

HOUSE OF ASSEMBLY

Tuesday 13 February 1996

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

SCHOOL SERVICES OFFICERS

Petitions signed by 159 residents of South Australia requesting that the House urge the Government to restore School Services Officers' hours to the level that existed when the Government assumed office was presented by Messrs Brokenshire and Wade.

Petitions received.

COONALPYN SCHOOL BUS SERVICE

A petition signed by 109 residents of South Australia requesting that the House urge the Government to retain the existing Coonalpyn school bus service was presented by Mr Lewis.

Petition received.

QUESTION

The **SPEAKER**: I direct that the written answer to question No. 41 on the Notice Paper be distributed and printed in *Hansard*.

HINDLEY STREET SHOOTING

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

Leave granted.

The **Hon. DEAN BROWN**: Following a shooting incident in Hindley Street in the early hours of last Saturday morning, the Government has sought advice from the Police Commissioner on policing in Hindley street and its environs and associated issues. I should say at the outset that, as the shooting incident is now before the courts, it would be inappropriate to canvass any details of the incident itself.

The House should take into account that this incident and current public debate about crime in this area are not reflected by a sudden upsurge in offences in this part of the city. I provide the following information from the police about the number of offences reported or becoming known to police in Hindley Street and environs, that is, the area bounded by King William Street, West Terrace, North Terrace and Currie Street. During 1995, 5 128 offences were reported or became known to police. The figures for the previous three years were: 1994, 5 385; 1993, 5 094; and 1992, 5 071. The number of offences against the person reported from this area in 1995 was 809, which was 184 fewer than during the previous 12 months.

The Police Commissioner has advised that the following police resources are provided to Hindley Street and environs from the Adelaide Division: permanent foot patrols out of the Hindley Street Police Station; and mobile patrols and bicycle patrols out of Angas Street. At given times, specific policing objectives are mounted in anticipation of or in response to areas of concern. In these cases, it is necessary to draw police personnel from areas in addition to those which I have already listed. Other supporting police resources include:

Adelaide CIB patrols; STAR Division units; Command Response Division patrols; and mounted cadre patrols.

The number of police currently serving at Hindley street include: one inspector; one senior sergeant; five sergeants; six senior constables; and 36 constables. This provides coverage of 24 hours a day, 365 days a year. The advice of the police is that existing resources are generally considered to be adequate although sometimes they are stretched when workload peaks. As members will recall, this Government, in conjunction with the city council, initiated the establishment of surveillance cameras within the city. There are now five surveillance cameras operating in Hindley Street, and an additional one is planned for installation in the near future. This system is monitored by both Police Security Services Division personnel and Hindley Street police out of hours.

The police advice raises a number of other issues, the first of which is lighting. This is the province of the Adelaide City Council. A proposed upgrade of Hindley Street lighting is scheduled and will progress not only along the main thoroughfare but also into the side streets. Secondly, with regard to liquor trading, the trend towards longer periods of entertainment and consumption of alcohol which has occurred over recent years has resulted in problems arising from over-indulgence presenting themselves over a longer period with a greater drain on police resources. What previously peaked in workload for police in a time slot of midnight to about 3 a.m. now continues until between 4 a.m. and 6.30 a.m. I am advised that police continually consult with licensees and managers of city hotels in a positive manner as well as responding to problems when they arise in licensed premises.

The police advice is that, in relative terms, Hindley Street may be considered as generally safe, bearing in mind the number of people who attend the area out of hours. Of course, any area, including Hindley Street, relies on a number of factors for community safety. These include: crime prevention activities by community groups; lighting; lawful traffic movement (both pedestrian and vehicular); and lawful and unlawful consumption of liquor and/or drugs. The Government is conscious of the need to maintain the reputation of Adelaide as a clean, safe and quality capital city. We wish to ensure that areas of the city which are frequented by large numbers late at night are made as safe as possible.

All members will be aware that the environment in Hindley Street, the type of entertainment and the nature of businesses have changed significantly in recent years. Further changes are occurring with the \$14 million Living Arts Centre, the \$59 million University of South Australia campus (due for completion at the end of 1996), and the \$21 million TAFE development. When completed these projects will involve 5 000 students regularly frequently this area. As a result, a number of social and planning issues require further consideration.

Bearing in mind not only the incident at the weekend but recent public debate about the area and its safety, the Government will develop a Hindley Street crime prevention action project. This will draw on models in similar locations around Australia such as the Surfers Paradise safety action project and the West End Forum in Melbourne's King Street area. Among interests which the Government will invite to become involved will be: the Adelaide City Council (through the Lord Mayor); the police; Hindley Street traders and property owners; licensees; the Liquor Licensing Commission; the West End development project; and the University of South Australia. The Crime Prevention Unit of

the Attorney-General's Department will take a key role in establishing and coordinating this group.

Links will be established to the Alcohol, Drugs and Crime Working Group in the Attorney-General's Department. The project will be resourced for a period of up to 12 months. Issues that the Government envisages will be addressed include:

- a safety audit of the locality;
- working with licensees on the adoption of a code of practice for responsible service of alcohol and ensuring safety within their premises;
- enforcing licensing provisions; and
- working with the city council, traders and property owners on upgrading particular locations.

I emphasise that this project will take a collaborative approach, involving all stakeholders, to promote the need for acceptance of a shared responsibility for safety in Hindley Street. This initiative will complement the ongoing work of the police, who continue to address the policing of Hindley Street in close consultation with other responsible authorities and traders. I have discussed this matter with the Lord Mayor, Mr Ninio, who has offered his full cooperation and that of the city council. I urge all parties that I have listed to work closely with the Government to achieve the objective of reducing significantly crime in Hindley Street.

ENERGY

The Hon. S.J. BAKER (Minister for Mines and Energy): I seek leave to make a ministerial statement.

Leave granted.

The Hon. S.J. BAKER: This statement is about the efficient supply and use of energy. The South Australian Government is committed to the efficient supply and use of energy, and has traditionally worked in the areas of energy efficiency and energy conservation through Mines and Energy South Australia and is currently implementing a range of demand-side management programs through the energy division of MESA. Benefits to the South Australian Government and the community from the energy division's demand-side management programs include:

- it assists the Government to achieve its target of 20 per cent of non-transport primary energy consumption from renewable sources by 2004, by reducing the rate of growth of demand for fossil fuel and by promoting greater use of renewable energy sources;
- it assists the Government to meet commitments under the National Greenhouse Response Strategy and Greenhouse 21C, by reducing fossil fuel consumption and, therefore, greenhouse gas emissions;
- it helps to increase the State's resource security by reducing dependence on imported energy sources, for example, crude oil, diesel fuel and fuel oil;
- it reduces the rate of growth in demand on the energy supply system, deferring investment in additional generation and supply infrastructure;
- it assists the community and business to reduce energy consumption, thereby reducing outlays on energy bills and making more money available for other activities; and
- it provides education and demonstration activities to assist in fostering a community-wide culture of responsibility, resulting in the long-term benefit of preserving finite energy resources and promoting sustainable energy use.

This Government is also committed to reducing the cost of energy used in public sector activities and has in place a

Government energy management program. The program currently saves an estimated \$10 million per annum in avoided energy use, and new savings of over \$1 million per annum have been identified in each of the past two years. A recent audit of the Whyalla Hospital provides a typical example of the significant value of this work. Savings in energy costs of \$165 000 per annum have been identified from an annual energy bill of \$390 000—a reduction of over 40 per cent. In addition, maintenance costs will be reduced by \$70 000 per annum, providing overall savings in operating costs of \$235 000 per annum. Members of the Government energy management program are working with the Health Commission to identify hospitals which could most benefit from the immediate adoption of the techniques.

As an aside, I was in Coober Pedy for the opening of the Coober Pedy Police Station. Of course, the system there operates on a geothermal unit, where there is heat exchange. It is a highly successful unit in that, whilst the up-front capital cost is high, the recurrent cost is minimal, and that leads to long-term savings.

The office workplace is relying increasingly on the use of computers and other electronic equipment. This trend will continue and will be matched by increased energy demands. Accordingly, the Energy Division, Mines and Energy South Australia, has developed an Agency Energy Awareness Campaign. The program involves staff education to raise energy awareness in the workplace and to identify opportunities for energy savings. The program will be trialled in two agencies in the first half of this year and then will be introduced across all government accommodation in the CBD in the second half of 1996. The projected cost savings of the CBD program are \$700 000 per annum. Subsequently, the program may be introduced service-wide with potential savings of \$3 million per annum, followed by the promulgation of the program to the private sector throughout the State.

An Energy Savers Program has been trialled in 37 primary and secondary schools across the State. The program is a joint initiative of Mines and Energy South Australia (MESA), Department of Education and Children's Services and ETSA Corporation, and has the dual purpose of reducing operating costs and educating school children on energy management principles. When introduced State-wide the potential savings are up to \$1.5 million per annum from a total electricity cost of \$10 million per annum. (This is based on an average energy saving of 15 per cent per school, the typical energy savings achieved in similar initiatives).

The Energy Information Centre (which was established in June 1981 as a Liberal Government initiative) provides services to home owners, motorists, small businesses, farmers and students, covering efficient building design and renovation, energy conservation, efficient energy use and appliance choice for heating and cooling, water heating and domestic appliances, renewable energy applications and transport. I have used its services and found the centre to be excellent. The centre presently services 50 000 inquiries per year, resulting in estimated savings to consumers of over \$6 million per annum—which includes building design (\$1.8 million), appliance choice (\$1.6 million) and transport (\$2.4 million). In addition, based on current inquiry levels, a preliminary study suggests that the services provided by the Energy Information Centre furnish the Government with estimated annual savings of \$25 million per annum, achieved through the deferred capital expenditure that would otherwise have been required for additional generation plant.

The centre is also working closely with the South Australian Housing Trust, multifunction polis (MFP), local government, housing industry associations, land developers, architects and builders to increase the efficiency of new houses in South Australia. The Energy Information Centre will manage a number of major new energy management initiatives which will be introduced in 1996. These include:

- the Nationwide House Energy Rating Scheme, which will rate houses for their energy efficiency from 0 to 5 stars, and assist architects, builders and home buyers to maximise the energy efficiency and thermal comfort of new or existing houses;
- energy rating labels for electric motors, small commercial air conditioners and office equipment to supplement energy rating labels already used on a range of electric and gas domestic appliances;
- participation in the housing energy efficiency drive and the Renewable Energy Industry Program; and
- development of the Energy Information Centre as a centre for excellence in the provision of electronic information services.

An energy information service targeted specifically at the needs of remote area dwellers was launched at Coober Pedy in December 1995. The objective of this program is to increase efficiency of energy use, and thereby reduce the impact of higher steps in the electricity tariffs applicable to these areas. Greater awareness of energy conservation options will assist in containing growth in this subsidy and thereby assist the Government with its debt reduction strategies. I will keep the House informed of significant developments in this area.

VIRGINIA PIPELINE

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: The Virginia Irrigation Association (VIA) Inc., which represents growers of the Virginia region, has this morning appointed Euratech Ltd and Water Resources Consulting Services from four other consortia as its preferred consortium to progress negotiations on the Virginia pipeline scheme. Euratech Ltd is a subsidiary of Antah Holdings Berhad, a company incorporated in Malaysia. Euratech Ltd has a strong presence in Australia. One of its divisions, Dura-Wills, is a manufacturer of plastic pipe systems. Water Resources Consulting Services is a business unit of the New South Wales Department of Land and Water Conservation. The consortium will work cooperatively with VIA to develop a proposal to implement the Virginia pipeline scheme, part of which will be to explore techniques to use aquifers for the storage and recovery of treated water.

Together with the VIA, the consortium will conduct detailed negotiations leading to a contract to build and operate the pipeline. Through the pipeline, up to 40 000 megalitres of safely treated sewerage water will be recycled instead of discharged into Gulf St Vincent. In addition to the main pipeline, there will be up to 200 kilometres of distribution network to carry the recycled water to individual properties. The pipeline will transform the long-term outlook for our Virginia market gardeners from a deficient one to an exciting one.

The Bolivar Wastewater Treatment Plant takes 65 per cent of Adelaide's sewage, which exceeds 40 billion litres per year. Improved environmental performance at the plant needs to be achieved by complying with the new EPA requirements to minimise discharge and odour. The pipeline project will also help to reduce dependence on the northern Adelaide plains ground water.

The Government, in its support for the project, must achieve these performance standards. To this effect, Cabinet has signed off on the upgrade of Bolivar at a capital cost of \$32.5 million. This Government has fast-tracked this funding to ensure the increased availability of water resources to enable the expansion of economic production in the Virginia area.

Although the Virginia pipeline has been an idea over the past 30 years, no Government in the past has managed to secure for these growers in the area a reliable water supply to expand their operations and raise the potential to access overseas markets. Our commitment to the project is timely, because without improvements to the availability of water for the growers the present aquifer would be drawn down unsustainably and growers would be forced to relocate. The market garden businesses in the area would eventually become unsustainable. We are all aware that present Bolivar discharges cause the proliferation of sea weeds and destroy vast areas of sea grass beds and mangroves, all of which has a serious impact on fish and prawn nurseries. If the pipeline were not built, major spending would be required by the Government to clean up Bolivar effluent before its release to the sea. Additionally, expanded economic development in the Virginia area would simply not occur.

The scheme is estimated to cost approximately \$29 million. It is a milestone for South Australia and one in which all South Australians can take much pride. My colleagues the Minister for the Environment and the Minister for Health also have agencies which will both be working to assist Government policy. The EPA will be working with SA Water to encourage land-based re-use, thereby conserving natural resources. The SA Health Commission will ensure that the water is treated to the highest standards required for the irrigation of horticultural products. Virginia currently supplies some 35 per cent of Adelaide's vegetables, and the extra water would increase farm production by up to \$50 million per year. The pipeline will help increase Virginia production and enhance export potential. Indeed, the SA Centre for Economic Studies has estimated that the project is likely to produce a net economic benefit of approximately \$19.5 million.

The next phase of the Virginia pipeline scheme involves the VIA, Euratech and Water Resources Consulting Services to work cooperatively with SA Water and MFP Australia to develop a heads of agreement to define the principles under which the project will be implemented. This intensive phase of consultation is expected to be resolved within a month. Today's announcement is another example of the Government working with the private sector to create innovative solutions to what have been, up to now, insurmountable problems. The MFP's role in the project has been to advise and assist the Virginia Irrigation Association in business planning and negotiations and to manage the application of the \$10.8 million in project funds contributed through the Building Better Cities Program. Its environmental innovation and economic development benefits are the key reasons behind the involvement of MFP.

Assisted by MFP Australia and this Government, the Virginia growers now have the opportunity to pursue jointly their need for water and their future security. The community at large will benefit by having its wastewater recycled for environmental and economic benefit. The extra water will also mean growth to the horticultural industry and, according to work down by the SA Centre for Economic Studies, would conservatively result in 1 300 additional jobs in the northern region of Adelaide.

PAPERS TABLED

The following papers were laid on the table:

By the Minister for Employment, Training and Further Education (Hon. R.B. Such)—

Senior Secondary Assessment Board of South Australia
Act—Regulations—Syllabus and Free Charges

By the Minister for Primary Industries (Hon. R.G. Kerin)—

Veterinary Surgeons Act—Regulations—Empower Board
to set Fees and Charges.

PUBLIC WORKS COMMITTEE

Mr OSWALD (Morphett): I bring up the twentieth report of the committee on the Kangaroo Island Hospital redevelopment proposal and the twenty-first report of the committee on the Urrbrae Agricultural and Horticultural Education Centre and move:

That the reports be received.

Motion carried.

QUESTION TIME

KAISER PERMANENTE

Ms STEVENS (Elizabeth): My question is directed to the Minister for Health. Did the South Australian Health Commission reach agreement with United States health care giant Kaiser Permanente in mid January on three major areas relating to the company's involvement in the South Australian health system, and did Anderson Consultants prepare a 'summary document' and a 'working paper' to record agreements reached?

The Hon. M.H. ARMITAGE: I did expect this question, because it was all done to death on the Keith Conlon show yesterday. Nevertheless, the member for Elizabeth takes a couple of days to catch up with things, so let us deal with the issue.

Members interjecting:

The SPEAKER: Order!

The Hon. M.H. ARMITAGE: The issue, in the first instance, is about Kaiser Permanente. I am surprised that a member of the Labor Party would be concerned about Kaiser Permanente, because it has a fine tradition. Its tradition is that it began in the union movement as a way of providing health care for people in Kaiser Steel. Another thing which we are often told about our plans and which has not come to fruition is that a private sector company will necessarily be looking for profit, not good care. Whilst I actually deny this statement, nevertheless it is important for everyone, particularly the member for Elizabeth, to realise that Kaiser Permanente is a not-for-profit organisation.

Kaiser Permanente is a major player in world health care, and it does extraordinarily well. Like all good companies, it is looking to its future. It is deciding how it can resist the ravages of economic warfare, which is the case in the world health system, and the way it can do that is to plan appropriately. It realises that it does not have an Asian base. I do not for a moment walk away from the fact that we have had discussions with Kaiser Permanente, instigated by Kaiser Permanente—

Members interjecting:

The Hon. M.H. ARMITAGE: —I will come to that—because it wishes to expand into Asia. Kaiser Permanente has looked at a number of our activities within the health system in South Australia. Indeed, it has looked around Australia and a number of other places, and I am proud to say that it regards South Australia as the place to come to. Its reason for that is the exciting things we are utilising in health care, in particular, a mechanism called Healthplus, which dovetails delightfully with one mechanism that Kaiser Permanente is implementing in America called Kaiser Direct. Again, I am surprised that the member for Elizabeth would be concerned about this, because Healthplus and Kaiser Direct are based around the community being more involved in its own health care.

It is particularly pertinent to realise that, if there is an opportunity for the South Australian health system to be utilised as a stepping stone for a major world company that would base itself in the southern hemisphere, in Adelaide, and use the expertise of the South Australian health system, build upon it and add to it as part of a stepping stone into Asia, there is absolutely no doubt that that is something from which all South Australians will benefit. The economic future is very positive, and I am more than happy—

Mr Clarke interjecting:

The Hon. M.H. ARMITAGE: The answer is 'No'; we have come to no agreement whatsoever. However, we will continue to have discussions with any world player who wants to come to Adelaide because, if it is going to provide better services for South Australians and enhance our economic future, I want to be part of it.

PRIVATE SECTOR COMMUNITY SERVICES

Mr WADE (Elder): Will the Premier inform this House of recent developments in the provision of important community services by the private sector?

The Hon. DEAN BROWN: As the House knows, this Government has pursued a course of working with the private sector to more efficiently deliver public services in South Australia.

Mr Clarke: Like Serco.

The Hon. DEAN BROWN: Like Serco. What amazes me—and I suggest the Leader of the Opposition and the Deputy Leader of the Opposition just listen to this—is that we have gone back and checked on—

The Hon. M.D. Rann interjecting:

The SPEAKER: Order!

The Hon. DEAN BROWN: —exactly what the policy was of the previous Labor Government. I draw particular attention to two very significant documents of the former Labor Government in which key people in this House, including the Leader of the Opposition and the member for Hart, were deeply involved in terms of the preparation of these policies. First, in 1991 the former Labor Government of South Australia made a submission to the Industry

Commission inquiry into water resources and waste water disposal. I quote from the submission made by the former Labor Government, of whose Cabinet the present Leader of the Opposition was a member, with the member for Hart in the role of senior economic adviser to the then Premier.

Members interjecting:

The SPEAKER: Order!

The Hon. DEAN BROWN: Listen to this quote from the former Labor Government:

The Government is not opposed to contracting out to improve efficiency. The way is being prepared by discussing with unions the application of contracting over a wide range of activities. There is also scope to involve the private sector in the financing or ownership of public infrastructure.

That was a response, very specifically, on both water and sewage handling in South Australia, yet the hypocrites come out day after day saying that it is now against their policy. A more pertinent document was released on 5 April 1993. This was a document—

Members interjecting:

The SPEAKER: Order!

The Hon. DEAN BROWN:—prepared in 1993, after the crash of the State Bank, after the former Labor Government had inflicted on South Australia a debt of \$3 100 million knowing that, due to its mismanagement, this State faced the worst financial situation of any State Government in the whole of Australia. It came out with a policy that talked about private sector involvement in infrastructure provision. I stress that this was a policy brought down by Premier Lynn Arnold, for whom the member for Hart, now sitting in this House, was the senior economic adviser. All this policy was to be administered by the Economic Development Authority, for which the now Leader of the Opposition was the Minister responsible.

Let us look at some of these guidelines put out by the former Labor Government. They allow the private sector not only to operate important services but also to own the assets providing those services—assets like hospitals, water and sewerage pipe networks, prisons and education facilities. Here is a document brought out by the Labor Government which now shows that all its opposition to contracting out is nothing but sheer hypocrisy. It is a sham. Members opposite are political stooges. This document sets down the guidelines, and I will quote from Labor Party policy of just three years ago:

Project proponents must commit as an equity to long-term operation, management and ownership of the projects—

I repeat 'long-term'—

In this context infrastructure covers the full range of community facilities normally provided in the public domain—

for example, education, health, water and other such services. The document goes on—

Mr Clarke interjecting:

The Hon. DEAN BROWN: Yes it does. It further states:

The Government will be clearly looking to the private sector to shoulder this (operating) risk with performance secured by appropriate contractual arrangements.

So, they have agreed to contractual arrangements. This is the part I like best of all:

Formal confidentiality agreements will be considered where specifically requested by the proponent.

Here is a document which says, 'Come to South Australia and not only operate and invest in Government assets but own them.' It goes much further than we did with water, data

processing or the Modbury Hospital. It recommends actually owning those assets. If you ask the Labor Party for confidentiality, it will provide it in the contract terms. What hypocrisy! Obviously for the past two years this Labor Opposition has simply opposed all contracting out for political expediency and to create an issue for itself.

Here is the document, together with the 1991 document, which shows that members opposite are a political sham whose aim is purely to try to criticise the Government. They want to knock down every job we create; they want to destroy every gain in efficiency that we achieve in the public sector. They are anti-South Australia, even though they themselves put down similar sorts of policies just back in 1993.

Members interjecting:

The SPEAKER: Order! It would appear to the Chair that members do not want to proceed with Question Time. The Chair would be happy to call on the business of the day if members are to conduct themselves in a manner that clearly indicates that they are not interested in Question Time.

The Hon. J.W. Olsen interjecting:

The SPEAKER: I suggest that the Minister in question go to the gym if he is going to interject. The Chair has plenty of time, but members may not have. The member for Elizabeth.

KAISER PERMANENTE

Ms STEVENS (Elizabeth): Will the Minister for Health advise whether agreements reached at the meeting in mid-January between the South Australian Health Commission and Kaiser Permanente include Kaiser's involvement in the takeover of the Queen Elizabeth Hospital, the Healthplus proposal in the southern suburbs, investment in information technology and a wider strategic partnership to cover the whole of the South Australian health system and exports to Asia? The Opposition has a copy of a letter dated 29 January 1996, written by Anderson and Consultants to the CEO of the South Australian Health Commission concerning agreements reached with Kaiser Permanente at a secret meeting in mid-January.

Members interjecting:

The SPEAKER: Order! The Minister for Health.

The Hon. M.H. ARMITAGE: I would have thought, after the last answer that the Premier just gave indicating the lengths—or should I say depths—to which the previous Government was prepared to go in contracting out and sale, I emphasise, of such things as hospitals, that maybe the member for Elizabeth would have the good sense to pass a note down to the Leader saying, 'Hang on, I want to take this question off the list.' This is exactly the sort of thing we have been doing for ages—there is no secret about it—but it is the antithesis of what the previous Government was wanting to do. We have never sold an asset. We have not sold the Modbury Hospital. In any exercise involving the Queen Elizabeth Hospital, we will not sell it. Clearly the Premier has just demonstrated in the previous answer that the former Government was prepared to go down that line. We are not.

