processing applications fall on existing exempt employers.

The Bill proposes that an application fee can be levied for application for exempt status. The amount of the application fee is to be fixed by regulation.

Under the existing Act, WorkCover is required to impose an administrative levy on exempt employers. However, the current legislation does not enable WorkCover to distinguish between types of exempt employer when applying this levy. A portion of this administrative levy is to be applied against the potential insolvency of exempt employers. The Government is an exempt employer. It is not appropriate for the administrative levy paid by Government exempt agencies to be applied to the insolvency fund relating to private exempts.

The Bill proposes that the Corporation can apply differential percentages between exempt employers to enable distinctions to be made, for example, between Government and non-Government exempts.

Section 50 of the principal Act enables WorkCover to take over the liabilities of former exempt employers who cease to be exempt, but continue to employ as a registered employer. The Corporation may recover from the employer an amount representing the capitalised value of the claims outstanding. However, the current legislation does not enable transitional arrangements to be established enabling claims to be run-off by either the Corporation or the employer, with the Corporation accepting liability but delaying (on actuarial advice) the assessment of the capital sum payable by those employers.

The Bill proposes to enable the Corporation to recover liabilities as a debt due, and have those liabilities estimated and capitalised at a later time in accordance with principles set out in regulation.

These amendments will provide the necessary legal basis to continue the self-managed employers pilot scheme, and overcome unintended consequences associated with the retirement age issue and the definition of unrepresentative disabilities. They will also enable more practical and effective measures to be imposed on dealings between WorkCover and exempt employers.

I commend the Bill to the House and seek leave to have Parliamentary Counsel's explanation of clauses inserted into Hansard without my reading them.

Explanation of Clauses

The provisions of the Bill are as follows:

Clause 1: Short title

This clause is formal.

Clause 2: Commencement

The amendment relating to the determination of a worker's retirement age under the 1986 Act is to be taken to have come into operation on 25 May 1995. The amendments to the *WorkCover Corporation Act 1994* will be taken to have come into operation on 1 July 1994, being the date on which that Act came into operation. The balance of this measure will be brought into operation by proclamation.

Clause 3: Amendment of s. 3—Interpretation

This amendment replaces the definition of "unrepresentative disability" under the *Workers Rehabilitation and Compensation Act 1986* so as not to include a disability arising from a journey under section 30(5)*(a)* within this concept.

Clause 4: Amendment of s. 35—Weekly payments

This amendment relates to the retirement age of a worker for the purposes of the *Workers Rehabilitation and Compensation Act 1986*. It is proposed that the age be the normal retirement age for workers in the relevant kind of employment, or 65 years, whichever is the lesser.

Clause 5: Amendment of s. 50—Corporation as insurer of last resort

This amendment clarifies the Corporation's right to recover the amount of liability that it may incur if an employer ceases to be an exempt employer. Any estimation or capitalisation of liabilities will occur in accordance with principles prescribed or adopted by regulation.

Clause 6: Amendment of s. 62—Applications

This amendment will provide for the prescription of a fee that will be payable if an employer applies for registration as an exempt employer.

Clause 7: Amendment of s. 68—Special levy for exempt employers

This amendment will allow the Corporation to apply a differential levy to exempt employers under the Act.

Clause 8: Amendment of s. 14—Powers

It is intended to revise the provisions relating to the conferral of powers on private sector bodies under section 14 of the *WorkCover Corporation Act 1994*. In particular, provision will be made for the referral of power to a private sector body to manage and determine claims, provide rehabilitation services, be involved in various programs, and collect levies, under an authorised contract or arrangement. Such a contract or arrangement will be a contract or arrangement with an exempt employer, a rehabilitation provider or adviser, or an employer registered under a pilot scheme, or a contract or arrangement approved by regulation.

Clause 9: Amendment of s. 17—Delegations

This amendment will expressly provide that the Corporation can delegate a function or power to a private sector body in connection with an authorised contract or arrangement under section 14 (subsection (4)) of the Act.

Clause 10: Saving provision

This clause will save the effect of a certain decision of a Review Officer (in a particular case) from the operation of the amendments to the *WorkCover Corporation Act 1994*.

Ms HURLEY secured the adjournment of the debate.

RACING (AMALGAMATION OF POOLS) AMENDMENT BILL

The Hon. J.K.G. OSWALD (Minister for Recreation, Sport and Racing) obtained leave and introduced a Bill for an Act to amend the Racing Act 1976. 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.

This Bill proposes amendments to the *Racing Act 1976*, to permit the South Australian Totalizator Agency Board to amalgamate its racing totalizator pools with an interstate totalizator authority irrespective of whether the South Australian TAB is acting as host State or agent for another State.

In addition, the Bill proposes that the statutory deductions applicable to quinella, double and multiple forms of betting be prescribed by regulation.

On 21 September 1992, the SA TAB combined its win and place totalizator pools with the Victorian TAB (re-named TABCORP) to form what is known as 'Supertab'. In this instance the SA TAB acts as agent for TABCORP which is responsible for the collation of pool information.

It is now proposed to permit the SA TAB, where it acts as agent for an interstate totalizator authority, to combine its quinella, double and multiple forms of betting with that body should the need arise.

In addition, it is also proposed to permit the SA TAB, where it acts as host state thereby having the responsibility for the collation of pool information (as is the case in this proposal), to combine all of its pools with an interstate TAB should the need arise.

This is considered necessary should the administration charge TABCorp make become prohibitive and because of the uncertainty attached to their future direction.

These amendments will avoid the need to amend the Racing Act should the TAB request approval to amalgamate other forms of betting with an interstate TAB.

On 1 July 1994, the Racing Act was amended to allow for a prescribed range of percentages in relation to statutory deductions from win and place totalizator betting that could be changed by regulation.

It is now proposed that all percentages in relation to statutory deductions from totalizator investments be prescribed by regulation. Any change in statutory deductions can be changed more quickly by regulation than by amendment to the Racing Act.

Any future proposal for amalgamation of SA TAB investments must, as was the case in this proposal, be supported by a business analysis from TAB and be subject to Treasury scrutiny. In this instance the amendments, if approved, will permit the SA TAB to amalgamate its Trifecta and Pick 4 investments with the WA TAB.

Amalgamation of these totalizator pools with the WA TAB was considered the best option because of their similarity in pool size and the fact that the statutory deductions on multiple bet types are identical to South Australia's.

Consideration of amalgamating trifecta and pick 4 pools with other interstate TABs was discarded as an option because their commission rates on these bet types are lower than SA's existing rates.

SA TAB is attempting to promote options for multiple bet types, particularly trifectas because of the higher commission rate. TAB is also attempting to win back turnover which currently is transferred to interstate TABs via telephone betting because of the larger pools there.

It is anticipated turnover, commission and subsequently profit will rise due to the additional strength of combined pools and jackpots. This will be particularly so for the night codes (greyhound and harness racing) which are currently operating with comparatively small pools.

The benefits of the amalgamation of pools are:

1. A percentage of turnover currently invested interstate by local bettors could be attracted back to South Australia.
2. Larger pools, particularly for trifectas, are expected to result in dividends more consistent with those of other States, and be conducive to attracting more turnover and larger investments.
3. The potential for larger dividends from the amalgamated pools where non fancied runners finish in the placings could attract more turnover.

The full year benefit on this proposal is detailed as follows:

Projected Full Year Additional Turnover		$5 850 000
Income—based on 20% commission, less 1.4% to RDB		$1 088 100
Less Costs		
Staff Costs	105 300	
Agents Commission	69 000	
Communication Link	9 400	
Depreciation & Opportunity Cost	67 500	
		$ 251 200
Benefit Full Year		$ 836 900

The target date for the amalgamation of trifecta and pick 4 totalizator pools with Western Australia is January 1996.

The proposal is supported by all sections of the Racing Industry.

Explanation of Clauses

The provisions of the Bill are as follows:

Clause 1: Short title

Clause 2: Commencement

These clauses are formal.

Clause 3: Amendment of s. 5—Interpretation

Clause 3 defines the term 'interstate bet'.

Clause 4: Amendment of s. 68—Deduction of percentage from totalizator money

Clause 4 amends section 68 of the principal Act. After the amendment the percentage to be deducted will be prescribed by regulation and where a section 82A agreement is in force will be the same as the percentage deducted interstate in respect of the same kind of bets. The existing subsection (2) will appear in the appropriate regulation.

Clause 5: Amendment of s. 69—Application of amount deducted under s. 68

Clause 5 amends section 69 of the principal Act to provide for deductions under section 68 on interstate bets to be paid to the interstate totalizator authority.

Clause 6: Substitution of s. 75

Clause 6 replaces section 75 of the principal Act. The concept of the new section is simpler. Instead of deducting the full amount under section 68 and then using some of the amount deducted to make up a deficiency in dividends it is simpler to provide that the amount deducted under section 68 is reduced to an appropriate extent. This then removes the need for a provision that part of the section 68 deduction on interstate bets be retained to make up an insufficiency of dividends on those bets.

Clause 7: Substitution of s. 76

Clause 7 replaces section 76 of the principal Act. The new section accommodates the payment of fractions to interstate totalizator authorities.

Clause 8: Amendment of s. 78—Unclaimed dividends

Clause 8 makes a similar amendment to section 78 of the principal Act.

Clause 9: Amendment of s. 82A—Agreement with interstate totalizator authority—interstate authority conducts totalizators

Clause 9 amends section 82A of the principal Act. Paragraph *(a)* is a drafting change. Paragraph *(c)* is consequential. New subsection (2) inserted by paragraph *(h)* removes the limitation on the kinds of bets to which an agreement under the section may apply.

Clause 10: Insertion of s. 82B

Clause 10 provides for agreements between the TAB and interstate totalizator authorities under which the TAB will hold the pool and the interstate authorities will accept bets on behalf of the TAB.

Mr CLARKE secured the adjournment of the debate.

FISHERIES (GULF ST VINCENT PRAWN FISHERY RATIONALIZATION) (LICENCE TRANSFER) AMENDMENT BILL

The Hon. D.S. BAKER (Minister for Primary Industries) obtained leave and introduced a Bill for an Act to amend the Fisheries (Gulf St Vincent Prawn Fishery Rationalisation) Act 1987. Read a first time.

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

That this Bill be now read a second time.

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

Leave granted.

In 1987, the *Fisheries (Gulf St Vincent Prawn Fishery Rationalization) Act 1987* was promulgated. The Act provided for six of the sixteen boat fleet to be removed from the fishery through a licence surrender/buy-back arrangement. Money was borrowed from the South Australian Government Financing Authority (SAFA) to pay compensation to those leaving the fishery. The mechanism for repayment is by way of a surcharge on those licence holders remaining in the fishery. Initial repayment of the debt by licence holders was minimal, then suspended due to dissent about the capacity of licence holders to actually pay, followed by a number of reviews. Repayments resumed during 1994/95 when the fishery reopened after being closed for almost three years. In 1994, the debt was taken over by Treasury and restructured at a more favourable interest rate.

The most recent review was undertaken by Dr Gary Morgan in August/September 1995. The recommendations of the review address a number of issues, including licence transfer/amalgamation which could lead to less licence holders operating on a more efficient basis.

Under existing arrangements, a 'one person-one licence' policy applies to all fisheries, including the Gulf St Vincent prawn fishery. This requirement is stipulated in the regulations.

It is apparent that there has to be a greater degree of flexibility in the surcharge repayment arrangements so that licence holders can pay according to the value of their catches, which in turn will enable the government to secure repayment of the debt over time.

If the Gulf St Vincent prawn fishery is to remain open, and there are signs that this is feasible, the available catch may not be adequate to meet all licence holders' operating costs as well as their current debt obligation. Removal of the 'one person-one licence' policy would provide licence holders the opportunity to increase their stake in the fishery by obtaining additional licences in order to increase their catch potential. Such a transfer/amalgamation process should provide operators with improved financial flexibility and a more efficient corporate structure. Furthermore, this would provide other interested parties with an opportunity to enter the fishery by purchasing sufficient licences to make a worthwhile investment.

Under the existing provisions of the Rationalization Act, before the Director can approve an application for transfer, the accrued and prospective liabilities attributable to that licence must be paid. However, the Act also contemplates that equal surcharges must apply to licence holders, therefore there is no scope to impose a surcharge on the remaining licences when one licence is transferred, ie all licences including the one that has paid its debt are liable to the surcharge. This particular anomaly would need to be rectified to facilitate transfers of licences. In addition, provision would need to be made to provide for the imposition of a 'double' surcharge in circumstances where two licences are amalgamated.

Removal of the 'one person-one licence' policy and providing for licence amalgamations can be accommodated by amendments to the regulations. However, the Rationalization Act needs to be amended first so that the surcharge provisions adequately cover situations where licences are transferred and/or amalgamated.

It is proposed to amend the *Fisheries (Gulf St Vincent Prawn Fishery Rationalization) Act 1987* to:

- remove the requirement for a transferor to pay any prospective surcharge liability and to allow the incoming licence holder to assume the debt; and to
- provide for the adjustment of a surcharge where two licences are amalgamated so that the licence holder assumes the debt attributable to both licences.

I commend the measures to the House.

Explanation of Clauses

The provisions of the Bill are as follows:

Clause 1: Short title

Clause 1 is formal.

Clause 2: Repeal of s. 4

Clause 2 repeals section 4 of the principal Act. This section currently provides for the transfer of licences in respect of the fishery. The provision for transfer will now be incorporated in the scheme of management regulations.

Clause 3: Amendment of s. 8—Money expended for purposes of Act to be recouped from remaining licensees

The clause inserts new provisions dealing with the effect of licence transfers and amalgamations on liabilities for payment of the surcharge. If a licence is transferred, any liability of the transferor by way of surcharge will pass to the transferee. If an amalgamation occurs following a transfer, the liabilities attaching to the two licences concerned will attach to the licence resulting from the transfer and the future liabilities by way of surcharge will be doubled in amount.

Mr CLARKE secured the adjournment of the debate.

ENVIRONMENT PROTECTION (FORUM REPLACEMENT) AMENDMENT BILL

The Hon. D.C. WOTTON (Minister for the Environment and Natural Resources) obtained leave and introduced a Bill for an Act to introduce a Bill for an Act to amend the Environment Protection Act 1993. Read a first time.

The Hon. D.C. WOTTON: 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 *Environment Protection (Forum Replacement) Amendment Bill 1995* will amend the *Environment Protection Act 1993* by removing the Environment Protection Advisory Forum (Forum) and instead substituting more appropriate consultative mechanisms.

The Environment Protection Act provides for the establishment of a Forum of 20 members whose function is to advise the Environment Protection Authority and the Minister, as well as present the views of interested organisations and the community, on matters related to the protection, restoration or enhancement of the environment.

The Forum, as presently conceived, is integral to the making of Environment Protection Policies. Specifically, the Act provides that the Forum is to have draft policies and associated supporting documentation referred to it [subsection 28(5)]. Furthermore, the Forum is to be consulted by the Authority on the provisions of draft policies, on matters raised as a result of public consultation and on any alterations that the Authority proposes should be made to a draft policy [subsection 28(10)].

As the development of Environment Protection Policies is a very important mechanism for furthering the environment protection objectives of the Act, it is clear that the Forum has a crucial role to play. To fulfil this role the Forum would need to be capable of analysing and critiquing specialist documents in a timely manner.

The Act also provides that the Forum be consulted by the Authority on an annual basis as to proposed expenditure from the Environment Protection Fund [subsection 24(5)]. Provision of advice on this matter would be another significant responsibility of the Forum.

The Government has not appointed a Forum as it has formed the opinion that it is neither the most effective nor the most efficient mechanism to obtain the input of interested organisations and the community. Consultation with representatives from a range of organisations has served to reinforce this viewpoint. Specifically, the extensive membership of the Forum and its generalist nature suggest that it would be an unwieldy body which would have significant difficulty reaching accord on the advice to be provided to the Authority and the Minister. In addition, the viewpoint and suggestions of any particular organisation, such as the Conservation Council, could easily be diluted or lost in the process of developing a Forum position. As such the Forum would not be the most effective means by which the Authority could obtain advice on the development of an environment protection policy.

A range of alternative consultation provisions are put forward in this Bill which replace the role of the Forum whilst ensuring that the Authority and the Minister have continued access to the viewpoint of relevant organisations and the community.

Specifically, the Bill provides that draft Environment Protection Policies, together with their supporting explanatory report, will be referred to prescribed bodies for comment. This will occur within the same time frame as public notification is given regarding the availability of these documents for public comment. Thus a formal mechanism has been provided which will enable the referral of the draft policies to bodies or organisations representing the interests that would have otherwise been represented on the Forum.

Similarly, in lieu of accepting advice from the Forum, the Authority will be bound to consult with and consider the advice provided by prescribed bodies on the provisions of draft policies, matters raised in public consultation and proposed alterations to draft policies. It is important to note that it is intended that the prescribed bodies referred to in this Bill be one and the same for each clause and inclusive of the stakeholders in the current Forum arrangement.

Environment Protection Policies can be of a technical nature and as such the Act currently provides that the Authority may, with the approval of the Minister, establish specialist committees to provide it with appropriate advice. The Bill to amend the Act takes this further by providing that once the Authority establishes a committee or sub-committee to advise on an environment protection policy it is bound to consider the resulting advice.

The Bill provides that the Environment Protection Authority must, at least annually, hold a Round Table Conference. As the Minister responsible for the Natural Resources Council, I was impressed with the nature of the consultation which occurred through the convening of a Natural Resources Forum. This provided an opportunity for the Council to interact with persons representing a wide range of interest groups. The nature of such events enables identification of emerging issues and the formulation of advice on broad policy directions. Provision for a similar Round Table Conference in this Bill will provide opportunity for community interaction on environment protection issues.

Following the amendment of the Environment Protection Act by the *Petroleum Products Regulation Act 1995*, environmental petroleum fees have been directed into the Environment Protection Fund. As a consequence, the revenue received by this fund has increased significantly from around 5 per cent to 55 per cent of EPA recurrent funds. In addition there has been a change of emphasis as to the use of the Environment Protection Fund which may now be used towards the costs of administration.

Clearly there is a marked difference between the original requirement that the Environment Protection Authority consult on specialised funding issues versus the current requirement that it consult on basic operational expenditure. It is therefore proposed that the requirement for formal consultation as to proposed expenditures of money from the Fund be removed and that the Authority instead gain an understanding of the issues important to the community through the operation of the Round Table Conference. There is no question of any lack of accountability arising through this proposal, as Office of the Environment Protection Authority expenditure is contained in the Department of Environment and Natural Resources accounts tabled at Estimates.

In summary, this Bill promotes effective consultative mechanisms under the Environment Protection Act which will provide current stakeholders with improved and direct input to the Authority in lieu of the Forum. In addition, the requirement for Round Table Conferences retains the advantages to be gained through broad-based community consultation.

I commend this Bill to the House.

Explanation of Clauses

Clause 1: Short title

This clause is formal.

Clause 2: Commencement

This clause provides for commencement on a day to be fixed by proclamation.

Clause 3: Amendment of s. 3—Interpretation

This clause amends section 3 of the principal Act, an interpretation provision. The definition of "the Forum" (the Environment Protection Advisory Forum) is removed, as is a reference to the Forum in the definition of "appointed member".

Clause 4: Amendment of s. 10—Objects of Act

This clause amends section 10 of the principal Act, which sets out the objects of the Act, to remove a reference to the Forum.

Clause 5: Substitution of heading

This clause substitutes a new heading to Part 3 of the principal Act.

Clause 6: Substitution of Division 2 of Part 3

This clause repeals Division 2 of Part 3 of the principal Act, which currently establishes the Environment Protection Advisory Forum.

The clause substitutes a new Division 2, consisting of one section, section 19. This new section provides that the Environment Protection Authority must, at least on an annual basis, hold a round-table conference in accordance with the section for the purpose of assisting the Authority and the Minister to assess the views of interested bodies and persons on such matters related to the operation of the principal Act or the protection, restoration or enhancement of the environment within the scope of the Act as the Authority may determine.

The Authority must endeavour to ensure that it invites to a round-table conference persons representing a wide range of interests and expertise in relation to the matters to be considered at the conference, including representatives of the community, industry and relevant environmental and professional organisations.

Subject to the section, the Authority can determine the timing, size and procedures of each conference. The person appointed to chair the Authority (or in his or her absence the deputy of that person) must be present at a conference. The person appointed to chair the Authority, or his or her nominee, must preside at a conference.

Clause 7: Amendment of s. 24—Environment Protection Fund

This clause amends section 24 of the principal Act, which establishes the Environment Protection Fund. Subsection (5) of that section currently requires the Environment Protection Authority to consult with the Environment Protection Advisory Forum on an annual basis as to the proposed expenditure of money from the Fund. This amendment removes that requirement.

Clause 8: Amendment of s. 28—Normal procedure for making policies

This clause amends section 28 of the principal Act. Section 28 sets out the normal procedure to be followed in making an environment protection policy under the Act.

Subsection (5) of section 28 currently provides that when a draft environment protection policy and a report in relation to that policy have been prepared by the Environment Protection Authority, the Authority must then refer the draft policy and report to the Environment Protection Advisory Forum (amongst others). This clause removes that requirement in subsection (5) and substitutes a requirement that, after preparation of the draft policy and related report, those documents must be referred to any body prescribed for the purposes of the section. The existing requirement (in subsection (6)) that public notice of the draft policy and related report be given when those documents are referred to the Forum is also removed and replaced with a requirement that public notice be given after preparation of the draft policy and related report.

The present requirement in subsection (10) that the Authority consult with the Forum on the provisions of the draft policy (and any alterations to it) and on all matters raised as a result of public consultation under this section is deleted and replaced with a requirement that the Authority consult on those topics with any body prescribed for the purposes of the section.

A new subsection, subsection (3a), also specifically provides that where a committee or subcommittee of the Authority is established under the principal Act to advise the Authority on the preparation or contents of a draft environment protection policy, the Authority must obtain and consider the advice of that committee or subcommittee in relation to the policy.

Clause 9: Amendment of s. 31—Interim policies

This clause amends section 31 of the principal Act. Section 31 empowers the Governor, by notice in the *Gazette*, to bring a draft environment protection policy into operation (on an interim basis) before the normal procedures under section 28 of the Act for the making and commencement of a policy have been completed. The Governor can do so if he or she is of the opinion that it is necessary for the policy to come into operation without delay.

Subsection (1) of section 31 currently empowers the Governor to exercise that power at the same time as (or at any time after) the draft policy and related report are referred to the Forum. This clause amends section 31 to remove the link to the Forum. It substitutes a new subsection (1) which empowers the Governor to specify a day of operation for the draft policy (on an interim basis) that is on or after the day on which the draft policy and related report are advertised in accordance with the normal procedure.

Mr CLARKE secured the adjournment of the debate.

WATER RESOURCES (IMPOSITION OF CHARGES) AMENDMENT BILL

The Hon. D.C. WOTTON (Minister for the Environment and Natural Resources) obtained leave and introduced a Bill for an Act to amend the Water Resources Act 1990. Read a first time.

The Hon. D.C. WOTTON: 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.

On 28 September I presented to Parliament a water plan for South Australia, entitled *South Australia—Our Water, Our Future.* The first part of this plan contains a statement of the Government's policy on managing the water resources of this State so that our rivers and streams and groundwater aquifers can be developed in an ecologically sustainable manner. Our policy has drawn together community views, the national water policy reform agenda, and the wider environmental, economic and social goals of the Government.

The proposed amendment to the Water Resources Act, which provides for effective pricing of our precious water resources, is consistent with the Government's intention to provide long term security of supply through more careful management of demand. A small price placed on the extraction of bulk water by the major users of water will signal the very high value which the community holds for that scarce resource.

While South Australia has sufficient volumes of water (about 4 000 gigalitres per year is available from surface and groundwater resources), our biggest problem is with the quality of that water. Good quality water is a scarce resource in South Australia. Salinity levels continue to rise in the River Murray and in the groundwater aquifers of the South East. Algal blooms are indicative of rising nutrient levels in our waters, particularly nitrogen and phosphorous. The environmental health of our rivers and streams, both urban and rural, is of great concern to all South Australians.

Seventy percent of the water used in South Australia is for irrigation, providing our economy with a farm gate value of more than half a billion dollars. Another twenty five percent of our water is used in urban areas for domestic and industrial purposes. Irrigated agriculture and urban water supply are the major users of South Australia's water resources. They add great value to the economy, but this value is very dependent upon the quantity and quality of the water which they use.

A price will encourage careful use of water, and it will discourage over-use and abuse. It will achieve consistency with practice in New South Wales and Victoria, both of which have imposed a charge on water resources for a number of years. A price will remove some of the barriers which prevent irrigators and other developers in South Australia from obtaining more water through interstate trade. In some cases, where water is being used for very little added value, a price will provide an incentive for an individual to either increase the value of production, or to sell his or her water entitlement for use by some other person in an area of higher value production, thereby ensuring that this State can retain a competitive economic advantage while ensuring the sustainability of the resource.

This amendment provides for a community which uses and benefits from a particular water resource to contribute to its sustainable future. The funds raised from a price on water will be directed towards the costs of managing the resource, and for no other purpose than that.

I believe that the community is more willing to pay when it has a say on where the revenues will be spent. Building on the recent Catchment Water Management legislation, we will be seeking strong community input into the priorities for expenditure. It will be the community, through their catchment management plans, who will be setting the directions for spending.

This Government, more than any previous government in South Australia, or any other government in Australia, is actively encouraging the community to become involved in managing their water

resources as a vital environmental imperative. I refer again to our recent policy statement on water resources:

The Government seeks to provide regional communities with the ability to manage regional water resources and to provide the means by which communities can become financially self-sufficient in this endeavour.

This is the key to effective water resources management: involve the community, not just as advisers, but as the *doers*.

Local and regional community managers need a carefully defined and legally supported role, but they also need funds. New funds; not just re-cycled funds from existing programs. New funds to accomplish more than we can now. Because, quite frankly, we are presently losing the race against a deterioration in the quality of our water resources.

If we don't accelerate our efforts against salinity and carp in the Murray, against nutrients, erosion and weeds in the streams of the Mount Lofty Ranges, against falling groundwater pressures in the Northern Adelaide Plains, against rising groundwater levels in the Upper South East and Murray Mallee; then we will seriously threaten the economic recovery of this State by irreversibly damaging its water environment.

The Government has a role, and the community has a role. The community has the hands on knowledge of the problems. They have ideas for solutions. They can readily see the opportunities. The community has the energy and the enthusiasm and the incentive to save what is most precious to them—their water resources.

Let us give the community the tools to do the job. It is the role of the Government to remove the barriers and create the circumstances whereby local people can manage local problems. The Government can provide data and information, and it can provide the legal framework for effective resource management. But it cannot provide the necessary hands on, local management. This amendment to the Water Resources Act is focussed on providing the community with the ability to raise the finance it needs to deliver its part of the task.

The Catchment Water Management Act, which was proclaimed in May this year, embodies the twin aims of both involving and resourcing the community. This amendment builds on that success. We have established catchment management boards for the Patawalonga and Torrens catchments, and those boards are attacking the stormwater pollution problems of Adelaide with great enthusiasm and with considerable financial resources. Discussions are under way within the community to establish at least three more boards as soon as possible: for the Onkaparinga River, the Gawler River, and the River Murray.

Our part of the River Murray is, of course, the tail end of the million square kilometre Murray Darling Basin. The South Australian Government contributes about $14 million per year to the Murray-Darling Basin Initiative. Most of this money is spent on our share of maintaining the dams, the locks and weirs, the barrages and the salinity mitigation schemes. Insufficient funds are available for managing the catchment and improving the quality of water.

There is now a great opportunity for South Australia to lead a national revival of the River Murray, triggering a joint Murray-Darling catchment management program with the Commonwealth, New South Wales, and Victoria, which could total $300 million over five years. We have called it the Murray-Darling 2001 Project, and it is an attempt to achieve a quantum increase in the catchment management effort.

The contribution from the major users of River Murray water in South Australia would be relatively small, between $3 million and $10 million per year, but the impact on the quality of River Murray water would be substantial. In South Australia we would be targeting such work as re-vegetation of the streambanks, wetland management on the floodplains, removal of the remaining sewage effluent lagoons adjacent to the River Murray, rehabilitation of ageing irrigation infrastructure, incentives for improved irrigation methods and equipment, accurate measurement of water diversions (particularly in the gravity irrigation areas of the Lower Murray), and much needed research into fish management.

Here we have an excellent example of the need for this amendment to the legislation. And there is some urgency to make this amendment if we are to maximise our opportunities. The Premier and I are having discussions with our counterparts in the other governments, but our efforts and credibility must be backed by a solid financial commitment from this State.

On 11 April 1995 the Council of Australian Governments (COAG) committed itself to a strategic framework for water reform. One of the key elements of this package of reforms is water pricing and cost recovery. Consequently, it is the aim of all governments to introduce pricing regimes based on the principles of user pays, full cost recovery, and full transparency of any remaining cross subsidies and community service obligations. The amendment before you is totally consistent with the national agenda for water reform, and is totally consistent with the principles and objectives of the *National Strategy for Ecologically Sustainable Development* which was endorsed by COAG in December 1992.

I believe that this amendment will help South Australia to achieve identified world best practices for the management of water resources, and that it is part of the solution for managing a scarce, publicly owned natural resource.

Explanation of Clauses

Clauses 1 and 2:

These clauses are formal.

Clause 3: Amendment of s. 4—Interpretation

This clause adds two new definitions to section 4 of the principal Act. Section 32 of the principal Act entitles a riparian owner to take water for domestic use and for watering stock not being stock subject to intensive farming. Section 38E(1)*(d)* inserted by the Bill, provides that water may be used for domestic purposes or for watering stock not being stock subject to intensive farming. The definition of "domestic purpose" limits the meaning of that term.

Clause 4: Amendment of s. 29—Powers of authorised officers

This clause makes consequential amendments to section 29 of the principal Act. Paragraph *(a)* provides the power to read meters so that the amount charged for water taken can be determined. The additional powers included by paragraph *(b)* will assist in assessing the quantity of water taken where a meter is not installed. For example electricity accounts may assist in determining the volume of water delivered by a pump.

Clause 5: Amendment of s. 31—Right of Minister to water

Clause 5 amends section 31 of the principal Act to exclude from stock watering rights the watering of stock subject to intensive farming.

Clause 6: Amendment of s. 32—Riparian rights

Clause 6 makes a similar amendment to section 32 of the principal Act.

Clause 7: Amendment of s. 34—Taking water from a proclaimed watercourse, etc.

Clause 7 makes a consequential amendment to section 34 of the principal Act. New subsection (3) provides that water taken illegally will be charged at the excess rate.

Clause 8: Amendment of s. 35—Licences for taking water

Clause 8 makes a consequential amendment to section 35 of the principal Act.

Clause 9: Amendment of s. 38—Contravention, etc., of licence

Clause 9 adds subsection (3) to section 38 of the principal Act. The new subsection will enable the Minister to cancel a licence if charges are not paid within 28 days.

Clause 10: Insertion of Division 3A in Part 4

Clause 10 inserts new Division 3A into Part 4 of the principal Act. This Division enables the Minister to impose charges for the right to take water (which is based on the water allocation) and for water taken. Section 38C provides for liability for charges. Where the taking of water can be related to land subsequent owners and occupiers of the land are liable in addition to the person primarily liable (subsection (4)). Sections 38G and 38H provide that charges are a first charge on the land and that the land may be sold for non-payment of charges. Charges are payable even though the taking of water has been prohibited or restricted (section 38C(9)). Section 38E provides that the volume of water taken must be determined by meter readings if a meter has been installed.

If a meter has not been installed the Minister must estimate the volume of water taken on one of the bases set out in subsection (1)*(c)*. A person who is dissatisfied with the Minister's assessment can only appeal against it on the ground that it was not made in good faith (subsection (4)). Section 38J provides that money paid by way of charges can only be used for limited purposes all of which are related to the water resources of the State.

Clauses 11 and 12:

Clauses 11 and 12 make consequential amendments to section 70 and 83 of the principal Act.

Mr CLARKE secured the adjournment of the debate.

CRIMINAL LAW CONSOLIDATION (APPEALS) AMENDMENT BILL

Received from the Legislative Council and read a first time.

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

This bill amends the appeal provisions in the *Criminal Law Consolidation Act, 1935* in a number of important ways as well as making minor tidying-up amendments.

A definition of "question of law" has been inserted for the purposes of Part 11 (dealing with cases stated and appeals). The definition makes it clear that questions about how a judicial discretion is exercised or whether it has been properly exercised are questions of law.

The provisions of the bill also clarify the rights of appeal by the Director of Public Prosecutions and defendants when applications are made for stay of proceedings on the basis that they constitute an abuse of process. They also clarify the right of a court to reserve a question of law before or during a trial for consideration and determination by the Full Court.

A trial court may stay a trial, either permanently or until the happening of some event, on the ground that the proceedings are an abuse of the process of the court.

A permanent stay of proceedings puts an end, in effect, to criminal proceedings. A permanent stay is commonly granted on grounds of policy often associated with the conduct of the prosecuting authorities or the prospects of a fair trial. The effect may be to bring to an end a prosecution which the Director of Public Prosecutions considers to be important. The Director of Public Prosecutions has no right to appeal against a stay of proceedings. It is unsatisfactory that the unappealable decision of a single judge may constitute an insuperable obstacle to further proceedings.

The need to confer a right of appeal on the Director of Public Prosecutions against a stay of proceedings has assumed major importance since the decision of the High Court in *Dietrich—v- R* (1993) 67 ALJR 1. In that case the High Court held that, in the absence of exceptional circumstances, a trial should be stayed where an indigent accused charged with a serious offence is denied legal representation at public expense where he or she is, through no fault of his or her own, unable to meet the cost of representation.

Clause 4 of the bill substitutes a new section 350 in the Act which empowers a Court of trial to reserve for the consideration and determination by the Full court any question of law on an issue antecedent to trial. The term "issue antecedent to trial" is defined to mean a question as to whether proceedings should be stayed on the ground that they are an abuse of process.

Clause 5 substitutes new sections 351, 351A and 351B in the Act. These new sections essentially cover the same ground as the current section 351 but make some minor consequential changes and are drafted in a more modern style.

Clause 6 substitutes a new section 352 in the Act giving the Director of Public Prosecutions a right of appeal against a decision of a judge on an issue antecedent to trial on questions of law alone. In addition, the Director of Public Prosecutions may seek leave to appeal on any other ground. The defendant's right of appeal against a decision on an issue antecedent to the trial is also set out in Clause 6. A defendant may obtain leave to appeal against a decision on an issue antecedent to trial. Leave can only be granted if there are special reasons why it would be in the interests of the administration of justice to have the appeal determined before the commencement or completion of the trial.

There are differences in the rights of appeal of the Director of Public Prosecutions and the defendant because of the different effect a refusal to stay proceedings has on the Director of Public Prosecutions and the defendant. A decision adverse to the Director of Public Prosecutions puts an end to the prosecution. Whereas if an accused claims that the trial judge has wrongly refused a stay he or she can appeal against any conviction on the grounds that the trial should not have proceeded. The appeal provisions recognise that it may be inconvenient to force the defendant to wait until the trial is completed but also recognise that appeals by defendants might be used as a means of delaying the trial.

New section 350 will also allow a case to be stated to the Full Court on questions of law which arise before or during a trial. At present a case can only be stated after conviction.

This new power should be used rarely as it is disruptive for a jury to be empanelled and then for the trial not to proceed pending a decision of the Full Court or for the trial to be interrupted while matters are referred to the Full Court for decision. However, there are times when it would be economical of time and money for a reference to be made to the Full Court before the trial commences or before any verdict is given by the jury. Sometimes questions of law of some importance arise, which if resolved in one way, may determine the outcome of proceedings without embarking upon a full trial. Equally a trial judge may give a ruling on a question of law during a trial which has the effect of putting an end to the Director of Public Prosecutions' case. This new provision will enable the Full Court to rule on these questions before or during the trial.

New section 352 makes one other significant amendment. Section 352(1)*(d)* now provides that a person may, with leave of the Full Court, appeal against sentence. The Full Court in *R—v- Prendegast* 147 LSJS 486 said that the court can only grant leave in relation to all the grounds of appeal against sentence. The Supreme Court Judges in their Annual Report have argued that leave should not be granted in relation to grounds of appeal which have no merit, only in relation to those which have merit. Hearings can be shortened by disposing of grounds which have no merit without oral hearing. This is provided for in new section 352(1)*(a)*(iii).

In accordance with the Government's Law and the People Policy, the Government intends to place on file amendments to clauses 6 and 7 of the bill which would allow the DPP to appeal against a verdict of acquittal following a trial by a judge sitting alone.Three minor amendments are also made to the Act. Firstly, section 357 which deals with the time for giving notice of an appeal and the manner in which the case is presented is recast to provide that there matters are to be governed by Rules of Court. This is in accordance with modern drafting practice.

Section 358 is repealed. This section requires the trial judge to furnish the appellate court with notes of the trial and a report giving his or her opinion on the case or on any point arsing in the case. Now that shorthand transcripts are available judges no longer take or provide notes and rule 12 of the Supreme Court Criminal Appeals Rules provides for the provision of reports by the trial judge.

Section 368 is also repealed. This section provides for the making of rules of court. There is provision for the making of rules of court in the Supreme Court and District Court Acts and this section is not needed.

Finally the transitional provisions make it clear that the new provisions do not apply to where an information was laid before the amendments came into operation.

Explanation of Clauses

Clause 1: Short title

Clause 2: Commencement

These clauses are formal.

Clause 3: Amendment of s. 348—Interpretation

This clause amends section 348 of the principal Act by inserting a number of definitions of terms used in the proposed new provisions. In addition a definition of "question of law" is inserted, making it clear that this term includes questions about how a judicial discretion is exercised.

Clause 4: Substitution of s. 350

This clause substitutes a new section 350 in the principal Act. The substantive difference between the current section 350 and the proposed new section is that the new section provides that the court hearing a charge of an indictable offence may, at any stage of the proceedings or before proceedings are commenced, reserve a question of law for determination by the Full Court on an issue antecedent to trial (ie. an application for a stay of proceedings based on an abuse of process argument) or relevant to the trial or sentencing, and the court may stay the proceedings until the question has been determined. Currently section 350 only allows for reservation of a question following conviction.

Clause 5: Substitution of s. 351

The opportunity has been taken to replace the current section 351 with three new provisions that are drafted in a more modern style. The new provisions make a number of consequential amendments necessitated by the changes contained in proposed new section 350 relating to the reservation of questions of law on an issue antecedent to trial and the need to give the Full Court appropriate powers to make orders following determination of the question reserved.

Clause 6: Substitution of s. 352

This clause proposes replacing section 352 of the principal Act with a new section dealing with appeal rights as follows:

352. Right of appeal in criminal cases

Subsection (1) provides that appeals lie to the Full Court as follows:

- if a person is convicted on information—
  - the person may appeal against the conviction as of right on a question of law alone or, with the leave of the Full Court or the certificate of the trial court, may appeal on any other ground;
  - the person or the DPP may appeal against sentence passed on conviction (other than a sentence fixed by law) on any ground with the leave of the Full Court;
- if a court makes a decision on an issue antecedent to trial that is adverse to the prosecution, the DPP may appeal against the decision as of right, on a question of law alone or on any other ground with the leave of the Full Court;
- if a court makes a decision on an issue antecedent to trial that is adverse to the defendant—
  - the defendant may, with the leave of the trial court, appeal against the decision prior to the completion of the trial, but leave will only be granted if there are special reasons why it would be in the interests of the administration of justice to have the appeal determined before completion of the trial;
  - if convicted, the defendant may appeal against the conviction on the basis that the decision on the issue antecedent to trial was wrong.

Subsection (2) provides that if an appeal or an application for leave to appeal is made to the Full Court under this section, the Full Court may require the trial court to state a case on the questions raised and the matter will then be dealt with in the same way as if the questions had been reserved.

Clause 7: Amendment of s. 353—Determination of appeals in ordinary cases

This clause amends section 353 of the principal Act to deal with the additional appeal subjects included in new section 352 (ie. appeals against a decision on an issue antecedent to trial).

New subsection (3a) provides that on an appeal against a decision on an issue antecedent to trial, the Full Court may confirm, vary or reverse the decision and may make any necessary consequential or ancillary orders.

Clause 8: Substitution of s. 357

This clause substitutes a new section 357 in the principal Act. New section 357 provides that appeals to the Full Court must be made in accordance with the rules of court.

Clause 9: Repeal of s. 358

This clause repeals section 358 of the principal Act.

Clause 10: Repeal of s. 368

This clause repeals section 368 of the principal Act.

Clause 11: Transitional provision

This clause provides that the amendments effected by this Act do not apply to proceedings founded on an information laid in the Supreme or District Courts before its commencement but do apply to proceedings founded on an information laid in the Supreme or District Courts on or after its commencement.

Mr CLARKE secured the adjournment of the debate.

GAS (MISCELLANEOUS) AMENDMENT BILL

Returned from the Legislative Council without amendment.

STATUTES AMENDMENT (COURTS ADMINISTRATION STAFF) BILL

Received from the Legislative Council and read a first time.

The Hon. S.J. BAKER (Deputy Premier): 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 *State Courts Administration Council* is established under the *Courts Administration Act, 1993*. The *Council* provides the courts with the administrative facilities and services necessary for the proper administration of justice. Section 3 of the Act provides that the *State Courts Administration Council* is an administrative authority independent of control by executive government. The inference of this is that the *Courts Administration Authority*, which is the collective term for the *Council*, the *State Courts Administrator* and the staff of the *Council*, cannot be an administrative unit of the public service. This inference is supported by the inconsistencies between the *Public Sector Management Act, 1995* (and the former *Government Management and Employment Act*) and the *Courts Administration Act*. The *Public Sector Management Act* provides that the Chief Executive of an administrative unit is subject to the direction of, and is responsible to, the Minister. The *Courts Administration Act* provides that the Administrator, who has the powers of a Chief Executive, is subject to the direction of, and is responsible, to the *Courts Administration Council*. There are other provisions of the *Public Sector Management Act* which give the Commissioner for Public Employment powers over the Chief Executive of an administrative unit which are inconsistent with the Administrator's status of being responsible to the *Council* and independent of Government.

The *Courts Administration Act, 1993* provides that, for other than senior positions, the staff of the *Council* are to be appointed by the Administrator under the *Government Management and Employment Act, 1985*. The staff were in the main, public servants employed in the Court Services Department and by virtue of the schedule to the *Courts Administration Act* are now to be taken to have been appointed under the *Courts Administration Act*. It had been assumed that these persons remained public servants and that subject to the specific provisions of the *Courts Administration Act*, the *Government Management and Employment Act* (now the *Public Sector Management Act, 1995*) applied to them. However, if the *Courts Administration Authority* is not an administrative unit of the public service, the status of the staff of the Authority is unclear as the *Public Sector Management Act* provides, as did the *Government Management and Employment Act*, that all persons employed by or on behalf of the Crown must be employed in the Public Service, and the Public Service consists of administrative units established under the *Public Sector Management Act*.

This ambiguity in the status of the staff of the *Courts Administration Authority* needs to be resolved.

The establishment of the *Courts Administration Authority* is predicated upon the Administrator and staff of the Authority being responsible to the *State Courts Administration Council* and this is incompatible with the staff being public servants under the *Public Sector Management Act*. However, it is desirable to maintain flexibility and uniformity in the terms and conditions of employment of all public sector employees. Accordingly this bill provides that the provisions of the *Public Sector Management Act*, except those provisions which are stated not to apply, apply to the staff of the *Council*.

Changes are made in the way senior staff of the *Council* are appointed. Section 18 of the Act now provides that senior staff are appointed by the Governor on terms and conditions determined by the Governor. Under section 33 of the *Public Sector Management Act* the Chief Executive of an administration unit may appoint persons as executives of the unit. New section 18 of the *State Courts Administration Act* provides that senior staff are to be appointed by the Administrator with the approval of the *State Courts Administration Council*. The terms and conditions of the appointments will be governed by the *Public Sector Management Act*. This will ensure consistency with the public service in relation to the manner, terms and conditions of appointments of staff of an executive level.

Section 16 of the *Courts Administration Act* provides for the position and appointment of the State Courts Administrator. There is no provision in the Act for the Deputy or any other person to act in the Administrator's place when the Administrator is, for example, on leave or out of the State. When the Administrator is absent the *State Courts Administration Council* must nominate a person to act as Administrator and the Governor must appoint the person as Administrator. *Clause 4* of the bill provides that the Council may assign an appropriate employee to act as Administrator during a vacancy in the office of Administrator or when the Administrator is absent from, or unable to discharge, official duties. This amendment will streamline the administration of the Act.

Consequential amendments to the legislation constituting the various courts are made to reflect that staff are now appointed under the *Courts Administration Act*.

The further amendments to the *Supreme Court Act* recognise the existing practise in the appointment of tipstaves and judges' associates. The amendments to the *Young Offenders Act* change the way in which Youth Justice Co-ordinators are appointed. The requirements in section 9(1)(b) of the *Young Offenders Act* that Youth Justice Co-ordinators be appointed by the Minister has given rise to difficulties in their employment status. This amendment provides that they are appointed, as are all other Court staff, by the State Court Administrator as staff of the *State Courts Administration Council*.

Explanation of Clauses

Clause 1: Short title

This clause is formal.

Clause 2: Commencement

The measure is to be brought into operation by proclamation.

Clause 3: Interpretation

References in the measure to the principal Act are references to the Act referred to in the heading to the Part in which the reference occurs.

Part 2 (*clauses 4 to 9*) contains amendments to the *Courts Administration Act 1993*.

Clause 4: Amendment of s. 16—The State Courts Administrator

The clause updates a reference to provisions of the *Government Management and Employment Act 1985* to a reference to the corresponding provisions of the *Public Sector Management Act 1995*.

The clause also inserts a new provision to empower the State Courts Administration Council to assign an appropriate employee to act as the State Courts Administrator during a vacancy in the office or absence or incapacity of the Administrator.

Clause 5: Amendment of s. 17—Functions and powers of the Administrator

The clause changes a reference to "Chief Executive Officer" to "Chief Executive" so that it matches the terminology adopted by the new *Public Sector Management Act*.

Clause 6: Substitution of ss. 18, 19 and 20

Section 18 of the principal Act currently provides for appointments of senior staff (holders of senior Council staff positions listed in the regulations) to be made by the Governor on terms and conditions determined by the Governor. Appointments to these positions are on the nomination of the Council and no appeal lies in respect of such an appointment.

The proposed new section 18 leaves these appointments to be made by the Administrator with the Council's approval. This arrangement more closely accords with the *Public Sector Management Act* provisions for the Public Service under which Chief Executives are now responsible for making appointments at senior levels in their administrative units. Under proposed new section 21B (see *clause 8*), the *Public Sector Management Act* provisions will apply to such appointment in the same way as to Public Service appointments. Among the provisions applying would be the provisions excluding appeal rights in respect of appointments to executive positions in the Public Service.

Current section 19 of the principal Act requires the Council's consent before disciplinary action may be taken against a member of the Council's senior staff. This section is replaced with a new provision requiring such consent in respect of termination of the employment of a member of the Council's senior staff as well as in respect of disciplinary action.

Current section 20 (which deals with the application of the *Government Management and Employment Act*) is to be replaced by proposed new section 21B (see *clause 8*).

Clause 7: Amendment of s. 21—Other staff

Section 21 of the principal Act currently provides that appointments to positions on the Council's staff (other than senior staff positions) are to be made by the Administrator under the *Government Management and Employment Act*. This obsolete reference to the *Government Management and Employment Act* is removed. The application of the new *Public Sector management Act* to both senior and other positions on the Council's staff is, as mentioned previously, to be dealt with by proposed new section 21B.

Clause 8: Insertion of ss. 21A and 21B

Proposed new section 21A spells out that the Council staff comprises not just the Administrator and Deputy Administrator and other providers of general court administrative services, but also includes the non-judicial officers of the participating courts—the registrars, sheriff officers and so on. This provision reflects the particular provisions to be found in most of the Acts establishing the participating courts. Subclause (2) makes it clear that any special provision in any such other Act providing for the appointment, or otherwise specifically relating to such non-judicial court officials, continues unaffected.

Proposed new section 21B applies the *Public Sector Management Act* to the staff and positions on the staff of the Council in the same way as to an administrative unit and positions in an administrative unit of the Public Service. This is subject to necessary modifications and exclusions and also modifications and exclusions that may be prescribed by regulation. In addition, the following *Public Sector Management Act* provisions are excluded:

- Part 4 relating to Chief Executives (other than section 17—the provision allowing for delegation by a Chief Executive);
- section 22(1)*(c)*—the general function of the Commissioner for Public Employment to monitor and review personnel management and industrial relations practices;
- section 22(1)*(e)*—the function of the Commissioner for Public Employment to conduct particular reviews of personnel management or industrial relations practices as required by the Minister or on the Commissioner's own initiative;
- in relation to senior Council staff positions, section 7(3) and (4)—the power of the Governor to transfer employees within the Public Service and incorporate non-Public Service employees into an administrative unit.

The proposed new section 21B also makes it clear that the *Superannuation Act 1988* applies to Council staff in the same way as to Public Service employees. This provision was not thought to be required previously as the Council staff were taken to have been Public Service employees.

Clause 9: Amendment of s. 22—Responsibility of staff

This clause makes a drafting amendment only designed to make it clear that the references to a "court" are to a "participating court" which may be a tribunal and not a court according to the ordinary meaning of the term.

Parts 3, 4, 5, 6, 7 and 9 of the Bill make consequential amendments to the *District Court Act 1991*, the *Environment, Resources and Development Court Act 1993*, the *Magistrates Court Act 1991*, the *Sheriff's Act 1978*, the *Supreme Court Act 1935* and the *Youth Court Act 1993*. These amendments reflect the basic change proposed by the Bill, that is, that appointments to the Council's staff are not to be under the Act governing the Public Service, but by the State Courts Administrator under the *Courts Administration Act* with all appropriate provisions of the *Public Sector Management Act* applying in the same way as to Public Service employees. Provisions requiring the recommendation, nomination or approval of the judicial head of a participating court in respect of such an appointment are retained. Associates of Supreme Court judges will continue to be appointed and subject to removal by the Chief Justice.

Part 8 *(clause 18)* amends the *Young Offenders Act 1993* so that Youth Justice Co-ordinators (who are not magistrates) will be appointed by the State Courts Administrator under the *Courts Administration Act* and not, as under the current provision, by the Minister.

Part 10 *(clause 20)* makes transitional provisions designed to ensure that earlier appointments to non-judicial offices or positions will be taken to have been made under and to have been subject to the new provisions proposed by this measure.

Mr CLARKE secured the adjournment of the debate.

TOBACCO PRODUCTS (LICENSING) (MISCELLANEOUS) AMENDMENT BILL

Returned from the Legislative Council without amendment.

LOCAL GOVERNMENT (BOUNDARY REFORM) AMENDMENT BILL

Adjourned debate on second reading.

(Continued from 25 October. Page 398.)

Ms HURLEY (Napier): I begin the debate today by reminding members of the grave responsibility we have for the Local Government Act as the constitution for another sphere of government. In common with the State Constitu-

tion, it is not held by the people but by the Parliament which is a result of the historical development of European settlement in this country. While some constraints are placed on this Parliament in amending the State Constitution, no such constraints have yet been placed on the Local Government Act. An important agreement was signed yesterday by the Commonwealth Government and I would like to quote a little from the press release:

> The Prime Minister, the Hon. Paul Keating MP, and the President of the Australian Local Government Association, Mayor David Plumridge, tonight signed an historic agreement signalling the start of a new era in relations between the two spheres of government. The Commonwealth-Local Government Accord confirms the principles and priorities for a partnership approach to the enhanced delivery of Government services to all Australians. The document was signed by Mr Keating and Mayor Plumridge at Parliament House, witnessed by the Minister for Housing and Regional Development, Mr Brian Howe, and delegates attending the Second National Assembly of Australian Local Government. Mayor Plumridge described the accord as a milestone in the evolution of government in Australia. 'The accord is not only a blueprint for the future of inter-government relations but also lays the foundations for a better future for local communities around Australia,' he said.

And later:

> Mayor Plumridge said the Commonwealth-Local Government Accord would complement similar agreements with most State Governments. A key aim is to build a better Federal system involving all three spheres of government in partnership.

I emphasise the word 'partnership'. Indeed, I want to impress on members the need for the State Government and local government to work in partnership. Certainly, it is sad and disappointing that such a task should fall to me rather than being embraced by the responsible Minister in the processes leading up to the Bill before us today.

The history of local democracy is particularly important in South Australia. South Australia was the first State in which elected local government was established in 1840. Adelaide City Council was the first fully elected body to represent Australians in this nation. It is also worth noting that the council was established as a result of a petition of settlers seeking the rights and privileges of their own decision-making body. Unfortunately, the council quickly went bankrupt as a result of a mismatch between its responsibilities and the limitations of its rating powers under colonial legislation. While it is the only instance of bankruptcy in local government in South Australia's history, the question of the mismatch between responsibilities and funding is one that I know will strike a chord with many local government bodies.

There are many examples of local government leading in this State. The first woman elected member of any government in Australia was Susan Grace Benny, who became a member of Brighton council in South Australia in 1919, only one month after Nancy Astor became a member of the British Parliament and, unfortunately, almost 40 years before a woman was elected to this House. I referred earlier to the South Australian Constitution Act. I know that members opposite rarely consult this Act, so I will quote a short passage from it:

> (1) There shall continue to be a system of local government in this State under which elected local governing bodies are constituted with such powers as the Parliament considers necessary for the better Government of those areas of the State that are from time to time subject to that system of local government.
>
> (2) The manner in which local government bodies are constituted, and the nature and extent of their powers, functions, duties and responsibilities shall be determined by or under Acts of the Parliament from time to time in force.
>
> (3) No Bill by virtue of which this State would cease to have a system of local government that conforms with subsection (1) of this section shall be presented to Her Majesty or the Governor for assent unless the Bill has been passed by an absolute majority of the members of each House of Parliament.

So, in a small but significant way we know that this Parliament has recognised and acknowledged that we are dealing with a constitutional matter. This is also significant when we realise that it was an initiative of the Tonkin Liberal Government to insert this section in the Constitution Act and a matter of bipartisan support. It is also interesting to read *Hansard* from that debate, because the Hon. Murray Hill, a former Minister of Local Government, made the following statement:

> Local government has developed greatly and can be seen as a level of government actively providing services of a wide range to the local community. It is extremely pleasing that local government in South Australia is now seen to be the most innovative and active in Australia at present. Councils now provide services for the aged, for youth, for specialist recreation purposes and for the enrichment of the entire community through library services as well as the important basic services of roads, streets and drainage.

The quote continues:

> The State Government emphasised in its election policy that it would work towards the continuing development of local government as an autonomous and independent level of government capable of making decisions for its local area with a minimum of interference from other Governments.

Again, I emphasise the words 'autonomy', 'independence' and 'minimum interference from other Governments'. Also, I quote the Hon. Chris Sumner, who referred to the Liberals' claim of ownership of that idea:

> I should say that the Bill was in the course of preparation before the election on 15 September and I understand that the present Government has merely continued on with commitments which have been given by the Labor Government.

Again, we had a bipartisan position on local government only a short time ago. The Tonkin Government took that Bill forward. My predecessor in this House, the Hon. Terry Hemmings, went further to say:

> It is also vitally important, as I said previously, to realise that recognition of local government by placement in the Constitution is not enough. There should be complete financial support for local government from both the State Government and the Federal Government.

Yesterday, in the news release we had a confirmation of the Federal Government's commitment. Unfortunately, we do not have the same sort of commitment, obviously, from the State Government. I would like to refer further to financial support from this Government for local government but, before I do, I remind the Minister for Infrastructure, who was a former mayor of Kadina, of his words of praise for local government when he was then the member for Rocky River.

Mr Venning: Here we go!

Ms HURLEY: Yes, indeed, here we go. He stated:

> To establish it—

meaning local government—

> rather than as the poor partner in government, as a partner of some significance, an equal partner, ought to be the desire in the long term.

This was stated in June 1980 and hopefully we have got around to the long term. He continued:

> I believe that local government has the capacity to accept the role and responsibility of providing community service and facilities. I also believe it has the greatest capacity to determine what those community needs are by being closest to the people and being able to identify local community problems. It is therefore able to have a better and closer appreciation than have remote Governments, or

departments for that matter, in determining the allocation and expenditure of resources.

So, we have the rhetoric of democracy held high by the Liberal Party in 1980. Turning to the current Government, we have in the Bill before us probably what is the most far reaching amendment to the Local Government Act since it was enacted in 1934.

In the Minister's speech introducing this Bill, one would, therefore, have expected, harking back to the 1980s, a heavy lacing of references to constitutional aspects, to the relationship between spheres of government and perhaps, most of all, to the nature and importance of local democracy. If you were to do a word search of the Minister's introductory speech, you would expect to find the words 'democracy' or 'democratic' sprinkled a number of times throughout it in reference to this bipartisan support for local government. In fact, perhaps as an indication of the Minister's regard for local democracy, we find that there are zero references to democracy or democratic rights in his speech. In his key opportunity to tell this place and the South Australian community of the Government's ongoing commitment to local democracy, not once did this Minister use the words 'democracy' or 'democratic'—and that is just the initial indicator.

Perhaps, if he could not manage that heady and complex concept of democracy, you would expect him to pay some sort of tribute at a practical level to the individuals who serve the State and who run local government, that is, the 1 170 elected members who give their time voluntarily to give local democracy practical form—to listen to communities, to manage assets and to serve their fellow community members. You would think that the Minister would take the time to have a nice word to say about Mayor Bruce Eastick or Councillor John Mathwin, who served this Parliament in his own Party and who now give voluntary service to local government. Colleen Hutchison, from our side, is also serving local government in the northern areas. However, this Minister seems to have a basic lack of understanding of what local government is or what it does. This Bill demonstrates that much. I am sure that is not a message that members opposite would want to carry back to their electorates—that the Minister does not listen to or does not value the opinion of their local councils. That is reinforced in a series of letters and messages I have received from local government.

Mr Caudell: Read the one you've got from Bruce Hull.

Ms HURLEY: I haven't got one from Bruce Hull.

Members interjecting:

Ms HURLEY: It's in here; don't worry. First, I will read, in its entirety, a letter from the corporation of Naracoorte about this Bill, as follows:

> The corporation has for many years taken a keen interest in structural reform of local government. We have been to the forefront in resource sharing, enterprise bargaining and in planning for desired and needed change. In other words, we believe the corporation to be practical, progressive and ready to meet the changing needs of its residents and visitors.
>
> Corporation members are aware that most council boundaries were established in the late 1900s and have had very few major changes since then. Interestingly, when those boundaries were initiated, it would have taken nearly a day to drive a horse and cart across most council areas; today it takes less than one hour to drive from top to bottom of the South-East and contact is continuous using modern technology—mobile phones, facsimile machines, lap-top computers, etc.
>
> Obviously, we must all expand our minds and our thoughts if we are to give our communities the services and the facilities that they will require over the next 50 years in the most efficient and cost effective manner possible. To do this there is no doubt in our minds that there must be fewer councils and more effective management of these bodies.
>
> The corporation agrees with the main thrust of the Local Government Bill and supports the need for State intervention to ensure amalgamation. However, the corporation has two major concerns:
>
> 1. The setting of rates should be the prerogative of the locally elected council. Cost savings of any amalgamated council cannot be expected in the initial year but rather over ensuing years as the structure and management is settled in place. One should realise that personnel, buildings and plant rearrangement is initially expensive but long-term cost effective. The savings and efficiencies should be considered in a five year plan rather than as a 'quick fix'.
> 2. As you state in your letter [that is, my letter], '. . . local government is a valid third tier of government and should be in control of its own operations'. Local government should not be an agent of either State or Federal Government; it should act for and on behalf of the residents of its particular locality.
>
> Please support this implementation of change in a responsible manner, as suggested. It is important that the matter be decided quickly so that local government can get on with the job; delay will result in poor staff morale and a further period of our more conservative members burying their heads in the sand.

A member of the City of Prospect said:

> Whilst the council is supportive of reform and change, the extent of the powers of intervention by the State Government proposed in this Bill are completely unacceptable to the democratically elected third sphere of government.

A District Council of Lucindale representative said:

> My council is deeply concerned that the Government has largely ignored efforts by the Local Government Association to develop—

Mr Ashenden: Do you know where Lucindale is?

Ms HURLEY: —I'm a Mount Gambier girl: I know where Lucindale is—

> a reform partnership between State and local governments. In fact, regulatory control and interference evident in the Bill effectively removes much of the autonomy and democracy now evident in local government.

I have a letter from the Marion council.

Members interjecting:

The ACTING SPEAKER (Mr Becker): Order! The member for Mitchell will have his turn.

Ms HURLEY: The letter states:

> Marion council supports a proactive approach to reform and is generally supportive of the direction of the Bill. However, this support is specifically in the context of the proposed reforms. The council would not support such an interventionist approach by the State Government being adopted as a blueprint for continuing intergovernmental relations.

A letter from Port Lincoln states:

> The theme of this Bill is one of direction by central Government rather than direction through consultation. With this lack of consultation the margins for getting it wrong are quite high.

That says it all. I have a couple of files full of letters echoing the same points.

Mr Ashenden: What about the letters of the councils that support what we are doing? What happened to them?

The ACTING SPEAKER: Order! The honourable member will have his opportunity shortly.

Mr Venning interjecting:

The ACTING SPEAKER: Order! I call the member for Custance to order. You will have your chance shortly or you might not be here. The member for Napier.

Ms HURLEY: That is a very special message to the Liberal Minister—that most councils, nearly all, consider there has not been adequate consultation with local government which they regard—and which they have every right to regard—as a valid third tier of government. What

message does the Minister have for those people in respect of all the unpaid hours they have spent in council meetings and committees, all the agendas and reports they have read, all those ratepayers and electors they have listened to, all those training sessions, all the briefings, all the community bodies on which they have represented councils? He is not interested in their views. It is a zero again—no message at all.

I would like to pay a special tribute to local government, not only to the 1 770 elected members who give their time freely but to the 7 500 employees who serve those elected members in running local government in this State. In my role as a shadow Minister, I have met many members and officers, and I must say that I have been awed by the level of commitment they have shown and the contribution they have voluntarily made to government in this State. It is a thankless task being an elected member, and members in those places would acknowledge that.

To those in local government who are there for no remuneration, it is my privilege to thank them for their contribution to the economic, social and environmental development of this State. There will be some—and I have heard them before—on the other side of the Chamber who will seek to denigrate that contribution, to pick examples of poor performance or of complaint and seek to tar everyone with the same brush. I make two important points: first, it is appropriate to focus on system failures and to support appropriate measures to deal with them—measures appropriate to local government, that is, not at the whim of State Government; and, secondly, when forming conclusions about local government, we should do so within an appropriate context and look at appropriate indicators.

It is interesting to note that, whenever the community is surveyed on comparative questions, local government is held in higher regard than either State or Federal Government. An Australian Local Government Association report on this matter states:

> Of 1 025 people surveyed on 6 November, a surprising 66 per cent told the Roy Morgan Research Centre that councils should get more responsibility for local facilities than State and Federal Governments. And 48 per cent supported the idea of councils getting a fixed percentage of total Commonwealth taxes.
>
> The survey also found that an astounding 83 per cent of people supported the involvement of councils whenever State and Federal Governments were planning services and facilities.