I said before, in answer to the previous question from the member for Elizabeth, that we were interested in exporting our expertise to Asia. I make no secret about that or about the fact that the South Australian health system is renowned around the world as being one of the best, if not the best, for information technology. In fact, not long ago the State of South Australia was rated third in the US Congress in discussions about how well people have utilised information

technology to provide better health care. I mentioned exports to Asia in the previous answer. I make no bones about it: we are very good at IT and, with Kaiser Direct, believe that it can enhance and help us to improve that.

If the member for Elizabeth does not want us to improve our health systems by utilising the expertise of one of the best companies in the world, please let her stand up. She obviously will not because she has questions to read out. But let her stand up in the grievance debate and tell the people of South Australia that she does not want us to explore options, and tell South Australians that she does not want us to look at the best providers of health care around the world to see what we can learn from them. What a troglodyte. If she does not want us to learn, let her tell us. That is what I said in all the previous answers about IT and exports. I also said that no agreement was reached.

HEALTH CARE FUNDS

Mrs HALL (Coles): Is the South Australian Government diverting to other purposes funds provided by the Commonwealth for health care?

The Hon. DEAN BROWN: This matter concerns me greatly, because we have a full transcript of a television advertisement now being run by the Labor Party for its Federal election campaign. I will quote two lines from this Labor Party advertisement:

Young woman: Yeah, but every time South Australia gets more money for hospitals from Canberra—

A man with glasses: Brown uses it for something else.

That is a straight lie. It would be illegal for the South Australian Government to take money that has come through under the Medicare agreement and use it for any other purpose. So, quite clearly that advertisement is wrong. In fact, if the State legislation, which requires an element of truth and accuracy, was applied, we could report that to them and have the advertisement withdrawn, as we successfully did during the State election. The Labor Party is adopting exactly the same strategy that it applied during the State election: tell any lies you think you can possibly get away with and hope that some of them stick. Well, they didn't stick too well during the State election campaign.

Mr Clarke interjecting:

The SPEAKER: Order! The Deputy Leader of the Opposition will not interject again.

The Hon. DEAN BROWN: It is interesting to see how the Leader and the Deputy Leader are so edgy over these Labor lies. What else have they done? They claim that we have privatised Modbury Hospital, and we know that that is not true; and they claim that waiting lists have been lengthened when, in fact, they have been shortened by 16 per cent and the lists of those who have been waiting for long-term surgery for 12 months or more have been halved.

They have also put out a very interesting graph. The interesting thing is that they have put out two versions of this graph: one to the electorate of Hindmarsh and one to the electorates of Grey and Adelaide. I will deal with both graphs, but I will deal with the one in the electorates of Adelaide and Grey first, because it shows that between 1993-94 and 1994-95 State Government expenditure actually increased and that the decrease occurred when the Labor Government was in office. A member of the public drew this to my attention and said, 'If you look at where the Liberals were elected, which is at this low point here, you will see that expenditure has increased under the Liberal Party.'

It is interesting, because now a different graph has gone out to the Hindmarsh electorate. According to this graph, under 'State Government Liberal expenditure', we see expenditure dropping two years in a row, yet during the very same period the other graph shows that State Government expenditure increased. One of these Labor pamphlets must be wrong, because one pamphlet has the graph for 1993-94 to 1994-95 going up and the other shows it coming down. Quite clearly, once again the Labor Party is prepared to put whatever it likes into its pamphlets just to tell a story: truth is no longer a worry for the Labor Party. Labor lies once again!

I also point out with respect to Federal Government expenditure that in one graph the amounts are basically steady—they go up during one year and then are steady again—while in the other graph put out in Hindmarsh the figures go up steeply during a two year period. They are quite different graphs on exactly the same scale. Again, this shows that the Labor Party has absolutely concocted figures and put them out in the electorate.

The other interesting thing that these graphs show is that there was a very steep increase during the period 1992-93 to 1993-94. Why? Because the Labor Party transferred \$73 million from FAG straight into the Medicare Agreement. There was no additional funding whatsoever for the State: the FAG money was spent on health care in South Australia before, and it was spent on health care under the Medicare Agreement. So, it has factored in quite dishonestly a further \$73 million even though it was only transferred from another part of the budget.

There was no increase in expenditure. In fact, if you look at Federal Government expenditure during the same period you see that, in real terms, it has not increased at all. So, in the material that it is putting out for this Federal election, the Labor Party is prepared to tell any lie it likes when it comes to health care in an attempt to scare people into voting for the Labor Party rather than using their conscience and voting for the Liberal Government.

Members interjecting:

The SPEAKER: Order!

KAISER PERMANENTE

The Hon. M.D. RANN (Leader of the Opposition): My question is directed to the Minister for Health. After reaching agreement with Kaiser that the company could be involved in the new health trial for the southern suburbs—

Members interjecting:

The SPEAKER: Order! There is a point of order.

The Hon. S.J. BAKER: Mr Speaker—

The Hon. M.D. Rann: The question will be asked, don't worry.

The Hon. S.J. BAKER: I don't mind if the question is asked, but it should be asked without comment.

The SPEAKER: Order! The Leader has just commenced to ask his question. I cannot uphold the point of order.

The Hon. M.D. RANN: After reaching agreement with Kaiser that the company could be involved in the new health trial for the southern suburbs known as Healthplus, did the State Government amend its Healthplus submission to the Commonwealth Government to ensure the involvement of Kaiser? The Opposition has been informed that the State Government has sought to amend its Healthplus submissions to the Federal Labor Government to allow the State Government to take in 'investing partners' and to 'contribute

capital'. This morning, the Commonwealth Minister for Health, Dr Carmen Lawrence, told the Opposition—

Members interjecting:

The Hon. M.D. RANN: Carmen Lawrence is one who supports Medicare, unlike John Howard.

Members interjecting:

The SPEAKER: Order! There are far too many interjections coming from my right. It is impossible for the Chair to hear the question. I do not want to hear any further interjections from my right.

The Hon. M.D. RANN: This morning, the Commonwealth Minister for Health (Dr Carmen Lawrence) told the Opposition that she will not—I repeat 'will not'—provide funds for any proposal that introduces American-style privatised health care management for South Australia's public hospitals. Did you amend the submission?

Members interjecting:

The SPEAKER: Order! The Leader of the Opposition has been in the House long enough to know that, not only when asking questions but also when answering them, those sorts of comments are completely out of order. The Leader ought to set a better example.

The Hon. M.H. ARMITAGE: I have said twice before and I will do so again: there is no specific—

Members interjecting:

The SPEAKER: Order!

The Hon. M.H. ARMITAGE:—agreement with Kaiser. It is as simple as that: there is no specific agreement. Does the Opposition have that clear? The other thing that members opposite need to be very clear about is that on 3 March the basis of their question will be academic. However, we are committed to try to provide better health care for people all around South Australia and in the south. If the Leader of the Opposition does not want that, let him stand up in the Grievance Debate and tell that to the people of the south. Let him stand up and tell the people of the south that he does not want what is a world leading plan to be properly resourced. Let him stand up and tell everyone that, but I do not think he will. It would be crazy: of course he would not do that, because as the Leader of the Opposition he would want the South Australian public to have the best possible opportunity of being exposed to the best possible health system.

If we look at the COAG trials, the coordinated care trials of which Healthplus is a part, we see that South Australia has been dragging the Commonwealth to the negotiating table. We have been striving to get Healthplus some sort of an agreement despite the reticence or perhaps even the recalcitrance of the Federal Labor Party. However, what happened was that, about 24 hours before the Federal Government went into caretaker mode, I am told that the present Secretary of the Commonwealth Department of Health, Housing and Community Services was given \$15 million delegated authority to provide for the infrastructure for some coordinated care trials, of which Healthplus was one of the best.

The sum of \$15 million will only provide infrastructure for these plans. We desperately want to be able to put this plan into action so that the community can have more of a say in its own health care, because it will be better for the chronic diabetics, the asthmatics, and so on. However, with only \$15 million in infrastructure, that will make it very difficult. Accordingly, we will look at providing recurrent funds from wherever we can. We have asked the Commonwealth for the funding, and we have been turned down. As I said, a couple of days before the Government went into caretaker mode, the present Federal Minister for Health had the opportunity to

sign off for the recurrence for a three-year period, and she did not do it. I perceive that to be plain stupid. It is a waste of taxpayers' money to put a lot of time and effort into something that has infrastructure money only and nothing to run it on a recurrent basis. It is just a pity that the Commonwealth Minister did not bite the bullet earlier and provide proper funding so that the best possible health care could be trialled.

HEALTH POLICY

Mrs KOTZ (Newland): Will the Minister for Health inform the House whether Federal health policies released over the past week are likely to have an impact on South Australian public hospitals?

The Hon. M.H. ARMITAGE: I thank the member for Newland for her continuing interest in this matter of great importance to all South Australians. Over the past two years, I have kept the House informed about the impact of the present Federal Government policies on South Australian hospitals, particularly the burden on our public hospitals caused by the Federal Labor Party's mismanagement of private health insurance. As the House has been told on a couple of occasions, Commonwealth funding has increased by \$41 million since 1989, but the extra patients who previously had health insurance and who now utilise the public sector have cost taxpayers \$124 million; in other words, there is an \$80 million-plus black hole. Of course, the dilemma is that, when people drop out of private health insurance, they utilise the public system.

The Federal Labor Party and the Federal Coalition have released health policies over the past week. Both acknowledge that Australians need positive incentives to retain private health insurance. It is just a pity that the Labor Party spent the past 13 years saying that that was not needed. But the Labor Party's policy is too narrowly focused to be of great benefit to the public system, because it excludes the elderly—and, of course, the elderly are most in need of health care and utilise hospital services the most.

Obviously, the Coalition's policy is much more supportive, because it restores viability to private health insurance, and it will ensure that much of the demand now in the public sector goes back to the public sector. The important thing in all of this is what a direct incentive to private health insurance would do. A November 1995 Health Watch survey found that 32 per cent of South Australians were likely to take up private health insurance if the Government offered incentives, and 16 per cent said that they were very likely to. If only half those who were very likely to take up health insurance did so, we would reach the target of 40 per cent by the year 2 000; 120 000 more South Australians would be covered; and South Australian public hospitals would benefit by \$39.5 million per year. If one looks at it that way, one can draw one simple conclusion: our public hospitals will benefit enormously, and we simply cannot afford the Federal Labor Party's health policy.

KAISER PERMANENTE

The Hon. M.D. RANN (Leader of the Opposition): My question is directed to the Minister for Health. Given the opposition by the Federal Government to the introduction of American-style managed health care to South Australia's public hospitals, has the Minister discussed and obtained—

An honourable member interjecting:

The Hon. M.D. RANN: Just wait for it. Given the arrogance of what he said about Aboriginal issues, the arrogance about Garibaldi—

Members interjecting:

The SPEAKER: Order! I suggest to the Leader that he ask his question and completely ignore out of order interjections, particularly those from the Minister for Tourism, otherwise leave will be withdrawn.

The Hon. M.D. RANN: Given the opposition by the Federal Labor Government—

The Hon. S.J. BAKER: I rise on a point of order, Mr Speaker. In relation to which question is Channel 7 operating?

The SPEAKER: Order! It is not the concern of the Chair which television station is on.

The Hon. M.D. RANN: Given the opposition by the Federal Labor Government to the introduction of American-style managed health care to South Australia's public hospitals, has the Minister discussed with or obtained any commitment from the Federal Leader of the Opposition (John Howard) or the shadow Minister for Health (Michael Wooldridge) to support Kaiser's involvement in South Australia's public hospitals?

The Hon. M.H. ARMITAGE: The answer to both questions is 'No.'

FIREARMS

Mr BASS (Florey): Will the Minister for Police inform the House of the current situation relating to firearms legislation in South Australia? As members would be aware, an incident in Hindley Street at the weekend involving a firearm has left two people dead. This has prompted a number of constituents, from both my electorate and other electorates, to ask me for details about gun laws.

The Hon. S.J. BAKER: The question of firearms in the community has been under consideration for some time. I wish to relate to the House the progress being made on that front. The Australian Police Ministers Council has had a number of meetings on firearms and, indeed, South Australia has benefited from the member for Florey's input into discussions. But, importantly, agreement has been reached at the Federal level, to a certain degree, on at least 10 issues. The following should occur: licence categorisation; basic requirements of all licences; genuine reasons for holding guns; mutual recognition between States; a system of control of mail order; a requirement of training; registration of handguns; a uniform standard for the security and storage of firearms; gun dealer recording of transactions to control the possession of firearms; and control on the resale of prohibited firearms. This matter has been the subject of extensive discussion at the Federal level.

On almost all counts, South Australia already has in place the provisions, which may need to be modified slightly to fit in with the national agenda. One area that concerns me is the extent of the mail order system that operates in Australia, and the extent to which, for example, Queensland allows this activity to flourish. I hope that sanity will prevail on that issue and that we will have a uniform approach that does not allow trade across the borders by simply paying some money and then a weapon is posted out.

The operation of the Act has been under consideration for some time, as well. Since mid 1994, the firearms legislation has been subject to review by members of this Parliament on both sides of the House. A number of efforts and recommen-

dations have been made on that front. By the time this Parliament rises, it is my intention to have a Bill which will not only incorporate the national thinking on firearm control but also the recommendations by the special committee that has been set up to look at the efficiency of our Act. I am hopeful that we will be able to bring together all these matters, rejig the Firearms Act and show that once again South Australia is in the forefront in this area.

KAISER PERMANENTE

The Hon. M.D. RANN (Leader of the Opposition): Does the Minister for Health support the introduction of US style managed health care to South Australia, which includes bonuses being paid to doctors by Kaiser for cutting the costs of hospitalisation and drugs? Reports from the American ABC television network news claim that Kaiser had instituted a program in which doctors receive a bonus of \$900 for a reduction of 30 per cent in hospital stays. Another report in the *Orange County Register* said that Kaiser is encouraging doctors to get mastectomy patients out of hospital the same day. In Southern California, Kaiser piloted a program known as 'Drive-in deliveries', to encourage doctors to release newborn babies and their mothers as early as eight hours after delivery. This contrasts with the 48 hours recommended by the American College of Obstetrics. Following criticism of managed care in the United States, several States have been forced to legislate for minimum hospital stays for mums and their new babies. I quote:

The pilot program sparked outrage amongst legislators. Bills have passed imposing mandatory minimum stays in Maryland and New Jersey, while there are Bills in New York, Pennsylvania, Massachusetts, Minnesota and California.

That is a quote from the *Los Angeles Times* about what Kaiser and other companies are doing.

The Hon. M.H. ARMITAGE: It is interesting that the Leader of the Opposition obviously feels that the answer to all these supposed woes—and I would be delighted for the Leader of the Opposition to go on one of his much publicised fact finding missions to America and discuss with Kaiser exactly what it does—regarding better care is legislation. Here in South Australia we have—

Mr Clarke: So you do support—

The Hon. M.H. ARMITAGE: No. Here in South Australia we have reinforced the role of the doctors. I have been absolutely specific in saying that all decisions for admission and discharge will be by clinicians. They are all clinically based. We all know the tactic: we can see it now. We have openly identified that we are having discussions with a world leading health authority. The Labor Party is trying—

The Hon. M.D. Rann interjecting:

The SPEAKER: Order! The Leader of the Opposition has asked his question and I ask him for the last time not to interject.

The Hon. M.H. ARMITAGE: The Leader of the Opposition and the member for Elizabeth are trying to besmirch the reputation of Kaiser before anything has happened. We saw that with casemix: we heard them say that casemix will lead to quicker and sicker—

Members interjecting:

The Hon. M.H. ARMITAGE: They all say, 'It has.' Just as you missed the discussion about Kaiser on radio yesterday, you must have missed some other aspects, because in fact statistics show that since casemix was introduced the

percentage of readmissions—which is what the so-called quicker and sicker label is all about—has fallen. Under this Government, the percentage of readmissions, which is a direct measure of quality, has fallen to 6 per cent, yet under the previous Administration it was 6.3 per cent. It is as simple as that. Our policies are working and, accordingly, we will not see quicker and sicker under the casemix funding mechanism. Accordingly, we will not see it under anything else that we put in place. We have said routinely that we are after two criteria only in the exercise of health care: world class services at the most cost efficient price possible.

Before the Leader of the Opposition actually starts asking questions about health maintenance organisations and Kaiser Permanente, I suggest that he do a lot more research than just reading a couple of newspapers and making a broad generalisation that something or other has actually been put in the paper about a particular company and that it applies to Kaiser.

The Hon. M.D. Rann interjecting:

The SPEAKER: Order!

The Hon. M.H. ARMITAGE: As we have said routinely, we will support world class services provided cost efficiently for South Australians: we are already providing that and we will continue to do so.

The Hon. M.D. Rann: You would not rule out—

The SPEAKER: I warn the Leader of the Opposition for the second time.

Members interjecting:

The SPEAKER: I warn the member for Florey for the first time.

STATE PROMOTION

Mr BECKER (Peake): Will the Minister for Recreation, Sport and Racing inform the House of the results of two major events held in Adelaide at the weekend, one of which was in my electorate, and of their importance to the promotion of South Australia both nationally and internationally?

The Hon. G.A. INGERSON: I thank the member for Peake for his question and especially for his interest in the event in his electorate in regard to these major events. The first event, the smaller of the two, was the major Tokyo City Cup race in Adelaide which attracted the biggest crowd of 8 500 patrons at a racing event since the Adelaide Cup last year, and the Major Events group was proud to help market the event. I congratulate the SAJC for the way it put on the event.

The major event of the weekend was the Ford Open held in South Australia: 59 500 people attended the biggest single golf event in Australia. Last year, 15 000 people attended the event. To put the event into perspective against the Greg Norman Classic run in Melbourne and the Australian Open in Sydney, the Ford Open was bigger than both those events held last year. It has been estimated that the Open's economic impact on South Australia was \$8 million. The final day gallery of 23 000 people was described by Peter Thompson, an eminent Australian golfer, as the biggest scene at any Australian golf event on the last day.

The Open was also a major success for the Australian Broadcasting Commission (ABC), because it was its highest rating event held this year. It was the largest sporting television production put on by the ABC in South Australia. On Sunday it captured 50 per cent of South Australia's viewing audience. Not only was it a national and international event but also it was viewed heavily by South Australians. We saw the highest gate takings ever recorded at a golf event

in South Australia. The event was screened live around Australia, with additional highlights screened in Melbourne and Sydney from Saturday until today. Through satellite programmer, Australian Television, the event took South Australia on a live broadcast to 100 million people in Asia. It has also been packaged by Transworld International into Europe, the golf channel in the United States and B-Sky-B in the United Kingdom. That will bring a further audience of 150 million into South Australia. Nearly 50 per cent of the whole broadcast used the 'Sensational Adelaide' theme. That is what it was all about—promoting Adelaide on an international scale for \$500 000.

To put that into perspective, on behalf of the Tourism Commission I cannot buy any more than two minutes of international television for \$500 000, yet we have had in excess of six hours of world television for \$500 000. However, during the week I was astounded by the Deputy Leader, reported on one of the news services last week, combining this major sporting event with a trivial IR exercise. I understand that this trivial IR exercise came about because the Deputy Leader just happens to be the manager for Gail Gago in the seat of Adelaide in the Federal election. I understand this issue was brought out purely and simply to run the issue out in the middle of an event, despite the Leader of the Opposition's—and I note he is not in the House again—congratulating me and the Major Events organisation. The shadow Minister went out of his way to say it was the best single thing we could have done for South Australia, yet the Deputy Leader trivialised it. The Deputy Leader went further by standing up and saying that we should have had an ordinary South Australian playing with Norman on the Wednesday—for the special event.

Members interjecting:

The Hon. G.A. INGERSON: Apart from me. The Deputy Leader should have gone to the shadow Minister and discovered that Major Events and 5AA conducted a competition for a fourth person to play with Greg Norman. The fourth person happened to be a Ken Parker, who lives at Flagstaff Hill. He won that competition and played with Norman as part of a major promotion by Major Events and the Tourism Commission to get a South Australian to play. Instead of putting his foot in it, the Deputy Leader should have asked the shadow Minister, the member for Hart, about the situation, as he would have filled the Deputy Leader in. If the Deputy Leader stopped trying to politicise things so much and kept to the major event we would have had a major event in South Australia.

Members interjecting:

The SPEAKER: Order! Let me explain something clearly to the member for Elizabeth: if she asks a question she should explain it. The member for Elizabeth should not continue to ask follow-up questions when she sits down, or she will not hear the end of the answer.

KAISER PERMANENTE

Ms STEVENS (Elizabeth): My question is directed to the Minister for Health.

Members interjecting:

The SPEAKER: Order! The member for Mawson.

Members interjecting:

The SPEAKER: Order! If the Chair made a mistake, the honourable member is still well in front.

Ms STEVENS: What was the outcome of the meeting between the South Australian Health Commission and Kaiser

Permanente at the Regent Hotel in Sydney on 31 January concerning the overall management of health care in South Australia? On Monday, the Minister said on radio that there was a perfect analogy between discussions with Kaiser and deals with both EDS and United Water which were given major monopoly contracts by the Government. The agenda for the meeting in Sydney on 31 January included discussion on 'a longer term goal to evolving a strategic partnership with South Australia for managing and exporting health'.

The Hon. M.H. ARMITAGE: There is nothing new in the question. I have identified the meetings which we have had, from which no specific agreement has come, no signatures, no agreed position—no nothing. Everyone agrees that we are the best in IT; everyone agrees that Kaiser has a very good product called Kaiser Direct; everyone agrees that it has a lot of capital; everyone agrees that it is one of the best providers of health care in the world; everyone agrees that it wants an Asian base; everyone agrees that we want more people in the economy in South Australia; everyone agrees that South Australians can get better health care if we form a partnership—and that is exactly what we will do.

UNITED WATER

Mr CUMMINS (Norwood): My question is directed to the Minister for Infrastructure. In view of statements reported in the media on Friday about the water contract, will the Minister inform the House of what independent confirmation he may have about the contractual obligations of United Water and the integrity of the contract?

The Hon. J.W. OLSEN: I am pleased to be asked this question and to be able to respond to it. As the member for Norwood indicated, last Thursday I was asked a series of five questions by the Opposition relating to various aspects as to the integrity of the water contract, many of which have been answered repeatedly since United Water's bid success was announced on 17 October. These answers, it would seem, have not made some individuals happy, because they have subsequently made a beeline for the front steps, to reach out for the telephone, to conduct media interviews in an effort to make up ground or reconstruct the events again to suit their political purposes. We have also seen today—and the Premier presented to the House—how members opposite have selective memory and amnesia in relation to the policy thrust which they were proposing six months before the last election and which they had put down in a major infrastructure document released to South Australia. Members opposite are political hypocrites and have been caught out with their selective memory.

I am certainly not suffering from any memory loss. I am not short of the facts or the truth, and I am not shy of confirming it to the House today. I took the liberty of taking a *Hansard* extract and sending it to the Crown Solicitor. I asked the Crown Solicitor to prepare a minute in relation to my reply to the Parliament. Let me quote the minute from the Crown Solicitor dated 8 February as follows:

I refer to certain statements made by you today in the House of Assembly. . . They relate to the content of the contractual obligations of United Water, CGE and Thames pursuant to the Adelaide outsourcing agreement and associated documents. In respect of the following statements I advise:

(1) That 'United Water International—it has committed itself contractually to take \$628 million [net] worth of exports out of South Australia in the course of the next ten years' is an accurate statement.

I might add that that is the minimum. They also contractually have identified \$1 479 million of target exports: we have only ever talked about the minimum. It continues:

(2) That the commitment referred to. . . 'is underpinned by separate unconditional whole of life guarantees by the parent company CGE and Thames' is an accurate statement.