There are some other indicators of local government performance and I will concentrate on the South Australian scene. First, the growth in local government rates income in recent years has shown that that rate of growth is declining. The local government growth rate in 1991-92 was 7.8 per cent; in 1992-93 it reduced to 6 per cent; in 1993-94 it nearly halved to 3.1 per cent. On the other side of the coin, I have a table of the latest local government debt figures from the Australian Bureau of Statistics and I seek leave to have this table inserted in *Hansard*.

The SPEAKER: Is it purely statistical?

Ms HURLEY: Yes, Sir.

Leave granted.

Local Government Debt

	C'wlth	$m All States	SA State	SA LG
Gross Debt	121631	111046	13877	659
Financial Assets	28665	40437	5341	526
Net Debt	92966	70609	8536	133
Unfunded Emp. Entitlements	74420	56783	5148	55

		$ per capita		
Net Debt per capita	5025	3816	5795	90

Source: ABS
June 30, 1995

Ms HURLEY: I note, in particular, the net debt for each person from each sphere of government: $5 025 for each person for the Commonwealth and $3 816 for each person for all State Governments combined. The figure for local government in South Australia is a mere $90 for every person. As the member for a newly developing area where local government is very active, I know that the level of infrastructure managed by local government is quite extensive and that this is a very good figure indeed.

Local government has fully funded all its employees' superannuation entitlements. No council in this State has any unfunded liabilities and yet the benefits under the scheme are among the best in the State. Every council in the State has fully funded all its workers compensation liabilities. There are no unfunded workers compensation liabilities and I understand that the LGA workers compensation scheme has just been given the maximum three year rating by WorkCover.

Over the past two years local government in South Australia has totally changed its financial reporting arrangements to implement full accrual accounting. In next year's accounts all council assets, including roads and bridges, will be a part of the accounts. This will be achieved before the States and Commonwealth achieve the complete implementation of new standards. Local government in South Australia has been actively working in a collaborative way with counterparts in other States. They are working, sharing experiences and information, and formulating strategic approaches for the implementation of this accounting strategy. Local government reform strategies need to have regard to the direct impact of bringing on the asset values of community properties, etc., that councils manage on behalf of their communities, and their responsibility for the ongoing development and maintenance of these assets.

I now turn to enterprise bargaining. Local government has led the enterprise bargaining scene in South Australia. Local government in South Australia has nearly every council with at least one enterprise bargaining agreement with either the Australian Workers Union or the Australian Services Union. Local government in this State is a leader in Australia in applying the strategy to achieve efficiencies for its most important resource—its employees. There has been no industrial disputation in local government resulting from these enterprise bargaining negotiations. Effective negotiating arrangements have been struck between elected members and staff of councils and the unions. This illustrates how well and how effectively local government can work in consultation with other bodies. It indicates the good relationship which exists between elected members, their staff and the workers in all councils and shows that it is a good negotiating nexus with which to work. In most cases it has shown that local government is very keen to work with its employees and does it very effectively.

I highlight two more areas where local government has worked effectively—women elected to local government and Aboriginal participation. Since the elections in May this year, 24 per cent of local government elected members are women—ahead of this Parliament and almost double the percentage of women in the Commonwealth Parliament. There are two Aboriginal elected members in South

Australian local government, while unfortunately there are no Aboriginal members either in this State or in the Commonwealth Parliament at the moment.

In many ways it is difficult to isolate local government reform from interaction with State and local government. There is a constant stream of delegation of functions from State to local government to reorganise local government's capacity and potential, the central decision overload and the degree of cost transfer.

During the past four to five years local government has taken on additional functions in aged care; under the home and community care program; in relation to catchment water management under the recent legislation; for funding regional development boards; for septic tank effluent drainage; for recycling; for crime prevention; for libraries; for regulating roller-blading—a piece of legislation I opposed strenuously; for building fire safety—and the list continues.

More significant, in terms of this Bill, is local government's role in strategic planning for its communities. Its views on the local impact of a huge range of issues—from transport planning to Aboriginal homelands and telecommunications infrastructure—have been sought. Councils have an ability to represent the local differences in the community, and that is becoming highly valued in most areas. Again, individual councils have absorbed a huge volume of change in the past five years including areas such as occupational health and safety legislation, freedom of information, decentralisation of the industrial relations system, implementation of the new finance standards, and implementation of the new Development Act. The brief excerpts I have read from the letters show they are willing to look at amalgamations in the same spirit: they just want to be consulted on the issue.

While talking about the reform that local government has absorbed, I mention the State-Local Government Reform Fund. The former Government established the fund in 1992-93 in a major attempt to boost the resources available to Government, to facilitate Government reform and relieve pressure on ratepayers. The fund was established in collaboration with the Local Government Association. An important aspect was that the fund had some potential for growth which was to accrue to be used for agreed State-local government purposes.

The Labor Party had been sensitive to the pressures on ratepayers and the limitations to local government's one tax base—property taxes. The Labor Government sought to create an opportunity to broaden the local government tax base to assist in carrying out additional functions from the State and Commonwealth Governments which have been increasingly directed towards local government. The Labor Party believed in the local government function and was prepared to support it. What has this Government done in the two years since it was elected? It has changed its accounting practices. What does that mean for local government and the ratepayers? Again, we look at it and come up with zero. They have taken that money from the reform fund and it has disappeared into consolidated revenue.

An honourable member interjecting:

Ms HURLEY: I will return to the management of that fund in the future. On the subject of local government reform and the central challenges it faces in that respect, councils have already refocused the way in which they do business. In many instances they have embraced regional resource sharing—more than 64 per cent to moderate or extensive levels according to a 1993 LGA survey. In the same survey 60 per cent were involved moderately or extensively in contracting out services. It has been estimated by the LGA that 14 per cent of local government outlays are managed collectively by councils across the State. Finance, workers' compensation, superannuation, insurance, public and professional liability, training, purchasing, research and other arrangements have been established by the LGA with various Government, union or private partners. This is estimated to produce savings exceeding $20 million a year. In other words, local government has already embarked very effectively on the reform of its own operations.

In relation to inter-governmental reform, local government in South Australia has led the nation. It worked with the Bannon Government to dismantle the former Department of Local Government, and that produced savings for the State Government of about $2 million a year. It regularised State-local government relations through the memorandum of understanding which was negotiated at about the same time as the department was disbanded. It became a national member of the Council of Australian Governments, and this week the Local Government Association formally signed the accord with the Commonwealth Government, to which I referred earlier. In this, it was ably led by Mayor David Plumridge of Salisbury, a former President of the LGA in South Australia. I would like to take this opportunity to congratulate Mayor Plumridge on his re-election as President of the Australian Local Government Association. It is good to see that South Australia is again taking a leading role in this area. I know that David Plumridge has been very keen to push for boundary reform in South Australia in a constructive way.

Returning to the issue of reform, I think all South Australians would be pleased to see the Minister for the Environment and Natural Resources and the President of the LGA get together to enable South Australia to become the first State to sign up for the new Commonwealth Coastal Action Program with Senator Faulkner of the Commonwealth Government. I understand that Minister Wotton has acknowledged the key role which the LGA and local government played in putting South Australia at the head of the queue in wishing to join a national approach to coastal matters and accessing funding for coastal projects.

Mr Brindal: What's this got to do with the Bill?

Ms HURLEY: It is strange that the honourable member should mention that. I am about to turn to the topic of amalgamations and boundary reform. What it has to do with the Bill is that it illustrates the history of the way in which local government has behaved in South Australia and the way in which it has taken on its responsibilities and been prepared to consult and collaborate with people.

I think it is worth talking a little about our current system. This system was introduced only in mid-1992. One of the keys to introducing this system was the notion of removing the ogre of big brother intervening in the process of reform. What it boils down to is that the system had less than 24 months of operation before the Premier asked the current Minister to look at this question. So, the current system, with no State incentives or support, had been tried for less than two years, and the Minister now says that it has failed.

Swayed as this Government has so often been by the Kennett Government, it turned to look at amalgamating councils. It chopped and changed its mind a little on this issue and, ever since, councils have been in a state of confusion as to the Government's exact position. On the one hand, it seems to be adopting a Kennett type approach; on the other hand,

it says that it is all for voluntary amalgamations and that it has been saying that ever since the election. Councils have been keeping pace with this issue of reform. As I said before, they are quite willing to embrace the topic of boundary reform in many ways. In fact, no-one to whom I have spoken has suggested that local government should rest on its laurels with respect to the matter of reform.

There are areas where more attention is required, not only in boundary reform but in the challenges of new technology, changing work practice, customer expectation, competition principles, and the globalisation of the economy and how local government fits into that. Councils must continue, as must everyone, to change in order to ensure that they remain relevant to their local communities. I stress again that in addressing all these issues the democratic representations of the interests of local communities must remain paramount. If we lose that in the quest for reform, we are no longer providing proper local government.

In keeping with my opening comments, it is also important again to remind ourselves of the care with which the State should deal with another sphere of Government and the respect we should show for the principle of local accountability. However, when you look at the approach of this Government, that of Premier Brown and Minister Oswald in particular, the analogy approaches that of a bull in a china shop. First, we have this farce, which is the rhetoric of the memorandum of understanding which carries the signature of the Premier but apparently not the commitment of the Premier. This Government's definition of 'partnership' apparently is that it means whatever the latest Cabinet decision is unless that decision happens to have been overturned by the Party room. Local government keeps reminding us what the Premier committed himself to, because this Government seems to be unaware of it. The memorandum of understanding states:

> That the State Government and the LGA desire to further develop and implement a relationship reflecting a cooperative approach to the development of the State, representation of its people and the productive, efficient and effective provision, planning, funding and management of services for the South Australian community; that in doing so the parties agree to continue with a process of negotiation based on open, respectful and cooperative interaction and the exchange of information; that this process will involve the progressive negotiation of agreements between responsible Ministers and the LGA covering specific agreed program areas, and will include the clarification of responsibilities and funding arrangements.

In particular, I would like members to note the following clause:

> That the parties agree to work collaboratively on the reform of the existing Local Government Act with a view to enhancing relationships and that mechanisms for extensive public consultation will be integrated into this process.

The mechanisms and processes involved in drawing up this Bill have certainly not enhanced any relationship between local government and State Government. I am told that the State made changes to the previous memorandum of understanding when it signed this one, even to the extent of adding a whole new clause, but one wonders whether the Premier read it before he signed it, given the lack of adherence to it. Perhaps it is just that he has not read it since.

Later down the track we have the establishment of the Ministerial Advisory Group (MAG), which was not a joint State-local government group, as the memorandum of understanding suggested it might be and as the LGA proposed it should be, but a ministerial advisory group. At the time, it was set a very gung-ho agenda of reporting on all the issues that Jeff Kennett had charged into in Victoria. In being assigned that task, the group was given a quite unrealistic budget, very little in the way of support resources, and a totally unrealistic time frame. What followed was a fairly perfunctory, to say the least, consultation process which offended most people whom it touched including many councils and bodies such as the South Australian Federation of Ratepayers' Association. The distrust and suspicion arising from the approach of MAG has been carried through into local government's approach to the proposed reform board under this Bill. I believe that it had wide-ranging consequences. In fact, many members of the community were very disgruntled with the whole process. I understand that SACOSS decided not to respond at all to MAG because it felt that the consultation process and time frame were so appalling.

I turn now to the actual release of the MAG report. I am pretty sure that the Minister knew that it would not stand up to any lengthy analysis, so he decided on a quick and dirty approach in the Party room. However, he was swamped by the fears of the nervous nellies of his own backbench, and within three weeks the MAG report was abandoned and the Party policy of voluntary amalgamations was confirmed at that stage. If you are not confused by now—and I am sure you are— you have not been paying attention, because the Government has chopped and changed remarkably on this issue.

In the wake of vigorous criticism in the media that this Government had fluffed it, Minister Oswald set out to hoodwink his backbench. He assembled this notion of embarrassing councils into amalgamation polls and took it to the Party room meeting at Murray Bridge. In dealing with this event, I must quote from a hero of the Liberal Party in that rather sad publication the *Sunday Mail*. I refer, of course, to Mike Duffy. I do not normally make it a practice of quoting or even reading Mike Duffy, but in this instance even he was appalled at the farce taking place in the Party room.

Mr BRINDAL: I rise on a point of order, Mr Deputy Speaker. I have been listening carefully to the debate, and all I have heard so far is some sort of fairy story about what happened in the Liberal Party's Party room. I contend that that is not relevant to the debate.

The DEPUTY SPEAKER: I believe that the member is trying to establish a connection with the intentions of the Minister, and so far she has referred to criticism from within the Party. The honourable member should draw her allegations together in some form of concrete example. Certainly, Mr Duffy not being a member of the parliamentary arm is not really relevant to the thoughts of the Liberal Party.

Ms HURLEY: I would agree that Mr Duffy is not relevant but I think his comments in this instance may be relevant, and I hope to draw them together later on. Mr Duffy said:

> The big test for the Brown Government will be how it controls disgruntled backbenchers who are hostile to the Bill due to its potential to unseat several of them. News has leaked from Liberal ranks that Cabinet was unceremoniously rolled when the draft Bill was put to the parliamentary meeting two weeks ago at Murray Bridge. Premier Dean Brown is understood to have been ashen-faced—and very angry—when a ballot which looked a formality dumped the draft Bill. The Premier is said to have dispatched his minders to seek out two Cabinet Ministers who had gone AWOL from the meeting from media interviews on other matters. Following further discussion, the draft Bill scraped through—with a meagre majority.

Mr ASHENDEN: I rise on a point of order, Mr Deputy Speaker. I have to support my colleague, the member for Unley, in asking: what is the relevance of the information that the honourable member is presently speaking of? It has absolutely nothing to do with the Bill before us. I ask you, Sir, to rule accordingly.

The DEPUTY SPEAKER: The honourable member is allowed some licence in making her comments. She is the lead speaker. I assume that, in due course, she will draw the attention of the House to the real relevance of what she is saying.

Ms HURLEY: Mr Deputy Speaker, I am trying to establish a pattern by following the ups and downs of the Government in the lead up to this Bill. I am trying to establish the way in which it was put together against many of the express wishes of those in the local government community. Mr Duffy also said:

> Two other Ministers, forced to observe the tradition of Cabinet solidarity, lodged their protest by shaking bowed heads as they voted obediently with the ayes. Backbenchers opposed to the Bill claim Cabinet itself approved the draft Bill by only eight votes to five which translated to 13-0 under unwritten solidarity rules. They argue—without being prepared to lend their names to internal combustion—that the process has resulted in a minority 'outvoting' the majority. It now seems certain much water will have to be added to the Bill to pacify the LGA, Liberal backbenchers and Labor. Meanwhile, there is a threat from one council to mount a massive campaign not just to win an anticipated postal vote to resist amalgamation—but to raise funds to challenge the legislation in the courts. This was supposed to be 'love-thy-neighbour' legislation for the good of South Australia.

I pose a question in that vain to the Minister. Local government, in the Minister's own words, is eager for change. As I understand it, with the assistance of the LGA, councils have never been better prepared nor as actively ready to embrace boundary reforms. They are hungry for leadership and for vision from this Government, and they want to know what the new legislative framework will be. How is it possible that this process has been managed so ineptly as to endanger that sort of commitment from our partner sphere of Government? How could the Minister so mismanage negotiations with the LGA to threaten this consensus for reform? The District Council of Robe passed a vote of no-confidence in the Minister and urged every other council to do so.

Mr Brindal: Who?

Ms HURLEY: The District Council of Robe. Even the G5 group of the largest councils issued a joint statement with the LGA, as follows:

> South Australia's Local Government Association and the mayors of the largest five councils have issued a joint statement indicating support for local government reform and concerns with Minister Oswald's draft local government reform Bill. Mayor John Dyer, the President of the association, who is a mayor from one of the councils, rejected media suggestions that there was a split between those councils and the LGA.

The position supported by the association and by the mayors of the five councils is as follows:

> Strong support for an acceleration of boundary and other reform in local government with particular support for aspects of the proposed legislation which facilitate the amalgamation process in metropolitan Adelaide.
>
> Opposition to proposals in the Bill for the Government to be able to direct what councils might do with savings from a reform process as 'not appropriate', but accepting that proposals for amalgamation should identify gains for the community.
>
> The need for a sunset clause on the proposed local government reform board to recognise it would have a once-off and time-limited task in relation to council boundaries and directly associated reforms.
>
> Support for the concept of all polls being postal ballots.

Mayor Dyer said that there were differences in detail between the councils and the LGA but that these did not amount to a split. He said:

> I should like to make it particularly clear however that the LGA supports boundary and other reforms in local government but that it is concerned with certain critical aspects of the proposed Bill.

It is appropriate here to ask what is next on local government's agenda. As I said before, we had the State Local Government Reform Fund going into general revenue. We had a debate about compulsory competitive tendering, or CCT as it is known in Victoria. We are about to see changes to the Local Government Finance Authority. At this point I will make some further comments about CCT, as there was an attempt in the draft Bill to introduce it. There are indications in this Bill that it is still on the agenda.

There is an attempt in this Bill to cut council resources, and this may be one mechanism designed to push councils towards CCT. I know that many country members—very wisely—are concerned about CCT and about its impact on employment in regional areas of the State. It is true that local jobs will disappear under CCT. However, one can be quite assured that, even though it has been dropped out of this current Bill, Mr Oswald is looking for some devious scheme to introduce it again. I am sure he is currently looking at ways to do that.

I will inform members opposite about something more of CCT, because I am not sure that they are aware of its full implications. In fact, I know that the Minister missed an opportunity to learn a bit more about it, because he failed to respond to an invitation to address a meeting convened by Citizens Against Compulsory Competitive Tendering Undermining Services (CACCTUS). The meeting was chaired by Mr Gerard Mensus of Anglican Community Services and was attended by about 100 people in September.

The Hon. Frank Blevins interjecting:

Ms HURLEY: Yes, I know that members opposite are laughing at the Anglican Church, but I can assure them that the Anglican Church does a lot of good in the community and is very concerned about issues such as this.

Mr BROKENSHIRE: I rise on a point of order, Mr Deputy Speaker. I ask that the member withdraw her comments about our laughing at the Anglican Church. As a practising Anglican, there is no way that I would laugh at the Anglican Church. I believe those comments are out of order.

The DEPUTY SPEAKER: There is no point of order, but I did not hear the honourable member make such a comment in any case. The member for Napier.

Ms HURLEY: The Minister, the Democrats and I were invited to respond to addresses by Mr Paul Murfitt and Mr John Ernst, Victorian academics, who had been commissioned to publish a report on the implications of CCT. I should like to quote from the report produced by Mr Murfitt. Before doing so, I understand that there are only two places in the world in which CCT is in place. One is the United Kingdom, where it was introduced by the Thatcher Government, and the other is Victoria, where it has recently been introduced by the Kennett Government. Mr Murfitt states:

> Overseas evidence and the emerging Victorian experience makes it clear that the current faith in CCT has been driven by the desire to reduce the costs associated with public programs. The evidence on cost savings is far from conclusive and indicates a wide variety of outcomes, depending on a number of factors, including the type of service. Furthermore, where there are cost savings, indications—

Mr BRINDAL: I rise on a point of order, Mr Deputy Speaker. I am sorry to detain the House, but I have studied the Bill carefully and can find no reference to CCTs. What is the relevance of this contribution?

The DEPUTY SPEAKER: As I said, the honourable member is entitled to make a wide ranging contribution by way of preamble. I assume that the honourable member will be addressing individual clauses in due course. There is no point of order. I ask members not to raise frivolous points of order. The member for Napier.

Ms HURLEY: The report continues:

> Furthermore, where there are cost savings, indications are that they are not due to efficiency and productivity improvements alone; they also result from a reduction in labour costs, falling service standards or a combination of these and other factors.
>
> Both the levels and conditions of employment are impacted by CCT. The associated negative economic outcomes of reduced employment are significant on a local, regional and national level. Low-paid, traditionally female, areas of work are proving to be particularly susceptible. . .
>
> Finally, the theoretical arguments for the Victorian model of CCT are explored and found wanting. Four fallacies are exposed: Governments no longer need to actually deliver services; Governments should be run like a business; all services are the same and competitive tendering should be applied to all; and it is necessary for State Governments to introduce CCT in local government in order to conform to national competition policy.

We know that people will lose jobs in regional and local areas. Their spending power will be lost to local economies, and that will be most heavily felt in country areas. The report tells us that levels of service will be reduced and that the quality of services and public accountability will also be reduced. The report's most damning finding is that the basis for looking at CCT, in the first place—the notion of making cost savings—is not soundly based or proven. Again, I quote from the Murfitt report:

> Some early investigations into competitive tendering are often used to support the assumption of significant cost savings through CCT. For example, the much quoted study by Simon Domberger and his colleagues of refuse collection in Britain in the mid 1980s—and the finding of an average cost saving of 20 per cent—was particularly influential. However, in more recent years questions have been raised about whether the actual levels of cost savings are exaggerated and, secondly, how have any cost savings come about.

More specifically, Murfitt quoted a study by D. Whitfield of the University of New South Wales, as follows:

> A comparison of costs and actual savings in the case study authorities shows that savings of £16.4 million have been outweighed by costs estimated to be £41.2 million, a net cost of CCT of £24.9 million in the case study authorities. It is false economy for the Government to claim 'savings' in local government when in fact the central Government is bearing substantially greater indirect costs and loss of income. . .

In country areas we will see greater ripple effects. It is interesting that country members to whom I have spoken expected the Brown Government to protect their interests, but they have been bitterly disappointed to find that has not been so. In fact, the reverse.

Before going much further, I should like to mention the Local Government Association. It is interesting to see that the press release on the signing of the Commonwealth-Local Government Accord, to which I referred earlier, addresses the Local Government Association. One of the key points in the accord was:

> The Commonwealth will provide support for recognition of local government in the Australian Constitution, and for a stronger local government role in Australia's Federal system.

That is clarified as follows:

> The Commonwealth undertakes to facilitate the enhancement of local government's role in the Federal system by (a) promoting recognition of local government through civics and citizenship education programs developed in response to the report of the Civic Experts Group; (b) supporting the participation of the Australian Local Government Association in all activities of the Council of Australian Governments in which local government has a legitimate interest by virtue of significant statutory responsibility or financial commitment; and (c) supporting the participation of the Australian Local Government Association in specific ministerial councils (including ANZEC) and associated working groups in which local government has a legitimate interest by virtue of significant statutory responsibility or financial commitment.

We do not see any such recognition by this State Government of the importance of the Local Government Association in State affairs, and particularly in this Bill. The Local Government Association in South Australia is well respected by everyone, apparently, except this Government. It stands not just as any lobby group but as the voice for a sphere of government—a third tier of government. It is recognised in the Local Government Act and numerous other pieces of legislation by this Parliament as the responsible voice of councils at State level. The Local Government Association is a voluntary association, which has maintained full membership of all councils for over 20 years. It is a leader among its State counterparts. I am sure that all members would, or should, acknowledge the association's outstanding track record of reform.

On structural reform, the Local Government Association has put in a large amount of effort and consultation—the equivalent, I am told, of three full-time staff on the issue over more than 12 months. On the announcement of the Ministerial Advisory Group, the association established its own LGA Structural Consultative Group to meet the timetable set by the Ministerial Advisory Group. This group was very representative. It consisted of the now President of the association, Councillor John Ross of Tatiara—

Mr Brokenshire interjecting:

Ms HURLEY: I am glad that one member opposite knows where Tatiara is, but I am not sure that they all know, including the local member. It also involved Mayor Lesley Purdom from Tea Tree Gully, Mayor Ray Gilbert from Noarlunga, Councillor Trevor Roocke from Mount Remarkable, Mayor Annette Eiffe from Prospect, Councillor Brian Hurn from Angaston, two prominent CEOs, Joe Collins from Munno Para and Fred Pedler from Port Lincoln, along with the support of two permanent officers and other members of the LGA secretariat.

That group conducted regional consultations in February 1995 to develop its submission to MAG. This involved six country and metropolitan meetings with over 400 elected members and senior officers in attendance, representing 96 councils. Other councils unable to attend provided written responses to the association. As well, the LGA employed several consultants to assist in segments of its submissions and these consultants conducted detailed discussions with councils. This group provided its report to the MAG committee and addressed the MAG group on two occasions. The submission went forward with the support of all councils involved.

Mr Brindal: That is called a democratic process and consultation.

Ms HURLEY: That is very true. The LGA did consult very democratically, and now we see what has happened as a result of that consultation. I am now getting to what happened at the end of that very democratic process. These consultations resulted in some 45 recommendations being

discussed at a special meeting of the LGA State Executive, held in early April, to confirm the contents of the submission to MAG. Upon the release of the MAG report, a special State Executive meeting was held to formulate a draft position on the key issues of the MAG report, and these were discussed at a special President's forum held in August which was attended by over 400 members and their senior staff. Of 118 councils, representatives from 111 councils were able to attend the forum. That is how much this issue means to local government.

Concurrently, the association provided a critical analysis to its members of the MAG report. The President's forum allowed for small groups to workshop the MAG report and reports were provided on the full forum of issues discussed in each of the workshop groups. The outcomes of these discussions were documented and provided to the LGA membership and the Government. Following this forum, the LGA's Structural Reform Consultative Group prepared proposals papers and a specific survey on amalgamation. The proposals papers addressed all the key issues of the MAG report and a 98 per cent response rate was achieved with the councils in the State.

Upon the release of the Government's draft Bill, the LGA once again went into consultation mode with its councils to inform them of the contents of the Bill and its impact on local government. The State Executive again considered the primary views of its membership. Again, they met with the Minister and his staff to debate areas of concern in an attempt to effect legislation being introduced that would facilitate reform in local government. The final Bill introduced into this Parliament was subjected to further scrutiny through a workshop prior to the association's AGM in October, when LGA members were taken through the Bill and could then comment directly to State Executive members and LGA consultative group members on the issues and concerns.

The consultative group continues to meet and formulate the reform agenda for local government in close consultation with association members, in that democratic method mentioned earlier. Throughout this process the Minister, I understand, has resisted entering into any form of agreement with the LGA regarding local government reform. He took all the outputs of the work of the LGA and indicated at the time that he would take them into account—all the democratic work and processes that had been put in place. What happened when the Minister got hold of it?

Mr Brindal: He has been too democratic; that is part of the problem.

Ms HURLEY: The member for Unley says that the Minister has been too democratic. It is interesting that the honourable member argues in that way when we are arguing that the Minister has not been democratic enough. The Minister took all of the outputs of the LGA's work and indicated that he would take them into account, but how has he treated the LGA and those democratic processes? He has not treated the LGA as an association or a partnership, but merely as some lobby group with its own agenda and with only a marginal interest in the exercise. The Minister has marginalised those percentages and all the input from the councils into the work of the LGA.

During this process the LGA continues to assist the Minister and continues to provide statistics and information. But the LGA became increasingly concerned that the direction of the Minister was not consistent with that of local government. I have also been talking to the LGA, as I have been talking to local councils. The Labor Party's 'Labor Listens' meeting was attended by over 100 council representatives. Opposition members have been out there doing the democratic thing; we have been out there listening; we have been out there consulting; and we have also been talking to the LGA. I thank the LGA—

An honourable member: You mean the Labor Party.

Ms HURLEY: The Labor Party and the Opposition has been listening to, taking note of and incorporating the views of local government communities in our response. I thank the LGA for its assistance and for providing me with the same sort of information it has provided the Minister. At the end of this process, on 28 September, the Minister produced his draft Bill. What happened to all the input from the LGA? Not one jot of its representations, its policy or its position have been taken into account by this Minister. Members of this House would recognise that the LGA does not conduct its business, generally speaking, in the media. In fact, on this side of the House we would say that the LGA supports the Liberal Government generally but, in this case, the LGA was pushed over the limit and it responded. I cite part of the LGA's media statement of 29 September:

> South Australia's Local Government Association has reacted angrily to the release of the Local Government (Boundary Reform) Amendment Bill, accusing Minister Oswald of treating local government and community views with contempt. Acting LGA President, Councillor John Ross, said that the association had generally supported the Government's thrust for reform to date, providing advice and information to achieve a joint State/local approach to sensible reform strategies. 'We now find that the vast bulk of what we have provided has either been ignored or used to achieve different purposes', Councillor Ross said. In its current form, this Bill will achieve an unholy political and inter-governmental mess in the lead up to the 1997 local government and State Government elections. It is a Kennett-style approach in 'sheep's clothing', which treats the electorate with disdain and contempt.
>
> Councillor Ross said that the extent of State intervention in local affairs proposed in the Bill was undemocratic and draconian, particularly when the Minister had acknowledged the significant local government support for reform. 'The biggest indictment of the Bill is the bald statement of the objectives of the proposed local government board: significant reductions in the number of councils and of rates', he said. 'There is no pretence about delivering economic development, better local government, more services, better quality service, strategic infrastructure, improved quality of life or any of the other aspirations which communities have of Government—it is purely an interventionist agenda.' Councillor Ross said that the need for boundary reform did not justify the extent of intervention being proposed.

We then had the Minister going around saying that everything was going well and that councils were supporting his approach. I have two files from councils and I have received numerous telephone calls that tell me that that is not the case. In fact, we have almost total rejection of one of the key parts of the Bill, as well as very widespread rejection of a number of key elements of the Bill. The following resolution, made with the support of councils at the LGA's annual general meeting of 27 October, states:

> That the LGA continue to support the program of local government reform based on partnership between State and local governments and seek the support of members of the Parliament to the following;
>
> a) Oppose the level of State intervention proposed in the legislation, in recognition of local governments' local accountability and democratic basis;
> b) Reject the State's seeking to place itself between local councils and their electors in relation to the setting of rates and the standards of service;
> c) Support the Government's objective in achieving savings from local government reform within the context of public sector reform in South Australia;
> d) Support local accountability measures (including specific annual reporting requirements) to ensure that the real benefits

brought about by reform are passed onto the community (i.e. rate reduction, retirement of debt, and increased/improved services, or a combination of these);

e) Support amendments which would take into account practical implications for newly elected councils (May 1997) to deliver comprehensive business and financial plans in consultation with communities in time to set rates for the 1997-98 financial year;

f) Support the LGA's position in relation to other key areas of concern in the legislation, including judicial accountability of the proposed board, poll provisions applying to affected electors consistent with a resolution of the State Executive (21 September). The LGA consultative group undertake appropriate review and consultation around the key issues.

I have read that motion in its entirety because I am sure that members opposite have not taken sufficient note of it. I know the Minister has not done that. In fact, the Minister had the opportunity to speak to that meeting. He was given the opportunity to answer questions from local government at that meeting, but he chose not to, and that motion was carried without dissent. Yet the Minister told this House:

We have listened carefully to councils and the Local Government Association in the refinement of the Bill and acknowledged that it contains the fruit of much preparatory work on their behalf.

That is an astounding comment in view of the overwhelming views we have from the LGA and local government. It is a sad day for local government and South Australia when we get to a point like this with the Bill when in fact what councils want is a bit of vision from the Government, a bit of guidance, support, encouragement and assistance to do what they want to do.

Harking back to the draft Bill that we had a brief chance to look at and comment on, in response to Party room pressure, pressure from local government and the Opposition, the Government backed down on several key points and I want to emphasise them because it illustrates the sort of agenda behind the legislation. One of the first areas on which it backed down was that there was no sunset clause in the draft Bill for the reform board. Once the boundary reform was finished there was the possibility for the reform board to continue and impose benchmarks and guidelines for local government without due consultation with local government. Including the sunset clause allays fears that the board would have continued with a wider reform agenda. There was strong suspicion that CCT would be among that reform agenda. A second concern was the ratepayer poll which, in the draft Bill, would have required a physical turnout by members of the community opposed to amalgamations. I must say, given the bad record of local government electors turning out for general elections, it was highly unlikely that the 50 per cent turnout requirement would ever be reached.

This was a sleight of hand, and not a very good one at that, requiring 50 per cent turnout. This was forced amalgamation in disguise. What was forced through and changed in the current Bill is that the ratepayer poll will now be by postal voting, increasing the opportunities for people to register their opinion and making it possible to achieve the turnout figure. A key point that gave me great satisfaction—and I hope also country members opposite, because I know it gave satisfaction to our country member—was the removal of any mention of compulsory competitive tendering.

Members will recall in the draft Bill a requirement that councils implement compulsory competitive tendering on an accelerating scale. That has been taken out of the Bill and we regard that as a significant win over the Government. Also, where there was an amalgamation proposal and a significant 'No' vote in a council area, the reform board must now take those views into account and may amend the proposal. We are strongly supportive of that ability for a significant minority to have their say, which is again getting back to the idea of democratic principles. However, having achieved that, we now have the current Bill and, as we have heard, local government is not at all happy with all aspects of it, and for good reason.

I want now to talk about four pivotal issues. The principal one to which I have had nearly unanimous objection, with the exception of Coober Pedy council, is the clause requiring a reduction in rates of 10 per cent in the 1997-98 financial year. Coincidentally, this is the year for the next State election. I say 'coincidentally' and give the Minister the benefit of the doubt, but no doubt the Government would like to point to the reduction of rates achieved in local government in that year. When we look at what the Bill is all about and what local government has been in favour of in terms of amalgamation, we expose that clause for the sham that it is. Why would we amalgamate councils without there being some cost savings and efficiencies produced? Why on earth would any council propose at any stage or agree to the reform board proposals that there be amalgamations if there were not some sort of rate reduction?

We hope that there will be a rate of reduction of more than 10 per cent. In many ways you would not want to see the cost involved in putting councils together, the upheaval and the processes undergone without a reduction of more than 10 per cent in rates. The problem of putting a minimum rate reduction in place is that it can rapidly become the maximum as well and there is no incentive for councils to go above the 10 per cent. There is also a proposal in the Bill, which we support, that when amalgamations take place a three year management plan be put in place. Anyone with any sense would see that a three year financial plan would incorporate the cost savings and efficiencies involved in the amalgamation and would incorporate the rate reduction. Management plans need to be agreed to by the board and the councils involved, and that would deliver the rate reductions. But, no, this Government in its undemocratic mode wants to dictate to local government and wants to have in its Bill the big stick that puts the 10 per cent rate on local government.

That is what we have: the Government playing big brother, dictating to local government, which has proved—as I have stated—its efficiency, its ability to absorb reform, and its capacity to translate those savings into savings for their ratepayers. All the debt and income figures have shown that local government has been very responsible in this. But, no, this Government wants to do away with the partnership of local government and dictate to local government how, why and when it will do anything. The Opposition, in common with local government, is implacably opposed to that clause.

The Boundary Reform Board has been given the wide-ranging powers of a royal commission; that is, it can summons witnesses, require the submitting of documentation, and it is exempted from judicial review except in very restricted cases. As I said earlier, the objection to the powers of the reform board stems partly from a distrust of what happened in the MAG proposal, from a distrust by local government of giving powers to the reform board and seeing what happened with the MAG process. It is a distrust of the Minister and a distrust of this Government.

What local government wants to see is some checks and balances put into this system so that the board does not have these unfettered powers. We will seek to put in the amendments which give effect to that. We want to allow the

possibility of review and appeal and, at certain stages, have reporting back to Parliament so that the whole process is able to be open and seen by the members of the community. The criteria and guidelines under which the board is operating will be ratified by this Parliament. We know that the history of this Government is that it does not like to bring things into this Parliament. It likes to do it outside Parliament and to cite commercial confidentiality and so on. It likes to do things away from the Parliament, away from the sight of the community. But we seek to bring matters back before Parliament.

Another sore point with local government is the ratepayer poll provisions. Where there is no voluntary amalgamation or no council agreement with the reform board, the ratepayer poll provisions now call for postal voting, as opposed to the draft Bill, which merely allowed it. The experience in other areas in which postal voting has been introduced is that it has caused an increase in the turnout. I understand that in Tasmania the turnout of voters at local government general elections has gone up from 10 to 20 per cent to over 60 per cent.

So there is now some possibility that the turnout provisions are achievable. We had a good long look at this because, in common with local government, the Labor Party supports amalgamations, but looking back at the history of voting in South Australia, particularly at the previous contentious amalgamation, that of Mitcham and Happy Valley councils, where there was a 46 per cent turnout in that poll, we will propose that the 40 per cent minimum voter turnout level is more realistic.

With regard to the membership of the reform board itself, in an interesting little arrangement on the seven-member board the Minister has allowed two nominees from the Local Government Association but he will choose those nominees from a panel of eight. So rather than have an honest nomination from the LGA for the people they want and who they believe have the expertise to be on the board, the Minister wants to be able to pick and choose from a panel of eight. Presumably, he will choose the person who he believes will give least resistance to the proposals on the Government agenda. We seek to change that as well. However, what we are also concerned about—and I dwelt earlier on the cooperation that there has been between local government and its staff—is that we have seen in local government cooperative and collaborative arrangements, a good working relationship, and yet we do not see on the reform board any representation of those local government workers. We will seek to see union representation on that board.

They are the changes that we will demand in this Bill. Basically, our position is that we stick by what was supposed to be the Government's view that there should be voluntary amalgamations on a cooperative basis. We now have three stages in the process: first, a completely council-initiated proposal; secondly, after March next year, a board-initiated proposal as a possibility; and thirdly, if that does not succeed, if there is no agreement between councils and the board, the ratepayers will be able to have their say in a ratepayer poll.

It is hoped that the checks and balances that we propose for the Bill will be accepted by this Government and that we will see voluntary amalgamations put in place. I acknowledge that this does not give a perfect Bill, but we are keen, as is local government, to see that these boundary reforms go forward, and we are keen to see that councils are no longer kept in this confusion and uncertainty. We are also keen to see that the staff are sure of their future in as short a time as possible. Once again in this Parliament, it will fall to the Opposition Parties to try to make some sense out of a Government Bill. We hope to ensure that we will produce legislation which is reasonable and workable out of this and which will inspire the people of this State rather than insult them.

Mrs ROSENBERG (Kaurna): All levels of government throughout Australia are in the process of restructure to respond to demands for increased efficiency and accountability. This State Government has spent two years streamlining the public sector into increased efficiency and has introduced private sector competition into many areas. Local government has to be part of the process of improved competition, efficiency and also accountability. The reform of our State Government has been prepared to be put in place and is expected to be matched by what could effectively be called the third tier of government. It is necessary to look at the current legislation, knowing that it hinders amalgamation processes, if this is to be chosen as a tool by councils to add efficiency. Our Government made very clear early in our first term that we intended to be proactive in supporting change and reform in local government. Consultation began with the Local Government Association on the issue of reform.

Generally across the State, some councils have already moved down the path of improved efficiency but local government amalgamations voluntarily in the past have been rare. Overall, the rate of change is to be accelerated and is needed both to offer better services to the ratepayer at lower cost and also to stimulate the business sector. Lindsay Thompson, who is CEO of the South Australian Employers' Chamber of Commerce and Industry, has called for 'substantial structural as well as operational reform of local government'. He has developed the argument that, without sensible-sized councils, the regions effectively are creating yet another tier of government. His argument, with which I whole-heartedly agree, is that by creating councils of effective size and doing away with those very small in size, effectively we eliminate the need for the concentration on regional government. At the moment the setting up of a regional authority is moving towards yet another form of government and should not be greatly encouraged.

There is far too much local, regional, State and Federal duplication, where too often several bodies are trying to do the same thing but effectively are cutting each other's throat by fighting for the same funds. In a lot of cases the right hand does not even know what the left hand is doing—and this is called inefficiency. The Ministerial Advisory Group (MAG) on local government reform was established by the Minister for Local Government Relations and reported to the Government after examination of various country and metropolitan councils on their conduct of business, their service delivery, the council boundaries and the appropriateness of them, council performances, the contracting out of councils and what legislation needed to be changed in order to reform councils. The reform process was to be driven by the objectives of: encouraging a local government system delivering efficient and effective services; effective council participation in regional development; and create a local government system which could more readily interact with other levels of government.

The role of local government needs to be very clearly defined in the light of those other levels of government. The roles of State and Federal Government are clearly set out in the Constitution. This is not so for local government, which

exists because of an Act of State Parliament. Indeed, many years ago the Federal Labor Government went to the Australian people with a referendum posing four constitutional questions. Question three asked whether local government should be given constitutional recognition. The Australian population resoundingly defeated the move and voted 'No' to all four questions. Thus, the people were saying that they were not ready for local government to be an official third tier of government. This decision was a personal disappointment to me, as it has probably held back local government for many years.

In August 1994 the Local Government Association established the Structural Reform Task Force to survey Local Government Association members' views about the benefits to local government from a review of legislation to allow structural reform. The recommendations of the Local Government Association task force were:

1. To reaffirm its commitment to the advancement of structural reform within and across all spheres of government including local government;
2. To endorse the view that council boundary adjustment may be a component of structural reform within local government and should be pursued in conjunction with other aspects of structural reform;
3. To reaffirm its policy to support voluntary amalgamation of councils.

In circumstances where local government reaffirms its commitment to reform, including amalgamations—and the State Government has indicated its commitment to facilitate change—this Bill is timely and generally well received by local government. In particular, I will comment on the two council areas that my electorate covers. The District Council of Willunga responded to me in a letter dated 8 November. The motion passed by council states:

That the council ratify the involvement of the District Council of Willunga in a joint approach with the southern Fleurieu councils to the Local Government Reform Board to appoint a facilitator to explore the opportunities for reform involving the five Fleurieu councils.

Further:

That council continue its dialogue with Noarlunga and Happy Valley councils in relation to the possibility for amalgamation with the councils concerned.

The other council in my electorate is the City of Noarlunga, and I refer to part of a letter that I received from John Comry, the City Manager, as follows:

I wish to advise that council has resolved that it supports the conclusions and recommendations in the Ministerial Advisory Committee's report advocating significant reduction in the number of local government authorities in the metropolitan area.

By August 1995 many councils had made public statements in support of major reform for council amalgamations, and in that regard I cite Adelaide, Burnside, West Torrens, Hindmarsh-Woodville, Happy Valley, Tea Tree Gully, Marion, Noarlunga, East Torrens, Port Adelaide and Salisbury. Those councils represent 59.7 per cent of metropolitan Adelaide.

Accepting the various functional reforms that have taken place with some councils, the actual boundaries have remained unchanged. This has remained stagnant even though there has been massive change in the community, centres of communities have changed and community of interests have shifted considerably. South Australia maintains the smallest local government areas in Australia with the highest elected member to population ratio—over double that of some States. The State and Federal boundaries are now regularly re-examined having regard to population changes and the community of interests shifts. Some major and minor changes are made regularly. These changes are made to achieve as near as possible relatively equal numbers of representation of Parliament per population of electors. If the changes are being recognised by constituents in State and Federal Government, they must also be seen in the local government sphere.

Local government has seen diminishing Federal Government grants over recent years but has continued to fall for the con. The con quite simply is that local government is being offered a series of seeding grants for various community responsibilities, for instance, the community bus. The grant usually has a life of two or three years and then the funds dry up. In the meantime the services become popular and are used by a wide section of the community. It then becomes essential for local government to continue to supply the service, using its own funds to do so. It is more often achievable by the larger councils without an increase in rate revenue.

The arguments against the Bill have concentrated on a few areas. One of those is that large councils will result in poor representation compared to the level of representation by councillors in small councils. This is totally wrong. Representation by councillors is all about the ability and the willingness of councillors to do the job they are elected to do. Let us be honest: most councillors are elected by about 100 votes, so one can hardly say that they set a great example in respect of how much they represent a community's view in the first place. This must come later by actually doing the job.

In my position as a State member I represent 20 000 people. I have very regular contact with my electors. Representation is about how you do the job and how you represent your electors. Members of local council have to do the same thing. As part of my job I conduct public meetings; I hold ward forums; I go doorknocking; I have surveys; and I write articles in the newspaper and ask for feedback. There is no reason why a local councillor cannot do the same thing. It is possible to do these things whether you represent 100 electors or 100 000. Councillors would do a far greater service to their community if they concentrated more on the big picture of policy formulation and left the day-to-day issues to the well qualified and well paid staff. It is already common for contacts through my office—whether from the small Willunga District Council or the large Noarlunga council—to be unaware of their local councillors. The size of the council is totally irrelevant.

Another argument is that amalgamations leading to larger councils will lead to political interference in councils because political Parties will stand candidates to run for council to obtain first-hand information about council business and influence the decisions of council. The naivety of this comment is incomprehensible. Does this mean that members honestly believe that this does not happen now? Under what rock have those innocents been hiding? Currently in Noarlunga council one member has moved into the area and run for council simply because he hoped to be the pre-selected candidate for one of the southern seats. Look what happened to him. Is this political interference?

The issue of members of council being members of political Parties was raised fairly recently in the Willunga council. The ALP State Secretary claimed that the ALP would never attempt to influence council by having ALP members on councils. In the same paragraph of that article he suggested that they would actually make very good ALP

candidates in the future. If no influence is suggested, why does one of them continually report council business to the ALP State Secretary and ask whether decisions intended to be made will be okay? Who is actually running the council's agenda in that case? The real success of the local government system is its non-political agenda. It should always be maintained at arm's length from Party politics. However, I stress that the size of councils has nothing to do with the degree of interference that is currently occurring.

The restructuring of local government is well overdue. The current structure was established over 100 years ago and, for many small councils that have come into existence since then, the situation has changed significantly. The Bill focuses on voluntary amalgamations and, as has been said, many councils are now voluntarily talking to their neighbours about the process. The process must be seen to be done within a definite time frame so that the uncertainty of change does not linger on for periods to continue ratepayer unrest. Change is never readily accepted, so change should be pushed into as short a time frame as possible balanced by proper consultation, full information flow to ratepayers and, most importantly, their input. No decision will be successful without full consultation with the public.

The local government board's role is to drive the process and to ensure that checks and balances are in place and that the proposed agreements will give the required savings and efficiencies that they are set up to provide. All this is to be achieved by September 1997. I support the role of the board to be able to initiate proposals, because it is inevitable that some councils will not have the ability or the will to proceed. Local government must look to itself as a tier of government and not a series of parochial little establishments protecting their own bureaucracy. When they look at themselves as a level of government they will see the big picture. Those who do not do that cannot be left to run the process for all the others. The recommendations of the board will be made to Government. It cannot make decisions of its own right or make any decisions that will bind any council. All decisions not accepted by council areas will then be subject to a poll by postal vote.

The postal vote issue is important because, previously, councils which have used postal voting for elections—and there are some in South Australia which the spokesperson on the other side does not seem to realise—have had a terrific response compared with those which hold elections at the polling booth. Under the postal voting system, it will not be at all difficult to get the required 50 per cent of the electors' response. Frankly, if less than 50 per cent are prepared to respond to a question involving the proposed amalgamation of their council area, I suggest it really is not an issue in that area, and I would really have to question how big a deal the whole process is to them anyway. If they are that apathetic, perhaps we are protecting them from themselves without just cause.

Although we have set about with no fixed target for the reduction in council numbers, it is expected that through the provision of a three year financial plan to the board proposed amalgamations will have to stack up to a set of criteria, that is, amalgamations leading to no advantage will not be accepted. In the whole process, the advantages to ratepayers must be obvious and passed on—

Mr Brindal: What do you think they are?

Mrs ROSENBERG: If you listen, you will hear—for example, a 10 per cent rate reduction across the board. In my two councils of Willunga and Noarlunga, the Willunga rate in the dollar is almost equal to the rate in the dollar of Noarlunga. I think there is about a .001 cent in the dollar difference, which is not seen as equitable.

Mr Brindal: Do you know what it is?

Mrs ROSENBERG: Yes.

Mr Brindal: How much is it?

Mrs ROSENBERG: It is .051¢ in the dollar. When one considers the number of services that Noarlunga ratepayers receive compared with those of Willunga, it is an inequitable rate in the dollar comparison. Willunga ratepayers can use many Noarlunga services, whereas Noarlunga ratepayers are actually paying a higher rate—and the council of Willunga ought not to be able to set the same rate in the dollar. By suggesting the removal of the section which will ensure that rate savings occur, the Opposition has signalled a very strange message about what it intends regarding the definition of efficiency and cost savings to be sent out to the community. I support the Bill.

The Hon. M.D. RANN (Leader of the Opposition): I will finish my speech after dinner, but I am keen to speak on the local government reform Bill. The member for Napier has clearly outlined the position that the Opposition will adopt in responding to the Government's Bill. Essentially, we support 80 to 90 per cent of the provisions of the Bill, but there are a number of key areas where we believe there needs to be some reconsideration and amendment. Our position therefore is a principled one that supports local government reform, including amalgamations, without reliance upon some of the coercive and undemocratic provisions proposed by the Government.

This botched process has all the hallmarks of this Government's arrogance. In proposing local government reform, the Minister had the opportunity to enter into constructive dialogue with the third tier of government. Instead, he has attempted to present the image but not the reality of good faith in his dealings. Let us refer to what has happened. We saw the MAG report. Apart from the real estate writer for the *Australian* who commented on the issue and a few others who used to say that local government must stand on its own as the third tier of government, most commentators felt that this was widely seen to be an extraordinarily draconian Bill. There was no way that this Minister would get the MAG report through his Caucus, because neither he nor the Premier have sufficient standing to do so.

[Sitting suspended from 6 to 7.30 p.m.]

The Hon. M.D. RANN: Before the dinner adjournment I referred to the processes of the MAG report and said how disappointing those processes were. Certainly, we remember the unequivocal assurances of the Premier and the Minister for Local Government. We remember that on 10 October 1994 the Premier said:

> The Government will not force amalgamations. . . improved delivery of services does not necessarily depend on council amalgamation.

That was the basis upon which councils participated in the MAG process. The principle of the people having a say in how their councils are organised was one supported by so many of the present Government Ministers while in Opposition. For example, we remember the carry-on over opposition to the amalgamation of Mitcham council with Happy Valley council. Let us also remember that it was Labor that supported amalgamations only after voters had had the opportunity

of a poll on the issue. In effect, this is exactly what the present Bill denies the electors in local government. On 28 April 1992 the then Deputy Leader of the Opposition (the now Deputy Premier) said:

> Mitcham was to be consumed by the Minister through the recommendations of the advisory committee, and we fought and fought and at the end of the day we won, because we believed in the right of people to choose their representation. . . I hope that next time when a constitution Bill or Bill on local government is before the House, a path will be followed so that all councils understand what the issues are and there is general consensus or majority feeling about the sorts of changes that should be embraced.

Few people in local government would now give the Deputy Premier of South Australia any credit for consistency. What is the view of the member for Fisher in this debate today? Three years ago on 28 April 1992 in this House the then Deputy Leader of the Opposition said:

> . . . we have many councils in South Australia, and some people might suggest that we have too many. The question whether there are too many or not ultimately has to be decided by the people affected. Too often we are obsessed with the question of the size of a council, yet I do not believe that size itself is the critical factor.

Finally, I refer to the member for Adelaide who in this House said:

> I note that council amalgamations will be acceptable after a poll of residents has occurred, and I fully support that. . . I do not believe it is necessary for councils to amalgamate to achieve efficiencies.

So, when it comes to consistency we see that this Liberal Government is comprised of an extraordinary bunch of Harper Valley PTA hypocrites. What do they have to say today? Where are they tonight? Today, the Government wants support for a Bill that flies in the face of its claims of just three years ago. Today, it supports legislation that creates a board with extraordinary powers to summons persons and to require the provision of records and financial information. This is a board, moreover, the proceedings of which are not bound by the rules of evidence and the decisions of which are not subject to judicial review. Let us remember that it was only a few years ago that the former Labor Government reached an agreement with local government to get rid of the local government department and to recognise that local government in its own right would be the third tier of government, that it should be negotiated with not as some mendicant, not as some colony, but as representing in its own right the third tier of government.

Of course, there was a move to have the Australian Constitution recognise that local government should and must be the third tier of government, respected accordingly and given the right as elected bodies to make decisions that affect their own electors. This board, with its extraordinary royal commission powers, basically says to local government that it is not bright enough, mature enough or sensible enough and that it does not have the commonsense and decency to conduct itself in a proper fashion. It basically treats local government like the poor relation, like a colony or like a prisoner of State Government. We believe that the board's powers are far too draconian.

Today, those same Liberals, who fought with great passion in this House in 1992 against amalgamation processes, support a Bill which gives councils only until 31 March to come up with their own proposals for reform. Even then, the board retains powers to override such proposals. Today, these same Liberals support a Bill which provides extensive powers to an unelected board. For elected councils to reject the decisions of a board they must achieve the historically unprecedented voter turn-out of 50 per cent.

The Hon. J.K.G. Oswald: Plus postal voting.

The Hon. M.D. RANN: We will support 40 per cent. I am prepared to announce in this House tonight that we are prepared to support the Government on more than 90 per cent of the provisions of this Bill. The Minister knows that and he will probably stand up tonight and congratulate me and the member for Napier, because we do believe in structural efficiency. We do support reforms and we do support amalgamations. We know that 50 per cent turn-out was set because the Government believed that it could not achieve a protest vote in opposition. They looked to the past and remembered what happened with the Mitcham vote where the people, who were very organised and passionate, achieved a 40 to 50 per cent turn-out. That is why the Government has struck that figure.

In a statesman like way I challenge the Minister in his reply tonight to give me an undertaking, in exchange for our support for the vast bulk of these provisions of this Bill, and to announce that, in future, local government elections will be held on the basis of a postal ballot so that we can in future have decent representation based upon decent participation.

The Hon. J.K.G. Oswald interjecting:

The Hon. M.D. RANN: The Minister says that he asked three councils to trial it at the last election but that they would not get around to it. Let us see it done: it is done in Tasmania. Let us make sure that local government is accountable, democratic and responsible. That would be a major step forward. Let us see what the property writer for the tabloid real estate edition of the *Australian* and various other pseudo-academics say about that provision. We will go for 40 per cent. We will go for postal voting in local government elections in the future. We believe that the board's powers are too draconian. We will support 40 per cent, not 30 per cent, not 25 per cent and not 0 per cent—as many people in local government say—because we want to achieve reform.

Today, those members in this House—and I can see one of them moving around or about to walk out of the Chamber—who vehemently opposed amalgamations by saying that big was not beautiful and that small was beautiful support the operation of a board against whose decisions councils will have no right of ministerial appeal. Perhaps, worst of all, these members support a Bill that directs councils to set rates regardless of the wishes of the residents and businesses of the area.

Frankly, in my view, a 10 per cent reduction in rates is not good enough. The whole point of supporting amalgamations is to achieve efficiencies, and 10 per cent is basically saying to councils, 'That is all you have to do.' I want to see more than 10 per cent. We want to see these councils in the amalgamation processes achieving 20 per cent or 30 per cent real rate reductions for the people of this State. If anything shows the contempt of this Government towards local government, it is this provision.

One can just imagine what this Premier's response would be to legislation by the Federal Government requiring the South Australian Government to lower taxes to a certain level stipulated by the other level of government and at the same time to reverse its cuts to schools, hospitals and policing. That is what we are talking about—one level of government. We all agreed five years ago in devolution that local government was to have the constitutional right to stand on its own feet because it was comprised of responsible people elected by responsible electors. Now we have this Government saying, 'You will do what we say.' In my view, 10 per cent is a cop out.

The cynicism of these forced rate settings could not be more transparent. If the reforms in the legislation would reduce costs and increase efficiency, why does the Brown Government need to command them? They should be part of and built into the processes. If the alleged efficiencies are real, why does the legislation mandate them for only 1997-98, which, coincidentally, is an election year? The reality is that this is nothing but an election stunt that will simply force councils to delay important capital work and maintenance or reduce staff or put up rates in subsequent years to cover their shortfall. It is a wink and a nudge, saying, 'You come good with us, help our election process, and you can do what you like afterwards.' That is what it is all about. Let us see some real rate reductions, not a token cynical election stunt. There is no integrity in this process.

The Opposition is aware that, although it is not included in the Bill, the introduction of compulsory competitive tendering is the hidden agenda of this Government in council reform. How else are we to interpret the provisions of the Bill which extend the life and powers of the board to 'conduct other inquiries and to consider various proposals'? We know how enthusiastic the MAG report was for CCT and we know that this Minister is keen to introduce CCT provisions at a later time. Let me put his mind at rest. There will be no support from this Labor Opposition for any form of CCT whatsoever, and I will tell the House why. Contrary to the impression created by the Minister and the MAG report, CCT is not a worldwide trend. CCT operates only in two jurisdictions in the entire world. They are the United Kingdom and Victoria under Jeff Kennett, and the experiences there have been totally unsatisfactory.

The last thing CCT is about is genuine competition. In both Victoria and the United Kingdom, the result of CCT has been more and more coercive regulation that biases the process of tendering in favour of external contractors. It is about fixing up their mates. This has been driven by protests from the private sector claiming that the process in the past has shut them out. Of course, it is uncommon to find supporters of the losing team in a game of football or cricket believing that the umpiring in the match was beyond reproach. CCT is simply a playing field tilted radically towards private interests. It is about cutting jobs and fixing up the Liberals' mates.

The Opposition is well aware that the claimed savings from CCT are largely a mirage. It has been claimed that CCT provides savings of 20 per cent. The reality is that even the Thatcher Government claimed an average saving of only 6 per cent. But even this figure does not include the increased costs of regulation that come from CCT, and it certainly does not include the very significant costs, usually to other tiers of government, such as the cost of providing income support to people made unemployed through CCT.

Regulation costs have risen because of the enormous difficulties in assuring the quality of work by outside contractors that was previously done and controlled by skilled council staff. In fact, it has been found in the United Kingdom that there is a three times greater likelihood of the private sector failing to deliver on contracts in local government than where the work is undertaken in-house by the council.

Mr CAUDELL: I rise on a point of order, Mr Speaker. I ask for a ruling on the relevance of discussing CCT. I thought we were dealing with a local government Bill relating to boundary reform, not CCT.

The SPEAKER: The Chair cannot uphold the point of order. This debate is very wide ranging in relation to the operation of local government. Therefore, the Chair will allow the Leader of the Opposition to continue his remarks.

The Hon. M.D. RANN: Thank you, Sir. In fact, claims on average savings are not reliable, because in many areas costs have increased by up to 50 per cent. In addition, there has been a strong tendency for costs to rise substantially over time under CCT, as the best way of gaining a contract in the first place is to tender cheaply and then to hike prices up once the contractor gains the upper hand over the councils.

CCT has been a killer of jobs in local government. In a State where we have seen an appalling performance in terms of job creation, employment and economic growth compared with the rest of the nation, we do not want to see more jobs lost in the local government sector. Research into the impact of CCT in its first few years in the United Kingdom has shown it to have resulted in a 12 per cent fall in full-time jobs in councils and a 22 per cent fall in part-time employment. There has also been a fall in women's employment of 22 per cent and in the employment of men of 12 per cent. CCT has also worsened the disparities between the pay and conditions of women and men working in local government. It is not surprising that CCT has been associated in both the United Kingdom and Victoria with a decline in the number and quality of local government services.

How can a Government which has presided over a pathetic 1.6 per cent increase in jobs since the December 1993 State election, compared with 5.3 per cent nationally, consider killing off more jobs? Of course, CCT would cut a swathe through local government and community services. It would take the 'local' out of local government; it would take accountability out of local government. Under CCT, the residents and businesses of local government would come a poor third to local government executives and private companies. The issues in local government would become more and more like something between consenting adults in private. This has been seen clearly in Victoria, where issues about community services which should be transparent to electors have been hidden under the undemocratic defence of 'commercial confidentiality.'

We should not allow this reform Bill to be the empire building of CEOs. CCT would not save money, but it would cost jobs. It would produce fewer local government services and lower quality of community services.

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

Members interjecting:

The Hon. M.D. Rann: At least I can read, unlike some of your members.

Members interjecting:

The SPEAKER: Order! I suggest to the Leader of the Opposition that those comments are unwise.

Members interjecting:

The SPEAKER: Order! He is aware that Standing Orders require that members should not reflect upon one another. I suggest that is not in the spirit of the good conduct of the House and that he should not proceed along that line in future.

Mr CAUDELL: I rise on a point of order, Mr Speaker. The member for Davenport and I feel injured by the comments made by the Leader of the Opposition. We ask that those comments be withdrawn.

Members interjecting:

The SPEAKER: Order! In response to the member for Mitchell, the Chair has indicated to the Leader of the Opposition that his comments were unwise. The Leader made a broad statement: he did not refer to individuals or to an individual. The Chair has been concerned for some time that comments of members from both sides of the House have not been in keeping with the good standing of the House, and the Chair will not permit those sorts of comments from any member in the future.

Mr ANDREW (Chaffey): I support the second reading of this Bill. It is relevant to note that the MAG report was released in June this year; therefore, a four month period had elapsed until the introduction of this Bill in the House on 25 October. I believe the process during that period has been productive, particularly when one analyses the significant and open changes from the Bill when it was first presented for community consultation compared with the version now before the House.

The circumstances that drive the momentum for change in this State have been extensively recognised and recorded. As we all know, local government, as a structure within the State, cannot be immune to or removed from the compelling reform process taking place around it. In other levels of government, particularly in South Australia, there is an ongoing process of reform as the demands of society change, as technology changes, and as we are all forced to improve our competitiveness and efficiency in this global economy. This State Government has continued to demonstrate its commitment to public sector reform, and South Australia is now starting to see the benefits of a greater focus on performance and on a reduced cost structure of a smaller Government sector.

I illustrated this fact in my Address in Reply speech following the commencement of this session a few weeks ago. What happens at the local government level is important to people in all our communities in their day-to-day lives, and it is the level of local government to which many relate most readily. The small size of some councils may be a major factor holding back local government in terms of this reform progression. It is well recognised, and past history shows, that under the existing legislation there are too many obstacles and no incentives for a significant reform agenda to be successful—in this case specifically to achieve amalgamations, thereby potentially creating more efficient functional units and incorporating more streamlined management practices.

The evidence currently before us reflects this, with the number of local government areas in South Australia presently totalling 118—a very minimal reduction from about 130 councils of more than 20 years ago. I believe this is consistent with the Government's view that big is not necessarily the best, but all the options must be assessed, and the community must go through the process of that assessment. As one who was personally involved in local government for 10 years—and this is particularly applicable to rural communities—the target and aim of this reform process must be to strike a balance.

There must be a balance with respect to a number of aspects: first, the delivery and efficiency of services; secondly, representation; and, thirdly—and importantly—community interests and involvement (and I particularly refer here to voluntary service and commitment, not just from local councillors but from the whole community that becomes directly and indirectly involved under the broader community umbrella of local government).

The public has closely followed and contributed to this debate over reforms for the local government sector. Specifically in my electorate the stance of the local councils and the communities they represent has moved a very long way in the short period since the release of the MAG report in June this year. To this point, there is definite and recognisable support for increasing the size of specific populations in my electorate to be served by an individual council. A number of individuals have been in favour of a large single local government body—a Riverland super council—over the entire electorate of Chaffey, with the addition of Morgan, as recommended by the MAG report.

However, there has not been a wave of public opinion in support of this. Certainly, local government consensus— and the view of specific councils involved—is that one big super council is not necessarily the most desirable structure to represent the region, but it is obvious that some significant rationalisation is being supported. Indications at this stage are very much headed positively down this track. In the first instance, three weeks ago the Berri and Barmera councils have resolved, by motion of the respective councils, to formally move to amalgamation. More particularly, the Corporation of Renmark and the District Council of Paringa have also formally resolved to amalgamate, and their preference has been to amalgamate under the old Act, both having passed resolutions with respect to this matter before 25 October.