(3) That 'the contract requires United Water International to seek 60 per cent Australian equity within 12 months' is an accurate statement.

(4) In respect of the statement 'six out of the 10 directors will be in Australia', the contract provides a majority of directors must reside in Australia.

(5) That 'the contract provides that United Water International will be the sole and exclusive vehicle by which CGE and Thames will tender for projects in Australia, New Zealand, Papua New Guinea, Indonesia, Vietnam, The Philippines, Myanmar, Pacific Islands and in agreed provinces and/or projects in China' and 'that CGE and Thames will not compete with United Water in tendering for projects in Thailand, Malaysia and China where United Water identifies the opportunity' are accurate statements.

There you have it, Mr Speaker. This is a minute from the Crown Solicitor confirming that the statements I made in this House last week and consistently since 17 October last are accurate statements. In addition, let me take it one step further. During the course of the last few weeks I went to a range of companies throughout Australia and asked them what processes they were involved in with tendering out or requests for proposals throughout Australia. I have correspondence from Macquarie Corporate Finance Limited; Deloitte Touche Tohmatsu; Shaw, Pittman, Potts and Trowbridge; and Public Private Enterprises.

Mr Foley interjecting:

The Hon. J.W. OLSEN: Once again, an assertion has been thrown across the Chamber that has no semblance—

Mr Foley interjecting:

The Hon. J.W. OLSEN: Of course some of them are, but not all of them.

An honourable member interjecting:

The Hon. J.W. OLSEN: Exactly; just make your statement. Macquarie has dealt with a range of companies, and I will refer to some of the projects: four Sydney water treatment plants, obviously in New South Wales; the Yan Yean water treatment project in Victoria; the Wellington waste water treatment project in New Zealand; the New Southern railway project in New South Wales; the M2 motorway in New South Wales; the Citilink toll road in Victoria; the eastern distributor in New South Wales; the M5 motorway in New South Wales; the Burnie Hospital in Tasmania; the Royal North Shore Hospital in New South Wales; the Prince of Wales Hospital in New South Wales; the Crown Casino in Victoria; the Junee Prison in New South Wales; and the Olympic Stadium in New South Wales. The correspondence states:

The above [list] is not intended to be an exhaustive list of the projects.

In this correspondence, signed off by these reputable companies interstate, they indicate that the process we have pursued in South Australia is consistent with—

Mr Foley interjecting:

The Hon. J.W. OLSEN: You do not like it, do you? You do not like the truth being put back on the record.

Members interjecting:

The Hon. J.W. OLSEN: We have offered the member for Hart a briefing, but he has not yet taken it up. Perhaps he will then make some statements from an informed position, not a politically biased position which he seeks to follow, as do some journalists in town, without the facts supporting them.

I notice there is a report in today's *Messenger* which claims that this contract—one of the largest of its type in the world—is about smoke and mirrors. Yet, we have just quoted from some of the best legal corporate advice in Australia that the process used here was at the leading edge. In any process where there is—

Mr Foley interjecting:

The SPEAKER: Order! I warn the member for Hart. He has had more than a fair go.

The Hon. J.W. OLSEN: They are not all working for me, and you know it.

Mr Foley interjecting:

The Hon. J.W. OLSEN: Well, come and get a briefing.

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

The Hon. J.W. OLSEN: Come and get the briefing which has been offered to you, get the facts, and make your statements and interjections on facts, not on political accusations from which you hope to get some political mileage. It is about time that the facts and the truth were put into this debate, not wild accusations such as the Opposition is intent on making.

Unfortunately, I have been asked to wind up, but there is a whole range of things that I would like to put on the record. This large contract of \$1.5 billion is leading edge, which the World Bank has acknowledged. The real benefits of this contract—the \$628 million minimum exports up to \$1 479 million target exports under this contract—will be for all South Australians. It does not matter what the Opposition says: at the end of the day the benefits of this contract will be there for all South Australians to see.

KAISER PERMANENTE

Ms STEVENS (Elizabeth): My question is directed to the Minister for Health. Given the in-principle agreements reached with Kaiser, has the Government made any commitment to the introduction of US-style managed health care in South Australia, and have other companies bidding for the QEH contract been informed? The Opposition has been informed that health officials attending the secret meeting held on 31 January with Kaiser at the Regent Hotel in Sydney discussed—

The SPEAKER: Order! The honourable member is not explaining; she is commenting. I suggest that she explain it.

Ms STEVENS: —‘using the Queen Elizabeth Hospital development to become the working prototype for virtual integrated health care in South Australia’.

The Hon. M.H. ARMITAGE: The Government has come to no agreement about the installation of managed care. The exercise, as I have tried to detail to the House, but which seems to go about halfway across the Chamber and meet a brick wall, is that we are interested in providing the best possible health care to all South Australians. Indeed, we have developed Healthplus, which is a fabulous mechanism and which I know, as I tell all South Australians, the Opposition will try to paint as managed care. It is not, but I know that Opposition members will try to do that.

With regard to any potential tender for the Queen Elizabeth Hospital, there is a large dose of hypocrisy coming across the Chamber in apparent fear of contracting with overseas companies. I recall that when we were in Opposition and the present Opposition was in Government there was quite a brouhaha about South Australia's power stations being leased to the Japanese. I recall many problems with the

Marineland deal, which had an overseas company involved. The buses and trains were the subject of a cross-border lease with an overseas company. The Casino, 100 yards behind me, is operated by Genting. The previous Government had no qualms whatever about involving itself in deals with overseas companies, and so it should. South Australia has every right to be proud of what it can do. As a Government, we want South Australia to be part of the world economy. Of course, the only way that we can be part of the world economy is to demonstrate to the major players in the world that we have what it takes, and that is exactly what we are doing.

I make one further commitment in relation to any potential tender for, expression of interest in or request for a proposal regarding the Queen Elizabeth Hospital, and that is that I guarantee that the successful person or company will not put their bid in two months late, as happened with ANOP under the previous Government.

COOPER CREEK

Mr ANDREW (Chaffey): My question is directed to the Minister for the Environment and Natural Resources. What action has the Government taken to ensure the protection of the Cooper River catchment from major irrigation proposals currently under consideration in Queensland? My electorate of Chaffey is heavily dependent on flows in the Murray-Darling Basin from the Queensland portion of the fragile Cooper system, and irrigation ecosystems in South Australia could be severely damaged or threatened by the withdrawal of water and the introduction of additional pesticides and fertilisers.

The SPEAKER: The Chair is particularly interested in this question. The Minister for the Environment and Natural Resources.

The Hon. D.C. WOTTON: I recognise your concern in this matter, Mr Speaker, and I thank the member for Chaffey for raising it this afternoon. The Queensland cotton proposal, to which the member for Chaffey has referred, represents one of the greatest threats to precious river systems in the north-east of the State. In fact, this is one issue on which I believe 99 per cent of the community in South Australia, including conservationists, pastoralists and this Government, agree that action must be taken as a matter of urgency.

The effect on the Cooper and Diamantina river systems from a major cotton farming proposal, to which reference has been made, could be disastrous for South Australia. After all, as we recognise, the climate in the area is harsh enough without causing unnatural influences that would make ecosystems even more vulnerable.

However, I am pleased to inform the House that the Queensland State Government has granted membership to South Australia of the Cooper Creek Advisory Party. This group has been formed to advise the Queensland Department of Primary Industries on a suitable water allocation policy from the Cooper and to provide input into an environmental impact assessment on the current cotton proposal.

Late last year I travelled to Queensland to meet the present Minister for the Environment and Natural Resources to express the concerns of South Australia regarding this matter. The message should be loud and clear that rivers do not stop at State borders, and Queensland has acknowledged that South Australia has a specific interest and concern regarding this proposal. I am confident of a satisfactory outcome. Unlike the Federal Government on the Lake Eyre Basin

world heritage issue, I thank Queensland for at least taking South Australia's interests into account.

KAISER PERMANENTE

Ms STEVENS (Elizabeth): My question is directed to the Minister for Health. Who is the eminent independent person overseeing the process for the financing, construction and operation of the new private and public hospital facilities at the QEH, and was that person present at or informed of the secret negotiations between the Health Commission and Kaiser in a Sydney hotel the week after tenders had been called for the redevelopment at the Queen Elizabeth Hospital? On 19 January the Minister announced that the Government would appoint an eminent independent person to oversee the fairness and probity of the process.

The Hon. M.H. ARMITAGE: I cannot name that person at the moment because negotiations are taking place with a leading business person, and he is considering whether he can find time for this important task. It is a time limited task, but the sort of person we are intending to get for that job clearly has many other commitments around Australia. Another element is that we are insistent that appropriate probity mechanisms will be employed, and we are looking at the legal side to see whether a probity auditor as such, loosely termed, would be able to achieve that function at the same time.

Ms STEVENS (Elizabeth): My question is directed to the Minister for Health. Do the in-principle agreements between the Government and Kaiser mean that Kaiser would be positioned to take over the operation of a majority of Adelaide's public hospitals? The agreements reached between the Health Commission and Kaiser in January included the operations of the Queen Elizabeth Hospital, which would effectively include the Lyell McEwin Hospital at Elizabeth; and the Healthplus initiative in the southern metropolitan region includes the Flinders Medical Centre, the Noarlunga Hospital, the Daws Road Hospital, and other health-care services.

The Hon. M.H. ARMITAGE: The answer to the question, briefly, is 'No', but I intend obviously to expand because, with an election on, I can see the tactic. I want to take the member for Elizabeth back to the Health Services Bill, which we debated about six or eight months ago. The member for Elizabeth actually identified, in debating the Bill, that each hospital in South Australia was 'an individual fiefdom'. What the member for Elizabeth meant in saying those words—and she is nodding across the Chamber, because she acknowledges that those were the words that were used—

Ms Stevens: I will check that.

The Hon. M.H. ARMITAGE: You check it. I am very happy for the honourable member to check it. I would expect that, in grievance debates tomorrow, the honourable member will stand up and tell everyone that that is exactly what she did say. What the member for Elizabeth meant when she talked about individual fiefdoms was that each hospital board is separately incorporated. More than 150 individual boards run each individual hospital. Each board is separately incorporated; each board makes its own decision.

Ms Stevens interjecting:

The SPEAKER: Order! I warn the member for Elizabeth.

The Hon. M.H. ARMITAGE: Let me just extrapolate the proposal we have put openly on the table for the Queen

Elizabeth Hospital into all the others. The decision to reach the stage where expressions of interest are formally considered involves a steering committee, which includes members of the university, staff members and union members. It is not a Government board: it is a steering committee of direct health providers, academics, and so on. They are the people who will take the process through to the next phase. After that phase, in the process for the Queen Elizabeth Hospital, the decision as to the successful bid, whether it be the public or private sector, will be taken by the board. It will not be made by the Government, but by the boards—by the individual fiefdoms.

I remind the member for Elizabeth that the decision will not be taken by the Government: it will be taken by the individual fiefdom. The other matter about which I want to remind the member for Elizabeth, because she seems to have a memory as slippery as mercury, is what happened in the most recent process undertaken by the Government in this type of exercise, that is, the exercise at Port Augusta. What happened there? The Port Augusta Hospital was not privatised at all: the public sector won the bid to manage the hospital—the public sector won it. A number of private sector organisations were bidders but they did not compete.

So, what did the Government do? The Government said, 'Great.' What are the two criteria we look for in health care: world quality services and cost effectively. We got the first by the expressions of interest processes, and we realised that the second, cost effectively, could best be provided with a public sector bid. So, we are not blinkered. We had no ideological blinkers whatsoever. We will take the best possible bid that will allow the best provision of services.

Ms STEVENS (Elizabeth): Was the meeting held with Kaiser Permanente in mid-January arranged before the Minister called expressions of interest for the redevelopment of the Queen Elizabeth Hospital on 19 January?

The Hon. M.H. ARMITAGE: I will have to confirm the dates: I honestly do not know. Let me set out what actually happened. As I have indicated in about seven or eight of the 10 questions, Kaiser Permanente is a major player in health care in the world. Its business manager for the world chose to come to South Australia. He did not only, however, come to South Australia: he went to a number of States and, clearly, he went to New South Wales: the bastion of Labor Partyism. Obviously, he is not only speaking to us: he went around Australia.

It just so happened that, when the representative from Kaiser was in South Australia, he said, 'A number of the things you are doing have some synergy with us. We would like to discuss a possible partnership.' Clearly, it is in every person's interests for us to at least have those discussions, and that is how that occurred.

GRIEVANCE DEBATE

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

Ms STEVENS (Elizabeth): As a result of the 10 questions we have just asked and the answers received from the Minister for Health, the agenda for South Australian

health is quite clear: we will see a private company, Kaiser Permanente, positioned by this Government to take over a large slice of the management of the public health services of South Australia, and this is what is going to happen—

The SPEAKER: Order! Members will not stand around the benches. I ask those members to forthwith remove themselves. Too many members are just ignoring the Standing Orders and behaving in a manner which the Chair will not tolerate. The member for Elizabeth.

Ms STEVENS: We see this Government proceeding along the line that it always said it would. I remember that, in April 1994, the Chief Executive Officer said that the Health Commission was no longer in the business of providing health care, and this is what is happening. How will it do it? First, it will let Kaiser get a foothold. The Government will give Kaiser a foothold, first, in the Queen Elizabeth Hospital; then, it will give Kaiser a foothold with the Healthplus initiative; and, thirdly, it will allow Kaiser to introduce its information technology package, Kaiser Direct, about which the Minister talked.

After Kaiser gets a foothold, 'Hey, presto!' we will see a strategic partnership come into fruition and, in that strategic partnership, we will see Kaiser Permanente having access to management of a large part of our health sector. Mark my words, this is what will happen. Remember, we were told about EDS—nothing to worry about! Remember, we were told about water. We were given all those undertakings. Do not let us get sucked in this time. This is what is on the agenda for this Government. We know that Kaiser will establish itself. On the radio yesterday the Minister said, very interestingly, that what was happening with Kaiser was a perfect analogy with what has happened with EDS and water, and I agree.

Even in the House today the Minister actually said, 'Forming a partnership with Kaiser is exactly what we are going to do.' The Minister actually said those words. The cat is out of the bag. The Minister scoffed at the suggestion that we would be looking at the management of most public hospitals in the metropolitan area. Of course, we know that Modbury is already given over to Healthscope and that probably it would leave the RAH and the Women's and Children's Hospital to stand alone. He scoffed at that suggestion. If Kaiser gets the QEH, of course it must get the Lyell McEwin because it is an amalgamated entity. If Kaiser gets the inside running with Healthplus, which I am sure if the Liberal Party wins the Federal election his mates will allow to happen, it will then bid for the southern hospitals. So, we will have the southern region in the hands of Kaiser and the north-western region in the hands of Kaiser. Kaiser will be doing well in South Australia and will be launching itself into Asia, using us as a stepping stone as it climbs off our backs.

When we hear what Kaiser does and when we hear some of the examples of what Kaiser does in terms of its health care and what American health care means to patients, all of us need to say now that we do not want American style health care in South Australia. Of all things we do not want American style health care in our State.

Mr BASS (Florey): For the member for Elizabeth to carry on like she has for the past five minutes, she is really guessing. For anyone in the Opposition to criticise outsourcing and private management of some Government services after the revelations of the Premier, is a joke. The

1996 Federal campaign has again seen the Australian Labor Party unable—

Members interjecting:

The SPEAKER: Order! The member for Unley has ignored the ruling that the Chair gave earlier.

Mr BASS:—to concentrate on Federal issues and trying once again to gain votes in South Australia by raising State issues. Not content with that, however, it cannot even present the facts when debating the issues. A fine example is the Federal member for Makin, Mr Peter Duncan, who is still circulating the lie that South Australia is selling resources such as water to overseas companies. He knows the truth, as both the member for Newland and I told him at one of the Labor Party organised meetings of persons opposed to what the Government is doing. They are opposed because they do not want to see South Australia successful. They have their own political agenda, and South Australia flourishing under a Liberal Government is not part of that agenda.

Let us look at some of the benefits and improvements United Water will give to South Australia: a one hour maximum time to repair burst water mains when SA Water's benchmark was a one hour maximum time for 80 per cent of burst water mains. All internal sewer flooding must be attended by United Water within one hour. SA Water had a benchmark of two hours. Also required in addition to these improvements in service—it has been said before but must be said again—is a \$164 million saving over the life of the contract and the development of a new water industry creating 1 100 new jobs. I ask Labor to focus on the State initiatives of the Brown Liberal Government but stop the lies and the distortion of the facts—tell it how it is and not how the ALP wants it.

Another area that the Federal Government is attacking is health, where again it is lying or distorting the facts. One of the claims is that the State Government has privatised Modbury Hospital and forced more people onto waiting lists. What hypocrisy! The Government has not privatised Modbury Hospital. I will say it again slowly so even the thickest amongst us can understand: we have not sold Modbury Hospital. With regard to waiting lists, the Government inherited waiting lists so long that many people were waiting for over 12 months for surgery, yet in South Australia since December 1993 and up to November 1995 there has been a 16.3 per cent reduction in waiting lists, and the number of persons who have been waiting for over 12 months has fallen by 40 per cent.

The member for Elizabeth, the shadow spokesperson on health, ought to stop carping about minor problems within the health system and for once in her short political career compliment the turn around that the Liberal Government has achieved in just over two years, but I guess that that is a little too much to expect. If the shadow spokesperson is really committed to helping her fellow South Australians, she could tell her Federal counterparts, especially the Minister for Health—the lady with the worst memory in the world—to encourage with tax rebates Australians to rejoin the private health market to take the pressure off the public health system, so that those who cannot afford to be in private health schemes can have access to public hospitals without having to wait the intolerable time that was part and parcel of the Labor Government's mismanagement.

Mrs Geraghty interjecting:

Mr BASS: I am glad that the member for Torrens is here. She might pass on what I have said to her boss. Since 1989 almost 143 000 South Australians have come to rely on the

public health system because of the sharp fall in the rate of private health insurance. This has cost the State Government an additional \$124 million, yet the Federal Government has provided only \$41 million to cope with this problem. If the Federal Labor Government was serious, it would have done something about it long ago.

The Hon. M.D. RANN (Leader of the Opposition): I also wish to speak about plans for Kaiser Permanente to be involved in the privatisation of South Australia's health services. The company is currently negotiating with the Brown Liberal Government to take over the management of key South Australian hospitals. Any privatisation move to hand over public hospital management to Kaiser would sacrifice South Australia's high standards of patient care. In the United States Kaiser has been condemned for offering bonuses to doctors for cutting by 30 per cent the time patients spend in hospitals. It was interesting today that the Minister for Health would not deny or repudiate such an approach here in South Australia.

Let us look at some of the criticisms in mainstream United States newspapers and magazines about Kaiser's operations. In terms of bonuses, \$900 was given to doctors who prescribed lower cost older drugs such as Elavil and Norpramin as anti-depressants over the newer and more costly Prozac and Paxil. The older drugs can produce side effects like blurred vision and constipation according to the prestigious Orange County register.

Kaiser in California also piloted a dangerous program in Los Angeles to encourage doctors to release newborn babies and their mothers as early as eight hours after delivery. This pilot scheme sparked outrage amongst United States legislators, and Bills have been introduced and passed in a series of State Parliaments in the United States imposing mandatory minimum stays for mums and their newborn babies. The Southern California Kaiser Permanente Medical Group piloted this program, which is in complete contrast to the 48 hours recommended by the American College of Obstetrics and Gynaecology and the American Academy of Physicians. Rebutting Kaiser's claim that the program was voluntary, Kit Costello, President of the Californian Nurses Association, said:

We are finding, frankly, that there is a lot of pressure to release them. We are putting them out of recovery too soon.

A study by Judith E. Frank MD, Professor of Dartmouth Medical School, showed that infants discharged less than two days after birth faced a 50 per cent greater chance of being readmitted to a hospital shortly thereafter. The American Medical Association and the American College of Obstetrics and Gynaecology requested that Kaiser and other insurance companies not reduce stays further until studies showed that there is no medical harm from so doing. The AMA's statement said that the length of stay should be determined by the clinical judgment of attending physicians and not by economic considerations.

Kaiser is also encouraging doctors to get patients of some kinds of cancer like lumpectomies and mastectomies out of hospitals on the same day. Kaiser in California cut back the standard number of pre-natal visits to nine from 13. It also cut the standard routine of pap smears to give one every other year as opposed to every year as recommended. Kaiser doctors also oppose the cuts. One of them, Dr Darla Holland, said, 'I do feel there is a point where you can see only so many patients before you sacrifice quality. It is feeling close.'

Another Kaiser doctor, Steve Tarzynski, was quoted on 22 December last year as saying, 'We're beginning to cut so much that it's beginning to cut the quality of care.' A consumer advocate in the United States, Jamie Court of Consumers for Quality Care, said of Kaiser Health Care, 'They are in a race to the bottom in quality of health care.' So it goes on: pages and pages.

A survey conducted by Kaiser in Southern California shows a lower perception of Kaiser than its competitors on benchmarks such as ease of scheduling an appointment: a perception that Kaiser's quality is less than that offered by Kaiser's three biggest rivals. What it is all about again is putting doctors before patients, and this doctor says that he knows best. Kaiser Permanente in Ohio sent out a memo telling doctors, 'Do not discuss proposed treatment with Kaiser Permanente members (the patients) prior to receiving authorisation.' According to the *New York Times*, Kaiser Permanente also asked doctors to keep confidential from patients the process by which procedures are approved.

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

The Hon. M.H. ARMITAGE (Minister for Health): The Labor Party Opposition seems quite clearly to have forgotten its own experience. It is a pity that it wishes only to knock the good and to carp at excellence. It automatically knocks any overseas company—forgetting of course Marine-land, the Casino, Genting, the buses and trams, and so on. One could say that this is because the Opposition is scared of progress—that is certainly a thesis that one would be able to sustain. However, I contend that the Opposition is not scared of progress but of the Government doing well.

We have a fantastic plan in Healthplus, which will enable all South Australians, who voluntarily are enrolling in this process, to be more a part of their own health care and to have better health outcomes. As I indicated, that has been developed as part of the process with the full enthusiasm of the Federal Labor Government. It has encouraged coordinated care trials and acknowledged finally that the Healthplus exercise is one of the best that has been put forward in Australia. This is a Federal-State Government coordinated care initiative, but the State Labor Opposition knocks our attempt to provide better health care.

As I indicated before, the Federal Labor Government provided enough money only for infrastructure. Big deal! What is the use of putting in infrastructure if a Government such as ours, which is striving to provide better health care, is not given the money to run the program? It is absolutely of no use whatsoever. If we are able to organise a collaborative exercise with one of the major providers of health care in the world so that its information technology expertise and ability to work in the community is utilised under our terms for the best health care of South Australians, I am surprised that the troglodytic State Labor Opposition wants to knock it. I suppose I should not be surprised because, as I said before, this is a further example of the Government doing well. However, I am surprised that the Opposition wants to knock such plans given that its Federal colleagues in Canberra have enthusiastically supported the general process.

The Leader of the Opposition said, 'We don't want to sacrifice South Australia's high standards of care.' In his emotion, he forgot that he was saying that the health care that this Government is providing for South Australians is of a very high standard. Of course it is: I have been saying that for

the past two years. It has been getting better and better: the waiting lists have been getting shorter and the activities have been increasing. The Leader of the Opposition now admits that by saying that he does not want to sacrifice those high standards of care. He alleges that it will be quicker and sicker. Of course, that is not the case. Exactly the same allegation was made when we brought in casemix funding—anything to stop the Government doing well—don't acknowledge the validity of the argument; carp, carp; knock, knock; and criticise, criticise on a political level.