There has been a degree of frustration, particularly from Renmark and Paringa councils, that their individual and collective initiative in moving along the path of structural reform could be slowed by this current legislation, so that since the final version of this Bill was presented to Parliament these two councils have made representations to me to amalgamate under the old Act. Further to my discussions with them and with the Minister on behalf of these two councils, I understand that the Minister is agreeable to amending the applicable section in another place but that it be Government sponsored.

In other words, with respect to clause 21, under the transitional provisions, the proposal would be to amend the date from 25 October 1995 to enable the proposed Renmark-Paringa amalgamation to proceed under the existing provisions, thereby facilitating a formal amalgamation for those councils by possibly July 1996. This is great progress, and I congratulate the councils and the communities concerned for showing leadership and initiative in this way.

Clearly, the Government's objective in this Bill is to reduce the number of councils on the basis of reducing the costs of current operations at the local government level. However, this must be recognised as only the first step in developing a broader role for local government in achieving efficiencies and to lift effectiveness of those applied efficiencies. The establishment of the Local Government Reform Board, with wide powers vested in it for an 18 month period, indicates the extent to which the Government is prepared to demonstrate leadership. This third party will ensure a thorough canvassing of options, ensure that negotiations are ongoing and accountable and, in particular, also ensure that clear and definable goals are kept in mind by the respective councils.

Further, of course, it will ensure that the interests and wishes of communities are reflected. I believe consultation has been extensive. One has to only observe, about which I

made some initial comment, the changes made to the draft legislation over the past six weeks to realise that this Government has been listening to community responses; that it has been taking on board those suggestions; and that it has been prepared to make amendments, while at the same time demonstrating that it is determined to initiate workable and beneficial reforms for the longer term. The process which this Government has instigated and which is continuing to evolve can go a long way to creating a productive framework for the review of other local government arrangements and practices to introduce financial and managerial changes that are widely recognised as very desirable.

With the review of the Local Government Act over the next 12 months, the Government is determined to effect reform and, in the process, has struck what I believe to be a very reasonable balance between applying pressure and leaving amalgamations in the hands of local representatives and finally the community. I simply ask: realistically, what would have been achieved without some degree of State intervention when dealing with 120 odd councils around this State?

As time does not permit me to allude to all the clauses in the Bill, I will refer particularly to those clauses involving issues raised by councils in my area, and it may be appropriate for me to comment further or ask questions in the Committee stage. I want to comment on a few of the major areas brought to my attention which no doubt have been consistent with concerns raised around the State and by the Local Government Association as well.

At the outset, I hope that the six district councils in my electorate and the two councils closely associated with it will be submitting their own proposals to the board, and I refer to clause 20 in that regard. The issue of mutual exclusivity or the degree of overlap between council initiated and board initiated proposals, as defined in clauses 20 and 21, has been questioned by some councils in my electorate on the basis that, should a board initiated proposal ultimately override a council initiated proposal, it would threaten the voluntary principle of amalgamations. My understanding and interpretation of this aspect, and this includes discussions with the Minister, has been that, first, referring to council initiated proposals under clause 27, the board can amend or substitute an alternative proposal only at the request or with the consent of the council or councils that submitted the proposal and any other council that may be affected.

More importantly, under the board initiated proposals in clause 21(2)(b), the intention of this provision is that it is to be used as a backstop to ensure that a single council is not left out of a major structural proposal or, more particularly, is not left out of going through the process of the assessment to see whether significant efficiencies can be effected. Moreover, I believe there is a further safety valve in clause 21(4), which requires appropriate consultation submission provisions and the holding of hearings. Also under this provision the board must be consistent with the principles of the Bill, for example, taking into account community of interests and benefits to all concerned, and ultimately the poll provisions will allow the rejection of such a board proposal under clause 21(2)(b).

In addition, because of the opportunity until 31 March before board initiated proposals can commence, I believe the practical reality will be that council initiated proposals will naturally take precedence and receive priority for progressing and receiving assistance. Therefore, in the vast majority of scenarios the board is less likely to be involved in a self-initiated proposal. Logically and understandably, facilitation and assistance for any council initiated proposals will be the major focus and priority of the board before 31 March. So, I am pleased that the legislation does not ultimately compel councils to amalgamate. Certainly, clause 21 does allow the Local Government Reform Board to formulate proposals. However, as well as being involved in any follow-up negotiations that might result, the affected council has the right to reject the board's proposal which would then bring council electors into the process.

Certainly, I support fully the provision for postal voting in determining whether the electors support the board's proposal, a requirement which I know is being met with favourable approval, particularly in rural regions, giving rural communities much greater opportunity to express their opinion of the option before their council. Certainly, this facilitates the best mechanism possible for achieving majority participation by electors. As I see it, the democratic process is being respected and preserved and, while the legislation gives the board wide powers to instigate change, this will not be at the expense of the express wishes of the people.

I am also conscious of the concerns put to me by councils about the cost of polling as it is an impediment to the cost reduction objective of the Bill. Perhaps polling expenses could be factored into financial projections related to justifying amalgamation proposals. With respect to clause 22A, I note the requirement for a three year financial plan from councils whether or not they are part of amalgamation plans, and this in itself should bring forward the development of necessary management reforms. Similarly, the requirement that savings are expected and the ways in which those savings will be used must be stated in the three year financial and management plans and this will reflect the strong determination of this Government to implement reform.

The reality as all members appreciate is that the Bill reflects the national competition policy. The reality is that national competition policy is strongly driving this whole process and, whether or not we like it, Governments in Australia are being pressured with respect to future Federal grants to the local government sector based on potential future reforms. The Local Government Ministers Conference supports benchmarking and efficiency programs, performance indicators, continuous improvement and competitive tendering, all of which have to be acknowledged as part of the process. I note the concern from my councils and electors with respect to lack of access to the court system and I am pleased that the Government has not bowed to pressure to include a judicial appeal mechanism, because the only thing that could be more certain, if access were available to that system, is that structural change would be held up dramatically and costs to ratepayers would escalate dramatically as well.

Clause 18 relates to the insertion of section 174A, and the concern here is that the Bill stipulates that rates for 1997-98 must be reduced by 10 per cent in real terms from the 1995-96 level. This is a particular concern for councils, which I acknowledge already argue creditably that they have improved efficiencies in recent years. While I see this as being a bitter pill to swallow, the legislation needs to be broad enough to put pressure on the majority and yet allow a safety net or valve to allow for specific circumstances. The Bill does provide this safety valve, because councils can put a specific case to the board for special circumstances to reduce this requirement. Ultimately, they can put a vote to electors and it is important to remember after all that an amalgamation proposal is not likely to get a green light from the board

unless significant savings can be demonstrated and indicated in the three year financial plan. Importantly, the pressure from this intent is clearly motivated to ensure that savings as revealed in the three year plan are in fact passed on to the community and ratepayers and not used to support bureaucratic or administrative growth.

What I believe this Bill seeks to do is ensure that a reform procedure progresses which is flexible, is a cooperative process and is worked through in a tight time scale. I believe that adequate consultation and opportunity for local initiatives is provided for, while providing leadership and at the same time maintaining the sense of urgency needed to keep this process moving. I support the second reading.

Mr VENNING (Custance): I am in favour of this important legislation before the Parliament. I speak in favour of it, although not in support of some of the Bill's aspects, but I support its direction and intended outcomes. I was a member of local government for 10 years and was involved in the amalgamation of the District Councils of Redhill, Crystal Brook and Rocky River. Eventually Crystal Brook and Redhill did amalgamate, and I remind the House that this was achieved under Labor Minister Geoff Virgo. I know how hard he tried to achieve council amalgamations in drawing boundaries right across the State. I know how hard he tried to address the problems that existed then, but those problems are still with us today. We were encouraged by the previous Minister to undertake council amalgamation and generally council amalgamations have worked, but they should have gone much further than what has been achieved.

Certainly, there is no difference between what Mr Virgo's committee and what the MAG committee recommended: the recommendations are almost exactly the same and for the same reasons. One could make a telephone call to Geoff Virgo, who still remembers all this with great clarity and who would indicate that the situation today is much the same as it was then. The reasons for reforming councils today are exactly as they were then. I have heard comments from Federal Labor Senator Schacht that we have not gone far enough on this issue, so I am curious to know why the Opposition here is being so quiet and why the shadow Minister has taken the line she has in speaking in favour of only 80 per cent of the Bill.

We would have appreciated a lot more comment from the Opposition much earlier so that we knew where we were going, given the political difficulty with this Bill. Will members opposite have the courage to support a Bill to do the job—and they tried to do this 15 years ago—or will they play politics and pander to the many opponents of this Bill? As we know, there are plenty of opponents. There have always been opponents, and we know why. It is quite obvious: because it is a difficult issue. One level of government legislating for major changes to another level of government is difficult, but it has to be done.

South Australian local government boundaries have been basically unchanged since the late 1880s. Much has changed in this time. Communities have changed: there are some new ones that were not there at all 100 years ago, and some have now disappeared altogether. We are much more mobile today, and we have a communications system that they could not have even dreamed about 100 years ago. Time has caught up with our local boundaries, but changing them is very difficult, as this Government and previous Governments have found.

People will always resist change, which is made even worse by interference from local government's own bureaucracy. The call goes up: why should we change? I ask members to consider the services offered by local government today and think about what they cost. I presume every member in this House pays council rates. I ask each member to consider what he or she pays and to consider what they get for that money. Are you getting your money's worth? In some instances the answer is 'Yes', but more often the answer is 'No', and that scenario is getting worse.

An average farmer in South Australia pays about $2 000 in council rates. What do they get for it? If they see the council grader once a year, they are lucky. They are prepared to pay their share of the upkeep for the town hall, to run the library, to water the oval, and so on, but is that worth $2 000? Most would say 'No'. Much of local government's financial resources today are spent on administration. This money is spent on paying professional staff and advisers in the office—the people that we are told we must always have. In short, the ratepayers are paying people to collect their rates and their dog registration fees. These costs have been increasing every year, but most councils realise that they cannot keep increasing the rates. In fact, country councils have increased their rates about as much as they can before they meet some very stiff resistance from ratepayers.

Also, in many cases, the cost of running a modern office is the same for small councils as it is for large councils. For example, given the capacity of computers today, computer costs are the same for small councils as they are for large councils. Some very small councils are buying computers for the same price as the larger councils, and the cost of running them is the same. Also they have to employ the bevy of advisers we see employed in local government today, including planners, engineers, accountants, health officers, and so on.

An honourable member interjecting:

Mr VENNING: The honourable member says, 'We don't need them.' Councils are now compelled to employ them, but I know many councils today are sharing these resources, which is certainly the way to go. The cost of plant and equipment today is very prohibitive for councils, and all councils have them—both country and city. Many small councils cannot justify the cost of having these very expensive items of plant. A Caterpillar grader costs between $300 000 and $400 000. That is a massive amount of money. If we add to that the cost of a four-wheeled articulated loader—and every council has one—it is $180 000, and an average truck costs $100 000. That adds up to $680 000. I know that many councils have rate revenue of only $600 000. If one adds that up, one does not need to be a very good mathematician to see that there is a problem. That is why many of our councils are sliding behind: because they cannot meet the prohibitive cost.

Also, much of this machinery is not fully utilised. Most graders could do at least double the work—not in all cases but in some, particularly as we have much more flexibility in the hours of operation, in freeing up working hours and in work-related agreements, which we have seen in recent days. We are getting better value but we certainly have a long way to go. Plant sharing is a sensible way to go, and many councils are doing it. In fact, councils can and do share many resources, but many choose not to. Old traditions die hard, particularly in some of our traditional areas.

We have legislation before the House to formalise changes to solve these problems. Many have said, 'If structural reform is not imposed on local government, it will not happen.' I do not believe that that is necessarily so, but it is certainly so in

many instances. The Government implemented the Ministerial Advisory Group (MAG) under its Chair, Mr Graham Anderson. I believe it did a very good job. It looked at all the aspects, and it came up with excellent recommendations for the Government. I pay tribute to Mr Graham Anderson and the group for doing that good job. I also subsequently agreed with the Government's response to that report such that, instead of reducing the number of councils from 118 to 34, their number will be reduced to 50. I thought that that was a good compromise, given how the decision will affect Eyre Peninsula, Yorke Peninsula and the Riverland.

I agreed with the rest of the MAG report. Councils need guidelines, and the MAG report provides them. Most councils basically accepted the MAG submission, albeit begrudgingly. The expectation was there, and the job was done by a respected and responsible committee. An independent umpire gave its ruling and, broadly speaking, the local government community accepted it. But what did we do? We backed off. I was disappointed that the Government backed away from the MAG report and fell back to a voluntary amalgamation position. I would have used the MAG guidelines to guide the process. I would have left all councils in the MAG proposal and then given them the opportunity individually to plan their own destiny.

Those wishing to take a position contrary to that offered by MAG should have been given the opportunity to put their case to the new board. If they met the criteria, they should have been allowed to pursue their own destiny. Those that did not wish to pursue that approach could have stayed within MAG. We now have many councils moving the opposite way to the MAG recommendations—some for the wrong reasons. I am not confident that voluntary amalgamation will work in every case: some councils will be left out; others will be ganged up on; and some will eventually be carved up.

A typical scenario in a country area is two councils—council A and council B. Council A is the regional centre, while council B is on the outer area of council A. Council A provides all the services—the town hall, the oval, the library, the swimming pool, the shopping centre and sometimes even the stock market. Council B is mainly a farming community with a couple of small towns, using all the services provided by council A. Quite naturally, council A has higher rates than council B and there would be strong resistance by council B ratepayers to amalgamation with council A. I am quite prepared to tell people that that is a very common scenario; we all know that that occurs in regional centres throughout our State. Almost without exception that is the case.

Some councils, because of their strategic position or as a result of poor management, are heavily in debt. Some have built new civic centres and have run themselves into heavy debt. No council wants to amalgamate with a council that is in debt. Voluntary amalgamation will not always work, but I am glad that in many cases it is working in my electorate. In the Barossa Valley the District Councils of Angaston, Tanunda and Barossa are joining together. I am very confident that that will be a very successful voluntary amalgamation.

The District Councils of Kapunda and Light are well advanced in their amalgamation proposal—probably the most advanced of all. There is some controversy about whether they should retain their present boundaries which protrude into the heart of the Barossa Valley. It is a complicated issue, but I am prepared to leave it until the amalgamation proposal is concluded; it could be considered later, with the Minister's guidance. I do not wish to break the confidence of anybody and further add to the confusion.

In recent days the District Councils of Clare and Saddleworth-Auburn have been talking, and I have every reason to believe that that amalgamation will proceed. The District Council of Clare in my electorate is probably the most efficient council in the State by use of competitive tendering—not compulsory competitive tendering but competitive tendering. There are those who have knocked that system, but members who drive to Clare will see quite clearly what happens when you get good value for your rate dollars.

When I first became the member five years ago, Clare was well on the way, yet 10 years ago it was well known that the District Council of Clare was heavily in debt. As a result of good management, and certainly by using the competitive tendering process, it is now a financial council and has surplus moneys to build things such as roads and other infrastructure. The average ratepayer in that area is very pleased. Changes are sometimes difficult to effect, and I am very pleased that Clare will be involved in amalgamation. Boundary amendments are an issue, but they will be addressed at another time. I wish these councils well and offer them my full support.

I welcome the other parts of the Bill, particularly the benchmarking, because it will give councils the opportunity to assess and compare their performance with other similar councils. I will be very interested to see who is appointed to the board—and I have made several suggestions to the Minister. I am confident that the board will do its job well, with representation from both country and city members.

The people will have the final say, and that is democracy. Postal voting will attract a high vote. The only concern is that, if we have a council that is performing poorly and the poll returns a 'No' vote, where do we go? Do we have another go? I do not know what we do then. I hope that the process will work properly and that people will see the way to go, particularly when the debate is clearly put to them. We have heard much about the ILAC principle, the parish principle. That is the principle of leaving representation basically as it is but combining the business of council in a conglomerate with four or five councils. I believe people are more concerned about where their councillor lives rather than where the grader is housed or who owns it.

I am not in favour of compulsory competitive tendering. As we go down the track, it will happen on its own without the need for compulsion. People will see the extra value they get for their rate dollar by following this process. It is a very emotive issue, but if we are to be consistent we have to embrace it, at least to some degree. People expect better services for less money. It does work and, as I said, the District Council of Clare has shown it to be so. I am prepared to stand in this Chamber and invite anybody to investigate the District Council of Clare. Its performance has been very good.

The Minister has gone up there to open new bitumen roads, so the community ought to be very proud of the performance of its council. It has extra money to spend on infrastructure, which it is certainly doing, and the people are benefiting. Today, we are all accountable, and maximum efficiencies are expected. We are expected to do this in our private life, and the State Government is now implementing it. If councils think to the contrary, they have their head in the sand. I believe that councils should always have staff (inside

and outside staff) to oversee particularly the works of council and their contractors.

Finally, this Bill is the most important attempt to reform local government in our State for 100 years. Many Governments before us tried this—in fact, at least twice on a serious basis—and they all failed. I do not want to see this Bill fail. I would hate to see this Bill go to the Upper House, be amended heavily and come back here to go before a joint House conference, with the whole thing being thrown out. That is on the cards, but I hope that it does not happen. I hope that councils will approach this Bill in a constructive manner. I hope that they will realise that they have many options under this proposal. They can apply to stay the same and share resources with other councils—many are doing that; they can investigate the ILAC model—some are looking at that, particularly in the city area; they can put up other options to the board to show that they will be viable by making these changes; and, if they are already efficient and can show that they are, they will be rewarded by being allowed to continue as they are.

Local government is an essential part of Government in Australia, and it has performed very well over the past 100 plus years. I also believe that local government should have direct access to a proportion of income tax and not have to go cap in hand to get its funding. The grants system of funding for local government I believe leaves a lot to be desired. I also believe that we should reintroduce a department of local government and a Minister for local government. I congratulate the Minister of Local Government Relations on the tremendous effort that he has put into this Bill. It has been a long, hard job for him, and I hope he will be rewarded. I thank him for his liaison with all members of the backbench, because we have been involved in this process, and it is a very difficult area.

I now await with interest what the Opposition's final position will be, but more particularly I will be interested to see the position of the Democrats in the other House. I do not know, I have not heard a public uttering, and the future of the Bill and local government lies with them. If they have an alternative plan, I would like to hear it. I support the Bill's intended outcomes, although I do not entirely agree with the flight path, but if the result is the same—and it can be—I will be very pleased. After all, irrespective of all our conflicting ideas on local government, I am sure that all members have the same desire. I support the Bill.

Mr BECKER (Peake): I have forgotten the number of times that attempts have been made to do something for local government and how often local government has been mentioned in this House over the years.

Mr Brindal: Anyone who has been here for 25 years has a right to forget.

Mr BECKER: I thank the member for Hartley. I am one of those politicians who did not come into the House via local government. For some unknown reason, I detest many of those people who came into this Parliament via that way, because all I know about local government has been given to me by Jim Hullick, the former Secretary of the western metropolitan region and, of course, now the Secretary-General of the Local Government Association. I had intended to get up and say that Jim Hullick has taught me this and then sit down, but that is not true. I found Jim Hullick to be very helpful and useful when the councils in my area (originally the seat of Hanson) formed the western metropolitan region. I thought in those days that the western metropolitan region, which consisted of Glenelg, West Torrens, Thebarton, Hindmarsh, Woodville, Port Adelaide and Henley and Grange, would not be a bad council area. I have always believed that there are far too many councils. Even though this proposal reduces the number of councils by about half, I must commend the Minister and place on record my deep appreciation of someone who has given so much time and effort, backed up by a very competent staff to advise him, to tackle this project and to try to come to Parliament with legislation that, hopefully, will suit everyone.

I was very annoyed to read in the press where the Labor Party and the Democrats said that they will not support certain parts of the legislation and that they will change the Government proposal. Let me remind the Labor Party and the Democrats that at the last State election they did not win the seat of Peake, that the vote they had in that seat was the lowest they have ever had, that the Democrats had about 4 per cent of the vote in that seat and I am damned if I am going to be told by them that they have the power of reason in the Legislative Council. If this Government has any courage on this issue—and I hope it has—it would use this as a means of a double dissolution. If the Legislative Council does not support this legislation and does not agree to the reasonable performance proposals that we put to them, we should go to the polls. Let us have a double dissolution, get rid of the Legislative Council and tell the Democrats that we are sick and tired of their sabotaging the efforts of this Government. They have 4 per cent of the vote in my electorate; they represent nothing. They cannot even beat the informal vote. We could have a double dissolution on the issue, but I will not retire if we do. I believe the Minister is right and deserves all the support we can give him in what he is trying to achieve.

Over the years we have seen the problems in the western disturbs with the Henley and Grange council. In 1988 we should have merged the Henley and Grange council with the West Torrens and Woodville councils, but the then Minister, the Hon. Anne Levy, was not game to do it. We knew why: it was because they wanted to preserve the seat for Don Ferguson to be elected to Henley Beach. In other words, State politics overrode commonsense on that issue at that time having regard to the way in which the Henley and Grange council was being managed. It was struggling and on occasions the allegation was made that it had to borrow funds to do its road maintenance work. It survived; the merger did not go ahead and there was no take-over, and now, thank goodness, we have got rid of Bob Randall out of the area. He was a pretty lousy member of Parliament, let alone Mayor of the district. He never won the seat. Let us be honest: he got into the seat on my back and never worked the thing. Then he became Mayor of a local city and he did not do much there either.

We now have Harold Anderson as the local Mayor, who cleaned up the place and has the council back onto a reasonable basis. He has undertaken projects and has returned substantial capital funds to that council and made it viable, proving what a private enterprise driven person can do in operating a council. Harold Anderson is the chief executive of one of the biggest stevedoring companies in Port Adelaide. Give him an opportunity in a council that represented the western metropolitan region, and we would have a decent local government area. We would not be paying the high council rates that we are paying. He is a very good Mayor, as the member for Hanson has said and has proved that, given

the opportunity, you can do something well worth while for local government.

Similarly, we have the problem with the Thebarton council, a very small council which has been struggling. We have a few radicals on it. As I see it the tragedy with local government in South Australia is that anybody can get elected to local government and anybody seems to be able to do anything they want. Every now and again a few of these radicals get in and they want to green everything, put in these little median strips, narrow the roads and put down rumble strips. They want to do everything, such as plant the wrong trees. Half the pollution of the Torrens River—

Mr Brindal: Stick to the western suburbs: you're talking about Unley now.

Mr BECKER: Your council is not much better. You have to go 40 km/h through some of your little side streets—what a nuisance! And these terrible humps. I have been doing a survey in my electorate, and I have now sent out survey forms to more than 1 000 people. Members would be amazed at the response I am getting regarding local government amalgamations. If amalgamations mean that there will be reductions in council rates, about 76 per cent of ratepayers support it.

An honourable member interjecting:

Mr BECKER: Do not ask what the support is for speed humps, because nobody wants them. Nobody wants speed limits in side streets either. If Unley council wants to use the example to say it represents the interests of its ratepayers, it should not come down my way, because we do not want its attitude and situation where we are. The member for Colton went crook because we had a traffic restriction on a road. Radicals were elected to Thebarton council and put a restriction on a road. The member for Colton took on the council and beat it. He proved how vicious the council was at maintaining the traffic in Ashwin Parade, Torrensville. What did it do? What about the rights of the people who live in the street? They are being told by somebody who lives in another suburb, particularly in the eastern suburbs, that they can have all the traffic coming into their street.

These are the problems and these are the conflicts that one gets in local government. You get them when you have small councils. Small is beautiful: small can be a damn nuisance, because you get all these hard core radicals wanting this and wanting that. What happens? The lifestyle of everybody is made pretty difficult and uncomfortable. As I said, I thank Jim Hullick for the lessons he has taught me over the years, because I was pretty furious when I first objected to the Adelaide Airport. The local councillor said to me, 'If you do not like it, get out; if you do not like the way the council is looking after you, go somewhere else.' I said, 'I have news for you, Charlie; we'll outvote you.' So, we removed him from the council.

It is no good having that sort of attitude in regard to local residential areas. There are enough problems and difficulties in the suburbs of the metropolitan area and in the whole of the State without having these little feuds and personality clashes that one gets in these small councils. Who gives a damn what somebody does with the credit card of the council. They all have credit cards. All the Government departments have credit cards. Thebarton council spent something like $55 000 trying to prove that its town clerk might have overspent his limit. Well, he had to go out and buy the alcohol for council functions. That is what the credit was for. Find out what some of the Government departments are doing with their credit cards; and find out how many outstanding debts we have with State credit cards. Do not worry about some poor, little town clerk. He will be amateur feed by the time we are finished with what we propose.

I get annoyed when I hear all these rumblings, threats and innuendoes about councils merging and we are not going to do this and we are not going to do that. I get very annoyed about the politics of local government. In all my political career I have never interfered in the operations of local council. If somebody wants to stand for council, good luck to them. I detest the Labor Party's wanting to take over local councils and I detest the Democrats for standing candidates.

The Hon. Frank Blevins interjecting:

Mr BECKER: The member for Giles ought to ask the member for Spence, because he prided himself at one stage on almost controlling Hindmarsh council.

The Hon. Frank Blevins: So what?

Mr BECKER: The council folded and got into trouble. When I first met Florence Penns, for whom I personally have a lot of respect as she is a wonderful person in local government, she said, 'We have no hope. We have to merge and the sooner we merge with Woodville council, the better.' So, that was the end of Hindmarsh council. Hindmarsh is a beautiful little suburb located close to the city with a tremendous amount of potential. It is a great community with great people. It is now part of the Woodville council and has never had it better.

There has been hardly any change. It is doing much better. That is one of the mergers that has worked extremely well. Full credit to John Dyer, the Mayor of Hindmarsh-Woodville, who was the Mayor of Woodville for many years before the merger. He has a reasonably good council and a brilliant executive staff, and can manage it well. But it is a very large council. It took this merger in its step and it has worked extremely well. It will not physically show great financial improvement, because there have been a lot of expenses, but it has been able to do a lot with the benefits of that merger.

I congratulate Hindmarsh-Woodville for what it has achieved. It is typical of a large suburban council as we know it at the moment whereby some of the people on that council have served the community for many years. The Mayor, John Dyer, has been recognised for his services, as has his alderman, the deputy mayor, and his other councillors. It was tragic that one of the councillors who served approximately 27 years, Fred Bond, passed away a few weeks ago and was not officially and formally recognised for his services to local government. He was typical of the people who serve local government. Hundreds, if not thousands, of people have given their time for local government and their community and have done it well. They have given it freely, independently and in the interests of the local community. As I said, unfortunately a handful of them have used it as a stepping stone for politics and for all sorts of other reasons.

We saw some of those problems when I first came into Parliament. I asked the Hon. Geoff Virgo, the then Minister for Local Government, to undertake an investigation into allegations of corruption in one of the councils in my area. The person who was being investigated laughed it all off and said, 'There you are, I beat the lot of you.' He did not beat the lot of us, because we all knew what he was up to: we simply could not prove it. That gives local government a bad name. Thank goodness that that does not go on today: it is well and truly in the past. There have been many people who have given wonderful service to local government, but it is spoilt by a handful of ambitious, ego tripping people who want to use it for other purposes.

That is why we have difficulties from time to time in dealing with the debate on what to do with local government, how to treat local government, and how to handle the whole issue. It has come to a stage where, as I have said for many years, there should be a public accounts committee to look after local government. There is not the great amount of accountability that I would like to see in relation to local government. But everybody shudders: every time I say that there should be a public accounts committee for local government, everyone says, 'Get out; get lost.' They become abusive. I believe it is well overdue.

It is through amalgamations and mergers that we can force greater accountability. If we can use other means and systems to educate the public about the accountability of local government, the whole exercise is worth it. Nothing annoys me more than to see street after street ripped up, the footpaths having to be replaced. I am old enough to remember ordinary footpaths as I knew them—a strip of dirt and hardly any grass. Then somebody invented concrete, so we had to have concrete footpaths. Then somebody who supplied bitumen said we had to have bitumen footpaths. Now they are being ripped up and little red bricks have spread through the suburbs like a cancer. Fortunately, we have been able to keep them out of my street, but I do not know for how much longer. I rue the day they come marching down my street with those little cement blocks, tearing up our nature strips and destroying the area. I am not convinced that they are in our best interests.

It makes you wonder why the councils have to keep coming up with ways and means of spending ratepayers' money on some of these ideas. As a ratepayer, I get terribly annoyed when I see my rates going into projects that I really think are not necessary. In other words, I have always believed that local government has had it too easy for too long, that it gets hold of too much money and then works out what it will do with it.

In my view, there has never been any logical reason to do some of the things that councils do, except the little pettiness of some people in some streets who do not want any traffic coming along them. They want to put in speed humps and make it difficult for anyone to drive a car along their street, but they do not give a damn when they ride their pushbike all over someone or allow their dog to come in and foul another person's garden.

Local government has to build up its respect and do more than it is doing. This is the great challenge. Let us have fewer councils and make them really work for the interests of the people that they represent. Let us get dedicated people in and get out these small cells of stirrers and agitators. Let us also keep politics right out of local government. There should not be any politics in local government; they should be totally banned.

I strongly support voluntary elections for local councils. If people striving to get on to a council cannot get others to vote for them, they do not deserve support. I see that as one of the real dangers. There has been a great deal of debate and many reports. We have had some magnificent reports in our electorate offices over the years relating to local government and what should be achieved, but nothing has been achieved except a lot of books.

I believe that the boundaries could have been looked at more closely. We could have had councils running from the city to the sea so that we could spread the cost of looking after the coastal areas. That has made it difficult for us to manage councils. I come back to my original statement, thought and concept of local government. The western metropolitan region, which covers all the councils that I mentioned earlier, would have been an ideal one-council area. I hope that I live to see the day when that occurs. I support the Bill and encourage the Minister in every way possible to ensure that we reduce the large number and humbug of little tin-pot councils.

The Hon. FRANK BLEVINS (Giles): I support the Bill to the extent that the shadow Minister supports it and where she opposes it I oppose it. I shall also be supporting any amendments that she may move. I will come back to her role later. I have listened to a few of the speeches this evening and I have been surprised at the attitude of Liberal members. Their attitude has been very strange, to say the least, and in some cases even schizophrenic.

I want to point to the commitment of the Labor Party over many years to local government. We talk about the autonomy of local government. I heard the member for Peake, amongst others, talk about the funding of local government. Which Government gave local government another source of funding, a percentage of income tax, direct from Canberra, bypassing the States through the Grants Commission, and made the fairest distribution of Federal funds that I have seen? A Federal Labor Government did that. I am not sure what thanks it got. Probably none. Who wanted to put local government and the existence of local government into the Australian constitution? Again, it was a Federal Labor Government. It was opposed by the parties that members opposite support. They opposed and defeated it, yet they put themselves forward as somehow belonging to a Party that supports local government. All their actions over the years have been anti-local government.

Labor members, particularly our Federal colleagues, have supported local government, and they have not had a single thank you for it, because overwhelmingly in local government they are a pack of Libs, and not always terribly competent. There are not many Labor people in local government. I have hacked around local government meetings for the past two decades and not found many Labor people, and I cannot recall one word of appreciation for what the Federal and State Labor Governments have done. What do they get from their so-called mates in the State Liberal Party? They get a dictatorial Bill that wants to tell them what to do, that wants to chop them off at the knees and control their finances; yet they talk about individual liberties and the freedom of the third tier of government.

I have never seen anything so hypocritical as what this Minister and this Government has tried to do. I do not understand why the backbench allowed them to do it. I have no idea and cannot begin to speculate. I have only had personal dealings with two councils in my Australian life over the past 30 years, namely, the Whyalla council and Adelaide City Council. I have paid rates to both councils for some decades—one could say from the sublime to the ridiculous, and I will leave it for members of the House to choose which they believe is which. I can say that my needs from both these councils have been met totally. I cannot remember ringing them for anything in particular, either to complain or to beg for another service or anything. I have found them to be excellent. Everything I have wanted them to do they have done, just as they have done for every other ratepayer in Whyalla and in the Adelaide City Council area. They have gone about it quietly and efficiently. The rates are reasonable in both areas. I do not know what people grumble

about. I may not like individual councillors but, there again, so what?