The simple fact is that the figures back up our claims and make the claims of the Leader of the Opposition absolutely laughable. Of course this Government is interested in quality care. That is exactly why it is focusing all the discharge decisions in the hands of the clinicians and no-one else. The result of that, following the allegation by the Labor Party Opposition that Armageddon was nigh, is that the rate of discharge and readmissions has decreased from 6.3 per cent under the previous Government to 6 per cent under this Administration. This means that the health systems that we have brought in are focused on quality—and that is exactly what we intend to continue.

Does the Opposition want us to continue to provide better health care or does it not? I contend that it does not want us to provide better health care for all Australians because on a political level it wants us to fail. It does not want us to bring in the best possible health care, and it does not want us to be a world leader: it wants to see the people whom it allegedly represents get second-class care because we cannot bring in the best in the world—and I will reject that.

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

Mr VENNING (Custance): I was horrified this afternoon to hear the speech of the member for Elizabeth who harped on about whether Australia was going to take on the American style of health care. I have never heard so much rubbish in my life: this is a deliberate attempt to distort the facts. I am confident that the Minister will get this right. Of course, we are considering the health schemes of other States and countries—we should always be looking and assessing—and, of course, we are talking to many health institutions. I am confident that, in the end, we will come up with the best system by mixing and matching the best services in the world. We will come up with a health scheme that is for Australians, by Australians, and managed in the most effective and economical way. The comments by the member for Elizabeth and her questions were quite ridiculous and designed purely for the 2 March Federal election.

Today, I want to bring up something that is very important to my heart. For six years in this House I have been discussing with members generally the demise of the South Australian Rural Youth Organisation. I believe that on the weekend the State Executive of that organisation met at Port Hughes to consider whether it should close down the organisation. It is a very sad time indeed. This is a position that I have warned members about during the whole six years I have been here. During the past 40 years the clubs have been active. They have enabled a large number of young rural and urban people to develop as individuals and contribute as leaders in their local community. This once proud organisation, which is now down to about 130 members and 14 branches, once had almost 6 000 members and 150 branches. How could this happen?

In its heyday, when I was involved, this organisation was particularly active. Some of the clubs even owned their own premises and machinery which they used for projects for their community. It was a fantastic organisation. There were 10 clubs in my zone in the Upper North. Have a look now: it is an absolute disgrace, and I am very emotional about it. In those days, the Government was behind it all the way. In my time we had six full-time paid Government employees who acted as advisers or research officers. The advisers would take information between the branches, sharing information from one branch to the next. They would make sure that the meetings were run properly and that the right people got to be leaders of their branch. The whole organisation worked extremely well. It went very well until about 1968. What happened—and members can check the calendar—is that there was a change of Government. The Labor Party was elected and, since then, Governments of both persuasions—not just Labor—have chosen to neglect this organisation. I was very active in those days, and the activities are as relevant today as they were during those years.

The emphasis today, as it was 30 years ago, is on three areas: vocational training, organised leisure programs and personal skills training, which is just not available today. Rural Youth's demise means no access to these skills for most young country people, including my own sons. Rural Youth is directly responsible for many of Australia's farm leaders of today. We know who they are, and I will cite a couple I know very well: Mr Andrew Ingles, who was President of the Grains Council of Australia and who is now on the Australian Wheat Board; Mr Don Bleasing, who was very active in the GRDC; Mr Malcolm Sergeant, who was in the grain section; and Mr Michael Shannahan who was on the Wheat Board and who is now Chairman of Pivot. The list goes on, and it is a great list.

The chief reason for the Rural Youth movement's demise is a diminishing Government priority over the past 10 to 15 years, and the trend has not been reversed. State Governments in New South Wales, Victoria and Western Australia support Rural Youth organisations financially, but this is no longer the case in South Australia. Consecutive Labor Governments in South Australia have cut resources to Rural Youth to almost zero. However, our current Government cannot see a need to resurrect the movement and it has moved out of primary industry. I think there is a positive need and I will speak to the relevant Ministers on the matter.

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

Mr CLARKE (Deputy Leader of the Opposition): Today I want to discuss an area that is very important to the average working man and woman in this country, that is, industrial relations and what we are leading up to with regard to the forthcoming Federal election. It is interesting to note that Mr Howard has suddenly had a massive conversion in his thoughts with respect to industrial relations since he was the Opposition's industrial relations spokesperson in 1993. We all remember the John Howard of 1993 who wanted to bring in a youth wage of \$3 an hour. Of course, that is really still his agenda because, quite frankly, a leopard does not change his spots. Mr Howard, when he was Leader of the Opposition, in his first coming back as Lazarus mark 1 in the late 1980s, said quite clearly that he was the most conservative Leader the Liberal Party had ever had, and he was proud of it.

In 1996, we now find that he is trying to present a small target not only for the Labor Party but also for the electorate generally. He knows that the Australian working man and woman prizes the Industrial Relations Commission, prizes an independent umpire—even if they are not members of trade unions—and supports the right of trade unions to be involved in the industrial relations field, because they know that, without the trade union movement's active participation in the industrial relations setting in this country, they would be subject to servitude. That is what Mr Howard would like to see.

Mr Howard wants to bring in an Employee Advocate. It is his intention that all industrial relations agreements would be looked at by the Employee Advocate. But, of course, it would not be subject to the scrutiny and certification of the independent umpire, the Industrial Relations Commission. The Employee Advocate, as proposed by Mr Howard, would have no teeth to enforce the rights of workers. We must remember that the proposals put forward by Mr Howard do allow for individual contracts to be signed by the worker being called into the employer's office and told, 'You can sign this agreement.' Whilst Mr Howard says that they cannot be paid less than an award, that is not necessarily so, because he has not spelt out the no-disadvantage test.

We all remember that the current Minister for Industrial Affairs in this State, when he was the shadow Minister for Industrial Affairs, said much the same thing prior to the last State election—that no worker would be worse off and there would be a no-disadvantage test. Miraculously, in the first draft of the legislation put up by the Minister in 1994, there was not a no-disadvantage test but a no-substantial-disadvantage test. There is an enormous difference between a no-disadvantage and a no-substantial-disadvantage test.

The Opposition, combined with the Democrats, was able to force this Government to accept a somewhat different version of a no-disadvantage test, whereby the agreement as a whole cannot be less favourable than an award. We know Mr Howard's agenda, because basically he hates the trade union movement; that is in his make up. As I said earlier, he described himself as the most conservative Liberal Leader since Federation, and a leopard does not change its spots. It is the same man who spoke disparagingly of Medicare: three years ago, he wanted to rip it up, but he has had a sudden change of heart. He is trying to present himself as a man for all people. In the unfortunate event that Mr Howard were to be elected Prime Minister of this country, he would have no mandate to do anything, because he has not spelled out his mandate or his policies. He dodges, ducks and weaves. He refuses to come clean with the real agenda, right up until five minutes before midnight when the election will be held.

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

LOCAL GOVERNMENT FINANCE AUTHORITY (REVIEW) AMENDMENT BILL

Returned from the Legislative Council with amendment.

RACING (TAB) AMENDMENT BILL

Adjourned debate on second reading.
(Continued from 8 February. Page 964.)

Mr FOLEY (Hart): The Opposition supports the Government's Bill, which essentially involves the restructuring of the TAB Board. As I have indicated, both privately to the Minister and publicly, in the area of racing reform it is the Opposition's intention to work in a constructive manner with a bipartisan approach where possible. I believe that both the Minister and I can find common ground—most importantly, with the industries themselves—to ensure that the racing industry can be restructured to face better the emerging threats that it finds upon it. As I have detailed in this House before, those threats are varied, be they from poker machines, from other forms of entertainment and gambling, from revolutions within the industry in terms of technology and from the almost unknown future of the impact of pay television on the racing codes in South Australia—and there is perhaps no greater threat. Fundamental is the impact on the ability of the TAB to provide a service to the racing community in South Australia.

We also have the other unknown, the TAB Corp in Victoria, which is obviously a very dynamic and aggressive organisation. I would argue that that has been given great privileges by the Liberal Government in Victoria, and that gives it an unfair advantage in being able to manipulate revenue streams within its organisation that it derives from other areas for which it is responsible, such as gaming. The ability of TAB Corp to influence South Australia is a real problem, and it may well be that reforms to other betting agencies around the nation will also have an impact on South Australia.

So, we have what I consider to be a very significant period of uncertainty and challenge to the racing industry in South Australia of which the performance of our TAB is one important element. The concerning point for the Government, hence for the Opposition and the Parliament, is how strong and able our industry is at present to face these challenges. If we had a different environment and climate here in South Australia, our industries would be well suited to withstand these challenges. The reality is that perhaps our racing codes could not be in a more vulnerable and weak position to handle the many challenges and threats, which are not of their own making but which, nonetheless, are there to be dealt with. It is unfortunate and it is not necessarily their fault at all. We have seen a change in circumstances, and the racing codes are correct in asking how they could prepare themselves for the impact of poker machines and other forms of gambling and entertainment. How could they prepare for the advent of many other weekend events in Adelaide that take people away from race courses?

Of course, the racing industry, particularly the SAJC, could not foresee all those changes but, nevertheless, they are changes that have to be dealt with and it is the challenge that the Minister and those industries face. As I have said to the Minister both publicly and privately, I want to work with him and the Government so that we can achieve change not only in the TAB but in other areas, and I have been somewhat controversial but at least consistent for the past 18 months as shadow Racing Minister that there needs to be significant restructuring in greyhounds, in trotting and, most importantly, within the SAJC itself. I have not endeared myself to many in the SAJC over the past 12 to 18 months in echoing those

views in this place and other forums when have I engaged the former Minister in debate.

In fairness to the SAJC, its responses to some of my views are good responses, and I am learning. I am on a learning curve: I know more today than I knew 18 months ago, and clearly I do not know enough today to be considered an expert on the issue, but I am on a rapid learning curve. I have put forward some views on the racing industry that have received mixed reaction. It may be that the only two people who think this way are the Minister and I. If that is the case, then we do have a challenge.

Members interjecting:

Mr FOLEY: The thought of two Ministers sitting together and both admitting they were wrong is something, I suspect, that will never occur. The reality is that we have put forward a number of issues that need to be addressed. There is the Inns report into the greyhound and harness racing industries. Can we look at the report in isolation from the wider issue of the racing codes? I must say that the SAJC has done a lot in the past 12 to 18 months to improve its bottom line and there can be no argument about that. In fact, it has probably done a lot over the past three or four years to improve its bottom line, but it would appear that it has not been sufficient. We cannot sit on the sidelines, offer criticism and throw grenades without being willing to acknowledge where there has been work. I simply argue that there needs to be more work, and clearly the structure of the SAJC makes change difficult. I suppose that that is where Governments occasionally have to use the threat of a bigger stick to force through what they see as important changes.

I tried to do that previously in this Parliament but with no success because, at the end of the day, the only big stick the Government has over the SAJC or the racing industry is the dollar. As I have said in the Chamber before, there have been strategic times recently when the Government could have played a firmer hand with racing and said, 'Yes, we are prepared to consider further funding allocations, but that has to be contingent upon you addressing your bottom line.' At the end of the day, we cannot sustain racing in South Australia as we have done for X years. We cannot have a trotting industry and a greyhound industry under severe financial stress and the SAJC having to combat all the threats to which I have referred, having difficulty in terms of its financial bottom line and still sustaining five suburban tracks in a city such as Adelaide.

Work needs to be done. It is not good enough for me to say that track rationalisation is the answer. That is not the answer but it is an important element in the answer. I may be wrong. Work needs to be done by the Government, the SAJC and the codes to work through what track rationalisation will do to improve the bottom line. The possible scenarios are wide and I am not holding to any of them. Could we relocate our trotting to Cheltenham or Adelaide? That must save someone significant amounts of money because there would not be such duplication or the problem of having to run all those racing tracks without the number of people supporting them. Could we not have Globe Derby relocated to Angle Park and make full use of the Angle Park facility four or five nights a week instead of having two centres? Perhaps the dogs could go to Globe Derby.

At the end of the day, I do not care what we do with track rationalisation. All I know is that we cannot sustain dining, betting and training facilities at each track. We just do not have the volume of patronage at those forms of racing that we had in years gone by, and so track rationalisation seems

sensible. I cannot just make that claim and we have to see whether it works. I do not want track rationalisation for the sake of it without improving the bottom line. That is one issue, but there are other issues. I have stated publicly in the House before that the precious Racecourse Development Funds expended on numerous country and regional facilities need to be closely looked at in terms of targeting that money better to get better value for the dollar and reduce the cost to the Racecourse Development Fund in terms of the number of facilities that we try to sustain in the country where perhaps they are no longer justified in terms of the bottom line.

There is also the issue of suburban race tracks. I do not believe we should have three metropolitan race tracks in Adelaide. I may be wrong and others may disagree. We could do an analysis of whether a city of one million people could sustain itself with two suburban tracks. As to Victoria Park, some would argue that there is not sufficient money to be saved by closing Victoria Park, but I do not know. I do know that the SAJC has a solid asset base but is cash poor. The time may come when it has to relieve itself of some assets. Perhaps it has other assets or other tracks around the wider Adelaide area that could come into consideration, but it cannot sit on substantial assets, be cash poor and have cash flow problems and expect the Government to find other forms of revenue.

I have been in this place for only 18 months, but what have we done? We have seen the matter start under the former Minister, Greg Crafter, and be continued by former Minister Oswald. Ministers tend to turn over a bit in this job, but I hope I do not read too much into that. We have seen changes to the distribution of dividends from the TAB from 55 per cent to 45 per cent to racing. We have seen a further \$2.6 million injected into racing codes in the past eight or nine months and we simply cannot keep finding bandaids approaches to improve the funding of racing.

The racing industry has to understand that we are in financially interesting times in this State and that, regardless of whether it is this Minister or me in a Cabinet, we simply will not win the argument that there should be a massive restructuring or that there must be a massive amount of funding reallocated to racing. The Treasurer and the Cabinet of the day have a number of priorities of which racing is but one. We can all sit around a room and talk hypothetically about how it is a bit unfair that racing does not receive a bigger dividend from TAB and about how unfair it is that Governments do not give us some of that pokies money, which are all very sound arguments, but it is a question of what is achievable. I am realistic enough to acknowledge some of the difficulties this Minister will have in addressing those issues. That is not to say that I do not have some sympathy with the view of SAJC and others, but I am trying to deal in realities.

This Bill is important as it is the first sign that there is some move to improve the way we manage racing as a total industry in this State. I will have discussions with the Minister, as the Opposition does offer a bipartisan hand in the restructuring of racing in this State. I would like to sit down with the Minister and industry and have some discussions. I am quite happy for those discussions to be behind closed doors in a room where we can all roll up our sleeves, state our positions, let off a bit of steam and then see where we can find common ground. It is important that at some point in time the codes, the Minister and the Opposition sit down at the bargaining table and try to find substantial common ground to ensure that at the end of the day we minimise

conflict. But make no mistake that, if at the end of the day I judge that, in the best interests of racing in this State, conflict is necessary, I will not walk away from it.

That is probably a bit of an odd position for an Opposition to put itself in, but I feel sufficiently strong about this issue that I have no difficulty doing that. Whether or not my colleagues will share my view is a totally different story, and I may well find that there are some concerns within my own organisation. At the end of the day, I am a politician of vision. I have a vision that I will be a Minister. I know very well that I will not receive the same level of support I am offering today when I am a Minister on the Treasury benches. My logic is that if I can fix up the racing industry in the next 18 months it will be one issue off my slate. I must be the most accommodating Opposition member this Parliament has ever seen, and I know full well that I will not be given that respect and decency from a Liberal Opposition in two years' time.

As the Bill specifically relates to the TAB, the reality is that the time has now come. It is a major trading enterprise as it turns over hundreds of millions of dollars. Improvements need to be made to the way the board is structured. That is not necessarily a reflection or criticism of past or current board members: it is simply an acknowledgment that the idea of the president, chairperson, or whatever, of the respective racing codes being part of the TAB board is a conflict of interest that is best dealt with by changing that structure.

The Minister submits that no longer will the three racing codes and their chairs be automatically appointed to the TAB board. That is a good move. The criteria for selecting board members will concentrate on a fairly wide ambit of qualifications including financial management, marketing, legal, experience in running a business and, importantly, experience in the horse racing, harness racing and greyhound racing industries. That gives the Minister of the day a fairly broad selection of criteria from which to appoint seven of the best people available.

The Opposition's view—and my colleagues have made this an important point in their discussions with me—is that among the selected board members there should be someone who will represent the views of people working within the racing industry. When the Minister selects the board members I ask him to take account of the Opposition's view that we would like the views of people working within the racing industry, which is an extremely large employer of people, to be part of the selection criteria for one of the board members, if not more.

The other element of board changes to the Act could be considered a controversial change, and I refer to the provision giving the Minister the power to remove someone from the board if the Minister so chooses. In the current Act there is a number of criteria which must be met before somebody is removed. Although one would tend to think that the Opposition is an obstructionist and critical Opposition that does not support the Government on anything, the reality is that the Opposition supports the Government on most of its policies and Bills that go through this place, because they are good for the State. We have supported the inclusion of this clause in many Bills that have come before this House in recent times because we are of the view that people joining boards now know the rules. The rules are made very clear to them in that the Minister has a very powerful discretion with which to remove a board member from a board.

Of course, a lot of responsibility rests with the Minister not to abuse that power. If that power is abused there are other courses of redress which a board member can take. The

Opposition's support of such clauses would quickly grind to a halt if such a power were to be abused. I suspect that that would apply to many members of the Government's Treasury benches if a Minister under pressure in a particular portfolio area decided to remove someone for blatant political reasons. That would be unacceptable to an Opposition and, I suspect, to most people. However, we acknowledge the right of a Government to have these provisions in its Bills, and those rules are made very clear to prospective board members when they sign on.

I cannot conclude my speech without making reference to a controversy. I do not intend to revisit this issue in any great detail at all as things have moved on, but there is no doubt that some would say that the Labor Party has not been consistent when it takes account of what we call the 'Bill Cousins amendment', which was an amendment to the Racing Act to remove the former chair of the TAB, Mr Bill Cousins, with this exact wording. I am quite prepared to argue that there is a difference—and people may not accept this—in that that was a Bill designed to get one person. There was no secret about that: it was as obvious as the train coming at you. It was a Bill designed to remove one person from the board. It was not designed to remove all the other people of the TAB board, all of whom participated in, supported and wanted TAB Form. It was not used to remove any other board member: it was there to get rid of one board member. The Opposition objected and argued strongly against that. I fought that with a great deal of passion, and the Opposition won on that.

However, that situation involved changing the rules after the event. When Bill Cousins and other members of boards join boards, they join those boards knowing the rules. Under a whole series of criteria the rules were that one could not be dismissed. The Government sought to alter those rules by changing conditions of employment after the event. We do not accept that; so, there is a distinction. There is now a clause which gives Governments the ability to remove board members provided that they observe proper decency, but it is not a clause that was so obviously and so distastefully designed to remove one person from the board.

Having said that, I think that the TAB issue, as we called it 12 months ago, has passed us by. It is interesting to note that many of the faces of that time are no longer present. I am the only one left standing, but the least said about that today the better. The Opposition will move an amendment to the effect that at least one member of the board must be a man and at least one must be a woman. That is a standard Opposition amendment.

The Opposition supports this Bill. It is not the sort of Bill that will radically overnight change the profitability of the TAB or the distribution of money to the codes, or give the boost to the racing industry that we need. It is a small element, but an element that is being dealt with swiftly by this Minister and supported swiftly by the Opposition. We would have passed it through both Houses had we had an extra week in Parliament, but, for whatever reason, the Government chose to pull that extra week. It is a sign that the Minister is getting down to work very quickly on the racing industry. A lot more work needs to be done, and I am ready, willing and able to join him in discussions with the racing industry so that we can try to avoid unnecessary conflict and, more importantly, find points on which we can get agreement.

Having given the Minister a great dose of bipartisanship, I ask him to remember one thing: look at what I did to the last racing Minister. I hope that we do not get to that level of

conflict. Where possible, we will work in a truly bipartisan spirit and try to get some decent reform.

Mr CLARKE (Deputy Leader of the Opposition): I support the Bill and the comments of our shadow Minister and lead spokesman on this legislation. Unlike the shadow Minister, I am reluctant to hide my light under a bushel. The expertise that I bring into this area is somewhat minimal, except that I was the Secretary of the union which covered 400 employees of the TAB and, therefore, it is of some importance to me in terms of my history of dealing with the TAB and its employees and their future within the organisation, in particular, as a Government-owned institution.

I am not a punter, so, in terms of what will attract people back to the track, I am no expert. I will not delve into that area except to say that changing the composition of the membership of the board by itself will not do that, but it is a step in the right direction. I believe that the Government of the day is entitled to reorganise agencies in terms of their administration and in accordance with Government policy, because the Government bears ultimate responsibility if the administrative arrangements that it puts into place do not work. Of course, on the more fundamental issue of selling the TAB to private enterprise rather than keeping it within the forums of State ownership, that will be a different kettle of fish altogether.

I was a member of the Nelson committee of inquiry into the Racing Commission in 1987. It comprised quite a large number of people, headed by Frances Nelson, QC. The General Manager of the TAB at that time was also on the committee. I found the committee to be particularly illuminating. I think that the SAJC escaped the establishment of a racing commission—that is, to take away its role as the governing body for thoroughbred racing in this State—by sheer luck, in the sense that the economy was improving at that stage, profits were good within the SAJC, attendances were good and TAB turnover was ever rising. The SAJC was able to argue before that committee that its governance of the thoroughbred industry should not be interfered with because things were going so well. Only a few years earlier, of course, the SAJC was in dreadful financial circumstances, and it is again in difficult financial circumstances today.

I think that the Government and this Minister in particular would do well in looking at the racing industry to establish one racing commission governing all three codes. To my mind, there seems little sense in having three independent racing codes, two of which are Government-appointed bodies, leaving the thoroughbred racing industry, which accounts for about 75 per cent of TAB turnover, to be run purely as a private club. I do not say that in a disparaging tone towards members of the SAJC committee. They have put in an enormous amount of time on a voluntary basis and are committed to improving the thoroughbred industry, but when the industry gets to such a size it can no longer rely upon the goodwill and, in particular, the preparedness of some people to put in a lot of their own personal time, many of them putting their businesses to one side, in order to concentrate their efforts on the governing body running the thoroughbred industry in this State. I recall reading recently that the Minister raised the possibility of establishing a racing commission for the thoroughbred industry. If I am right in what I thought I read about that in the newspaper recently, I would commend him to do just that.

I am also aware that some previous members of TAB boards have written to the Minister with various suggestions on how the industry could be improved. There is often a cry by some members of the SAJC that, by seeking reductions in the amount of payout that goes to the Government, that is not seeking Government assistance—it is simply seeking a greater return on the money that they generate. Overwhelmingly, the money that goes through the TAB is made up of bets placed on races that take place outside South Australia. For example, the Melbourne Cup, to name but one of a significant number of races, has enormous sums of money spent on it by the punting public in South Australia, and the SAJC has absolutely nothing to do with the creation of that wealth. The racing clubs in other States which have organised such races bear the costs, and the SAJC receives a return via the TAB. It is hypocritical of the SAJC to put out its hand and say, 'We want back only the money that we generate.' The fact is that most of that money is generated by races which are held outside this State and which have nothing to do with the SAJC.

One proposal which has been floated with me and which I am sure the Minister would have under consideration—whether he agrees with it is another matter—is that, if the SAJC and the other racing bodies say that they would like a greater return for the efforts that they put in, perhaps they should be entitled to 100 per cent on the money they generate and are directly accountable for within this State. That would be an incentive for them to come up with more creative marketing ideas for pulling more punters onto the tracks in South Australia or, indeed, for creating a greater level of betting within the TAB because of races which are undertaken in South Australia through their own efforts. It would be an almighty incentive for racing clubs in South Australia if they were to receive 100 per cent of the return on what they have invested through their creativity and energy, but they do not have any such claim to moneys which are generated through the efforts of people in other States.