I am extremely reluctant to tell local government what to do. This Bill interferes in local government to an extent that I find shocking. The reason I am reluctant to tell them what to do is that I am not prepared to do what they do. I am not prepared to put myself forward to stand for local government and do the kind of things, unpaid, that those councillors, aldermen and mayors do. I am not prepared to do it. I am absolutely delighted that those people do it on my behalf. I am grateful for it and there is absolutely no way that I am going to criticise them for some reason, or interfere or tell them how to do their job. Unless I am prepared to do it, all I am is grateful.

What do they get out of it? In the bad old days, the real estate agents and the Liberal Party apparatchiks who eventually came into this place went into local government for what they could get out of it. There is no doubt about it. They wanted to have the inside story on what rezoning was going on and some of them made fortunes. Some of them are now the pillars of the community. That was a long time ago and the opportunities in this State for that kind of shenanigan, if it ever occurred to any great extent, have long gone. Nobody goes into local government to make any money. If you wanted to make any money you would not waste your time in local government. I do not think any of those people, apart from the satisfaction that they get for doing a job for the community, get any more than probably a free dinner at Christmas time, or something like that—very little else. Yet they put in hours of their time to see that the services for the rest of us, who do not put in any time, are given.

This Bill is highly offensive to local government and patronising in the extreme—for example, the suggestion to local government that we will dictate what its rates will be by saying, in effect, that local government will reduce its rates by 10 per cent because we say so. I say this: quite frankly, some of those councils ought to be increasing their rates. Some of those councils are bludgers on next door councils and on other councils.

Some of those councils do not give the service they should, but again that matter is up to their ratepayers. It is not my business; it does not affect me at all. Walkerville council, for example, is probably the biggest bludging council in South Australia. I have little or no sympathy for it, but it has been there for donkey's years. It is none of my business how the good burghers of Walkerville conduct their affairs. It does not affect me in Whyalla one iota. Some of the previous amalgamation proposals that have been introduced in my time in this Parliament have not gone through because some councils have their rates far too low while other councils that give better service but have higher rates have been, in effect, penalised and vilified during the procedures that precede amalgamations.

That has been unfair, but it is not something in which I am terribly interested in terms of intervening. If councils such as the Mitcham, Happy Valley and Unley councils want to row then, as long as they are not interfering in Whyalla, I am happy to leave them alone. I do not want to get involved in their parochial arguments. I do not know much about it because there are other things in which I am far more interested. As I said, I believe this is offensive and patronising. The question of country councils concerns me. In areas such as the Eyre Peninsula—and that area does concern me—which is a huge and sparsely populated area, to suggest that there can be significant amalgamations and savings because of the economy of scale is just absolute nonsense.

It is clear that these things are proposed by metropolitan members who know absolutely nothing about local government in the country and could not care less. They have an ideological position. The Minister for Local Government feels the need to show that he is doing something; he needs to show that he is active. These silly propositions are brought forward that interfere with my local councils on Eyre Peninsula. I do not have a great interest in the local government area but, if amalgamations are to take place, I do not want a group of metropolitan people who know nothing about the problems of the area dictating what these councils must do.

I will not be a party to any compulsory amalgamations in those areas. Personally, I might think that some of these councils should not exist and that some of these amalgamations ought to go ahead, but if the locals—and they are not stupid—are prepared to put up with paying a few dollars extra on their rate, to ensure more local employment in these areas, then why shouldn't they? Who am I to tell them they cannot do that. Leave them alone, that is what I say. To all the metropolitan members who sit here and vote and force the amalgamation of country councils I say, 'Go out to the council meetings and tell them; get out of the metropolitan area and tell them on the Eyre Peninsula and in the Mid North that you know better than they do. Don't just sit here interfering in their business.'

The bulk of the metropolitan members in this place, as far as I can tell, are not capable of looking after their own electorates let alone running local council. In two years about a dozen of them will find out that that is the position, because they will be out that door, and they will be no great loss. It is correct that if we were starting again with local government we probably would not have precisely the set up that we have at the moment. There is no doubt about that. We probably would not have in Australia the division between the national Government and State Governments, and we probably would not have the same State boundaries. We know all that, but we do not have a clean slate; a lot of different issues impinge on the placement of council boundaries. It seems to me that if the locals want it that way, and they are not stupid, then leave them alone.

We have not been put on this earth to be 100 per cent efficient. That is not the idea of life. If that was the idea of life, none of us would buy a record or go to a movie. We do not have to do those things and it is probably not very efficient for human beings to do that. We should only work and sleep! It is the same with councils. They are not on this earth purely to be efficient. They are there to deal with human beings, to give services to human beings, to provide employment in local communities. That is what they are there for, and this Minister and this Government do not recognise that, and I cannot understand why.

The bottom line for me has always been to leave these people alone. If people in the Flinders Ranges or further north want to keep their little council, let them. We know that they are only hand-to-mouth affairs. They will never be rich, but they get by. They know what they are doing with their local communities, and I will support their right to exist. If it costs $100 a year for ratepayers to carry it on, so what? What does that mean in the scheme of things? That is the bottom line for me. If they want to stay, let them do so and leave them alone.

As regards the shadow Minister, I congratulate her on the very responsible approach that she has taken to this Bill. If

I had been handling this Bill, it would have been a far different approach. I just would have said that I am agin it—end of story. I would have said to the Government that, when it has negotiated an agreement with local government, come back here and I will look at it. That was always my approach in Cabinet. I did not want to buy into the argument. I said, 'Go and talk to local government. When you have an agreement, bring it back to Cabinet and I will look at it.' I am not interested in pushing local government around.

The shadow Minister has taken a broader view of the issue than I would have taken. She supports the bulk of the Bill and she recommended that to our Caucus and got full support for the bulk of the Bill, while attempting to deal with those extremely obnoxious clauses that try to push local government around. I certainly congratulate her on that because, as I have said, it is an approach that I just would not have taken. These speeches would have been very short. The answer would have been, 'No, go away and talk to local government.'

I support the Bill to the extent that the Parliamentary Labor Party has outlined. I congratulate local government on what it does, because it does it well. It may not be super efficient, but I tell them not to worry about that. Everybody in the House ought to have the decency to say to local government that, within reason, what it wants is what we support. This Government spends all its time bitching about being pushed around by the Federal Government, screaming State rights every five minutes, asking why on earth the Federal Government should tell us what to do and why does not the Federal Government give us all the money and let us spend it how we like. Yet, it can turn around to local government and say, 'Don't do as we do, do as we say. We will dictate to you what your rates are, what your boundaries are; we will dictate this, that and the other.' What hypocrisy! I caution members opposite that a lot of local councillors—and there are hundreds of them everywhere—are members of the Liberal Party and I hope—

Mr Brindal: That is outrageous!

The Hon. FRANK BLEVINS: I do not know too many who are members of the Labor Party. About 90 per cent of them are members of the Liberal Party, and I hope that they go to the Unley sub-branch meeting and that they are on the preselection panels. These people have enormous power. If some of them in the Unley sub-branch tell the member for Unley to jump, I can assure the House that he will ask, 'How high?', the same as he did on the shopping hours issue. He sold out his traders because the people in his sub-branch said that they want extended shopping hours. I say to them, 'That is the power you have: use it. You are absolutely on the side of the angels when using it against these people opposite.'

Mr BUCKBY (Light): I support the Bill. At the outset I compliment the Minister and Mr Graham Anderson, Chairman of MAG, which brought down its report, which, in turn, was based on considerable consultation with members of the backbench and the community. As other speakers have mentioned, it has been some time since any major local government boundary changes have occurred in South Australia. We currently have about 118 local government councils, and that figure has reduced from about 130 since the 1970s. Apart from that, we must go back to about 1939 before any substantial changes were really made.

There is no doubt that, like State and Federal Governments, local government must stand up and be accountable for the resources it spends and adapt to changing technology. Going back 20 or 30 years before the introduction of computers, all accounts were done by hand. I refer to the number of local government employees at that time, when local government operated over a much smaller area. We are now in a computerised age with far larger machinery that is operated by local government. The machinery is more expensive but, as a result of it, staff operating that machinery and infrastructure can cover many more residents than could be administered in the past.

It follows from this that council amalgamations should occur. Certainly, all 16 councils in the Mid North local government area support amalgamation. As the member for Custance has already indicated, the Light and Kapunda councils are now undergoing amalgamation and are close to finalising it. The number of residents there will increase from 4 000 to 8 000 and, while some adjustment may be required around the boundaries of that larger council area, the initiative undertaken by those two councils is to be commended.

Similarly, since the release of the MAG report, the Angaston, Barossa and Tanunda councils have commenced negotiations with the aim of amalgamating. Because of the Barossa Valley Review area, it makes sense that with a development plan that covers the entire area one council could easily cover that area and represent the area's constituents.

One of the issues raised by many people about the amalgamation of councils has been the cry that this will take 'local' out of local government. I believe that, with the incorporation of wards in the Bill and seeing those wards maintained, 'local' will be kept in local government. True, if that was not included, I would have some reservations about this aspect because we could end up with council representation coming from just one town in an area comprising a large amount of surrounding countryside. The ward system will enable people who sit on council to be responsible for a particular ward and, as a result, that council's constituents will have a person or two people whom they can approach and who they know they can raise issues which apply to them in their ward. The second point is that it is good to see the poll provisions in this Bill. That is important in terms of ensuring that the local people have a say. I see nothing wrong with the 50 per cent requirement; that is a democratic situation.

The shadow Minister referred to union membership on the board. Perhaps one way around this might be for one of the two local government representatives who are designated to sit on that board be an employee of local government and a union member. Therefore, there will still be two representatives from local government, but one will be an employee who is a union member and the other a representative from local government. That could be one way of ensuring that staff and representation are maintained in that area.

My final point arises from an article in the *City Messenger* of 8 November 1995 by Andrew Male headed 'Mayor attacks "self-interest"'. It relates to some comments by Hindmarsh-Woodville Mayor, John Dyer, who for the past two years has been President of the Local Government Association and who states:

> At the moment the LGA runs on something like 75 per cent funding from local government members and 25 per cent from payment for service. I think they should be trying to change that around to the point where 25 per cent is coming from members.

The article continues to quote Mr Dyer as follows:

I think it's [the LGA] been pre-occupied in giving support to its members (in dealing with amalgamations and boundary changes) and it seems also to have been supporting inefficiencies.

Because resources are so finite and the funds that are spent have to be accountable, no-one in this day and age can afford to be inefficient.

The State Government, as a result of the 1980s and the losses of the State Bank, has to be far more accountable than any other Government. That is right, because it is public money that it is spending, so it should be accountable. Local government is no different. It also has to be accountable, and the resources that are spent have to be spent in the best possible way. As a result of that, I support this Bill, which seeks to amend the Local Government Act and, as a result, amalgamate councils into a far more efficient number that operates in South Australia.

Mrs GERAGHTY (Torrens): I support the comments of the member for Napier and the Leader.

An honourable member: Do you know what they were, though?

Mr Caudell: What did he say?

Mrs GERAGHTY: Look, I'm sorry; if you didn't hear it, perhaps we will get a copy for you and you can peruse it tomorrow at your leisure. That may be the best way to go so that you absorb some of the comments, particularly of the member for Napier, and that might help you to understand some of the problems relating to this Bill.

Members on this side of the House have had much correspondence from councils and numerous discussions with those councils, which have not just been within our local areas. Obviously, they are very concerned about this local government reform. It is not just councils that are concerned with this, because it also involves residents and ratepayers. We have all been inundated with correspondence from residents and by people who have called in to express their worries in relation to this matter. Of particular concern—

Mr Caudell interjecting:

Mrs GERAGHTY: I see that the budgerigar is at it again this evening. Of particular concern is that an amalgamation should and must be a relationship that has been freely and voluntarily formed without force. The councils that cover my electorate are Tea Tree Gully and Enfield.

Mr Brindal interjecting:

Mrs GERAGHTY: Well, you're into getting out the big stick and saying, 'Get on with the job; you've got a couple of weeks.' That is not what it is all about. These councils are very responsible, and they are dedicated to providing high quality, cost effective services to their communities. Of course, these things are provided within their budgets. I support and encourage rate reductions to residents following the amalgamation of councils. However, I believe that this reduction will occur as a natural consequence of amalgamation and not, as I said, through forced amalgamation.

It must also be remembered that councils provide many necessary services to their communities—services that residents rely upon. With the funding reduction to community groups by this Liberal Government, local government has taken up more of that role in the provision of funds to community support groups. A rate reduction for residents would be most welcome, but not if it meant a reduction in the service role they play in the community. Giving with one hand but taking with the other often means that there is more taking. Local councils, through voluntary amalgamation—and I stress 'voluntary'—will ensure that they deliver to residents—

Mr Caudell interjecting:

Mrs GERAGHTY: Here we have the member for Mitchell putting the AFL into the same context as a very serious discussion of local government reform.

Mr Brindal interjecting:

Mrs GERAGHTY: Well, that's right: the budgie is bored, so he feels that he needs to make a little comment. As I was saying, voluntary amalgamation will ensure that councils deliver to residents a financial benefit while still maintaining, if not enhancing, the valuable service that they provide. Of course, that service is available to all in the community, regardless of whether or not residents are ratepayers, because councils do not place a restriction—

Mr Brindal: If you stop talking now, it will be the best speech you have made.

Mrs GERAGHTY: Well, I am about to, but I will do so without the assistance of the member for Unley. I support most of the Bill, but I certainly have some concerns.

Mr Brindal: A very good speech! A wonderful speech!

The DEPUTY SPEAKER: Order! The member for Unley stands a very good chance of not speaking at all in this debate. I ask him to refrain from making further comment.

Mr WADE (Elder): The member for Napier provided a rather passing history of local government from 1840. She did manage to squeeze out two areas of significant achievement over our 150 year history. I find that a put-down on local government. It sounds as though the honourable member wants to set up a third and independent government structure in this State. She emphasised a number of times that local councils should be independent structures, independent from the State Government. In fact, local councils are often described as the third level of government. This is not entirely correct, since, for their very existence, local councils depend on State laws. The member for Napier was correct when she said that in 1840 Governor Gawler and his Executive Council passed the first colonial municipal Act. For those who enjoy history, that occurred on 19 August. Over the following 100 years, local government was always closely associated with the provision of roads and bridges.

It was truly the tyranny of distance in Australia that set the stage for the role that local government would play. However—and this should be noted—many early councils appointed local constables and hired local physicians to carry out public health duties. Councils acted as a first point of referral for welfare cases. The most significant involvement was in education, where councils provided the schools, many of which were run by local communities. Many councils earned the commendation of the Inspector of Schools at that time. In 1875 (for the history buffs) the Education Bill was introduced into Parliament to centralise the education process. There was no evidence to suggest any bad management at the local level. The Bill passed on the basis of a fear of future sectarian squabbles.

A Local Government Commission was formed in 1930, and that reduced the number of councils to 142. The Local Government Act of 1934 created a complex system of government that allowed a variety of controls on property and the provision and maintenance of specific services and capital works. Since 1934 the Local Government Act has been amended many times, with the consolidation of 47 amending Acts in 1972. Members opposite will recall that in 1973 a royal commission recommended reducing the number of

councils from 137 to 72. That recommendation was not acted upon by the Government of the day.

In 1984 a major revision of the Local Government Act was undertaken in respect of councils, their structure, their members, their meetings, officers and electoral provisions. It has been estimated that at least 82 Acts of State Parliament have an effect on the duties, functions and activities of local government. We are truly intertwined. In the 1970s the Federal Government formed the Department of Urban and Regional Development to regionalise local government. These regions were allocated Federal funding through the intermediary of the States. A referendum to bypass the States was held in 1973. This, as we are aware, was defeated. In 1975 the Federal Government disbanded the DURD but continued to contribute Federal grants to local government through the States.

This brief history indicates that regionalisation and amalgamation of councils is not a new idea yet, despite all the royal commissions and the consolidations, there have been no major structural modifications within local government or the structure of council management. In fact, it has been said that the system operating today would be immediately recognisable to a clerk or a councillor from the 1850s. The historic role of local government has been bumpy. It has moved from roads and rubbish to community services and education then, during the Great Depression, it went back to roads and rubbish, and now it has again extended its activities to community development services. The Bill before us has taken many months of research, consultation, negotiation and perspiration. It is the culmination of years of effort. The Bill is needed; it is long overdue.

John Dyer, the recently retired President of the Local Government Association of South Australia, stated in the magazine *Council and Community* of October-November 1995:

> The world continues to change and we must continue to reform to meet new challenges.

The member for Napier stated that the Labor Party supported amalgamation. If it does, why did it not act on the royal commission of 1973? I suggest that the Government at the time did not wish to upset local government at all.

The councils want boundary reform; the Local Government Association wants boundary reform. However, each council looked at changes from its own little backyard, and could not or would not see the overall State picture. A few have looked over the fence with covetous eyes at councils next door. This Bill will prevent takeovers of those councils that have more belligerent neighbours. This Bill will clear the way for reform of local government boundaries through voluntary amalgamations.

To assist councils achieve their reform aims the Government will establish the Local Government Reform Board. The LGA will constitute one-third of the board members. The board has a defined life: it will cease to exist on 1 September 1997. It is not a permanent fixture but a facilitator to assist councils in their management of boundary change, albeit the board has been given necessary powers for that limited period to initiate proposals for amalgamations where councils cannot agree or where the amalgamation proposal put forward is not deemed to be satisfactory. The board can only make recommendations to the Government: it is not a decision making body regarding council amalgamations.

As the Minister stated in his second reading speech, the first role of the board is that of the catalyst—the honest broker, the facilitator of boundary reform. If the board proceeds under its own steam, this Bill requires a postal ballot of council electors to decide an amalgamation issue. There would be those who would criticise the required 50 per cent turnout of eligible voters, a majority of which must vote against the proposal for the proposal to be vetoed. I assume that it is a reaction to the dismally low turnouts usually experienced at council elections. One ward in my council has councillors who have been elected by less than 3 per cent of eligible voters, and yet they prance around claiming that they represent the views of the majority of their electors.

We have taken a positive position towards amalgamations by saying that a proposal will proceed unless a majority portion of half the council electors say no. If electors are extremely negative to change, they can find a pen and cross 'No' on the ballot paper which has been delivered to their doorstep. They then post it back—I assume a postage paid envelope is provided—and they have therefore cast their vote. We are not asking electors to go out into the rain or heat or anything else.

The Government has no fixed agenda for council cost savings. Common sense would suggest that savings are to be made in combining resources. Experience indicates that that is indeed the case. Savings are made when duplication is removed. We hope it will be up to 10 per cent. I note the member for Napier hopes these savings will be more than 10 per cent. If it can be so, then let it be so. The Government seeks council savings of up to 10 per cent. Those savings will be given back to the ratepayers. I hope—I am sure the member for Napier would hope too—that ratepayers would experience the immediate benefits in these extra savings. I hope that the councils excel themselves and 10 per cent is the minimum.

This Bill is a genuine effort by many persons dedicated to council reform. It is a courageous Bill that addresses the parochial attitudes of 118 councils, and offers a positive process to resolve the structural problems under which local government has been constrained and hampered for so many years. We had the guts to do what the Labor Government of 1973 failed to do, and we had the guts to do what the Labor Government of 1984 failed to do. The worst types of restrictive bureaucracy can be found in local government: they can strangle initiative and destroy incentive. During my time as a councillor, the City Manager resigned. Applicants had to be from within local government, we were told. We wanted the best person for the job. Tradition said 'No'. We finally managed to appoint a top public servant from the State Government to the position of City Manager only after we achieved ministerial intervention. This person was not our first choice.

Finally, I must admit that I am sceptical that the best intentions of Government can result in legislation that can achieve the direct opposite of what was intended. Experience makes me sceptical. However, this boundary amendment Bill is part of a package of reviews that will encompass council members, allowances, benefits, and the professionalism and the actual management structure of local government itself. It is a package of reform; it is a package of rethinking; it is a package of self-analysis that the councils should have been going through in the 1980s, the 1970s and, in fact, the 1940s. It is a package that is long overdue in this Parliament; it is a package that needs this Parliament's approval to pass into legislation, to be enacted, to enable councils to free them-

selves from their own stifling traditions and to achieve a profitable and fruitful relationship with the State Government.

Mr CAUDELL (Mitchell): Local government boundary reform as an issue in Adelaide rates about as high as a Michael Jackson concert at the moment, and that rates pretty poorly in the youth camp. It is basically a non-issue in the electorate. It is a non-issue in the electorate of Mitchell; it is a non-issue in the city of Marion; it is an issue in councils such as Brighton and Glenelg regarding actually who will have the council chambers, in what street, who will be the Mayor, and who will have control over the purse. It is only an issue in those councils that rate very low in rate revenue, and it does not rate very highly at all amongst residents.

I was amazed by the comments of the member for Napier, the Opposition spokesperson on local government reform because, after reading her speech, I can understand why Bruce Hull wrote to the Messenger Press and said that the member for Napier was a no-go zone, a space free zone, an area where there was little there, that the ALP's policy on local government was null and void, and that the ALP's policy with regard to council amalgamations needed to be dragged into the twenty-first century. It is obvious from reading her speech—

Mr Wade: Is he still Secretary of the Elder ALP Branch?

Mr CAUDELL: Yes. He is still the Secretary of the Elder ALP Branch and, I think, the local government spokesperson amongst all the rank and file associated with developing policy for the Australian Labor Party. However, it is obvious that the member for Napier has not been listening to Councillor Hull. I understand why sometimes she would not listen to Councillor Hull, but in this particular instance he made very good sense. Senator Schacht is then reported in the newspaper as saying that there should be nine councils in South Australia with, say, three in the metropolitan area. It was left to Mayors Nadilo and Clancy to take up the running against Senator Schacht. The member for Napier was conspicuous by her absence when Senator Schacht was leading the charge.

I did a radio interview with 5AA and said that we should have amalgamations of councils in this area, and I supported the MAG report and its recommendations. The 5AA interviewer asked me what chance we had of getting it through the Upper House. He said that the Democrats would oppose it. I said we were not worried about the Democrats, because it was obvious that the Labor Party did not have a policy on the issue. It had not spoken about it or come up with anything and there had been no debate from the Australian Labor Party, other than something from a guy called Mike Rann who put out a notice in May, in which he came out and said, 'Halve the council numbers.' I said that other than that there had been very little, so I assumed we would get the support of the Australian Labor Party. It has been apparent right through their speeches that the way they have presented the arguments has been very shoddy.

When we listen to the member for Napier she goes on about the fact that a meeting was attended by over 100 council representatives, and that the Opposition has been out there doing the democratic thing; it has been out there doing the right thing; it has been out there listening. The trouble is that there are none so dumb as those who cannot listen, such as the member for Napier. If members opposite were listening to the G5 councils—the councils that represent the majority of the people of Adelaide—they would know that they support the provisions of the Bill. If the member for Napier was listening to the G5 councils—the main councils of Noarlunga, Marion, Tea Tree Gully and so on—she would have realised that they support the provisions of the Bill. If she had listened to the Hon. Carolyn Pickles' adviser, she would realise that the majority of the people out there support the provisions of the Bill. The adviser to Carolyn Pickles put up his hand in a Council debate and said, 'I support the provisions of this Bill and am quite prepared to lend my support to the Marion council associated with amalgamations.' That came from the adviser of the Hon. Carolyn Pickles, the Leader of the Labor Party in another place. I wonder where they are listening.

The honourable member said that the Local Government Association—a strong lobby group—represented the wishes of local councils and that it is a pity that the Government does not listen to the Local Government Association. I put to the member for Napier that it is a pity that the Local Government Association does not listen to the councils that represent the majority of the people. There could be no more relevant article than a letter to the Editor which appeared in the *Advertiser* as follows:

> The report of a meeting of the South-East Local Government Association at Millicent (*The Advertiser*, 7/10/95) is inaccurate. Far from the unanimous support of the recent actions and outbursts by the Local Government Association, a significant number (at least five) of the 12 councils represented at the meeting abstained from the vote of confidence in the Local Government Association, indicating less than total support of the stance taken by the LGA at this critical time.

Because of the size of their rate revenue at this time, a number of local councils are not able to provide the facilities for the people of their area. This is no more so than in my area. With rate revenues below $5 million, the councils of Brighton and Glenelg find very little money available for the provision of junior sports and junior sport facilities. As a matter of fact, Brighton is at such a stage that it cannot even afford to buy an oval—an open space—and, unlike any other council in the area, has to go cap in hand to the Government for a hand-out—a few hectares of land free of charge—because it cannot afford to buy or provide the facilities for the local residents.

The Leader of the Opposition spoke earlier, waved his magic wand and said, 'I am a statesman; we will look at a 40 per cent figure for a poll but we want a greater than 10 per cent rate reduction for the councils.' He had a magic wand. Yet, when we look back to his contribution in this House in 1991-92, Mike Rann had conduct of a Bill which originated in another place and which had as part of its provisions a 50 per cent poll. In the second reading stage of that Bill he supported the 50 per cent poll. It was only as a result of an amendment by the then member for Elizabeth that we had the current Bill. The constituents of the city of Marion support the Bill; they support the amalgamations of councils; and they support the endeavours of the Minister for Local Government Relations in attempting to reduce 50 per cent of councils.

In conclusion, I look forward to the contribution of the Deputy Leader of the Opposition, the member for Ross Smith, in this debate. I would love to hear his reflections on the Enfield council as they relate to amalgamations, because representatives of the Enfield council recently said that amalgamation should have occurred last year and that this process is taking far too long. Yet, the member for Napier said that the consultation process needs to be extended. I am sure that the member for Ross Smith will make a very good contribution to the debate when he reflects the opinions of the

electorate of Enfield with regard to council amalgamations. I am sure that he will stand alone in the Labor Party in support of the Minister's Bill. He alone will stand up and be the guiding light for the Australian Labor Party so that it will have a policy which is worthwhile and so that Bruce Hull will no longer have to say that the Labor Party is a no-go zone in relation to local government reform. We look forward to the contribution of the Deputy Leader of the Opposition.

Mr CUMMINS (Norwood): I listened with amusement to the contribution of the member for Giles on this Bill. He said that the former Federal Labor Government was a great supporter of local government. I suppose that implicitly he was implying that the intention of supporting local government was to help it. We know the real reason why the Federal Government in the 1970s was allegedly a great supporter of local government. The reason is obvious: it had an intent to destroy federalism. Because there is no division of powers that would apply to local government (we have a division of powers between the Commonwealth and the States) it could, by using various grants, eventually take over totally the control of this country and bypass the States. That was its agenda: there is no absolutely no doubt about that.

As the member for Giles said, it did some things which, on the face of it, helped local government. It admitted local government representatives, for example, to the meeting of the Constitutional Convention of 1973, and it amended the Grants Commission Act of 1973. Unfortunately for the then Whitlam Labor Government, money had to be paid through the States, so it did not have the control that it wanted. Of course, it was not satisfied with that so it introduced a referendum in 1973 in an attempt to bypass the States. As the member for Elder said, it failed. But it was not even satisfied with that. In 1974 it attempted to give local government direct access to the Loan Council and, of course, that was rejected by the people of Australia.

The reason it was rejected was the people of Australia knew what the intent of the Labor Government was, namely, to centralise power in Canberra. Nothing has changed in relation to the Federal Labor Government. We know that Senator Chris Schacht believes that in the metropolitan area there should be three councils, and nine in the total area of the State. In the metropolitan area, that would mean roughly 300 000 people in each council. The obvious conclusion of all that would be that Party politics would dominate local government. It does already, of course, to some extent. But if there were 300 000 in council elections, you would have Party politics in all local governments.

Once again, the reason that Senator Schacht is still talking along that track is that it has always been the ambition of the Federal Labor Government to bypass the States, destroy the Federation and control this country. One just has to look at what has happened in relation to the High Court appointments, in relation to the interpretation of the external affairs power and the industrial power, to realise the extent to which the Labor Government is hell-bent on centralising all power in Canberra. The High Court, as we know, has given judgments which mean that the Commonwealth Government can impose its law on a State provided it adopts the relevant convention. We also know that the High Court has interpreted the industrial power in such a way that the Federal Government can have control over employees of Government and Government instrumentalities.

Having given that introduction, perhaps I can say that I am happy in relation to the MAG report that to some extent this legislation provides for an option in relation to larger or smaller councils. I personally believe, for the reasons I have stated, that there is a great danger in very large councils. In my opinion, it will give the Commonwealth Government too much control over government in Australia and, secondly, there is absolutely no doubt in my view that larger councils will promote Party politics. Although I am a member of a Party, I think it is bad that Party politics should be involved in local government.

I must say I was glad that the Act was promulgated in such a way that I would not be stuck in my electorate of Norwood with a possible combination, which is the MAG recommendation 7.42, of Burnside, Kensington and Norwood, St Peters, part of East Torrens, Prospect, Walkerville and part of Enfield. I find it difficult to believe, as MAG says, that that would combine the historical suburbs with the industrial and commercial affluence of Campbelltown. I really wonder what benefit that would give to the people in my electorate. I would have thought that there was no community of interest there. What is local government other than a community of interest, it seems to me? I must say that I felt to some extent the MAG report was going the way of Chris Schacht and Whitlam's new Federalism of 1972. I am glad this Bill provides at least the option for people to have either small or large councils, which is a democratic procedure.

I want to deal with a couple of aspects of the legislation. Initially, I am very pleased indeed to see under new section 15(1)(d) of the Bill that the major structural reform proposal includes the concept of establishing a cooperative scheme for the integration or sharing of staff and resources within a federation of councils.

Mr Clarke: Say it as though you mean it.

Mr CUMMINS: I am very happy with that because David Williams, from the St Peters council in my electorate, has prepared a paper on that matter, and it seems to me a very painless way of amalgamation, whether they be small or large amalgamations. The honourable member opposite says, 'Say it as though you mean it.' I doubt very much whether he would understand the concept of ILAC. The good thing about it is that you can have an immediate amalgamation and, in addition, over time, by natural attrition, it seems to me that one of the tiers proposed by ILAC would fall. Eventually, without any pain at all or political problems, or whatever, you would have a structure which was totally amalgamated.

The concept of ILAC ensures that there is representation from each council. For example, if four councils were to be combined, there would be one CEO instead of four, one city engineer, one accounts officer, and so on. The economies and savings are patently obvious. I congratulate David Williams on his paper on ILAC, and I note that it is being published by the Commonwealth Government as a concept worth looking at.

The member for Elder talked about the postal vote under clause 21(12)(d). If a council does not want to take the recommendation of the board, there can be a poll. It is a democratic process. As has been pointed out, it is a postal vote. In the event that a majority of persons vote against the recommendation of the board and 50 per cent of people turn out to vote, the proposal is rejected. It seems to me that is the end of the matter. Again, that is a very democratic procedure and I congratulate the Minister upon it.

I am concerned about new section 174A relating to the 10 per cent reduction rate. When it was initially promulgated and discussed, I was worried about the effect that it may have on a council. For example, there may be an amalgamation of

three councils, one of which is highly efficient and another is grossly inefficient. If there were a compulsory reduction of 10 per cent, the council that has not looked after its infrastructure would get the benefit of a reduction when it should stay where it is or go up, whereas a council that was highly efficient would not greatly benefit from an amalgamation and would be penalised by having to reduce its rates because it had been efficient over many years. That was a problem that I had originally, but I think that problem has now been solved.

Mr Clarke: How has it been solved?

Mr CUMMINS: I am always happy to inform somebody who is not as learned as me about the provisions of the Bill.

Mr Atkinson interjecting:

Mr CUMMINS: I will. New section 174A(2) provides:

> (b) the Board may, if satisfied, on the application of the council, that special circumstances exist, authorise the substitution of a lower percentage than 10 per cent under subsection (1) (and then that authorisation will have effect according to its terms).