I support clause 5(e) relating to the removal from office of any member of the TAB board, but I also have some qualms about it on the basis that, as our shadow spokesperson pointed out, it could lead to abuse by Ministers of the day capriciously changing board members for the sake of it or because they do not like the advice they are receiving. At the end of the day, if a Minister is responsible to Parliament and to his Cabinet for the running of his Government agencies and his agencies are not carrying out Government policy and are defying the will of the Minister on particular issues, the Minister has the right to replace those people, providing that is clearly stated and reported to the House. The general electorate can then make the ultimate judgment as to the righteousness or otherwise of those particular decisions. As pointed out by our shadow spokesperson, there was the issue of the Bill Cousins affair when I, together with a number of my colleagues on this side of the House, vigorously opposed the Government's then legislation for a very simple reason: it was the 'Get Bill Cousins amendment'. It had no credit.

Without a shadow of a doubt, the Racing Minister at the time was kept informed by the TAB board as to the creation of TABform. There is no doubt that the then Minister was lent on by the Premier with respect to this issue when the *Advertiser* took umbrage at the loss of many millions of dollars in terms of revenue for the publication of its racing form guide. It then became a question of putting all that responsibility and blame on the head of the Chairman of the TAB at that time, Mr Cousins, and that was grossly unfair.

It was, as described in the House by our shadow Attorney-General at the time, a Bill of Attainment.

That process had not been used for many centuries in the United Kingdom (then England). It was a specific Act by the monarch designed to get at one person, rather than dealing with the issue as a policy item, and where responsibility for actions that may have been taken by a board were shared by all board members, not just one individual. The other point with which I have some concern, and obviously this will vary from time to time, depending on the strength of character of the individual Minister, involves attracting the best person for the job.

Board members, if they are to do their job properly, will want to be reasonably confident that when they go to a Minister with a proposal or advice—which may be unpalatable to the Minister because it runs counter to his or her own views—the Minister does not act out of malice and sack the bearer of bad tidings. If that were to become the norm, people of calibre would not want to serve on such boards because there would be no point in going forward with frank and fearless advice to the Minister of the day, if as a result of doing their job to the best of their ability they were beheaded for being the bearer of bad tidings.

A Minister, in my view, should be able to accept frank advice on these sorts of matters, weigh it up and ultimately make the decision. It is then the responsibility of the board to carry out the policy as directed by the Minister or the Government and, if board members disagree with it, they resign from the board and make their position known publicly as to why they resigned. If the Minister of the day cannot get board members to do his or her bidding, by all means they should be replaced. However, the reasons behind any conflict must be stated openly. There are grounds for concern. However, at the end of the day, I come down in favour of the position that has been put, because Ministers and the Government are ultimately responsible to the Parliament and to the people in these matters. If this is how this Government wants to administer its various agencies, so be it: it will have to wear the consequences of its own actions.

With those reservations, I commend the Bill. I raise a couple of questions which may avoid the need to go into Committee. I have concerns with respect to two issues about which I have read in the newspaper. First, I refer to the privatisation of the TAB. I would be interested to know the Minister's views with respect to the possible privatisation of the TAB and what, if any, advice he has received with respect to that matter.

Secondly, I am concerned about the possibility of franchising out, as a policy decision, TAB-staffed agencies. This is of great concern to the hundreds of TAB employees who, if staffed agencies were franchised out, would potentially lose their jobs, as the new operators of a franchise would, no doubt, pick up the extra hours themselves to the detriment of the hours worked by TAB employees. I can raise those questions in Committee but, in his second reading reply, the Minister may want to address those points.

The Hon. G.A. INGERSON (Minister for Recreation, Sport and Racing): This is the first of a series of changes the Government wishes to make in the racing arena. It is a very important beginning because the TAB is the lifeblood of the industry in terms of funds and, as the shadow Minister for Recreation, Sport and Racing rightly said, funding is the only area in which the Government has any opportunity to try to make some change. It is also an area where, if we can

maximise the TAB's profit, we will have more money for racing. Of course, it is for the Government to decide whether it takes its 45 per cent or hands on the whole lot. If you do not make extra profit, you cannot do it.

I have a view that, when you have the highest level of expenditure in Australia and you are about 1 per cent outside the average, you have a fairly good chance of making change just with the existing turnover. If we can do that, significant funds out of existing turnover can be transferred to the industry. I thank the Opposition and note with interest its bipartisan support. As we go down the road of making significant changes and controlling authorities as we restructure the industry—with the industry's involvement—at the end of six months I look forward to saying that we have made some big changes within the industry.

With respect to the corporatisation or sale of the TAB, I have not had any advice. It is not being considered, and I do not see that on the horizon. We do not see any reason to set up a TAB core operation here. I believe we can change the existing system by corporatisation and general improvement of business practices. With the other changes that need to take place in the industry, it is my view that the South Australian operation can be very profitable and successful in its own right. Who knows, in two, five or 10 years we might have a national TAB. If we have a national TAB—and that is more likely to be linked with pay TV and interactive betting; and I am advised that that is about three to five years away—who knows what will happen.

The whole industry might change, and the concept of privatisation is a more logical agenda item when that is likely to occur. At this stage, I do not see any reason at all, and the Government does not have any view, why we should go down that road. If anything, it is the opposite. I have not had any advice in terms of franchising. I have heard many people say that it is something that needs to be looked at. The new board will be given a couple of riding rules to make it more profitable under its existing turnover, and to make the business grow. Two opportunities exist: grow and get more profit; or make the existing industry more profitable. I believe both areas are achievable.

If franchising is to be considered, it would occur in that context. I have had no advice on it and it is not on the agenda, as far as the Government is concerned. With those few comments, I commend the Bill to the House. I believe that, with the support of the Opposition and our support for its amendment, we can start to make some very rapid changes in the racing industry. It is a huge industry. It is said to be the third biggest in the State. I do not know whether that is right, but it is in the top five. The Government believes that it must receive an injection of funds. However, before that occurs, it must show clearly that it is an industry that works on the premise that it maximises profit and minimises its cost. It is simple stuff and, if all codes in the industry can clearly show that, we can move ahead quickly. I commend the Bill to the House.

Bill read a second time.

In Committee.

Clauses 1 to 3 passed.

Clause 4—'Membership of the board.'

Mr FOLEY: I move:

Page 1, after line 27—Insert subsection as follows:

(2a) At least one of the members of the board must be a man and at least one must be a woman.

The Hon. G.A. INGERSON: I support the amendment. Amendment carried; clause as amended passed.

Clause 5—‘Terms and conditions of office.’

Mr FOLEY: I refer to the length of term. Are we leaving it as exists in the current Act?

The Hon. G.A. INGERSON: The existing terms remain. This clause obviously enables the Governor at any stage, if there is a reason for removing a member, to do it within that time. I believe that the period is three years.

Clause passed.

Remaining clauses (6 and 7) and title passed.

Bill read a third time and passed.

SUPPLY BILL

Adjourned debate on second reading.

(Continued from 7 February, Page 910.)

Mr QUIRKE (Playford): It is little wonder that people in South Australia—

The ACTING SPEAKER (Mr Bass): Order! Is the honourable member the lead speaker?

Mr QUIRKE: I am, Mr Acting Speaker.

Members interjecting:

The ACTING SPEAKER: Order! I have already called on the member for Playford to speak. I do not think that I can reverse that decision. However, as the honourable member had not really started—

Mr CAUDELL: I rise on a point of order, Mr Acting Speaker. The member for Playford had started his speech. The first words had already been recorded by *Hansard*. If my memory serves me correctly, the member for Playford said, ‘It is little wonder the people of South Australia are concerned’. They were his words.

The ACTING SPEAKER: Order! I accept the point of order. I am afraid that the member for Playford had started to speak, so I have to insist that he now has the floor. I would like clarification of whether the honourable member is the lead speaker for the Opposition.

Mr QUIRKE: It is important—

The ACTING SPEAKER: Is the honourable member the lead speaker?

Mr QUIRKE: Yes, I am, Sir. It is important here in South Australia for us to have a degree of probity and a degree of integrity in our business dealings, particularly with a Government that is transparent to the community. Since the last time we debated a Supply Bill I have seen a number of developments in South Australia that I personally find distressing.

I will refer to the water contract first, so I am pleased that the Minister is here. Many people out there would wonder about some of the dealings since we last debated Supply in this place. One of the important key dealings was the water contract last year. I refer to the argument—which as I understand will one day wind up in court—about the whole business of polling, using taxpayer funds for it and calling it ‘Cabinet documents’ and then saying, ‘You can’t have it’. I bet that, if the population had not been 87 per cent against the private management and outsourcing of water in South Australia and if 60 per cent or 70 per cent of the population had said that it was a really good first-class idea, it would not have had ‘Cabinet document’ stamped on it at all. I bet that that document would have been dragged in here one afternoon at 2 p.m. and would have been used either as a ministerial statement or as part of the debate. But, let us look at where we have gone with water.

First, one of the more depressing elements of this is that we saw a tender process—it was not really a tender process; we called it something else, but everybody was under no illusions about what the whole deal was—wherein the successful tenderer happened to put in its tender four hours and 20 minutes late. The allegation running around town is that the tenderer who lodged late documents had the benefit of knowing what was in the other two bids. It will be difficult to refute that allegation, because I understand that 30 or 40 people handled those documents during that four hour and 20 minute period. Any one of those persons, who included, as I understand, a couple of very senior people, who saw the documents and then went home, could at any stage have rung through the figures in the first two bids that were there on time to the other successful bidder. I am not saying that that did happen—personally, I think it might have happened—but at the end of the day I cannot assure anyone who says to me, ‘I have heard that this happened and that it is crooked’ that it is not. I cannot guarantee the integrity of this process—and that is the point from which I started.

When I was the Chairman of the Economic and Finance Committee, the Chairman’s room in the Riverside Building contained a pile of files which I used to open and have a look at. On one occasion, I looked at \$146 million worth of consultancies. There were consultancies for everything you could think of. A few were for only \$20, \$30 or \$40, but some, of course, were for a great deal more than that. Of that \$146 million worth of consultancies, the only thing that I can tell members is that Kinhill got an honourable mention on most of the pages of most of the files. Some things never change. I have found in South Australia that, irrespective of who is elected, at what time or at what place, you can bet that Kinhill, Delfin and one or two others do very nicely out of the system.

Unlike the Leader of the Opposition, I have never had the pleasure of meeting Mr Kinnaird, but I must say that he is an immensely successful man. Once I saw the bid and once the Minister announced at 3 p.m. who got the water bid, I was surprised that the process contained a couple of elements which I thought this Minister, in particular, would not have had anything to do with. He is a big man. He certainly got over his problem with Geoff Anderson, the man who, I understand, alone, organised the \$2 million payola to the State Bank to help with interest rates. I understand he was a key player in that, that the Minister knows that and that he has forgiven him.

The Hon. J.W. Olsen interjecting:

Mr QUIRKE: The former press secretary as well.

The Hon. J.W. Olsen interjecting:

Mr QUIRKE: I think the Minister is a big man, because he certainly forgave Geoff Anderson for being party to the 1982 win by the Labor Party and, more importantly, for the 1985 and 1989 wins.

Mr Venning interjecting:

Mr QUIRKE: I do. I must say to the—

The ACTING SPEAKER: Order! The member for Culance is out of order. I presume that the member for Playford will link his remarks to the Supply debate. I remind him that there is a grievance debate following the Supply debate. I ask him to bring his remarks back to this debate.

Mr QUIRKE: Mr Acting Speaker, no doubt with the assistance of the clerk you can help me: I understand that, since the long Parliament of 1632 in Britain, the Supply debate has always allowed a wide ranging debate on the whole question. In fact, in those days it was known as

tonnage and poundage. Unless I am wrong, I believe I am allowed a free-ranging debate.

The ACTING SPEAKER: I accept that the honourable member has latitude, but this debate is accompanied by a grievance debate of 10 minutes. If the honourable member could link his remarks to the Supply Bill, it would be appropriate.

Mr QUIRKE: They are eminently linked. I believe that this Government is about practices which are not only unfortunate but in other parts of the world would possibly land you in gaol. So, at the end of the day, I think my remarks are well linked. I thank you, Mr Acting Speaker: I have my 10 minute job organised as well.

Returning to the matter of Geoff Anderson, the Minister is to be commended for getting over that. However, I was puzzled. When I heard that this was the bid that got up, I wondered what the connection was. As soon as I saw the name Kinhill, I thought, 'Here we go again.' Whatever contracts are around the place, this mob seems to do extremely well. However, I am puzzled, because when these people appeared before the SA Water committee and were asked about their curious company structure, they said, 'Of course, we set up this company that will have an overall view and will handle the contract, and then we will hand over the whole deal to the two parent companies'—one from Paris and one from London—because, after all, in the words of Mr Kinnaird, 'We know nothing about running a water supply system: nothing at all.'

In my view, this Government, knowing the importance, the size and the length of time of this contract, should have made sure that there was a lot more integrity in whatever system it wants to call it, whether it be a tender process or whatever. I do not think that anyone has any doubt that this was a tender process. If we look at some of the other things that have happened during the past 12 months, we see a Government which in many respects is in disarray. That, too, is surprising. The Government that brings this Supply Bill before the House now has 36 members in this Chamber. I do not think there has ever been a Government with a majority of the size of this one. In the Parliament of 1933, those sorts of numbers might have been present in percentage terms, but at that time there were multi-member electorates with, I think, 41 or 42 members. In 1943, it shrank to 39 members, at which it remained until 1970.

This Government overwhelmingly has the numbers, it has an overwhelming mandate, and it received an overwhelming vote at the last State election, and that should have seen a number of things translate into a solid Government performance, but what we have seen during the past 12 months is much less than that. Ministers have been dismissed from the Government largely because they did not agree with the Premier. In one instance, I think the dismissal was clearly a gross travesty. In the case of the former Minister for Housing, I have put on the record many times my appreciation of his work. Until now, I have not made any remarks about the former Minister for Primary Industries, but I want the House to know that, as the shadow Minister who worked with him on mining and energy matters in South Australia, that Minister had my absolute confidence. The two of us worked well together on a range of difficult issues. There will be other times in the House when I will have occasion to enlarge those remarks.

For whatever reason, the Government has decided that it will make war on itself. What we see in here every day, instead of a Government that is in control, is the politics of

envy and one-upmanship—a constant battle to win the 2 p.m. to 3 p.m. stakes. The Premier and the Minister for Infrastructure are seen regularly to be blueing and battling with each other, not deliberately across the Chamber but in an attempt to upstage each other. A number of members tell us all sorts of things about different proposals, some of which clearly show that there is absolutely no unity in this Government, and that is surprising given its overwhelming endorsement by the public of South Australia. The change over the past 12 months has been dramatic. Since the last time we debated the Supply Bill in this Chamber, we have seen what can be described only as scenes of absolute disarray.

I want to mention a few other things that have taken place in the past 12 months. I make quite clear that the Opposition sees as absolutely essential some of the things for which we are now voting Supply and for which we voted Supply 12 months ago. We have no argument that, for every dollar we vote for through this Supply Bill, 57¢ will go into the areas of health and education. With regard to the other moneys involved, if the interest payments are taken out, we also have no argument with those; we would support a number of lines of budget expenditure in the Bill. The sad thing is that in recent times budget cuts in this State have seen moneys taken from projects that really should not have had money taken from them, and I want to single out a couple of those. I give the following advice to the Government: we should not—and no backbench should allow this to happen—allow to be taken from the budget small miserly amounts of money that have a large impact on the community, and SSOs are probably the clearest example of that.

As I understand it, \$7 million was saved from the budget last year by cutting 250 or more SSO positions in the schools—a saving of only \$7 million out of a total budget of nearly \$5.4 billion. I make quite clear that, for most schools in my electorate, not only has that created a hardship but also it has seen the end of some of the smaller programs which never get a mention in here and which are developed at the local level. I would be much happier if we were voting in this Bill for another \$7 million to put back those SSOs. A couple of tiny schemes are involved in this. We could talk about the grand plan, but let us talk about just a few of the smaller plans. We had the SSOs.

One other plan was the curtailment of the school dental scheme so that it did not apply to students in secondary education. It so happens that the saving for that was several hundred thousands of dollars. Out of a budget of more than \$5 billion, that is just an absolute joke. It will end one of the best schemes that has ever been put in place in any State in Australia. The runs are on the board. The runs for that scheme for the past 20 years are in all the reports that have come before Parliament and in the respective dental surveys that have been done on adolescents in this State. We do not fare favourably with all the other States: we lead them. For the sake of a few hundred thousand dollars, that has gone. It involved much less than the money paid to the former head of the Health Commission, who was removed from his position because this Government came in with an ideological bent on taking people such as David Blaikie out of jobs they had held for a number of years. Given the way it did it, it cost the taxpayer probably more than the School Dental Service and one or two other smaller programs, just by whim. The School Dental Service could have been run for three or four years on what Dr Blaikie was paid.

I have two children at school, and another one will be enrolling soon. As I am happy enough with the system, I send

them to the local government school. The one who goes to the local high school was hoping that his flute lessons would continue, as that is something in which he is interested. Not any more; it has gone. The music branch has had to cut back its activities; indeed, it has only a tiny budget. But, for the first time in living memory, the music budget which provides for itinerant music teachers involved in a whole range of different disciplines has been cut back and, in many respects, effectively has been abolished. That is a great shame and, at the end of this and next year when members get invited to some of the schools, they will not see the small fledgling school orchestras. They will also not be able to go down to the Festival Centre, as I had the pleasure of doing last year, to see a collection of school orchestras from about 30 or 40 schools. South Australians will be a little sadder for not being able to see that. What is it saving? It is a few hundred thousand dollars. We are talking not about huge amounts of money but about small amounts indeed.

This Bill will go through, as we will vote for it. The Labor Party does not have a problem with voting Supply to Governments. We will always vote Supply, and we will vote Supply in the other House, as well. When this Bill goes through, it will ensure that the basic parameters of the budget will be maintained over the next 12 months. Indeed, this Bill will see the funding for the budget that came down last year and will lead into the budget this year. It is a shame that some of those things that have been supported over many years, such as the three examples I have given this afternoon, have not been continued with.

I would like to make a few remarks about the economy of South Australia. When the House resumed last week, the Premier made much about the new revised ABS figures into growth in South Australia. Indeed, in many respects, he has a reasonable case to say that the figures are much more propitious, that they are a much better set of figures than the ones we have seen for some time now. If we look at what has happened over the past five years, we see that there is no doubt that the South Australian economy has performed worse than that of the other mainland States. We have now caught up with some of the indices because we have started from a much lower base, particularly in the past couple of years. The Opposition is always happy to see—

Mr Venning: Whose fault is that?

Mr QUIRKE: I will tell the member for Custance. He might not want to interject again when I tell him whose fault that is. It is the fault of this Government, and I will tell you why: when this Government came to office, it got rid of more than 10 000 civil servants, and that showed up on the GDP figures: the gross State product figures were the lowest of those of all the States. For the benefit of the member for Custance, the answer is very easy: he and his scaly mates decided that they would push this economy down through the floor. If he wants to keep coming on that, we will go at it. During the Estimates Committees, his own Treasurer, when asked about the impact of the program of planned reductions in the public sector, said that he believed it would have a negative 1 per cent impact on gross State product alone—just that one decision.

According to the present figures, in the next 12 months we will see steady growth. I hope that is the case in South Australia. Of course, we are now moving into a national scene whereby, irrespective of the winner of the election of 2 March, over the next 12 months, will see a national slowing of the economy. The reason for that is that we have had 17 months growth. Anybody who considers that and knows

anything about the minor trade cycle would have to agree that pretty soon the slowing of economic activity will take place naturally. I would like to think that the boom and bust economy that we have always had can be cured. I have listened to politicians say, 'This the end of the boom and the bust.' I do not believe it is quite the end of it yet.

In fact, I suggest that over the next 12 months South Australia will probably do better in relative terms than it has done in the past few years. In the next 12 months there will be less of a national economic drive than has been the case for the past 17 quarters and, as a consequence, South Australia can look forward to a reasonable economy. We can look forward to a number of things happening and we may even be able to look at a lift in receipts from gaming machines with the impact of a full year of \$146 million.

I refer also to receipts associated with stamp duty. It has been endemic in our economy over about eight or nine years that stamp duty returns from real estate have been low. I expect that over the next 12 months there will be a significant lift and, as a consequence, the Opposition will be making some necessary demands for the community, in particular, the return of SSOs, the music branch and a whole range of other necessary initiatives. We will be supporting the Bill and, as I have made clear before, it has never been the Labor Party's position to use the Parliament to deny legitimate Supply.

Ms STEVENS (Elizabeth): In my contribution I will focus on my shadow portfolio responsibility of health and talk in more detail about outsourcing issues, particularly the issues raised earlier today in the House about the entry into South Australia of the giant American company Kaiser Permanente. People might ask why there is so much fuss about this or why we have got it in for an American health management company. Let me explain the position. First, the United States cannot teach us anything about delivering health services cost effectively. In the United States the cost of health care is about twice as much as it is in Australia. America spends 14 per cent of GDP on health and the percentage is rising. Australia spends about 8 per cent of GDP on health and the percentage is falling. So, there is nothing that a US health company can teach Australia about delivery costs of health care.

In addition, there is a litany of the most appalling stories about what happens to sick people, old people and people who are poor and who cannot afford the very high costs involved in the American health care system. This is not news to any of us in the House or in this State because we have heard of it. We know that the President of the United States was elected with a policy to reform the American health system, and we know he ran into huge problems involving the enormously powerful groups across America. We know that President Clinton was interested in a Medicare-type system but was thwarted absolutely in that aim by the powerful interests established in the United States. The type of health care that these organisations deliver is known elsewhere as Kentucky Fried medicine because it is like a take-away: you come in, you order and you leave. That phrase was created in England when health maintenance organisations like Kaiser moved to try to establish themselves in the British market.

Kaiser Permanente is a huge company with 1991 revenue of \$US9.83 billion and 75 000 employees. Although a non-profit company, Kaiser has revenue comparable to some of America's largest corporations such as Lockheed, Coca-Cola and Monsanto. The sum of \$US9.8 billion is the equivalent

of \$AUS13.2 billion and represents only slightly less than half of the entire South Australian economy. So, this is the size of the player that the Government is secretly meeting and giving the inside running to on health in South Australia.

I was interested in the Minister's frenetic and panic stricken responses in Question Time today, claiming that we were against the involvement of private companies and were squashing the private sector. But let us be clear about that. We need to be absolutely sure that we are open about what we are actually doing, which is where the South Australian Government is a long way short. No-one knew about Kaiser until the information leaked out from the handful of people in this State who knew about it. No-one knew until the information leaked out about a week ago. It is interesting to note that the takeover of health care systems by these large United States corporations has been on the menu across the world over the past few years. I will quote from an article in *Australian Doctor* (27 November 1992) written by Tony James, headed 'Health care systems with stars and stripes'. I will quote the article to illustrate my point:

In 10 years, US corporations will own and control all parts of the Australian health industry from which they can make a profit, according to a book by mathematician and political scientist Dr Ron Williams.

It further states:

Dr Williams calls it 'toughening' of the profession: those who can afford health care will have access to the full range of US-style over servicing; the safety net for the poor will be weaker; and doctors will be divided into the happy participants in the profits and those who are displaced from the system.

The article further states:

Dr Williams says Australia's current health care system performs well, providing high quality care at about \$1 600 per person per year. This is achieved despite the fact that the 'industry' is racked by division, political enmities and lack of cohesive goals and planning.