In that case the board has the discretion. In the situation that I have just mentioned, it was a worry that I had.

Mr Clarke: That's a joke, and you know it.

Mr CUMMINS: I would not have thought that the member for Ross Smith had a sense of humour. A sense of humour requires a moderate amount of intelligence, and I doubt whether the member opposite falls into that category. There is no doubt that there is protection for councils in the position that I mentioned because of this provision.

Mr Clarke interjecting:

Mr CUMMINS: I do not expect the member for Ross Smith to understand that, and I sympathise with him. I will not continue having a go at him, because I have always believed it is unfair to attack the defenceless and the stupid. I maintain that position here, although I am not at the Bar any more. We had a code at the Bar and I will maintain that code and not have a go at the member for Ross Smith because he is not capable of defending himself.

I am very worried about what the Democrats will do to this Bill in the Upper House. I agree with the member for Peake that, if the provisions in this Bill are blocked, that would be very undemocratic. This Government had a landslide victory which gave it a mandate to govern and sort things out in this State. I do not think that those in the Upper House have the right to do anything about this Bill. Historically, the Upper House was always comprised of property owners.

The role of that House has gone and it is now a House divided by Party politics. It does not perform the role that it had historically and one wonders whether, if the Upper House continues to block legislation such as this, it has a right to be where it is. I would, however, support the abolition of the seat of Ross Smith because the member there is not worthy to sit in this place and does not deserve the income he gets. He makes absolutely no contribution to this House, as can be seen from his interjections in the past 10 to 15 minutes, which not only were lacking in wit and intelligence but were in the realm of stupidity. I am happy to support this Bill.

Mr Clarke interjecting:

The SPEAKER: Order! Before calling the member for Spence, I suggest that the Deputy Leader cease interjecting. He has received a great deal of latitude and tolerance from the Chair today and it is coming to an abrupt end.

Mr ATKINSON (Spence): Liberalism values intermediate associations, and by 'intermediate associations' I mean associations which stand between the individual and the State. We learn our civics through schools, clubs, trade unions and local government. Training its citizens in civics is what enables the rule of law and parliamentary democracy to flourish in South Australia.

This Bill tries to make South Australian local government a department of State or even a branch of the Economic Development Authority. Liberals who were conscious of their intellectual heritage would understand why the Bill is wrong in principle. It is wrong because it substitutes a State Government board for truly local government; because it forces the merger of councils against the known preferences of the residents and ratepayers; because it does not permit normal judicial review of the Local Government Reform Board; because its polling provisions encourage voters who support an amalgamation to boycott the poll; and because it tells residents and ratepayers what their mix of rates and expenditure ought to be.

Mr Brindal interjecting:

The SPEAKER: Order!

Mr ATKINSON: Some Liberal backbenchers have an intuition that the Bill is wrong, but they are not sure why. So far as I can tell, the Minister is not conscious of how his Bill violates the principles of liberalism, because he does not scrutinise his policy as a Minister with a view to matching it with his Party's or his own political doctrine. His is the unexamined political life.

In short, the Bill marks the end of the partnership between the State and local government whereby the State recognised local government as autonomous, abolished the Local Government Department, changed the name of the ministry to 'Local Government Relations' and devolved much of the department's function upon local government itself.

The recently retired President of the Employers' Chamber told the Premier over dinner that South Australian business pays too much in rates to local government. So, we must have amalgamations, a 10 per cent rate reduction and the Bill. Perhaps the retired President, Mr Rob Gerard of Gerard Industries, is not aware that South Australia has lower rates than Victoria has, despite the draconian amalgamations of local government in that State that occurred some time ago now. To Mr Gerard's credit, his company enrols for the maximum number of votes possible on the supplementary roll in the city of Hindmarsh and Woodville elections.

Mr Clarke interjecting:

Mr ATKINSON: Yes, in reply to the member for Ross Smith, all those votes are cast for members of the Spence ALP sub-branch who, from Mr Gerard's perspective, are much the lesser evil than their nimby and counter-cultural opponents.

Mr Brindal interjecting:

The SPEAKER: I warn the member for Unley.

Mr ATKINSON: Together, Gerard Industries and the ALP retired almost undefeated in the town of Hindmarsh when it amalgamated with Woodville. However, Gerard Industries is the exception. Although companies and landlords whinge about local government decisions and rates their turnout for voting in local government elections is negligible, except in the Adelaide City Council. Often companies do not update their voting nominee, so that when my council friends approach companies for a vote in the council election they find the voting nominee has been sacked by the company, has moved interstate, or has gone to join the great majority.

Any candidate for local government who relied on the votes of companies and landlords would finish the campaign

heartbroken. If Mr Gerard wants lower rates and councils more amenable to the concerns of commerce and industry, I suggest he pass on his good enrolment, voting and campaigning habits to his colleagues in the Employers' Chamber, instead of seeking clumsy intervention by the State Government in the affairs of local government.

Mr Brindal interjecting:

The SPEAKER: I warn the honourable member for Unley for the second time.

Mr Clarke interjecting:

The SPEAKER: Following shortly thereafter is the Deputy Leader.

Mr ATKINSON: Sir, you are so even-handed. One way of achieving savings in providing local government services is to establish partnerships between councils in the buying of certain goods and services and the supplying of certain services. The Local Government Association's Mutual Liability Scheme and the Local Government Financing Authority are two examples. But the reasoning of this Government appears to be: why let them lower their costs by voluntary arrangements when we can force them by a taxpayer-funded seven member board, plus polls and litigation? By the end of the so-called process initiated by this Government, millions of dollars will have been spent on reports, boards, salaries, advertisements, polls and litigation, and for what?

I predict that any savings achieved by economies of scale will be consumed by the elected members, who will want to be compensated by increased allowances or salaries for the stress of having to represent wards of up to 10 000 people. Outdoor staff will be made redundant and their salaries distributed to chief executives and elected members. That the Local Government Reform Board is, in its essence, a takeover of the fundamentals of local government by the State Liberal Government is betrayed by its name. If its purpose were merely the reordering of council boundaries it would be named the Local Government Boundaries Board.

I should not really accuse the State Liberal Government of a direct takeover, because the Minister in charge of the Bill does not have that kind of political courage. What he proposes is to have a bevy of State-appointed bureaucrats take over the process. The Minister thinks he can avoid political pain by having the board take political responsibility. I have to tell the Minister that politics does not work that way. In my opinion, the Minister would serve his purpose better by drawing the boundaries himself or around the Cabinet table and having the courage to bring them to Parliament. If the Minister fails he can then tell Mr Gerard that it was the fault of the Opposition and the Democrats. The board will not deaden the Minister's political pain.

All governments that are proposing to act in an oppressive way seek to avoid judicial review. This Minister tried to do it once earlier in the year with the Racing (TAB Board) Amendment Bill, which tried to oust judicial review of the Minister's proposed dismissal of the TAB Chairman by changing the terms of hiring and firing retrospectively. That Bill was defeated.

Mr Kerin interjecting:

Mr ATKINSON: The member for Frome says that it is a pity. The honourable member is not very kind to his coreligionist, Mr Cousins.

Mr BRINDAL: Sir, I rise on a point of order. I believe the member for Spence is quoting previous debates in this Chamber. I do not believe that is in order, and I ask you, Sir, to rule on the matter.

The SPEAKER: The honourable member for Spence made a passing reference which is acceptable and which has always been the practice.

Mr ATKINSON: Thank you, Sir, you are correct, as always. My reference is to the Bill files and not to *Hansard*, as the member for Unley should know. In six years in Parliament, I have not seen a Minister less in command of the details of a Bill than the Minister was when he debated that Bill in July. By clause 10, the Bill before us seeks to prevent all the writs seeking administrative justice that have been developed over hundreds of years of common law. It seeks to oust all judicial review of the board and the Minister, except an action for want of jurisdiction.

Another violation of the rule of law in the Bill is the abolition of the right to silence in proposed new section 18. One has a right to silence if one is accused of a crime but, if one will not tell the board something it wants to know, the Government can fine one $10 000 or, in the final analysis, have one imprisoned.

Members may recall that, when this Minister introduced the Racing (TAB Board) Amendment Bill, its key provision was the removal of a member of the board on any ground that the Governor thought sufficient. The Minister told the House that this change would be progressively introduced to all Government boards, and a chorus of Government backbenchers led by the soprano from Unley confirmed that this amendment was necessary on principle.

Now, a few short months later, we find that the conditions of membership of the Local Government Reform Board do not contain this provision, which was the wave of the future, according to the Minister. Now we are back to dismissal for breach of conditions, misconduct and incapacity—the good old grounds for dismissal that we all know and love. If Bill Cousins was on the Local Government Reform Board, he could not be sacked, and that is your legislation, Minister, not ours.

The Minister tells us that, if a council wants to resist an amalgamation, it can call a poll of residents and ratepayers; but, if the residents and ratepayers vote 'No,' no matter how high the majority, it is of no effect unless the turnout of voters is 50 per cent. That kind of turnout is impossible in the metropolitan area. The average turnout in local government in the metropolitan area is 17 per cent.

Mr Clarke: Except for Hindmarsh and Woodville.

Mr ATKINSON: The member for Ross Smith says, 'Except in Hindmarsh and Woodville.' I am about to respond to his interjection. Where I used to live in the old Town of Hindmarsh we had a small council with active elected members and an ALP sub-branch that had been supporting its candidates for local government since 1891. We in the Spence sub-branch had done such a good job that most of our opponents were from the ALP, too.

Mr Becker: What happened to the council?

Mr ATKINSON: It was one of the finest councils in the State and, as the member for an area that takes in the Town of Thebarton, the member for Peake ought to be ashamed to criticise the Town of Hindmarsh. Your Town of Thebarton was so incompetent that we could not amalgamate with our sister council over the River Torrens: we could not amalgamate with a council of the same size, because it was so incompetent that amalgamation was impossible. So, for the member for Peake to criticise the efficient and democratic Town of Hindmarsh is just chutzpah!

Mr Clarke: They were too busy at Lois's restaurant.

The SPEAKER: Order!

Mr ATKINSON: Lois's restaurant is in the Town of Hindmarsh. We got a bit of revenue from the Town of Thebarton.

Mr Becker: You ruined it.

The SPEAKER: Order!

Mr ATKINSON: The Town of Hindmarsh was not ruined. It was a Town of great dignity and a council of great efficiency. It amalgamated on equal terms with the City of Woodville, and it forms one of the best local government authorities in this State. If the member for Peake wants to put the Town of Thebarton up against the City of Hindmarsh and Woodville, it will bear the comparison any day. In the small wards of the Town of Hindmarsh, most people knew the name of the ward councillor more than they knew the name of the local State or Federal MP.

At one recent election we canvassed the supplementary roll assiduously and had them vote in advance. Candidates door knocked every dwelling. We direct mailed the House of Assembly roll and the supplementary roll. We drove people to the Town Hall to vote in advance. Our candidates were on talkback radio two nights a week and, on election eve and election morning, we put door knock cards on the front doors, reminding the inhabitants that that day was their last chance to vote. What was the turnout? There was a 40 per cent turnout after that unprecedented effort.

Mr Clarke: Were they all alive?

The SPEAKER: Order!

Mr ATKINSON: In response to the member for Ross Smith, all the people who voted were alive at the relevant time, and the Town of Hindmarsh has only one cemetery, and it is only a small cemetery, not enough to carry a ward. The Bill says that an amalgamation poll must have a 50 per cent turnout to have an effect. If I were supporting an amalgamation poll in my council district and the council called a poll, I would be a mug to vote in the poll, would I not? I would be an absolute mug. I would be better off boycotting the poll to stop the turnout getting to 50 per cent. Even the members for Unley and Peake can work that one out.

Mr Brindal: I can't work that out.

Mr ATKINSON: The honourable member says that he cannot work that out, but I reckon he can. Imagine what the turnout in the Hindmarsh council election I mentioned would have been if our opposition had worked out that the best way to beat us was to boycott the poll: it would not have been even 40 per cent.

Clause 18 makes it mandatory for all councils in South Australia to cut their rates by 10 per cent by 1997. Guess what year 1997 is: it is an election year.

An honourable member interjecting:

Mr ATKINSON: The member for Goyder interjects out of his place that it is two years away. It is an election year—a State election year. This is just grandstanding for the 1997 State election. It is destructive of local autonomy. If South Australia had a problem with looney left councils spending like there was no tomorrow, as England had in the 1980s, the State Government would be entitled to adopt the Thatcher Government's response of rate capping.

Mr Brindal: Bob's on the phone.

Mr ATKINSON: I'll be talking to Bob later on, and I will get more time on Bob's than I get in this place, too. I am unaware of any looney left councils in our State, although I am aware of former Alderman Jane Rann's plan to seize the wealth of Adelaide's central business district and distribute it to the deserving poor of North Adelaide, a plan that was foiled back in May. Rate capping would be a reasonable response.

Mr Becker interjecting:

Mr ATKINSON: For the member for Peake, if this Bill could reopen Barton Road, I would be across the floor voting with you straight away, but it certainly does not achieve that.

Members interjecting:

The SPEAKER: Order!

Mr ATKINSON: Rate capping would be a reasonable response to such a problem if it existed, but a 10 per cent cut across the whole State is not reasonable. The 10 per cent cut is procrustean.

Mr Brindal interjecting:

Mr ATKINSON: Procrustes: after the Greek robber who gathered his victims together in a bed and then sawed off the end of the bed so that some lost their legs and some did not. I would have thought that the member for Unley's classical education was sufficient. This cut would apply equally to the thrifty council of Hindmarsh and Woodville and to the profligate City of Port Adelaide. It would apply equally to the admirably parsimonious and debt free City of Enfield and to the recently big spending, Democrat controlled, City of Mitcham. This is a bad law, and it ought to be opposed.

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

A quorum having been formed:

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

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

Motion carried.

Mr KERIN (Frome): This legislation has been quite a while in coming. I thank the Minister for the many hours of consultation and deliberation which he has allowed for members to put their views and those of their constituent councils. Those opportunities have been appreciated and I feel that many of the concerns of members have been accommodated. Certainly, the 12 councils in my electorate of Frome, including Port Pirie, have varied views both between councils and also within councils. I have attempted to represent that range of views in the forums available.

The MAG report came as quite a jolt to most of my constituency. Whilst the report had merit, I thought its recommendations were more focused for metropolitan councils. Certainly, I disagreed with some of the recommendations as they would have applied in my area. Most of the councils also criticised the report. However, in retrospect, it does seem that the report had the effect of focusing councils on future planning and possible reform. I pay tribute to the many hours that have been put into talks and negotiations by both the CEOs and elected members of my area. It has been most pleasing to witness the fashion in which the CEOs have facilitated the talks and the process, most unselfishly putting aside any consideration of their own future careers.

These efforts also extend to council chairmen, mayors and other elected members. I have been pleased by the constructive attitude of all concerned, and at present very proactive talks are being held in my electorate. My personal position is that I totally support reform, and I believe that voluntary amalgamations will definitely achieve the best outcomes. Local people should control their own destiny, and I am happy that the great majority of elected members are being totally unselfish in grappling with what will be the best outcome for ratepayers.

Mr Clarke interjecting:

Mr KERIN: Do you want to stay and speak, or do you want to go for a walk? So far this debate on the Bill has somewhat missed the point. The Opposition spokesperson spoke at great length about the role of local government and what a good job it is doing, which we all agree with, but she made only minor mention of the clauses within the Bill that are the most contentious. It is these clauses that we need to address. The polling provisions, although it seems that the disagreement is only minor, need to be sorted out. The member for Spence was very passionate about the polling provisions and suggested that those in favour of amalgamation should boycott the poll. I suggest to the member for Spence that he read the Bill, because that is not correct.

The control of rates for the 1996-97 financial year is also a point of contention, as is the composition of the board and the lack of judicial appeal. I look forward to the Committee stage when those points will be debated at some length. The move for change in local Government is stronger now than it ever has been. This was mentioned by the Opposition spokesperson earlier, and she challenged the Government to capitalise on this move. In turn, I would challenge her, her colleagues here and those in the other place to put this move for change above politics and ensure that they do not put this opportunity for reform at risk.

Mr Clarke interjecting:

Mr KERIN: Think about your constituents for a moment. All three political Parties owe it to their constituents to advance these reforms and to facilitate the current move for change. I look forward to constructive debate on this Bill, as I feel it can make a very real impact on making this State more competitive and councils better able to serve their constituents. I am not hung up on enormous savings or cuts in rates: I am more convinced that in rural areas advantages can be better delivered in the form of new or improved services. Many councils in my area have been managed by supermen CEOs who are expected to be masters of all trades. Despite the fact that they are all outstanding individuals, this is becoming increasingly difficult. It is my opinion that the greatest benefit of amalgamation in rural areas will be increased access to professional staff, where the workload can be shared, allowing the supermen CEOs to specialise and provide higher levels of expertise to their ratepayers.

This Parliament is now charged with resolving the differences between the parties. Certainly, my priority is for a Bill which accommodates those councils that wish to proceed with amalgamation. If significant change occurs quickly, much benefit can be gained, and this in turn will be the greatest impetus to even further successful structural reform. Once again, I thank the Minister for the time he has allowed us to put forward the concerns of our local councils. I look forward to the passage of the Bill and trust that significant benefits can be gained for local government and the ratepayers of South Australia.

Mr EVANS (Davenport): I rise to speak to this Bill with the background that my grandfather has been on local council, and one of my aunties was the first female councillor on the Stirling council. I have a brother who is the Deputy Mayor of Stirling, a father who is on the Stirling council and an uncle who served on the Stirling council. I certainly have a family background in local government. I support the Bill to the extent that I have a general philosophy that all levels of government should continue to look at reducing their excesses. If this Bill and the debate relating to it has caused some councils and councillors to examine excesses in their councils, it has achieved some good. From that point of view, I support the Bill. As I understand it, it is the Minister's hope that this Bill will bring about efficiencies in local government through amalgamation or through the ILAC model.

What amazes me is why a Government should have to go to this extent to introduce a Bill to gain efficiencies in the local government area. Being a ratepayer, I would naturally assume that my councillors and the staff that they employ would be looking to reduce the excesses of local government as a natural process of local government.

However, being a cynic on occasions, I assume that the reason that does not happen all the time is that those councils, councillors and staff are somewhat fearful of losing some of their power and therefore have not, naturally, looked to amalgamate with neighbouring councils. It amazes me that some mayors and councillors have been in place now for some years and have not taken it as one of their natural tasks to look at amalgamation or reduction of excess with regard to their council. They have waited for a Government to bring in a reform Bill to spur them into action. From that point of view I congratulate the Minister on bringing in an initiative that at least has the councils talking about whether they think that will be of benefit to their councils and to their ratepayers.

There have been many attempts to reform various areas of local government over the years. Perhaps the most famous attempt was that by the Hon. Anne Levy (in another place) to amalgamate the councils of Mitcham and Happy Valley, and that turned into an absolute disaster. The Labor Party has spent some time this evening in the debate talking about the need for democracy within the Bill, yet this was the Party that said to the members of the community in the Happy Valley and Mitcham areas that they had to amalgamate. However, a rally of some 10 000 people and a petition of some 16 000 people soon put paid to that suggestion. But these people were not protesting only about the proposed amalgamation: they were actually protesting and petitioning about the right to have a poll about the amalgamation.

Therefore, with that background, it is no surprise that I am of the view that the ratepayers should have the right to have a poll about an amalgamation. I understand that, under this Bill, where two councils actually agree to have an amalgamation the ratepayers do not have a poll; they have no mechanism for a poll. My personal philosophy and that of the ratepayers of Mitcham is that we would oppose that concept. I see no reason in a democratic society why a ratepayer of a council should not have the option to be able to go to the council and say 'I want a poll: I disagree with your proposal.' However, it disappoints me that neither Party will accept that concept.

Mr Clarke: Move an amendment.

Mr EVANS: The Deputy Leader of the Opposition suggests that I move an amendment. Unfortunately, I have spoken to his spokesperson and his Party will not support the amendment.

Mr Clarke interjecting:

Mr EVANS: Even I know that if the Labor Party does not support it in the Lower House and the Liberal Party does not support it in the Lower House, then the member for Davenport is not going to win it. Even I can count that much. I just make the point that, as I understand it, I am the only member of this House of that view.

Mr Clarke interjecting:

The DEPUTY SPEAKER: The member for Ross Smith is out of order.

Mr EVANS: I see no reason why they should not have the right to a poll, but this Bill takes that right away from them. I understand that this Bill also provides for the right to a poll only when the two councils in a proposed amalgamation disagree with the board's proposal; then we can have a poll. This is where the Labor Party view of democracy comes shining through. Rumours abound that the Labor Party is going to propose an amendment that reduces the polling requirement from 50 per cent down to 40 per cent. This is apparently a great victory for democracy, if you take the Labor Party view.

Under this Labor Party proposal, if you have a council of some 10 000 electors and 3 998 voted against the amalgamation and one person voted for the amalgamation, making a total vote of 3 999 (which is less than 40 per cent of the 10 000), that one person would actually outvote the 3 998. The Labor Party might think that is a victory for democracy but the people in Davenport do not see that as a victory for democracy.

Some people have expressed the view that bigger councils are naturally better. I do not necessarily accept that view. As a personal philosophy I have serious concerns about large bureaucracies. As a member of Parliament I know what it is like dealing with State and Federal bureaucracies. I can only assume that if councils amalgamate that will mean larger bureaucracies in some instances and it concerns me as to how ratepayers will ultimately deal with such bureaucracies. Some people have suggested that larger councils will bring Party politics into local government. Well, surprise, surprise! Anyone involved in the last Mitcham council elections well knows the platform-

Mr Clarke: How did the Democrats go?

Mr EVANS: The Democrats did very well, actually. The Democrats ran a strong campaign in the Mitcham council elections, even to the point that the leader, Mr Elliott, was handing out how-to-vote cards for now Mayor Joy Ohazy. There is no doubt that a large Democrat campaign ran in Mitcham. There is certainly politics in local government. I do not know how you judge it. For instance, my father, who retired from this place, has gone back to the council. Is that a political move? Has he won it by politics through support of the Liberal Party, or is it because of community support? How would people know? I do not have a problem with people moving through.

I support the Bill to the extent that councils are actually talking. I understand the Minister hopes that it will ultimately rid some councils of their excesses and, if it does, that is a good thing. I have some concerns about the Bill which I have placed on record.

Mr LEWIS (Ridley): I support the legislation. It arrives in this place after an interesting history. In the process of so doing, it presents the means by which it will be possible to obtain the benefits which I believe are properly claimed to be the benefits the Minister referred to in his second reading explanation. It will make for more efficient use of financial resources collected from local communities for the purpose of providing services in localities which are comprehensible to the people who live in them as being their localities—a physical environment, a physical ambience; a place adults, if not minors, can relate to. It is something they can relate to in terms of the landscape as they understand it; something they can relate to in terms of the way in which people in each locality live their lives, earn their living and enjoy recreational activities together. That is the role of local government. That is the way in which people need to relate to it as an organ in the orderly governance of society.

Who was consulted, where they were consulted, and on what subjects they were consulted are matters on which many people from their differing positions have differing views, but it does not really matter. The end result will be decisions that make for a more efficient delivery of the kinds of things which people expect from this level of government. It is regrettable that some people feel offended that they were not given as much consideration in the process of consultation as they thought they were entitled to expect.

But it does not alter the material consequence.

Mr Foley interjecting:

Mr LEWIS: I am sure that the member for Hart would be more helpful if he shut up.

Mr FOLEY: On a point of order, Mr Deputy Speaker, enthralled as we all are, hanging onto every minute of the member for Ridley's speech, I draw your attention to the fact that the clock has not started.

The DEPUTY SPEAKER: The honourable member has 18 minutes.

Mr LEWIS: I am pleased to have the clock running; I am even more pleased that the member for Hart has stopped running.

The DEPUTY SPEAKER: I thank the member for Hart and I thank the member for Ridley.

Mr LEWIS: As these changes affect the people whom I represent, they were widely met with consternation if not condemnation when first mooted. Indeed, the MAG report, referred to in many places throughout the legislation, lacked rigour. It surprised me when I first saw it because of that simple fact. Without the rigour—

Mr Foley interjecting:

Mr LEWIS: I would thank the member for Hart for his attention if he could shut up for a minute so that other members could at least hear what I seek to offer as an opinion about the consequences of this legislation. We will then know that our communities can expect still to be in touch with the people who represent them at this local government level of decision-making. We can still expect that they will be able to enjoy the opportunity to converse to their representatives about controversial matters within the general framework of the responsibilities of their local government. To my mind, that will ensure a responsive and effective provider and coordinator of public services and facilities at the local level as provided in new section 5A (clause 4 of the Bill). I believe that it will, and it does as a measure, provide a representative and informed responsible decision-making mechanism which will be able to function in the interests of developing the community and its resources.

I am not all that fussed about this notion of a so-called 'socially just and environmentally sustainable manner'. Everyone knows these days that what you must do is think about the wider implications of your actions where they impact on the natural environment in which you live to ensure that you do nothing today that you cannot do tomorrow and all the tomorrows after that in perpetuity. To that extent, it needs to be sustainable. However, it will not be sustainable unless it is fair to everyone because, sooner or later, unfair administration, unfair by-laws, unfair action taken at any level of governance in society will result in either a change through an election—or a revolution, which may be a bloody revolution. That is unlikely at a local level in our country. I therefore think it is rather tautological to talk about things

being 'socially just and environmentally sustainable'. I do not cavil at the notion.

It also provides for us the means by which local government can continue to raise the revenue necessary to provide for those functions in society. As I said a little earlier and I say again: the MAG report lacked the necessary rigour to prove what gains there would be in terms of savings, otherwise called efficiencies, in the changes that are proposed.

The one thing I particularly like about this legislative framework is that it is democratic. Whilst I share some of the anxieties mentioned by the member for Davenport about the incapacity of electors in any given council area to have a say about proposed amalgamation between that council area and another council area in circumstances where the two or more councils concerned have agreed themselves, I am not too fussed about that, because after all they are the democratically elected representatives. They have the delegated power, authority and responsibility to make decisions such as that, even under the present Act, so it is not really denying the electors any great measure of democratic participation than they presently have. That is the way it is now if there is to be proposed amalgamation. Only a matter of weeks ago I signed off on a proposition for some people in the south-eastern corner of the District Council of Ridley-Truro to transfer from that council area to the council area of Karoonda East Murray. That was done on a recommendation from each of the district councils concerned with the appropriate petitions from the ratepayers indicating support for it.

Let's look at the circumstances where the elected representatives cannot come to an agreement about proposed amalgamation but where the board so established by this legislation can make out a case for amalgamation on grounds of efficiency—grounds of savings in rates and greater benefits to be derived from the expenditure of all the money presently collected in the name of providing these services in local government for the community—the general public does have a say through a poll. The Minister then has the prerogative to determine whether to accept the decision of a majority who may support the amalgamation if it is a majority of all the electors of all the councils involved, but not indeed a majority of all the constituent parts of each of the councils that may be involved in a proposed amalgamation. To that extent, I am pleased.

Clearly, I believe that the Minister would not proceed where there was an overwhelming majority against an amalgamation in a small council area where, notwithstanding their objection and opposition to the amalgamation, a far greater number in a larger district council area of one or more councils supported the proposal. The Minister can decide not to proceed as long as he or she is satisfied that in so doing he or she does nothing to that minority group which has chosen to express its view against the proposal and that in the process of doing so as a community they are still capable of providing through their local government all the things essential for them in that given locality. In simple terms it means that there will have to be a majority of more than 25 per cent of the total number of electors on the roll and opposing the proposed amalgamation before the Minister should reconsider whether the amalgamation ought to proceed.

One of the measures that I am also happy to support is the provision for a part of a council to go to another council where it seems sensible and desirable for that to happen, and where the larger part of the remainder amalgamates with a different council or group of councils. That will enable a more sensible alignment of smaller and somewhat different groups of people on the fringe of an existing council who do not have great difficulty in accepting the difference between what they need for their lifestyle in their climate on their topography compared with the existing council but where the amalgamation with other councils amplifies those differences to the point where they are better off not being a part of that proposed amalgamation but, indeed, are better off being amalgamated to a council in the opposite direction, across another boundary.

I also like the opportunity to be provided for us by modern communications. We can make decisions which can be quickly communicated to the other two tiers of government in the Federal system where such a decision affects everyone within the district council area so formed but hardly anybody outside it in any direct sense. Let me illustrate that point by referring, for instance, to the Murray Basin which presently underlies the four district councils in the area that I represent; namely, Browns Well, Karoonda-East Murray, Lameroo and Pinnaroo. For them to become one single council makes a lot of sense because it would mean that the new council could fast-track the economic development of the Murray Basin water resources of about 50 gigalitres a year, which is about 50 000 megalitres a year. That water is a very valuable resource which at present underlies four different councils that are only subregional in any other context. No cohesive statement of policy about the way in which that valuable resource ought to be developed can be obtained from those people through any other organ than the present group of local governments.

With one local government speaking with one voice it would mean the very rapid increase in population for that area, which would bring about a secure future for all the schools in the area and which would provide for at least one fully fledged high school and for a TAFE campus. It is clear to me that the population could be expanded quite rapidly in a decade, or very little more than a decade, by more than 6 000 people, given the relationship between the volume of water and the potential population living on it to be expanded by the amount that I have suggested. The density of population living on other sources of available water elsewhere Australia proves my point. The nearest, of course, is the Murray Valley in the Riverland.

It is on that basis that I have come to the conclusion that the number of people living in the Mallee could be expanded rapidly, up to between 6 000 and 10 000 more than the 4 000 who live there at present. Equally, in my electorate at present, and the electorate which I propose to represent in the next Parliament, the Lower Murray has a common element of interest and ought to become part of the one local government area. Discussions are proceeding in both instances between councils in the Lower Murray area, namely, Tailem Bend and Meningie, as part of the Meningie District Council, with the largely rural District Council of Peake is talking to people in the towns of Tintinara and Coonalpyn in the District Council of Coonalpyn Downs.

It is equally interesting that the council areas of Mannum, Ridley-Truro, Morgan and Waikerie are talking of forming a Mid Murraylands council, because they see a common interest different from and separate to the interests of the Lower Murray and the Riverland itself. But it is a future which has common challenges and problems to be dealt with and opportunities which give them a common bond. I commend all those councils for the way in which they are proceeding to sensibly and responsibly discuss their options,

looking to the future, not to the past or at the present, and accepting as part of the future, the challenge which their forebears accepted when communication systems and transport systems were far less efficient than they are now, when it took an hour or more to travel 20 kilometres at the time when the boundaries for the councils we now have were first established, whereas at present, even on well maintained unsealed roads people can travel 80 to 100 kilometres in an hour. So, proportionately, the area can be expanded without any greater measure of dislocation and inconvenience.

It is on that basis, I am sure, that the Minister has decided to accept the advice of the MAG report and proceed with this legislation in the form which has been put before us today through the extensive consultations which have taken place not only between members of this House of the same political persuasion as me, as well as elsewhere, but also between them and their respective constituencies and agencies within those constituent communities. I am well pleased, then, with all aspects of it, and trust that no-one anywhere will seek to play politics with the outcome.

Mr Atkinson: Get out of it!

Mr LEWIS: Well, the member for Spence may say that I should get out of it; but it ill behoves us to play politics with it, rather to leave it to the people who will make the system work on the ground to make their decisions in the course of the debate that will occur in the wider community, both about the boundary expansions and as well the sums of money they will collect as rates to provide the services necessary. It ought not to become—

Mr Atkinson interjecting:

Mr LEWIS: They certainly will not be carved up. I have explained at length what I see in the parochial context as the benefits for the communities I represent that can be achieved through the amalgamations here—a rapid expansion of the population in the Mallee, from where it is at present, below 4 000, to more than 10 000, by a single effective voice speaking about the best way to develop the underground water resources there to get maximum value adding taking place in the area in which the produce derived from the sensible use of that water. Mr Deputy Speaker, I am happy to note that reservations I have had in the past are addressed by the legislation and I wish the measure swift passage.