People have been warning about this development in other countries, for example, in Britain, and experience shows that these US corporations are certainly on the move. We have considerable concerns about Kaiser, particularly when we read of the disastrous outcomes for patients at the hands of this company. I have a huge number of examples, but I will quote just a few of them. The first is as follows:

Doctors were given bonuses to ration care. Doctors were given up to \$3 600 in bonuses to meet goals in four areas:

- hospitalisation cost,
- prescription drugs,
- membership satisfaction with access,
- and satisfaction with their personal physician.

I do not have any problem with the last two areas but I certainly have problems with the first two. The document continues:

Doctors cutting the number of days their patients stayed in the hospital received \$900. Kaiser instituted a bonus program in which doctors received a bonus for a 30 per cent reduction in hospital days (*ABC World News Tonight*, 22/11/95).

Kaiser is also encouraging doctors to get patients with some kinds of cancer like lumpectomies and mastectomies out of the hospital on the same day (*Orange County Register*, 22/12/95).

Also receiving \$900 were doctors who prescribed lower cost, older drugs such as Elavil and Norpramin as anti-depressants over the newer and more costly Prozac and Paxil. The older drugs can produce side effects like blurred vision and constipation (*Orange County Register*, 22/12/95).

A leaked copy of Southern California Kaiser Medical Group's internal three year business plan calls for 'as much as 33 per cent total reduction in costs by 1999' (*Sacramento Bee*, 25/11/95).

According to the *Orange County Register*, the results of the cuts: 'Members will drive further for specialised care, wait longer for

nursing care, and leave the hospital sooner after surgery' (*Orange County Register*, 22/12/95).

The final example—although, as I said before, there are many more—states:

Northern California Kaiser cut back the standard number of prenatal visits to nine, from 13. It also cut the standard routine on pap smears to giving one every other year as opposed to every year. The fact that 15 to 40 per cent of pap smears are incorrect underscores the need for annual tests (a gynaecological specialist, Dr Max Austin).

I have many more, but they are of the same theme. Is it any wonder that when we hear, not from the Minister in this House but through the mechanism of rumour and leaks, that this is on the agenda, any responsible person in this State would be mightily concerned? However, it is only what we could expect. What is happening and what is proposed to happen with Kaiser is all part of the plan that this Minister had for our health system from the moment he stepped into his position. I ask members to recall that in April 1994 the Chief Executive Officer of the Health Commission, Mr Ray Blight, speaking at, I think, the Regent Hotel in Sydney, said that the South Australian Health Commission was no longer in the business of providing health care. Here, we are seeing simply the logical extension of what the Government always said it would do, that is, after it was elected. Although it was not mentioned in any shape or form prior to the 1993 election, this is the secret plan.

The Government will introduce United States style managed care to South Australia by agreement, as it did last month and in meetings probably before that, with the giant United States company, Kaiser. In order to do that it will, first, provide an immediate foothold for Kaiser in South Australia. When Kaiser has established itself in those immediate areas the Brown Government will then develop with Kaiser the long-term strategic partnership to manage and export health in a scenario that is perfectly analogous to SA Water and EDS. The member for Mawson, who does not often listen too carefully, needs to refer to the transcript of the Minister's interview with Keith Conlon on 5AN yesterday when he talked about how perfectly analogous this scenario was to SA Water and EDS, and that is exactly what he said. So, in the short term, with its immediate foothold, Kaiser will take over the redevelopment and operation of the Queen Elizabeth Hospital. Earlier today I mentioned other documents in relation to this matter which state:

... to become the working prototype for virtual integrated health care delivery for the north-western region of Adelaide.

Of course, the north-western region of Adelaide is the Queen Elizabeth Hospital but it is also the Lyell McEwin Health Service and other health services. We know that the Government has already made alterations to the initial submission it presented to the Federal Government for funding for the coordinated care (Healthplus) pilot in the southern region. We know that the Government has made some changes that will enable it to bring in Kaiser. Secondly, the Government will then enable Kaiser to run the Healthplus pilot. In doing that, Kaiser positions itself. Kaiser will come in and manage Healthplus. Healthplus covers the Flinders Medical Centre and the southern region group: Flinders, Daws Road and Noarlunga. Those three hospitals and all the care services in the south have spent many months establishing themselves as a regional group. In fact, it is a perfect situation as the work has been done for Kaiser to eventually come in and take it from us.

Thirdly, through information technology, the Government will bring in the Kaiser system. We have to ask how this fits with the EDS contract, or is it the case that Kaiser and EDS will have to make some sort of arrangement between themselves? Finally, there is the long-term strategic partnership with South Australia for managing and exporting health. Today, the Minister said that Kaiser is interested in getting into Asia. Yes, Kaiser is interested in getting into Asia. I noted very carefully the words of the Minister on radio yesterday, because he talked about establishing a strategic partnership and about the nature of this partnership.

In yesterday's interview with Keith Conlon the Minister said that this partnership would allow 'utilisation of all our expertise'. This is a fairly substantial partnership. It will be a partnership that will enable Kaiser to use all our expertise. That is why it is analogous to SA Water and EDS. I was interested to hear the Minister—and I read the transcript very carefully—say that he would definitely not outsource the administration of the South Australian Health Commission. He also said he would definitely not outsource—

Mr Brokenshire interjecting:

Ms STEVENS: Listen; you might learn something. He also said that he would definitely not outsource the total management of the health system. He cannot outsource the total management of the health system to Kaiser because Healthscope already has Modbury, and other parts of the system have gone. What will happen to the Health Commission is what has happened with the EWS. There will always be a Health Commission or its equivalent, but it will be a shell. It will not be as it is now; it will be a shell. It will be reduced to a small core. We will see large portions of our health system managed—I believe by Kaiser—in order to establish a large enough base in South Australia to use as a springboard into Asia. We need to think long and hard about this. If ever we have been shocked at what this Government is doing—and we have been—this takes the cake.

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

Mr BRINDAL (Unley): If that last contribution represents Labor's light on the hill, it is no wonder that Labor in South Australia is currently looking at foundering on the rocks in the next Federal election.

Mr Cummins interjecting:

Mr BRINDAL: As the member for Norwood said, the light has well and truly gone out. I am dismayed and appalled by the contributions of Opposition members. I remember sitting on the Opposition benches and being somewhat in awe of a Government which was capable of making a contribution to the intellectual thought of South Australia. I see no such evidence from the present Opposition, and I think South Australia is the poorer for it.

Mr Foley interjecting:

Mr BRINDAL: The member for Hart asks whether I will watch television tonight. I do not need to understand that the good of South Australia is not necessarily measured by clever seven-second grabs by the member for Hart. He is exactly the sort of politician who constituted Rome at about the time of Nero. He is the type of person who would stand by fiddling while Rome was burning and say, 'But I did play a good tune, didn't I?' The member for Hart is interested in perhaps winning the next election if he can—and I doubt that he can—or the election thereafter. What happens to the people of this State in the meantime is of little consequence to the

member for Hart so long as he can make the smart positional point. That is all he is interested in. He is interested not in good government, not in constructive opposition, but in pettiness, vindictiveness and slight.

The member for Elizabeth has waxed lyrical today about some clandestine plan to privatise health. I remind the member for Elizabeth that those of us who are a little older than her, such as the member for Goyder and I, remember John Fitzgerald Kennedy saying, 'Some people look at what is and ask why; others look at what might be and ask why not.' I am tired of an Opposition which questions every dot, comma and exclamation mark on every page and has no sense of vision or purpose for South Australia. In a word, it is abysmal.

Mr Foley interjecting:

Mr BRINDAL: The member for Hart interjects that we were the most critical and carping Opposition that this State has ever seen. I am sure that every member who served in the last Parliament will stand up and proudly say that we were, because we had seven billion reasons to carp and criticise. I remember the member for Hart, as an adviser to a Minister in this place at the time, running around the corridors telling everyone that it was absolute heresy for anyone on our side to question the State Bank, SGIC or the running of any Government function in South Australia. Yet, when the previous Government fell in a heap, where was the member for Hart? He was so busy sticking on green stickers in the bowels of some building that he was not available to be seen.

Mr Foley interjecting:

Mr BRINDAL: The member for Hart says that the stickers were yellow. If he wants to describe them as yellow, that is his business. I would not ascribe that colour to him. The job of this Government and of this Supply Bill and the focus of the Premier and all his Ministers who have a reason for doing so is to get business up and running again in South Australia.

Mr De Laine interjecting:

Mr BRINDAL: The member for Price, whose contributions are often of value, comments, 'Don't play with people's health.' I assure the member for Price that I know of no member on this side of the House who wants to play with people's health. I assure him that every member on this side has listened very carefully to what the member for Elizabeth has tried to say today and that we will sift it and analyse it to see whether we can find any positive contribution that she has made.

The member for Elizabeth has said that we are going backwards because pap smears are now being done every two years in South Australia. I have checked with a number of my female colleagues, and they assure me that the recommendation is that pap smears should be done every two years in Australia. If we have a standard which is acceptable and good throughout Australia, why not? I ask the member for Price whether any member of any Party can stand up in this place and say that he or she has a definitive answer for health.

Members interjecting:

Mr BRINDAL: Sir, if you would control members opposite so I can concentrate on my speech rather than my preselection, I would be most grateful. The fact is that no Minister has been able to stand up here and say they have a definitive answer for health. Health is advancing, and inventions to remedy problems associated with our health, pharmacology, and all branches of health are exploding. It is possible to keep people alive for much longer periods, but the problem for every Government is that that comes at greater

and greater cost. One of the great debates that I am sure will be held not only in this Chamber but in every Chamber over the next decade or so is how much we can afford to keep paying for public health and whether there is a limit to any treatments.

It was wonderful in the time when a doctor's prime commitment was to the life of his patient, and the life of a patient had no cost associated with it. One of the awful things today is that it is now possible to keep people alive almost indefinitely, sometimes, though, at tremendous cost. I am not talking just about economic costs; I am talking about social costs. People are alive on life support systems because doctors basically believe it is their duty to keep them alive, in spite of the protestations of others.

Mr Clarke interjecting:

Mr BRINDAL: I really do wonder at the member for Ross Smith. He sits there and whinges, whines, carps and grizzles. The one thing you can guarantee is that he will never be bothered listening. That is one of the things that keeps him as a 1950s Labor politician. He comes in here with a few smart lines that he learnt while he was with Trades Hall; that is all he is interested in, and it is the only contribution he will ever make in here. We might as well be rid of him now because, for the next 20 years, we will hear nothing other than what we have already heard. Not a fresh idea, a new thought, or anything sensible will come out of his mouth. He will just continue to dribble, as he does now.

Mr Clarke interjecting:

Mr BRINDAL: The member for Ross Smith asks what I would do about it. I do not intend to do anything. I would hope that his electors attend to the situation in the next election or two, because, as I grew up in Ross Smith, I would hope that the member for Ross Smith was someone worth his place in this House. Quite frankly, at present I believe the honourable member occupying the seat of Ross Smith is a waste of space.

Mr Clarke interjecting:

Mr BRINDAL: The member for Ross Smith asks me to talk about what is between my ears. We do not have long enough but, if we talk about what is between his ears, I can do it very expeditiously: there is nothing to be said about what is between his ears. This Government is to be commended because it has got on with the primary job of getting the economy up and running. In this State an historic imbalance has developed, and I do not lay the blame at the feet of the previous Government—rather a succession of Governments, Liberal included. The public sector was expanded to a point where it was a burden against those who produced wealth. In any society there must be a balance between those who produce wealth and those who are service providers. No other service is a better example than the education sector—

Mr Clarke interjecting:

Mr BRINDAL: Sir, as you will not attend to the member for Ross Smith, I will: wait until he speaks and see whether he gets the same protection as is accorded to him now.

Mr CLARKE: I rise on a point of order, Sir. That remark is a reflection on the Chair. I would take gross affront if I were you, Sir, and demand that he retract that statement forthwith.

The ACTING SPEAKER: There is no point of order. The Chair can capably look after itself.

Mr BRINDAL: There will be a reflection on the Chair when no-one is capable of controlling the member for Ross

Smith, including the member for Ross Smith—the most undisciplined rabble I have ever seen.

The ACTING SPEAKER: I ask the honourable member to return to the subject at hand.

Mr BRINDAL: I would love to, and for the past 20 minutes I have been trying to, despite the member for Ross Smith's—

Mr Clarke interjecting:

The ACTING SPEAKER: Order!

Mr Clarke interjecting:

Mr BRINDAL: That is a title that the member for Ross Smith will never enjoy. This Government has set out to create the right balance between those who generate wealth and those who are service providers. Earlier, I started to speak about education as a good example, because the education sector can be a wealth generator. In so far as education develops the intellectual capacity of our children to go on and invent, build and create, education is a wealth generator. In so far as education involves bringing in full fee paying overseas students, it can be a wealth generator. However, in so far as education is used merely to hide unemployment figures and keep children at school for another two years, or in so far as it is used as a child-minding service because two parents are forced to work, it is a service provider.

It is not easy in any sector, whether it be education or health, to divide the two provisions: the service provision and the wealth provision. Nevertheless, it is important to try because we must have a society in which the Government can exercise its lawful right to tax the people and, in taxing the people, provide adequate services. The historic lesson in South Australia, as I said, from Labor and Liberal Governments, is that we have let the service provision sector of this State get out of kilter. Sooner or later it had to be pulled back, and I would say to the member for Price that there were indications that his Government was doing just that; it may not have liked doing it, but it needed to be done. This Government is doing the same.

The member for Price might say to us that we are doing too much too quickly. I would say to him that that is something we should take on board. But whether too much is being done too quickly, and whether it needs to be done, are slightly different questions and we must honestly answer both of them. Similarly, we must give credit to this Government for the good initiatives it has taken. In my own electorate, over the next two years, Motorola is about to provide 400 jobs. That is 400 jobs that were not there—400 jobs that are not paid for by the Government but will be taxed by the Government to provide, hopefully, in the longer term, more SSOs and other sorts of services.

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

Mr FOLEY (Hart): I wish to reflect on the Government's handling of the water contract. Some significant events occurred prior to Christmas in the lead up to the final signing of the contract, namely, the extraordinary revelation in the parliamentary select committee initially that the United Water tender was in one hour late. It was later clarified by United Water and, I understand, by the Minister's office that that delay was some 4½ hours. Again, the select committee is becoming a very necessary and vital tool as the Opposition time after time uncovers further Government bungling of this contract.

As I have said in a number of speeches publicly on this issue, regardless of the philosophy, we happen to disagree.

This Opposition says 'No' to the outsourcing of water but the Government says it will do it. If we are wrong and you are right, the least you can do is get the process right; at least you can get the fundamental negotiations correct; at least you can handle it with a level of competency, management expertise and skill that will at least bring off as best you can a good contract as far as you see it for South Australia. Clearly, you could not. Time and again we see, as the select committee does excellent work, revelation after revelation of Government untruths in this Parliament and continual misinformation, and from time to time the bombshell issue that perhaps even the Government itself or the Minister was not fully aware of. One issue in particular that I want to concentrate on tonight is the tender being put in 4½ hours late.

Mr MEIER: On a point of order, Mr Deputy Speaker, whilst I realise that the honourable member has been going for only two minutes and might link up his remarks, I fail to see how the subject matter deals with the Supply Bill, which is what this debate is about.

Mr Foley: Sit down, you goose.

Mr MEIER: I ask for an apology from the honourable member. The honourable member should be aware that the 20 minute speech is to do with Supply. I ask for an apology from the honourable member.

Mr Foley interjecting:

The DEPUTY SPEAKER: Order! Both members will resume their seat. If the member for Goyder takes a point of order, he should make it quickly and sit down. The member for Hart need not anticipate the ruling of the Chair. The Chair was disadvantaged by my coming in only about one minute ago and being asked by the Speaker to relieve, which I am happy to do, but as a result I find it difficult to make an appropriate ruling following the point of order by the member for Goyder. I ask the member for Hart not to introduce too much extraneous matter to the debate and I will listen carefully to what he will say.

Mr FOLEY: Again, it is a delaying tactic by the Government as I am talking about the Government's mishandling and bungling of the most appallingly handled Government contract to date. That is relevant to the Supply debate: it is as relevant as any other issue that members on both sides of the Chamber raise in any Supply debate. The least said the better about the member for Goyder.

It was revealed in a select committee hearing that the United Water bid was delivered some 4½ hours late. Upon hearing that information, the Opposition thought it necessary to write to the Auditor-General requesting his immediate investigation. I met the Auditor-General on that Friday evening when the revelation was made. I had a long discussion with Ken MacPherson. I do not want to give away the nature of that discussion except to say that he was sufficiently concerned about the information presented to the select committee. He told me that that night he instituted an immediate investigation. I understand that officers of the Auditor-General's office contacted SA Water that very evening and had detailed discussions with SA Water during the course of the following day. The Auditor-General's inquiry is either still under way or has recently been completed, and the Auditor-General will bring down his finding at a time that suits him.

By quick action, not just by the Opposition but through general outrage by the media, the Government was forced into some form of damage control. Initially, it had the silly notion of having the Premier say that John Olsen would

inquire into John Olsen—that was ridiculously silly in terms of having any credibility at all—and we then had misinformation from the Premier who said that he had heard that the other two tenderers had been told when in fact that was not the case.

The long and the short of it is that the Solicitor-General was brought in to inquire. The Solicitor-General looked into the matter and prepared a report. The Auditor-General will consider that report in the context of his inquiries, but the Solicitor-General was asked to advise the Government only on whether the events of 4 October (the 4½ hour delay) would prevent the Government from executing its contract. The apparent inconsistencies that can be found between the facts presented by the Solicitor-General and his conclusions are owed to this fact, because the Auditor-General was not necessarily asked to comment or provide his views on the process: he was asked to say whether the Government was prevented from executing its contract with United Water.

The Solicitor-General concluded in his report that, since United Water International, '... having a better prospect than the unsuccessful bidders [North West Water and Lyonnaise], have successfully taken proceedings against SA Water, the Government should sign'. Elsewhere in his report, he states:

The Government may well have legal obligations to the preferred bidder which would be breached if the Government determined not to proceed.

This was not an issue of morals or of what was fair or right in terms of the Government's or this State's reputation: this was legal advice from the Solicitor-General, who said, 'If you don't sign with United Water, they will sue the pants off you, and you will be hit by a bigger legal bill from United Water than might be the case should the other two tenderers choose to take legal action.' That in itself was—

Mr MEIER: Mr Deputy Speaker, I rise on a point of order. I have listened for a further three minutes or so and I do not believe that the honourable member is relating his remarks to the Supply Bill. The honourable member would be aware that he must debate the Supply Bill.

The DEPUTY SPEAKER: The member for Hart is very loosely referring to the finances of this State in so far as prosecutions that might ensue, but the member for Goyder has a point of order in that the wide ranging debate is generally conducted during the 10 minute grievances which follow, and the 20 minute speeches generally are more specifically related to the financial matters of this State.

Mr FOLEY: Thank you, Sir. I will continue my speech. I respect your ruling, Sir. What I am saying is very much about the finances of this State, because the SA Water Corporation contributed to the Government in last year's budget a dividend of \$60 million. There is financial exposure to the State from these negotiations and this contract. This is very much about the Supply of the State.

An honourable member interjecting:

Mr FOLEY: Thank you. I understand why the Government does not want to hear this, but I must say that, if the Government was so sensitive about what I have to say about water, it could at least pay me the courtesy of sending after me someone a bit more potent than the member for Goyder. After two years, I thought I could at least have the member for MacKillop come after me with a savaging. Do not demean me by having the non-achieving member for Goyder put upon me.

The Auditor-General, when he came before the select committee on 18 December, said that the irregularities in the tendering would have been such as to have required the

process to be restarted, if it had been a tendering process. He was saying that, because the Government changed the nature of the negotiations from a tendering process to a request for proposal, there was a legal loophole that allowed the Government to get out of it. However, he did say that, had it still been a tender, the whole thing would have been scrapped; in fact, his words were that it would have been cataclysmic for the State, and with that it would have become a significant financial liability upon this State which would have directly affected Supply.

I will quickly recap the events. United Water's bid was accepted at 9.20 p.m. on 4 October—four hours and 20 minutes late. Nevertheless, on 26 September, bidders had been told in writing that no bids would be accepted after 5 p.m., and that was signed by the present Chief Executive Officer, Ted Phipps. The greatest variation between earlier submissions and the final bids was on the part of United Water International, the successful tenderer. The difference in this bid was substantial. United Water International's submission reduced its operation and management price to just below the then front-runner North West Water and increased its economic development commitment to an amount slightly higher than that of North West Water, and that was by a massive \$255 million which we understand was repatriated profits and management fees.

I cast no aspersion on United Water's bid except to say that getting the probity right, so that there could be no accusations or allegations was so very vital. Even the Attorney-General said, in a press conference, that you can never rule out. There is no way that the Government can rule out that some information was not given to United Water. I do not think that occurred, but I have to say that the process was less than perfect. From a Government that was all about probity, confidentiality and the ability to manage these contracts, that was an extraordinary failure that could have exposed and still may expose the State to significant financial risk.

During the period of lodgment of the other two companies' bids at 5 p.m. and the late lodgment of United Water's bid at 9.20, the submissions of both those companies, that of North West Water and SA Water Services, were photocopied and distributed, including to six unauthorised persons, and those copies had to be retrieved. Other bidders were not informed that one of the bids would be late. The Solicitor-General said:

It would have been desirable for the other proponents should [sic] have been informed of what occurred; and I think it was an error to have distributed any of the submissions until all had been received.

A basic principle of business management would say that the very least the Government should have done on receiving United Water's bid late—first, when it was advised of that—would be to notify the other two companies and extend that courtesy to them—extend the closing time to midnight, if need be. But it did not do that. It could have locked the submissions and allowed North West Water and Lyonnaise to have their representatives present with those bids, with SA Water officials in a secure room until the other bidder arrived, so that there was proper security; but, of course, we know that did not happen. Notwithstanding that, the week after, the Premier came out and said, 'Well, I've been told that the other two companies had been told.' The whole communication flow between SA Water, the Minister, the Premier, the Cabinet subcommittee and the Cabinet itself was less than satisfactory.

Agreed procedures requiring bar coding of bid documents were waived. To quote the Solicitor-General, the acting security manager was not happy with this change. The probity auditor went home for the evening at 6 p.m. Fancy that! You pay a private sector probity auditor from Deloitte Tohmatsu to make sure this all goes right, and he slips home at 6 o'clock. He knocks off—'Sorry, I have to go home; tea's on the table.' That is extraordinary, given that the other bid did not arrive for 3½ hours after he went home.

Of course, in the view of the Solicitor-General this was 'unfortunate'. The videotape monitoring security in the bid room ran out at 6.30 p.m. and was not replaced. They had the security room; they had video cameras for the whole bid process from day one right up until that fateful day, 4 October. They had video machines so that they could trace who was coming in and out of the room. The videotape ran out at 6.30 p.m. on the most important date and nobody thought to replace it. Come on, how Mickey Mouse are you going to be? Fair dinkum, it was extraordinary.

That was bad enough, but there was more. The electronic key system security could be overcome, to quote the Solicitor-General, 'if a person with a key deliberately escorted a non-authorised person through the secure doors'. To make it even more of a farce from the Government's perspective, the bid manager, the contract manager for SA Water, Mr Jim Killick, left the building for dinner and did not return until after the United Water bid had arrived. As Mr Malcolm Kinnaird told the Opposition recently, in his words that was 'Loony Tunes'.

Honestly, regardless of the issue at hand, whether or not we should outsource our water—that in itself is a significant issue and the Opposition is well documented in its total outright opposition to it—the least the Government could have done was to ensure that the management of the critical contract process at the critical time of lodgment of those documents was correct. It did not: it absolutely dropped the ball. For all time there will be a question mark over what happened in that 4½. Was it a coincidence? Probably. But it can never be more than 'probably' that the bid of United Water bid was adjusted to be just a little cheaper than the bid of North West Water, and its economic development package adjusted to be a little better than the package of North West Water.