Mr SCALZI (Hartley): It gives me great pleasure to support the Local Government (Boundary Reform) Amendment Bill.

Mr Atkinson interjecting:

Mr SCALZI: I am really disappointed with the member for Spence. After all these years, there has been general overall reform of local government. For the first time since the introduction of the Act in the 1930s, and after years of talk and more talk and no action, we have finally created the climate to have real reform. If we look at the *Collins English Dictionary* we see that 'reform' means: 'to improve an existing situation, by alteration or correction of abuses, to give up or cause to give up reprehensible habit. . . an improvement or change for the better'. That is what this Bill is all about. The few critics who talk about lack of consultation and so on are really mistaken.

I can speak from experience of the Minister's willingness to consult and how he has responded to the concerns of the community and the councils. He was willing to come to my electorate office, to meet the Mayors of Payneham and of Campbelltown, councillors and concerned citizens, and to answer their questions. As the process went on and concerns were expressed, again he met and consulted the broader community. As a member of this Liberal Government and the back-bench committee, I have seen that consultation and we have gone through the many concerns. I believe that this Bill will alleviate the worries of the community and provide a real opportunity for local government to do better what it has done traditionally.

Times have changed. We have had amalgamations of university campuses—for example, the University of South Australia—we have had sporting clubs getting together and businesses as well. The reality is that if we are to do things better and deliver what the community expects, we must get together. This Government has created the climate to enable people and local government to get together. I agree with the member for Spence that local government is important. It plays that civil role and has that continuity.

Mr Atkinson: Civic.

Mr SCALZI: Thank you.

The Hon. Frank Blevins: Ask him what it is in Italian and see how smart he is then.

Mr SCALZI: I know that he grooms his Thesaurus from time to time. I appreciate that he has a good knowledge of the Thesaurus and the dictionary. The Bill will give us an opportunity to do things better and in a way that the community expects.

In the two years since we have been in Government I have noted the preparedness of local government to talk. In my area, of course, there are concerns about how things will be done, the financial ramifications, and so on, especially in areas where the rates are already low. I commend the Campbelltown, Payneham and Burnside councils on the consultation that has taken place. The opportunities provided by this Bill will enable councils to get together, and that is what local government wants to do.

We can see that that has happened. It was not happening three or five years ago, but it is happening now. There is a preparedness to get together. There is a commitment to share and to do things in a way which will deliver what local government does best. Local government is an important tier of government. There are things that local government does that State and Federal Governments do not and could never do as well. A good example is the way that it deals with citizenship ceremonies. The apolitical role that local government plays, especially in South Australia, is very important. Irrespective of who is in power at State and Federal level, a citizen can go to the local council. That is what Australia is about. Those things are important and they will not be attacked by the reform. The legislation will give us the opportunity, as councils get together voluntarily—no compulsion—to do better the things that local government does best.

I commend the Minister for the climate he has created as a result of the consultation that has taken place. I have no hesitation in supporting this Bill as it will create better communities and enable councils to deliver as they have delivered in the past but to deliver better, as they should in the 1990s.

Mr CLARKE (Deputy Leader of the Opposition): I regret that the members for Unley and Mitchell are not here as I enjoy their ceaseless interjections.

The DEPUTY SPEAKER: Order! The Chair does not share your entertainment.

Mr CLARKE: I will not take long tonight because most of what I wanted to say has been said so eloquently by our

lead speaker (our shadow spokesperson for local government) and by the member for Spence in relation to local government reform. Unfortunately, I did not hear the contribution of the member for Giles. I originally thought that he would speak for only five minutes: I did not realise that he would go longer than the allotted five minutes. I will weigh into this debate to add a bit of intellectual argument following the dearth of argument put forward by Government members tonight.

I commend the Minister in one sense with respect to commencing this debate on local government reform. It has been a thorny issue for a number of years. I well remember attending a meeting at the Walkerville Town Hall when I was living with my parents in that bastion of Toryism at Walkerville in 1977. It was then led by the Mayor of Walkerville (Mr Ned Scales), whose attitude to the outer suburbs was simply that, if you wanted to live out amongst the koala bears, that was your hard luck in life, as long as you did not disturb the good burghers of Walkerville.

Geoff Virgo was Local Government Minister at the time and had thought to promote local government amalgamations. Unfortunately at that time the Liberal Party, today the champions of amalgamations in local government, were trenchant critics of then Minister Geoff Virgo, considered it and said that it was undemocratic to take away the rights of local councils and to lead them down the correct path to amalgamation by carrot and stick.

I also remember the situation involving Happy Valley and Mitcham councils and the words of the Deputy Premier and Treasurer (Hon. Stephen Baker) with respect to local government amalgamations at that time. He was almost prepared to stand in front of a train to defend the rights of the good burghers of Mitcham to remain as an independent council. Given his record as Treasurer of this State, it is unfortunate that he did not take up the offer and stand in front of the train.

Notwithstanding that, how times change when you have an Opposition coming to Government and everything it has ever said about council amalgamations is turned on its head and this Minister, originally through the MAG report when issued, actively encourages compulsory amalgamation with absolutely no local consultation whatsoever. The Minister was bold—stupid, but bold. I mean 'stupid' only in the kindest sense because he was bold—

An honourable member: Courageous.

Mr CLARKE: In the Paul Eddington *'Yes, Minister'* lexicon, 'courageous' is probably the more accurate description. The Minister led with his chin and he thought he had his Premier with him—this Premier who had a spine of steel so far as local government reform was concerned. Unfortunately, this Minister found that the Premier had a spine of jellyfish at the first whiff of grapeshot from the rural rump of the Liberal Party, all of whom feared for their own preselection. Many local councillors and leading members of local governments in rural districts, as you, Mr Deputy Speaker, know only too well, are active members of the Liberal Party and sit on the preselection panels of most of the rural rump in this Chamber, as well as on the State council of the Liberal Party.

The DEPUTY SPEAKER: Not in my council, they don't.

Mr CLARKE: As soon as the Premier heard the rustle of discontent from the rural rump he decided to cut his courageous Minister adrift, not just simply at the knees but from the neck. We had the situation where the MAG report was ditched overnight as a result of the rural rump rebellion—the bunyip coup.

Mr Foley: The what?

Mr CLARKE: The bunyip coup. We then had the Premier at that time saying, 'Look, we have ditched the MAG report; I will ditch the Minister, too, as soon as the poor soul has finished this local government reform, and we will get on with business from there.' However, the Premier, with a jelly-backed spine, subsequently received a phone call from the South Australian Chamber of Commerce and Industry, which said, 'Look, you jelly-backed Premier of the day, we did not put you in there to be so spineless: you have a courageous Minister for Local Government. What about doing something for the State for a change and show a bit of spine?'

The Premier then did a turnaround and decided that he would, half-heartedly and behind closed doors, give some lukewarm support to his hapless Minister in this area by suggesting that, perhaps by legislation, they could somehow con the public by saying, 'Yes, we support voluntary amalgamation. We have ditched the MAG report, but we will also introduce legislation which gives the reform board considerable powers to override local government consideration and which also brings in this 50 per cent minimum voting turnout that opponents of local government amalgamations must win if they are to block local government amalgamations.'

In all seriousness, I say to the Minister: I do think he has been courageous and prepared to lead in this area; even though your Premier is sawing the limb from under you in this area, you deserve some commendation for striking out. The Minister, as a general leading the way, thought he had 13 Cabinet Ministers and 36 backbenchers standing firmly behind him. The Minister then looked behind five minutes later and found that he was well and truly out on a limb, waiting for it to be sawn off by his own Premier.

What is most important is that there should be greater encouragement in local government elections for a bigger voter turnout. That is the deficiency in this whole piece of legislation. I support council amalgamations; if we leave it purely to the voluntary process we have had to date it will fail. If we cannot get the Glenelg and Brighton councils together in a voluntary amalgamation, we will never get any councils together. I agree with the Minister that there needs to be a little bit of stick as well as carrot to ensure that the reform process goes ahead.

What the Minister has failed to address in this Bill is that it is vitally important to consider that when councils get together—as I hope Port Adelaide and the City of Enfield will get together—they will probably have a combined annual rate revenue of over $50 million, probably closer to $60 million. If we do not do something about increasing the voter turnout, we will have large councils and very significant financial resources being controlled under a voluntary voter turnout of probably somewhere between 5 per cent and 10 per cent of the population. That is what we are looking at.

Undoubtedly, the larger the councils in terms of population and the area they cover, the lower the voter turnout will be, simply because the residents do not know the individual councillors. It will be more expensive for councillors, particularly as they are not paid, to campaign actively for election. The reduction in voter turnout will lead to serious problems. One cannot describe a council controlling some $60 million in rate revenue and being run by an average of 10 per cent of the population as being representative of the

population as a whole. It does not do anyone on either side of mainstream politics, Liberal or Labor, any good.

Single issue groups, such as single minded environmentalists, will control local government and their planning authorities. They will control the destinies of significant numbers of businesses that may want to establish within council precincts and cannot do it because of these single issue groups seizing control of councils. Alternatively, as has happened so often in the past, we will see conservative business people running those councils to ensure that they profit financially through their businesses rather than in the interests of the local community as a whole.

I will close on this note because much of what I want to say about the compulsory 10 per cent reduction in rates can be dealt with in Committee. I want turn my attention specifically to the issue of the Government's including in the Bill provisions to actively support and encourage greater voter participation in local government. The Government just cannot leave it purely on a voluntary basis, as it is now. It will not do any good. I favour compulsory voting in local government, but I understand that that is probably anathema to the Government. If we want economic growth and development in this State and if we are dinkum about microeconomic reform at local government level, we cannot have local government, with the enhanced powers and authority that it will gain as a result of these amalgamations, being elected on such a low franchise of about 10 per cent of the voting population. It will be a recipe for disaster. It will be a recipe for single issue interest groups to seize control of significant assets of the community and use them in a way that will be detrimental to the interests of the State as a whole.

Mr MEIER (Goyder): I support the Bill and compliment the Minister on all the work that he has done over many months to introduce it. It is appropriate to consider very briefly where the Bill came from, and members are well aware that the MAG report, which was handed down in June this year, was basically a report from local government. I remind the House that the members of the MAG group were Mr Graham Anderson, Chairman, a former Chairman of Angaston District Council; Mr Don Roberts, who has had 25 years of service in local government; Isabel Bishop, who was active in local government from 1983 to 1993; Mr Graham Scott, who is Chairman of the Local Government Superannuation Board; and Mr John Dyer, Mayor of Hindmarsh and Woodville council and President of the Local Government Association.

All the members of the MAG group were local government people, so it was a local government driven report. Therefore, any suggestion that the State Government is driving local government reform does not hold water, because it is local government that has asked for reform. Members would be well aware that the State Government did not accept large portions of the MAG committee report. One of the key things that was not accepted was compulsory amalgamations, and that was a integral part of the report. I know that, in surveying my own electorate, people were very much opposed to compulsory amalgamations.

I am pleased that this Bill does not provide for compulsory amalgamation—it will be voluntary. Likewise, the MAG report suggested that the number of councils be reduced to 34. Again, that was too extreme. There is no doubt in my mind that we need to reduce the number of councils, but to bring the number down to 34 is far too harsh and would not serve the purposes we are after in retaining the 'local' component in local government. Certainly, this Government has modified the position and will not reduce the number of councils to 34 but to 50 or 60 in the final restructuring process.

What does the Labor Party think about this? We have heard several speeches from members opposite tonight, but they did not identify the position of their Federal colleagues. That was highlighted clearly by none other than senior Labor Party figure Senator Chris Schacht who, on 19 August, said that the number of councils should be reduced from 118 to nine. Senator Schacht blasted local government and described it as comprising 'tin-pot' councils. It appears that the Federal Government has little or no respect for local government. By and large, that view would go through to the State level, even though members opposite are not reflecting that view, because it would be politically unwise for them to do so. The Labor Party would like to see the number of councils in South Australia reduced to nine, whereas the Bill seeks to reduce the number to about 60 councils.

What about the Opposition Leader's position? Prior to Senator Schacht making his remarks, the Hon. Mike Rann stated:

> There must be a sensible approach to council amalgamations which would result in about 12 councils serving the Adelaide metropolitan area.

Further in that article he states:

> The number of councils should be halved.

He does not disagree with what is reflected in the Bill in that respect. Interestingly, the member for Napier said that she believed major reforms could be achieved within two years. In fact, she is quoted in the *Advertiser* of 20 May as follows:

> Deadlines and target dates should be established in order to kickstart some momentum for reform.

The member for Napier believes there should be some kickstart and momentum. The honourable member should be happy with what is in the Bill because it seeks to kickstart the local government reform process, although we have no intention of going as far as the Labor Party would like.

In the electorate of Goyder there are 10 councils, eight of which are on Yorke Peninsula. The MAG report suggested that the eight councils be reduced to one, which was certainly opposed by the vast majority of the 1 000 people who replied to the *Goyder Gazette* poll. More than 70 per cent of respondents said, 'No way do we want only one council on Yorke Peninsula.' Certainly, I support them on that. Also, they do not want compulsory council amalgamations, and I support them on that.

I have noted, and I spoke to one of the meetings, that councils since then have proceeded to undertake discussions. It seems that councils on Yorke Peninsula generally have agreed to go from eight councils to two. Two of the councils are not certain that they want to proceed in that way, so it could be that the eight councils are reduced to four, which is a 50 per cent reduction. Certainly, those councils are pleased with what the Government has put forward, because it allows them the opportunity to voluntarily amalgamate now or as soon as possible, and that is one of the key features of the Bill: it allows for voluntary amalgamation. I support the Bill fully in that respect.

My councils have some concerns. One of the two key concerns is competitive tendering. They are worried about how competitive tendering will work in country areas. That is not included in this Bill, so it is irrelevant to discuss that

point tonight. It is something to be considered further, but I take on board their concerns. The second concern is the 10 per cent rate reduction. Again, I believe that my councils would be covered in this because, as the Central Yorke Peninsula council stated:

> The council has been holding its rates to very nominal increase due to the economic conditions in the rural area and now that these conditions have improved it is unrealistic to have a broad brush approach to rate reductions.

I believe that the Bill covers that situation quite clearly in new section 174A(2)(b), which provides:

> The board may, if satisfied, on the application of the council, that special circumstances exist, authorise a substitution of a lower percentage than 10 per cent under subsection (1) (and then that authorisation will have effect according to its terms).

The board has the power to reconsider the 10 per cent rate reduction. Therefore, I say to my councils that this is a very sensible provision, because surely in achieving efficiencies the ratepayers at least want to see some tangible benefits. I believe the Government is to be complimented for seeking to look after the interests of the ratepayers as well as councils as a whole.

Voluntary amalgamations are provided at the outset. If a council does not want to proceed down the voluntary amalgamation path, the board will be empowered to look at that council literally on behalf of the ratepayers. That is a very sensible move because, for whatever reason the council may not want to be involved in amalgamation, at the very least one would hope that the ratepayers would want to see that they receive best value for money. The board's job will be to see that that happens. Then the board can make a recommendation if it believes that a council should amalgamate or should share its resources more than it is doing. If amalgamation is proposed, it goes back to the ratepayers to decide whether or not they want amalgamation. The vote will reflect not only the total area proposed for amalgamation but the individual council votes as well. So, it will be quite possible for the board to take all factors into consideration. Small councils need not worry about being swallowed up by larger councils because they will have the right to appeal.

I believe this is a democratic Bill. It allows for voluntary amalgamations in the first instance. It allows for a minimum of red tape. If a council does not want to amalgamate, it gives the board the option of looking at whether or not the council is operating efficiently. If it is, it will be left exactly as it is. If it is not, a recommendation may be made, but the ratepayers will have the final say as to whether or not that occurs. It is a Bill that, hopefully, will see necessary reform in local government.

The Hon. J.K.G. OSWALD (Minister for Housing, Urban Development and Local Government Relations): First, I would like to thank those members who have contributed to the debate today. I recognise that it is 11.30 p.m., but I would like to spend half an hour on the Committee stage of this Bill before we retire for the evening. On those grounds, I make a commitment that I will keep my summing up relatively short and confine my remarks for the Committee stage of the Bill.

There has been an interesting transformation in local government over the past year. When I first appointed the ministerial advisory group to travel South Australia and provide me with advice on the status of local government, there was a fair amount of resistance to the MAG, certainly from amongst the local government community and within the LGA. There was the belief that the Minister had appointed a body, albeit of practitioners of local government, to go out and do an assessment of the status of local government. There was a genuine acceptance in January 1995 that there was a need for reform, but the general consensus of opinion around the Local Government Association was that that reform should basically be driven by the LGA. However, it is interesting to note that, as the MAG continued to travel around South Australia, the mood started to change. On many occasions there was open hostility to the committee. By about March/April we had councils ringing back saying, 'Look, we know there's a mood on for change; we know something will happen; we want to be part of that change.' By the time MAG was ready to report to me by June, we had councils coming forward and saying, 'Look we haven't made a contribution; we want to make one.'

I also want to pay tribute to Graham Anderson and his team who, in part, were instrumental in bringing about that mood of change. There is no doubt that, in their consultation with the various councils, they were able to cut through a lot of local government debate in the local arena. They were able to get through the humbug that was constantly being put up as to why amalgamation should not happen, and get councils started on discussing the finance and functions of local government, and where they were going as a local community. They were also able to start to get councils to look outside the boundaries of their own little kingdoms.

As a result, councils started to talk. I suppose it was running in parallel. They could see what was starting to evolve in Victoria. They knew what was happening in Tasmania. They knew there had been a local government boundary reform agenda over in New Zealand and they could see it all starting to evolve. They could see that there was a move on and that there was a Government in South Australia that was about to try to make something happen.

Certainly, MAG reported, and the theme that ran through the MAG report was this: change was needed, it was urgent and it had to happen, but local government would not bring about change itself. It would have to be imposed, directed or lead externally. In other words, the Government would have to step in and drive it, because local government would never get there. It would have this continuous talk-fest, which had been going on for years, and it was never going to get up to the line. So the recommendation was to move in with a form of compulsion.

Of course, the Liberal Party and the Opposition are in the same position: we both have official policies of voluntary amalgamations. I then had to sit down with the MAG report. If you are objective about it, you would realise that about 17 recommendations in the MAG report are extremely valuable statements on the finance and functioning of local government. Most of those 17 recommendations will be picked up when we do our rewrite of the Local Government Act, which we will also start early next year.

With regard to what could be used from the findings of MAG, quite clearly the issue of boundaries was not acceptable to the political Parties. I am realist. I had to come up with legislation that would be accepted by the vast majority of those in local government. The thing that has upset me most over the past two months has been an attempt by officials within local government to try to paint a picture that the 'local government industry' is opposing what the Government is on about.

A classic example is an article that appeared in the Adelaide *Advertiser* one Saturday morning after a meeting

that had been held in the South-East. If one read that article it looked as if the whole of the South-East local government was opposed to and about to lynch the Minister for local government over the local government reform agenda. We received some telephone calls on Saturday morning and found that, of the 12 councils that were supposed to have voted against any cooperation with the Government, five had abstained. There had been a great dust-up at the meeting and only seven councils in fact voted, yet the report came back to Adelaide and the picture was painted that the Government was being opposed.

I put the draft Bill out for consultation to get local government started in discussion, because it is a sector that likes to consult, that loves to discuss. I gave it the draft Bill to discuss, and I can name tonight 50 councils in South Australia that are in genuine discussions with neighbours. What we have attempted to do is say to those councils, 'Don't just talk to your neighbour next door: think globally; think the big picture; and try to get groupings of five or six together. If you find that that does not work, then you can start reducing the numbers.' Ian Dixon, whom I have appointed as the Executive Officer of what will be the Local Government Boundary Reform Board, is already travelling the State. He has been in touch with over half the councils, and that is the clear message we are attempting to put out.

Local government, as we have it at the moment, was created in some cases 100 years ago, at a time when council boundaries were determined by their distance from the GPO. We have councils in the metropolitan area that vary in size from 7 000 up to over 100 000. We can go to the country and find councils in the country areas of fewer than 200 people. The type of council that was conducted in these council areas 50 years ago and that which is conducted today are two different things. The councils of today are involved in planning and building departments; they have their engineering departments; they are out in social welfare programs and they have staff involved in occupational health and safety; they are involved in the community health functions; and they are involved in EPA environmental legislation, which they have to implement.

They have been given powers under the Development Act to be the local planning authorities. Putting that all together, they have the capacity to be a highly sophisticated economic unit in the community. The problem is that many of them are not. Because many of them are too small, they do not have the resources or the staff to give the service that is expected of them by Governments; because of their numbers they are incapable of raising their own revenue to get up to what we want, which is, strong, viable, economic units in the State. I believe in councils. I believe that they have a role to play in local government and in the Government of the State, but we must lift them up and make them strong, viable, meaningful and relevant units.

Let us face it, they are not relevant in the eyes of the public. It is interesting that I went on two talkback programs today, once on the DN program for about 20 minutes, on which we had three callers; and for another 20 minutes on AA, when we had one caller. That is indicative of what the public really thinks of local government. If I go on radio as the Housing Trust Minister the board lights up, because that is an issue in which people are interested. What I want to do is create these strong, local, economic units in this State so that people want to get involved in local government.

We have an opportunity here, and I appreciate the discussions I have had with my counterpart in the Opposition, because I believe that both major Parties want to create a strong, viable, economic unit in local government, and it is just a question of the manner in which we are going about it. I would like to refer to a couple of issues that came up in the debate, in particular, a reference to competitive tendering, which I know is dear to the heart of the member for Ross Smith and other members of the Opposition.

We have never said that there will be compulsory competitive tendering. There was a question asked in the Chamber during one Question Time—members can read my reply—and I recall that I was at pains to say that if you apply CCT to some of the rural areas—for the benefit of the member for Eyre, I mean along the eastern side of the Flinders Ranges—you start to wipe out the small rural communities. The economy of some of the smaller towns revolves around local government and it would not work. Earlier tonight, the member for Custance, who represents the Clare area, gave the classic example of a council which uses competitive tendering, and uses it very well; it went from very much in the red into the black and is now held up as a good example. I believe we can achieve competitive tendering in this State: Clare council has succeeded. Certainly, there are metropolitan councils that can be involved in competitive tendering and—

An honourable member interjecting:

The Hon. J.K.G. OSWALD: The honourable member is correct. They are involved in it: it is the honourable member who keeps saying we are bringing the extra onto CCT. I am saying that, with Hilmer and the national competition policy, there is an expectation from Canberra, drawn in through COAG, that we will be involved in a competitive tendering regime. Compulsory competitive tendering is a policy issue about which this Government has said nothing publicly: it is our political opponents and particularly the service union that works in the local government sector which are tempted to make some particular play of it.

It is already on the public record—I put it back on the public record—that the Liberal Party has not made any decision nor has it addressed a policy issue regarding compulsory competitive tendering. We have continued to say that it would be very difficult, certainly in rural areas, but we have not committed ourselves to it at all.

The composition of the board was carefully considered. The shadow Minister said that we were not interested in involving the Local Government Association. If that was the case, why have I given the LGA two seats on the board? I did that because I recognise the role of the LGA and the need for it to be involved. We have been careful to provide country and city representation on the board, and we will be forming country and city committees. Through the board, facilitators will be provided to work with the country and city committees. If necessary, members of the board will actually sit on those country and city committees.

I have referred to the LGA representation. Amendments have already been tabled and I am aware that the Opposition has some difficulty in supporting the idea that the LGA representation should come from a panel of eight. The reason for the panel is that, when I finally make appointments to the board, there will be a mix of occupations and skills. I know that the Opposition has proposed the amendment because the officials at the LGA have told them to. They have this idea that they should be allowed to put up their nominees and it is none of the Government's business. For those who read *Hansard*, I repeat that the purpose of asking for a panel is so that I can achieve a balance on the board—so that we can

balance people with economic skills with whatever other skills we decide are deficient on the board.

Mr Atkinson interjecting:

The Hon. J.K.G. OSWALD: You should go back and look at the balance I put on the MAG: no-one has criticised the skills of those people. We had an excellent balance on MAG, particularly regarding this one—

Members interjecting:

The Hon. J.K.G. OSWALD: I put to members opposite that they can trivialise this matter as much as they like but the fact is that, when you select a board such as this, you must have people with a range of skills. The other important issue is that much has been made tonight of the 50 per cent polling provision. No-one wants to mention postal voting, which I have included in the Bill. Postal voting was already provided for in the Act, but we have firmed up that provision so that there is absolutely no doubt about the fact that postal voting will be available.

I refer also to the capping of rates. Under the Bill, councils are required in 1998 to have a rate reduction. The purpose of this rate reduction is that local government will save money through amalgamation and reorganisation of the financing and functioning of local government. It is the Government's belief that the ratepayers should benefit from those savings. In the first year (1996-97), there will be an opportunity for councils to raise their rates to obtain revenue for TSPs and any extra funds they may need for the amalgamation process. However, in the second year when the councils start to make savings, the Government believes that those savings should be passed onto the ratepayer. That is the purpose of that clause.

Every member of the Opposition has chosen to avoid the subclause immediately following that clause that provides that, if the council has in mind a particular project or a special reason for varying the 10 per cent, it can go to the board and argue to have that 10 per cent reduced to zero. The idea of that is that, if a council has in mind a particular project, say, a swimming centre or something to which it is committed, it can go ahead and proceed with it, but it will mean that the ratepayers will be able to see up front, visually and transparently, that some savings have been made and that, in this instance, they will be put into a local swimming centre, a road or some other project. At the end of the day, it will still allow the council to budget for and get a 10 per cent reduction, but the council will have to make its own political decision as to whether it will pass it on or justify it to its ratepayer base.

I think the member for Norwood picked up my inclusion of the ILAC model in the Bill. We believe that, if there are councils that wish to trial ILAC as a model, they should be able to put a proposal to the reform board and then trial it. Many members have studied the ILAC model. I believe that it is a system which is about 80 per cent on the way to amalgamations. I urge councils, if they decide to go for 80 per cent of amalgamation—it will really mean that they will have one chief executive officer, one administration and one town hall with committees operating out of the former councils—they should consider going the whole way. Under the Act, the board will have the power to undertake the ILAC model if it chooses. I have said to several councils which have come to me to talk about this that the opportunity is there and that they should take it up.

In summary, as a result of the MAG report, we have advanced it and laid down as policy that, if councils wish to amalgamate, they will have until 31 March next year to undertake a voluntary amalgamation. That date continues on, because councils can come to the board after 31 March and still have proposals for a voluntary amalgamation. What it means, however, is that there cannot be a board initiated amalgamation until after 31 March. Then, if there is a board initiated amalgamation, the board has to consult with the councils and, if they agree, it becomes a council initiated amalgamation. If it is not a council initiated amalgamation and the board chooses to carry it to the next step then we have a voter poll.

I note that the Opposition has proposed to reduce the requirement from 50 per cent to 40 per cent. We have introduced postal voting and with that we will expect 60 per cent or more turnout, and whether it is 40 per cent or 50 per cent probably becomes quite academic. We can certainly discuss that during the Committee stage of the Bill. I think enough is enough as far as the wind-up of this debate is concerned. A considerable amount of this material can be canvassed during the Committee stage of the Bill. Again I thank members who have made a contribution for the support they have intimated thus far, and I look forward to the Committee stage.

Bill read a second time.

In Committee.

Clauses 1 and 2 passed.

Clause 3—'Interpretation.'

Ms HURLEY: I move:

Page 1, line 18—After 'Government' insert 'Boundary'.

The idea behind this amendment is that the Local Government Reform Board, as it is called in the Bill, would become the Local Government Boundary Reform Board. This is to emphasise that this Bill is about boundary reform and not about any other reform. The Minister has indicated that reforms will be notified in the Local Government Act next year. According to him the reform board provided in this Bill is and should be (and this should clarify it) only about boundary reform and is not about to extend its activities into other areas. I spoke earlier about the distrust that many councils have of the board, and I think this would allay some of those fears that the reform board might be interfering with other affairs of local government. As I said, there is quite wide recognition that boundary reform needs to occur now and acceptance by councils that that should happen, and this is merely to clarify the position.

The Hon. J.K.G. OSWALD: I refer the honourable member to clause 1. In fact, we specify there that the Act may be cited as the Local Government (Boundary Reform) Amendment Bill, so I do not think there is any doubt that it is the Government's intent that it be a boundary reform Bill. If it gives the honourable member some comfort that the word 'boundary' should appear throughout the Bill wherever it refers to the Local Government Reform Board, I do not have a problem with that. It does not change the intent of the Bill and we would be quite happy with that amendment.

Amendment carried; clause as amended passed.

Clauses 4 to 9 passed.

Clause 10—'Substitution of ss. 14 to 22.'

Ms HURLEY: I move:

Page 4, after line 27 (Section 14)—Insert new word and paragraph as follows:

or

(c) in pursuance of a proposal recommended by the Minister under Division X.

This refers to an amendment that is principally dealt with later, which is to give the Minister some review function under the Bill. As we see it, we seek to have the Minister

responsible at the end of the reform proposal stage, where proposals have been put forward by the councils and have gone through the reform board and received approval. If the parties are aggrieved by the actions of the board they can then appeal to the Minister to have that reviewed by the board. This amendment will ensure that, for example, if a voluntary proposal by councils goes up to the board and is rejected by the board, and where under the current Bill the councils have no further action, they can appeal to the Minister in relation to their perceived injustice of that decision and the Minister would then have the ability to ask the board to look at it again. This is the basic reason, relating to some of the basic checks and balances, to which I referred earlier, that we would like to see put in the Bill, because of the perception by local government that the board's powers are largely unfettered and unchecked and because, under the Bill, many of the things that it could do would not be open to public scrutiny or be able to be reviewed if councils or, indeed, community groups or individuals thought that the process had been unfair.

The Hon. J.K.G. OSWALD: The Government has looked at this amendment. I can see it creating some issues for the Minister of the day when dealing with it. I am prepared to make a commitment between now and when the matter comes before the Legislative Council to give it some serious thought. I can see some value in the proposal. I certainly do not want to discount it immediately. It is an issue on which I would like to spend some time looking through its implications, not to say 'No' at this stage but to

give a commitment that between now and when it comes up in the Upper House we will address it and it may receive support.

Mr EVANS: Given the Minister's answer that he will give it further consideration during debate in another place, I place on record my opposition to this amendment. As I understand it, the amendment will give two councils that are voluntarily amalgamating the right of appeal to the Minister on the basis they do not like the board's decision. I cannot see why the councils should have a right to appeal to the Minister because they are aggrieved by the board's decision when the Opposition is not prepared to move an amendment to allow the ratepayers to have an appeal or a poll on the basis that they are aggrieved by the council's decision to voluntarily amalgamate. I think it is a double standard and I do not support the amendment on that basis.

Mr ATKINSON: I refer to subclause (7), which provides:

> No proclamation purporting to be made under this Part, and within the powers conferred by the Governor under this Act, is invalid on account of any non-compliance with a matter specified by this Act as preliminary to the proclamation.

Read together with the absence of opportunity for judicial review, this subclause worries me. Is it a regular exclusionary clause? If so, what other Acts of Parliament is it in, and what is its purpose?

The Hon. J.K.G. OSWALD: It is already in the Local Government Act at the moment, and it has been picked up from that.

Mr ATKINSON: Where else in the Local Government Act does this provision appear, and for what purpose?

The Hon. J.K.G. OSWALD: It is not a question of being elsewhere: it is in the Local Government Act as such and we are keeping it in the Local Government Act.

Amendment negatived.

Progress reported; Committee to sit again.

ADJOURNMENT

At 12 midnight the House adjourned until Thursday 16 November at 10.30 a.m.