In all probability, that was coincidence but, as the Attorney-General (Hon. Trevor Griffin) has said in another place, you can never ever rule out that information was not passed on to United Water. To be honest, United Water deserves better. In fairness to United Water, they rang the Government at 9.20 in the morning; they said they were going to be late. They flagged to the Government that they were going to be late. In fairness to United Water, they deserved better. The Government should have notified the other two tendering companies. It should have extended the deadline to perhaps midnight, or whatever, or taken other procedures to ensure that there could be no question mark over the process.

This is the largest contract of its type let anywhere in the world this year. This Government has made an absolute mockery of the process. The fact is that our international reputation has been damaged. I speak regularly with other companies involved and other companies outside of this narrow contract that are very concerned about this Government's ability to manage major contracts. It is no good for this Government to keep coming into the House stating that it is so good at business management that it can be the

competent solid Government that we need to run this State, when time after time it is found wanting in its ability to manage these contracts. EDS is another issue for another day: we have had plenty examples of that.

The Minister for Infrastructure—who many people say is the best Minister in this Government—at the most critical time took his eye off the ball. I have to now ensure that the Minister that I shadow does have his eye on the ball with this contract, because at the most critical time the Minister, his Chief Executive Officer and other senior officers of SA Water simply did not have the process correct. At the most critical time they took their eyes off the ball.

I do not know what is in the contract: I cannot see it. They will not show it to the Opposition. So, we have only to hope that the comedy of errors that occurred in the lodgment of bids has not permeated the entire contract because, if it has, up to \$1.5 billion is at risk and that, for the member for Goyder, affects Supply for this State, not just for this Government in this Parliament but for many years to come.

I want to conclude by saying that the Opposition will pursue this water issue all the way to the next election: of that you can be assured. When we take over government the first meeting I will have will be with SA Water and the Attorney-General's office to find out how we get out of that contract, because it is a bad contract for South Australia.

Mr VENNING (Custance): I want to speak tonight on the South Australian and national economy. As members would realise, I was absent from this place last week attending the National Outlook Conference put on by ABARE in Canberra. Approximately 1 400 people attended this conference, which was possibly one of the best I have attended.

Mr FOLEY: On a point of order, I would like to ask the relevance of the Canberra Outlook Conference to Supply, consistent with the point of order taken by the member for Goyder against me.

The SPEAKER: I am sure that the member for Custance, who has spoken for only about 15 seconds, will relate his findings directly to South Australian affairs.

Mr VENNING: I did preface my comments by referring to the Australian and South Australian economy, which this Supply Bill is all about. Other comments were about tactics and politics, but this is at least about money and about the economy of Australia, of which South Australia is a critical part. The member for Hart is being a bit pedantic: I hope that he will listen and learn something from what I have to say.

I attended the conference with 1 400 other people, and it was one of the best ever, because the outlook generally was very bright. There is a general feeling of great optimism across the gamut of Australian industry, with rain and higher prices over most of Australia, although not all. It was still dry in Queensland, in parts of the Northern Territory and in the South-East of South Australia. We now see most of our industries either completely deregulated or heading that way, and the days of the statutory boards and stabilised prices are all but gone. Whether that is good or bad is open to debate. I have some concern about that, and I always have had. It works very well when the supply and demand is in Australia's favour, but in times of glut I am concerned about what could happen. But we will get to that, because we always run in cycles.

Landcare was a topic of much discussion this year. With everything we discussed at the conference this year, Landcare was a recurrent theme, because it is now a very important

issue. We did not hear about it 10 years ago, but today it is very prominent and is now a vital part of the rural ethic. No modern environment policy can exclude farmers who now, as you would know, Sir, manage 60 per cent of our land resources. We have environment problems such as that of the Murray Darling environment. Six thousand farmers will be getting funding of up to \$10 000 each through the current Labor Government, as stated by Minister Bob Collins, under the planned rural restructuring, including interest rate subsidies.

I want to pay tribute to the Minister, Bob Collins, with whom we had quite a time and who sends his regards to the previous Minister for Primary Industries here. The cooperation these two gentlemen had is worthy of note. The two men got on very well, and it showed, and Minister Bob Collins (all politics aside) was quite sad to see the demise of his friend, the member for MacKillop.

Agrifood is Australia's largest industry, worth \$486 billion, and our exports will rise by 27 per cent by the year 2000. We must watch quality, because there is always a tendency to let the quality drop when the demand is there. We have to watch that quality, especially having regard to the additional money and resources provided. We also have to do more work on our market access and keep at it. We must never stop. We must always be vigilant in watching what is happening. We must never take the easy way out. Minister Bob Collins said very adequately that all Governments will have to maintain viable farm families and viable rural communities. That was the underlying tone of the conference.

It appears that \$35 million has been targeted through property management seminars. Such seminars will take place in South Australia in the next couple of weeks. It is all about making sure that the management of Australian and South Australian farming businesses keeps up to modern standards. South Australian farmers had a very good harvest last year. It is important to make sure that they spend their money wisely by not blowing it all on new tractors, plant and machinery. They must be urged to pause and consider the management and future of their farms.

World growth is expected to be 3 per cent next year. World commodity prices have been improving since late 1993. The Australian dollar is assumed to appreciate but it will stay at an average of about US75¢. Hopefully, the dollar will remain at that level; but if it gets up around US80¢ it will cause export problems and all our forecasts will have to be recalculated. Interest rates are vital and are expected to be at around 6 per cent by the year 2000. Interest rates govern our economies. Rural export prices are expected to fall after the very bullish export prices of today. They are expected to fall because they are at high levels. Export prices will fall steadily during 1996, 1997 and 1998 but will then lift towards the year 2000 purely because demand will outstrip supply. So, anything could happen in 2000. Our exports will be up 18 per cent in 1995. Coal will be up 25 per cent and iron ore will be up 7 per cent.

Minerals such as coal, gold, iron ore and aluminium are our chief export earners. There is huge optimism for the future expansion of these products. I wish that South Australia was up there with the other States in terms of mineral production. We have made tremendous strides but, in respect of the total mineral exports from Australia, South Australia does not rank highly. However, Roxby Downs is making up some lost ground. There are massive amounts of product worth a lot of money leaving our shores, and that is great for the Australian economy. In discussing the issue of

Supply, it is vital to realise that our economy is dependent on industries such as these. Whatever we discuss in this place, these prices affect everything we do.

Trade will come to the rescue of a faltering Australian economy. Unemployment will be pulled down from 10.5 to 8.5 per cent but is expected to be up again next Thursday. When I say 'pulled' it is important to recognise that these figures have been pulled down deliberately for the 2 March election. I am sure that after that day we will get back to a true level somewhere in the upper 9 per cent region. Car sales are declining and stock accumulation in 1995 added to growth. The stock cycle will be down in 1996. This is why there are so many bargains in our shops in the white goods area, because there is a lot of stock holding. As these stock holdings are down, it will affect the economy this year.

Business confidence is not very high at the moment, particularly with the Federal election looming. Right across Australia people are being cautious, but we are told that the productivity of casinos, mining projects and shopping centres will ensure that growth continues. We will probably have an induced mini-depression just before the Olympics in Sydney. So, we will have a soft landing, and the economy will be on a very even kilter for that period.

The long-term projection for Australian growth is 3.4 per cent per annum compared with China at 9.5 per cent, New Zealand at 3.3 per cent (that is surprising because I thought it would be higher), Malaysia 8 per cent, Singapore 7.1 per cent, Indonesia 7 per cent and India 6.5 per cent. Regarding the international outlook, the G7 business cycle has been the lowest in 25 years because overseas economies are having financial difficulties, particularly Japan and Germany. In the United States there was a slow down in the second quarter of 1995, and in Japan there was the collapse of the bubble economy in 1990, which still affects us, but it is improving. In Europe, activity in Germany is stagnant and unemployment is a big problem. The fiscal retraction is of great concern. Asia is the shining light. Thank goodness, it is on our back doorstep. In Asia we have solid economic growth. It is the world's most positive outlook, and our best outlook is with Asia.

Interest rates are controlling economic activity. In the United States interest rates are at 6.5 per cent and in Germany 4 per cent. That is expected to fall to a low of 2.5 per cent, which will be the lowest ever interest rate in that country. Inflation rates in the United States are between 2.5 per cent and 3 per cent and in Germany they are below 2 per cent. The rate in Australia of between 3 per cent and 5 per cent thus gives us a little cause for concern.

Capital is more mobile now. The main point in relation to inflation is lower interest rates. In summary, there are lower interest rates, inventory corrections, modest economic recovery, commodity prices up and the gold speculation is favourable, but do not plan on prices staying up. If the Australian dollar gets to US80¢ and there are high gold prices, predictions will have to be moderated.

I now turn to the expectation regarding wool, which has been in decline. The drought affected production in 1994-95, which was down 40 per cent. We are down to 120 million sheep, the lowest number since 1954 and a third of the number in 1990. When South Australian sheep numbers are down like this, we should appreciate that it affects not only the economy of the State but Supply. I tie in my remarks in that way.

The DEPUTY SPEAKER: Very loosely, I remind the member for Culance.

Mr VENNING: Yes, you are right, Sir. The three most important factors to get us out of this difficulty are research and development, marketing and promotion. The prospect for wool is for the market to firm and for the current poor prices gradually to improve over the next two years. The demand trend saw 840 cents per kilo clean in March 1995, it fell to 700 cents in the past two months and it is now down to 600 cents per kilo clean. It is very much down and of great concern.

Pipeline stocks should fall and demand should gradually increase. The growth of wool demand in Asia, India, China, Japan, Indonesia, Vietnam and Malaysia is increasing. Again, this is where our future lies. All our markets are lifting as their economies improve. Thailand and Pakistan are emerging markets. We need to promote the qualities of wool—I am wearing wool tonight—which is light and cool.

Mr Buckby: And very nice you look, too.

Mr VENNING: Yes. It's not bad, is it? It's Fletcher Jones, made in Australia from pure new cool wool. Asia is now using 40 per cent of our apparel wool market—a figure we did not know about three or four years ago. It is in front of Europe on 31 per cent and America on a paltry 7 per cent. Certainly the market has changed.

I turn now to minerals and energy—the sector where the money is. Some 35 per cent of total export earnings from Australia come from minerals, and that will increase by 15 per cent this year. Asian countries require large amounts of minerals and energy as their economies grow, particularly China and Korea. About 85 per cent of all new steel making will be in China. That is a staggering figure. Australian exploration has increased by 10 per cent each year over the past three years.

Coal, gold and aluminium are all very strong, and the sector forecasts are very positive. The only concerns are the resource access, particularly concerning indigenous Australians, and also the environmental trade restrictions. On a global basis, in minerals and energy, South America rates 26 per cent of the total; Australia, 21; and the US, 16; so, on a global basis we are bigger than the US in exporting minerals. We have to look out for the South Americans, because they have increased their expenditures by 200 per cent in the past three years. They will certainly bring the economy out of the gloom and will be a fierce competitor in many areas on the world market, particularly in minerals and beef as they get out of the problem they had with foot and mouth and get a clean bill of health.

I turn now to food grains. Food grain exports are up by 80 per cent, which is \$3 billion by value. We have had the best season for many years in Australia; although the Queensland crop was down, it was the best in South Australia, Victoria, Western Australia and part of New South Wales. The forecast price for next year is \$A197 FOB, which is a fall of approximately \$40 from its present price. Those who are experienced in the futures market would be well advised to look at futures or put options, because the market is very favourable for that. I am sure that those out there listening or looking at the market will be considering that—and so they should be. Malting barley will fall by about \$42 a tonne. Supply will rule the price, but the world grain stocks are low. This is of great concern: only 19 per cent of stocks are held across the world. Realising that 100 per cent is required for a full year, 19 per cent is dangerously low. That is of great concern.

Development in Asia will eventually outstrip supply by the year 2000, and prices will therefore rise. We need two good years to replenish the world's stocks. The Texas crop,

which is being planted right now, could be a problem. If the weather does not improve, the planting will not be successful and this could cut down wheat production in the world substantially. Our prices could do anything if that happens, so we are watching very carefully. Trevor Flugge from the AWB told the conference that the payment for quality and demand has greatly helped Australia in the world market. We have been paying our growers for what they produce rather than on habit farming. Being market driven has now placed us very well in the world market. Our single desk selling will come under pressure: we have many international detractors in this area. In 1995-96 between 12 million and 12.5 million tonnes will be exported. The forecast growing market is for instant noodles. We used to say that Australia rode on the sheep's back: now we could almost say that we will have a noodle-led recovery.

An honourable member interjecting:

Mr VENNING: Members might laugh about it, but our white noodles are most successful. The Asians love them and they are a great value-added product. Barley is similar to wheat, and feed barley is very good and is improving. As for beef and sheep meat, beef is a concern, because the South Americans are now coming onto the world market and we will be battling against their export market, while sheep meats stay stable.

Finally, I want to discuss the glamour industry of Australia: wine grapes. It is a fantastic product: we are the world's best and we are maintaining that position, although we had a drop of 7 per cent in production last year because of drought. But, the income rose by 8 per cent to over \$400 million. Our wine industry is the most focused in Australia and, indeed, the world. We need to promote more of our product's logo, showing 'Made in Australia'. Our industry is an international success story. As you would know, Sir, the 1990 Grange made by Max Schubert—

Mr Clarke: The member for Schubert!

Mr VENNING: The Deputy Leader picks up the comparison very well: I am very proud of the late gentleman and I hope to be the member for the electorate bearing his name—Schubert. This wine—the 1990 Grange—is judged the best in the world. We have had successes with all other grades in judging all over the world. The outlook is very favourable.

Great concern was expressed because a lot of money is being spent and the return on investment is not very high. I could not understand the international speaker's concern because so much money has been spent on vineyards and, of course, that return will not come to light for two to three years. I could not quite understand that line of reasoning. Certainly, there is concern that so much money has been spent on vineyards and not enough on processing, in which case we will probably have too many grapes that we cannot process. We also have a problem with the environment and trade.

We are worried that environment matters will be used to prop up or exclude us from markets and, instead of tariffs, we will see environment orders requested through GATT. That is an ongoing concern and one which consumed a large amount of time at the conference. We all agree that the environment is important, but we do not want to see it used as a trade tool. The conference was very positive and, over the next 12 months, I look forward to the economy of South Australia booming along with the rest of the nation.

Mr CLARKE (Deputy Leader of the Opposition): I did not realise that the debate would finish so soon. However, I am prepared to fill the breach at relatively short notice.

Members interjecting:

Mr CLARKE: I can understand the chagrin of some members opposite, because they will have to listen to me for the full 20 minutes, and I intend to use—

The SPEAKER: Order! The Chair will ensure that the Deputy Leader relates his remarks to the matter before the Chair.

Mr CLARKE: As always, Sir, I will address my remarks to the subject matter. Included in the Supply items are matters relating to the Department of Housing and Urban Development, and of particular interest to my constituents in Ross Smith is the planned establishment of the Collex waste treatment plant at Kilburn, situated on the former site of British Tube Mills. What concerns me, particularly with respect to the Department of Housing and Urban Development, is an answer to a question given by the new Minister for that department only a few days ago.

I specifically asked the Minister whether or not he would rule out the use of section 24 of the Development Act to override the council's wishes and, in fact, override any decision of the Supreme Court that the Enfield council and the residents might win with respect to the opposition they have to the establishment of that waste treatment plant. The Minister, in his first answer to a question directed to him by the Opposition, immediately sought assistance from the Minister for Infrastructure—and the rest of his title which, no doubt, will include 'Premier' at some time before the end of this present term of Government.

In any event, the new Minister for Housing, Urban Development and Local Government Relations said that the Government would allow the matter before the Supreme Court to take its natural course. The Minister's answer did not rule out intervention by this Government to allow the establishment of this waste treatment plant, despite the unanimous opposition of the Enfield council and the total opposition of the local residents. We have this hypocritical situation where the Federal Liberal member for Adelaide is happy to parade herself before the electorate of Adelaide, abusing Laurie Brereton and Australian National with respect to the clean up of the Islington railway workshops.

Let us remember that, over 50 years, State Governments, Liberal and Labor, have dumped waste in the vacant land at the Islington railway workshops. Thereafter, from 1975, it became AN's responsibility. The Federal Labor Government has committed \$5 million to the clean up of that site by burying the dump, despite the prevarication of the Minister for the Environment and Natural Resources own department, the Environmental Protection Authority. The EPA has been very slack on the job. Contrary to what the Minister for the Environment and Natural Resources had to say last week, the EPA has been extremely slack with respect to this matter. I was involved in some of the discussions when it played footy with Australian National in allowing just a three foot surface of dirt to be thrown over the top of the mound. That was going to satisfy the EPA only a matter of a few months ago.

The Federal member for Adelaide, Trish Worth, was very happy to go into bat and to kick Laurie Brereton and Australian National—and, I might add, I was quite happy to kick Australian National as well, because its conduct in this whole matter was disgraceful, and I have said so publicly and to the Minister. Finally, the Minister acted. One of the big

problems with AN was that, as AN was a statutory authority at arms length removed from the Minister of the day, the Minister did not have day-to-day control over it, and that is a very sad state of affairs. We learnt our lesson with respect to the State Bank in that regard.

I was told by the Minister for Infrastructure over 12 months ago that this Brown Government wants to be able to hold out a shingle to say it is a pro development, pro business Government, and it is prepared to override the Enfield City Council and the residents of Enfield to set up this waste treatment plant at the former British Tube Mills site on Churchill Road, Kilburn. It does not matter how many times the Enfield council wins its battle in the Supreme Court, the fact is the Minister for Infrastructure and the member for Morphet, when he was the Minister for Housing, Urban Development and Local Government Relations, had intimated to the council and to me that they would override the wishes of the council and any findings of the Supreme Court, exercise these powers pursuant to section 24 and set up this waste treatment plant—no matter how noxious the odours might be or how offensive it is to the residents of that district.

Of course, it would not bother the member for Kavel, because all his constituents live in nice leafy suburbs or hillside communities such as Lobethal and the like. Nor would it bother the Minister for the Environment and Natural Resources, with all his constituents living in the Adelaide Hills. For that matter, and more importantly in many respects, it does not bother the Federal Liberal member for Adelaide, who lives at Netherby, near Springfield, a hell of a long way from the noxious odours that the residents of Kilburn would have to endure if the Collex waste treatment plant was established.

But what have we heard from the Federal Liberal member for Adelaide with respect to this matter? Not a word; not a letter of protest; not a public comment in support of her constituents in Kilburn. Yet she wants to portray herself as a heroine, a defender of the constituents in Kilburn and in my electorate of Ross Smith. It is rank hypocrisy. Now that it has become an issue in the Federal election campaign, she is running around seeking appointments with the Minister for Infrastructure, and she will be able to say that the Minister has issued some pleasing words like, 'It's an open book; we will look at it; our minds are not made up.' That is, of course, until after midnight on 2 March, at the conclusion of the Federal election, and then it will be hell for leather.

Do members know how many jobs this creates? It creates six jobs. There is not even a net gain of six jobs, yet it will allow the opportunity for offensive noxious odours to invade the residential space of thousands of my constituents. The Federal member for Adelaide could not care twopence about that issue. She has not raised that issue whatsoever. She has not used her influence within the councils of the Liberal Party one iota. She is brave enough to beat the air when it comes to Laurie Brereton and Australian National, no matter how tardy Laurie Brereton and Australian National might have been, and it is more Australian National than Laurie Brereton—

The Hon. D.C. Wotton interjecting:

Mr CLARKE: At least we committed \$5 million at the Federal level to clean it up. I might add, with respect to the State Government's attitude on the Islington railway workshops and the land there, it is appalling, because it does not accept any responsibility for that area, and tries to shovel all the blame onto the Federal Labor Government. Is it not convenient?

But here is something fairly and squarely within the powers of the State Government. It says to Collex, 'We do not want your waste treatment plant in a residential area. We would not tolerate it being established in Burnside, Crafrers, Stirling or, dare I say, in the Federal Liberal member's own backyard of Netherby. No, we could never have a noxious smelling plant in the suburb of Netherby where the Federal Liberal member for Adelaide lives. That would be too appalling for the 80 per cent of the toffs who live in that area and who vote for the Liberal Party. But, by all means, stick it in Kilburn, because they do not care. They have had to put up with the smells from the abattoirs, Master Butchers, Jeffries Garden Centre and Inghams chicken factories to the extent that children from the schools in that area have had to be released from school because of the absolutely foul smelling odours that invade those areas on regular occasions during the year. Let us stick another noxious factory in that area.'

Mr D.S. Baker interjecting:

Mr CLARKE: Well may the member for MacKillop interject given that pollution free environment in which his constituents live and enjoy—except, of course, we might not have the forests there for much longer, but we will deal with that a little later. The Federal Liberal member for Adelaide is the absolute rank hypocrite in this whole area. She has shown absolutely no interest in the people of Kilburn, and indeed the Federal Labor Government, with Laurie Brereton, has come up with a solution with respect to the Islington railway workshop area. That has been fixed—better late than never—and Australian National can be held largely to blame for the stupidity with which it handled that matter. It has been dealt with finally, but we have a Liberal Government in South Australia intent on polluting the local environs of Kilburn, and it does not care about it.

It will hide it until after the Federal election to try to help the absentee Liberal member for Adelaide in her forthcoming election debut by offering soothing words but no commitments until after the Federal election. We will see exactly what kind of a local Federal member we have in Adelaide, because I challenge the Liberal member for Adelaide to come out publicly and say that the actions of the Brown Government in this area are totally abhorrent and totally contrary to what the residents and the City of Enfield want. She should stand up for the residents in that area and publicly condemn the Brown Government, calling upon the member for Wright, the Minister for Housing, Urban Development and Local Government Relations, to refrain from exercising his powers under section 24 of the Development Act to override the wishes of the City of Enfield and of the residents. The Federal Liberal member for Adelaide will not do it. She will duck and she will prevaricate to try to hang onto her seat, but her heart and her commitment is with the people she lives with in Netherby—near Springfield—not with the people of Kilburn, and I trust that that will be recognised at the Federal election on 2 March.

The other matter I raise in relation to the Supply Bill is the issue of our State forests. I remember asking the Premier on 30 November last year quite a simple question: 'Do you intend to flog off our State forests?' His answer was 'No.' He did not qualify it and tried to ridicule me with respect to that question. As we have found out through documents that have come into the possession of the Opposition and through questioning of the relevant Ministers over the past week, that was exactly the intention of the Premier. It is an appalling position when the Premier has to obtain advice from a Crown

Solicitor regarding whether or not he has lied or misled the Parliament on that issue. If a man, a woman or a member of Parliament cannot work out for themselves whether or not they have told a lie and has to go out and ask a third party to please tell them whether they have lied, we are in a pretty sick state. Perhaps we should have Trevor Olsson from the Supreme Court come down and arbitrate on that matter since he is used to dealing with the Premier under cross-examination and under oath on these matters.

However, we have seen the fallout with respect to the State forests issue and the reconfiguration of the Government's front bench. The member for Hanson is in hot pursuit of the member for Morphett, to take over his Liberal Party preselection for that seat. It is an extraordinary thing, and I know that our preselected candidate for Hanson relishes it. We are two years out from a State election, yet the member for Hanson has effectively resigned his marginal seat—he wants to give it away—by basically handing it over to Mark Butler, our candidate in Hanson and the member in waiting. The present member has tried to jump into the seat of the member for Morphett, who was dumped as a Minister.

That is a bit rich on the member for Morphett, the former Minister for Housing, Urban Development and Local Government Relations and Minister for Recreation, Sport and Racing, because he basically had the ground cut from under him by the Premier, both with the TAB and with local government. The poor old Minister did the bidding of the Cabinet, and particularly that of the Premier, on those issues but, when it got too hot, the Premier cut him down without an explanation. I imagine that the remaining Ministers of the Brown Government feel a little disconcerted because, when they carry out Government policy to the best of their ability, and try to get it through Parliament, they might be cut off at the knees without so much as a 'by your leave'.

Mr Foley: What about Dale?

Mr CLARKE: As the member for Hart interjects, I should like to deal with the member for MacKillop on this issue, and I am pleased that the honourable member is present in the Chamber. When he was the Minister for Primary Industries, the member for MacKillop and I would have occasional disagreements, particularly on industrial relations. He is an old-fashioned troglodyte. He believes in serfdom and the master-servant relationship, where workers do as they are told and that is all there is to it. However, he did have a commitment to the State forests, and he did not believe that they should be sold off to private hands to create a private monopoly.

In this situation, we had a Minister who, without being disloyal, was prepared to say to the Premier in the Cabinet room, not publicly, 'It is not in the public interest. I disagree with it and I will not sign the documentation that says that we should sell the State forests.' What did the Premier then do? Did he respect a fiercely independent minded Minister and say, 'I think you are wrong, Minister.' Instead, he gave him the chop and then tried to find some poor soul to fill his boots. I understand that the member for Wright was third or fourth on the list. It was getting so bad that the member for Unley almost got the telephone call for the spare ministry before the member for Wright did. I think the name of the member for Unley was the last one on the list.

The member for MacKillop did a reasonable job as Minister for Primary Industries—not that I agreed with all the positions adopted by him. On the contrary, I nicknamed him 'Chainsaw' Baker on matters affecting the environment, but he was prepared to stand up to the Premier and to the

Treasurer and say, 'I think that you are acting contrary to the State's interest and to the public interest.' He did it within the confines of the Cabinet, and he did not seek to break Cabinet solidarity, or anything of that nature. He stood up to his Premier and he got chopped off at the knees, not because he was not doing his job but because he stood up for the public interest in that matter. Unfortunately, we now have a ministry full of toadies—lickspittle. With a tug of the forelock they seek to ingratiate themselves to stay as a Minister. With respect, that is all except for the Minister for Infrastructure, the member for Kavel, who has found himself isolated.

There will be a series of preselection battles within the Liberal Party, and I hear that even you, Sir, are under considerable threat of being deselected, because people perceive that you, Sir, with 25 years service to the electorate of Eyre, are past your use-by date.

The SPEAKER: Order! I point out to the honourable member that he is on very dangerous ground.

Mr CLARKE: As a consequence, as the member for Hart and I have said, we are doing our level best to appoint more members to the Liberal Party in your sub-branch, Sir, so that we can offer you the same support that you have offered us over the past two years. We see this dissension within the Liberal Party.

I wind up my contribution by referring to health. We now have the incredible situation of the Minister for Health today admitting that this Liberal Government wants to flog off all our public hospitals to the private sector. There were plenty of times in Question Time today when the Minister could have categorically ruled that out, but he chose his words carefully.

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

The Hon. M.D. RANN (Leader of the Opposition): I rise to speak in support of the passage of the Supply Bill. I make clear that we are supporting the Government in the passage of this Bill. We believe that is the responsibility of a responsible Opposition. However, I note that it has been a difficult day for the Liberal Party, particularly in the Caucus room this morning, with the attack on the former Minister for Primary Industries by the Deputy Premier, who accused him of leaking information to the Labor Party, which is not true. It was interesting that, when my deputy a few moments ago mentioned the former Minister, the member for MacKillop, the member for Peake interjected 'the leaker'.

In supporting the passage of Supply, the Opposition has focused on the consequences of 26 months of Liberal Government and the way in which these policies are making South Australians poorer. In the process the arrogance of this Government is disfranchising ordinary South Australians. Time and again the Premier and his Ministers seem to say not just to the Opposition but to the people of South Australia, 'Keep your noses out of Government business.' The business of this Government is apparently of no concern to the people of South Australia. When the hospital system is under consideration as the latest victim of contracting out or privatising to foreign multinationals, when the people's water and sewerage system is placed under the effective control of French and United Kingdom multinationals, when the Treasurer and his Premier plan—and have been proven to plan—to sell off the harvesting rights to our forests and more, this Government arrogantly tells the people of South Australia that they are not good enough to be consulted.

I turn briefly to the State economy. Our irrepressible Premier has continued to claim credit for turning around the South Australian economy. He has been equally prepared to boast about his contribution to our economic salvation when the objective data have been good or bad. I have been pleased to see some signs of better economic performance in recent data, but I cannot join the Premier in his desire constantly to congratulate himself when things go right and when things go wrong. It is classic. It is always the fault of the former Government or the Federal Government. That is always his response and, of course, he is responsible not only for peace in Bosnia or elsewhere but also for anything else that is going.

Let us look at what the latest information says about our economic position. Some improvement recently occurred, and that is most welcome, but the facts are not grounds for complacency. Since the election of the Brown Government, South Australia's growth rate, as well as other key economic indicators, has seriously lagged behind the performance of the nation. It is true that trend growth in real gross State product for South Australia accelerated to 3.3 per cent in the three quarters to September 1995. This estimate, which may be revised in forthcoming releases, exceeds estimated performance for other States. But this latest upturn is evidence of the Brown Government's economic failure and not success; that is to say, South Australia has failed to use the national recovery as the opportunity to sustain adequate growth over the medium term.

Now that the national economy is slowing, South Australia is exposed. During 1994, South Australia had the worst economic performance of the nation. South Australia grew at a pitiful .1 per cent with two consecutive quarters of negative growth compared with New South Wales, 4.2 per cent; Victoria, 5.3 per cent; Queensland, 6.4 per cent; Western Australia, 7 per cent; Tasmania, 1.1 per cent; and the Northern Territory, 9.7 per cent. During 1993, South Australia was growing strongly in contrast and was well positioned to capitalise upon the national economic recovery then taking place. During that year under Labor it was not .1 per cent but in fact growth by a healthy 4.3 per cent. During 1994 all that changed: when Australia grew at 5.5 per cent in trend terms, South Australia grew at just .1 per cent. Growth of 3.3 per cent during the first three quarters of 1995 of such a low base is evidence of failure, not success.

The national economy has just benefited from a record 17 quarters of uninterrupted economic growth, but it is clear that the national economy will now settle down softly to more modest rates of growth. In other words, South Australia's trending upwards at this point merely indicates that South Australia is approaching the position held by other States some 18 months ago. While they were growing strongly, South Australia was barely growing at all. Now that the national economy is slowing, the forces slowing the national economy will unfortunately slow the South Australian economy. We all want growth; however, we all have to be realistic in working together to identify both our problems and our opportunities.

Tonight, I want to talk about the privatisation of water. I have raised this issue before, and I will continue to do so. No matter how the Premier and Government Ministers dress it up in terms of vagaries such as outsourcing, South Australians know that the effective power and control of these key services is moving into private or, indeed, foreign hands. In the past, I have enunciated Labor's opposition to the privatisation of South Australia's fundamentals: water,

forests, electricity, schools and hospitals. Where the Liberals apparently believe there is little or nothing in its operations that should not be run like a business, Labor believes that the value of competition and private enterprise is maximised when it is part of a dynamic mixed economy in which the Government and the public sector live up to their responsibilities to the community.

What I want to talk about tonight is the contempt that the Premier and his Ministers have shown for the right of ordinary South Australians to have a say in what happens to their basic community services and assets. The Government has pursued its policy of privatisation in a manner that has sacrificed previous standards of Governments in South Australia. Nowhere is this more clear than with the travesty of the privatisation of the management, operation and control of our water systems. Forever more, South Australians will be asking themselves, 'Can we believe this Premier? Can we have confidence in this Infrastructure Minister?' even though the two of them cannot and will not get on.

In competition with the Premier, the Infrastructure Minister lurched to find an equivalent to the Premier's EDS deal. Fulfilment of this ambition has involved an unrelenting compromise of the interests of the South Australian community. All sorts of bits of finery have been added to what is a bad deal for South Australia in order to make the unpopular less unpopular. Remember the promise of 60 per cent Australian equity. These are just some of the things that the Premier and his Minister have said. Let us hear their own words. On 22 November 1995, the Premier said:

... United Water International, a company which at the end of 12 months is expected to have... 60 per cent Australian equity. . .

Also on 22 November 1995, the Minister for Infrastructure said:

The Premier and I have consistently put down that there will be a 60 per cent equity in this company within a time frame. Have no fear, that will end up in the contract.

On 22 November, the Minister for Infrastructure also said:

We have put down a position on an offer of 60 per cent Australian equity in this company. In my view, that is non-negotiable. That position will be attained; it will form part of the contract. . . No ifs, and no buts and no maybes about that: that will be the position, have no fear.

Further, he stated:

... we will continue undeterred with the negotiations to get the right deal within the parameters that have already been put down. Those parameters have not changed and will not change.

He also said:

It will be in the contract—a requirement for them to sell down for 60 per cent Australian equity.

Yet we all know that Malcolm Kinnaird, the Chairman of United Water, was right when he called all those quotes a beat up—that there is nothing requiring the company to sell down; that there was nothing in the request for tender (later the request for proposal) that specified any desired levels of Australian equity. How can this issue ever be non-negotiable—no ifs and no buts—as the Minister for Infrastructure has claimed, when what the Premier and the Minister for Infrastructure told the people of this State was totally untrue, and they were caught out?

Then there was the public float in which mums and dads could have the opportunity of buying into United Water—never mind the fact that South Australian water already belonged to each and every South Australian. The Minister for Infrastructure said:

There will be a public float so that South Australians can become involved in United Water International when it goes into the marketplace.

That is what the Minister said on 18 October. But it was Malcolm Kinnaird, Chairman of United Water, who told the truth when he told the select committee of the Upper House on 17 November 1995:

We do not have any definite plans.

There is no obligation to sell down. Someone is lying; someone lied. I do not believe that the liar was Malcolm Kinnaird. When the Opposition met with Mr Kinnaird a couple of weeks ago, he made clear that shares would be offered only to institutional investors and only when the company required additional capital. No shares will be on sale for mums and dads in South Australia.

Of course, there was the export bonanza. The Premier assured us that all the exports referred to would be exports to overseas countries. He was emphatic, both in the Parliament and outside. The Premier was wrong and clearly was not aware of the Government's own documents requesting proposals from the private companies. Either the Minister for Infrastructure framed the Premier—set him up to say that—or it was concocted. It was designed to put a good spin on a bad deal for South Australia. Then the Premier told us, on 8 February:

Over a 10 year period, this company, United Water, will be required to buy \$628 million worth of product on present day values. He had all Christmas time to concoct his stories and get them right with the Minister for Infrastructure, Malcolm Kinnaird, SA Water, CGE and their mates. However, once again, the Premier was wrong. The Solicitor-General's report revealed that most of the additional \$255 million in United Water International's bid is predominantly made up of repatriated dividends. Since when have repatriated dividends been regarded as exports? The notion flies in the face of any rational economics and shows just how little substance there is to claims of El Dorado from the Minister and his rival the Premier of this State. The only thing that the two of them can agree upon is when they concoct stories to get themselves off the hook from what they have said previously outside and inside this Parliament. Just before we leave the issue of the Premier's claims on exports, let us remember what he told the House on 18 October:

... the two parent companies have no rights to tender against United Water for the vast majority of the Asian area, including Indonesia, Malaysia, certain key provinces of China, India, Singapore, Vietnam, the Philippines and Cambodia ... The important thing is that, as far as these two major international global companies are concerned, any bid into those areas must be through United Water, based here in Adelaide.

That is what the Premier said on 18 October. There would be no competition: United Water would be the single bid vehicle. At a meeting with the Opposition on 1 February, the loquacious Malcolm Kinnaird—always willing to spoil a good story for the Premier—denied that these exclusive rights existed and said that United Water would be the bid vehicle only if the parent companies in the United Kingdom and France agreed. Once again, the Premier's understanding of the issues, and his willingness to tell Parliament and the people the truth, is found wanting.

For months, the Premier and the Minister for Infrastructure denied vehemently the Opposition's claim that management and control of our water system would be placed in the hands of foreign multinationals. Yet, we see that is exactly what has happened. United Water Services is comprised

wholly of CGE and Thames Water and will operate Adelaide's water system. It is the company that has been subcontracted by United Water International to do the work of running our water and sewerage system.

On 24 November, the Minister for Infrastructure told the House that he had only just become aware of the two company structure, that is, that the entire operations involved in supplying water to the whole of Adelaide had been subcontracted to a wholly foreign owned company. Last week, the Minister could not even tell us how much United Water Services will be paid for its technical advice to United Water International. This is the Minister who we all thought—at least if we disagreed with him—would have his eye on the prize and would be following the details of this contract.

Then, there are the famous events of black Wednesday, 4 October, when the Government—that believes the State should be run like a business—ran the submission of bids for the water contract like a shambles. How well I remember the Minister's words in the House on probity. Let's quote him again:

All three bidders confirm their satisfaction with the probity process.

I quote again:

The process has now received recognition internationally as a model for such outsourcing contracts and it is to the credit of the people who have been involved.

A model! Recognised internationally! Well, I can tell the House that the handling of this contract by the Minister and the events of 4 October have been recognised internationally as a laughing stock for this State Government. What did the Solicitor-General's report reveal? Just in case any member of this House has forgotten: United Water International was given four extensions of time totalling over four hours; security for procedures was downgraded causing concerns for the acting manager of security; the probity auditor allowed two bids to be copied and circulated and then left the building early before the United Water International bid was received; the first two bids were circulated to unauthorised personnel; the security camera tape ran out and was not replaced; unsuccessful bidders were not informed of the extension of time for United Water International; the contract manager left the building for dinner and did not return until after the bid of United Water International had arrived at 9.20 p.m.; and, finally, the probity auditor knocked off early at 6 p.m.

That is the procedure for which we were supposed to get international recognition, this brilliant handling of a total shambles on the night that the bid came in. But do not take my word for it. Let's go to Malcolm Kinnaird, the Chairman of United Water, who has described to the Opposition the Government's handling of the receipts of the bids as 'The Loony Tunes'. If that is international recognition for South Australia, that is the kind of international recognition we do not need. As the Auditor-General has made clear, if this had been a request for tender, the whole process would need to have been scrapped and restarted.

The worst part of this whole affair has been the way in which it has debased the standards of open and accountable government. The first casualty of this debacle and the Government's attempts to save face has been the truth. When I asked the Premier about the polling conducted by the Government at public expense on the water privatisation, he denied that any had taken place. On 28 November 1995 he said:

The Government did not commission any market research on the water contract. That work was apparently undertaken of its own volition by the promotional publicity company that worked closely with SA Water.

If it was the work of the publicity company acting of its own volition, how come it has now been declared a Government document, a secret Cabinet document? Essentially, again, the people of this State have not been told the truth by this Premier, yet we know that these polls exist and that they were done at public expense. The Treasurer's refusal of our application under freedom of information shows it beyond any doubt. The Minister for Infrastructure may claim that North West Water's UK representative (Dr Orbell) had never intended to appear before the Upper House select committee back in December. We know that is not right. We know that Dr Orbell did come to South Australia with the intention of appearing before the select committee but that North West's mind was changed by Phipps and the Minister for Infrastructure.

Bill read a second time.

The Hon. D.C. WOTTON (Minister for the Environment and Natural Resources): I move:

That the Speaker do now leave the Chair and that the House resolve itself into a Committee of the whole for the consideration of the Bill.

Mr BECKER (Peake): I am getting a little tired of listening to the continual bleating of the Leader of the Opposition's continuously knocking the achievements of this State Government. I want to remind him that when Labor came into office some 13 years ago foreign debt was approximately \$23 billion. That in itself was bad enough. Today it is over \$180 billion, so the foreign debt of this country has risen 800 per cent during the reign of the Federal Labor Government. What the Leader of the Opposition is attacking in my Government and in the Liberal Party in general is the effort that we are making to try to clean up the financial mess that we inherited from the previous Labor Government in South Australia.

The impact that this huge foreign debt is having on Australia as a whole means that we are paying extremely dearly for anything that we need, for any goods and services, and that the money that the people of this country earn and pay back to the Federal Government by way of income tax etc. is being soaked up by overseas companies and, of course, friends of the current Prime Minister and his cohort. We are paying out at present \$1 500 million a month to service our foreign debt. That is an absolute recipe for disaster. If we could afford \$1.5 billion, just think what we could do with health, welfare and education. Think what we could do with some of our terrible interstate roads and with the environment, let alone undertake research into assisting people with the various disabilities that need assistance.

The Federal Government has no shame in selling off and allowing to be sold off Australian assets. The Federal Government itself is selling them off. What a mess it made of selling off QANTAS. No sooner had it organised the big selloff of QANTAS—and it did not tell anybody at the last election; I do not remember it going around saying that it was going to sell off QANTAS—than we found that over 51 per cent was in foreign hands. So, we have had to rein back some of those shares to keep 51 per cent Australian ownership. But what the Federal Government is doing is allowing private enterprise to sell off some of Australia's greatest icons to try to earn some money for this country.

Let us look at the list. Lifesavers, Allans and the Rowntree Hoadley group are now owned by a Swiss company. Speedo swim costumes, the great Australian success story, has been sold to the United Kingdom. Toohey's, Castlemaine and Swan Brewery have all gone to New Zealand, as has the South Australian Brewing Company. King Gee and Stubbies have gone to the USA. The owner of Sidchrome sold his company to America. The Fairfax media group is now under partial ownership of Canadians. The channel 10 network is partially owned by Canadians.

Everyone who has a garden, whether they be growing vegetables, flowers or whatever, would have at some time used Yates Seeds. Yates Seeds has been sold to America. Brash's retail stores has been sold to a Singapore group. Solhart has been sold to Malaysia. When I was working temporarily in Sydney some years ago Aeroplane Jelly commercials on the radio drove me mad. Aeroplane Jelly has been sold to America. Arnotts Biscuit company has been sold to an American company. Wally Menz, one of the founders of the Menz Biscuit Company, which was swallowed up by Arnotts, used to live not far from me. The company is now in the electorate of Hanson and is under threat from future development prospects.

BTR Nylex is now in the hands of a United Kingdom company. National Mutual Insurance, in which Australians have saved hundreds of millions of dollars, is now owned by a French company. Peters Ice Cream has gone to a Swiss company. Edgell Birds-Eye and Herbert Adam Cakes have gone to a United States company. So, the list goes on. We can see what impact foreign debt has had on this State and this country as it has gone from \$23 billion to \$180 billion in the 13 years we have had a Federal Labor Government. It puts pressure on South Australia. It affects the establishment of South Australian companies, including companies in my electorate. However, there is one good thing. In trying to reign in the debt, this State Government sold the management of SA Water to United Water.

With all the huffing and puffing of the Opposition, it is really the unions which have whinged from day one. A few unions have jumped up and down because they have lost members and employees. They have complained about the whole operation. The management of South Australia's water has gone to a management group made up of a British consortium and a French company who are experienced in this field and who, as a condition of the contract, must obtain contract and work in Asia worth around \$640 million. As part of the contract, the supply and support in relation to that work will come from South Australia.

There are three companies in my electorate alone which will benefit from the operations of United Water, and that creates employment. Ever since the electorate of Peake was established in 1970 it has always been a rock solid Labor electorate. Sure, it swung conclusively to the Liberal Party in 1993 and has gradually swung to the Liberal Party as bits and pieces have been cut off my old electorate of Hanson and other areas because of the build-up of votes over the years. If ever there was an area that has transformed in two years of a Liberal Government it is the area around Thebarton, Torrensville, Underdale, Welland and Hindmarsh. Members should go there and see what has happened in that area, because it has transformed. Even Henley Beach Road has taken on a totally new look and a whole new concept as outdoor restaurants have been established and as we push money in and support the main street projects being undertaken.

The Hon. D.C. Wotton: There is also the greening program that was started by the previous Liberal Government.

Mr BECKER: As the Minister reminds me, there was a greening program started by the previous Liberal Government along the Torrens River. There was also a clean-up of the Torrens River which started in 1980 under the previous Liberal Government. It is a credit and a tribute to the previous Liberal Government, because it helped to build-up and re-establish that whole area which had been neglected.

On behalf of the Government, I have donated about \$1.7 million for new development and back to school grants to schools and organisations within my electorate. The Thebarton Senior College is getting a new multi-purpose hall and work has started on a new multi-purpose hall at Underdale High School. Already, the Torrensville Primary School has been partially redeveloped—it would not have been redeveloped if I had not stood, and we knew that—and it has had to cease accepting enrolments. It has had a waiting list for students to enrol for about 12 months.

The Lockleys North Primary School is almost up to its maximum of 400 students, as the first 150 people move into the Westpac Lockleys Centre. There are 850 to go there, so we can imagine the impact that will have on the local school, services and housing in my electorate. The Government has been doing all these good things by bringing in and encouraging the opportunity to create solid information technology employment for good people and from which the whole of the State has benefited. Yet the Opposition does nothing but knock, knock, knock when we try to prove that we can achieve something that was forced upon us.

We did not want to do it, but we have had to do it to try to balance the books. We have to do it to improve and maintain the quality and standard of living of people in South Australia. It has been done by hard work. If we have to borrow overseas expertise in order to do that, we will do it. I do not believe there are great profits in it for the companies; the profits will come from their export earnings. We will establish ourselves as a centre that can export the technology, the information and the wherewithal to help countries in Asia. If we can do that, we will be making a worthwhile contribution to the region.

Ms GREIG (Reynell): Tonight I wish to speak on this Bill. In doing so I will use the opportunity to highlight the impact of the Supply Bill on my electorate and community. I would also like to take the opportunity to highlight some major achievements within my community which truly deserve recognition from this place. As a State, we have seen many positives attained by this Government, particularly in economic areas. I recall the Premier hailing the Australian Bureau of Statistics figures on gross State product as clear evidence that South Australia is back on track. The ABS figures for the September quarter showed that South Australia's GSP increase of 1.7 per cent was more than three times the rise recorded nationally and easily the best result of any of the States. The bureau's statistics for the September quarter 1994-95 also show South Australia's GSP growth led the other States, with our State recording an annual rise of 3.3 per cent compared with 2.3 per cent nationally.

While this is good news for South Australia—good news that was backed up by the recent independent New South Wales Treasury report—we still have to recognise Australia's \$1.9 billion current account deficit. Unless there is a fundamental structural change in the Australian economy, none of

our national economic problems will go away for very long. The national economy is moving slowly, but the deficit is edging back up towards \$2 billion. The deficit is now running at about 4 per cent of GDP—a level far too high. The major factor in the rise of the deficit over the past few months has been the falling off in the level of exports of rural and non-rural commodities.

Our Federal Government, of no matter what political persuasion, has to put in place strategies to allow Australian industry to become more internationally competitive. There must be a shift in policies so that domestic businesses can pursue overseas markets with greater determination and success. I specifically want to highlight to the House genuine concerns affecting economic development, because I have been spending a considerable amount of my time visiting local businesses, listening to their concerns and looking at ways of working together to address the problems that cause continuous pain and frustration for many of them.

We have many issues that need addressing at both State and Federal level, and, as we are now playing in the global market, these issues must be addressed soon or we could see a number of our businesses moving offshore. While I am talking about business, I would also like to put on record and acknowledge the work of Rod Prime, Andrew Worrall and Alan Amezdroz of the Southern Business Network for the upcoming Southern Business Expo. The expo has become an annual event within the city of Noarlunga, and this year the Southern Business Expo will be held on the grounds of our new sports and community centre, known to most as the South Adelaide Football Club.

In 1995, approximately 5 000 people visited the expo and viewed the products and services of some 50 local businesses. The expo is held over two days and admission is free. The theme of the expo is buy locally, and by putting our businesses on display in this manner it gives our community the opportunity to see what we have locally.

I would also like to take a minute to congratulate the City of Noarlunga on its landmark drug collection pilot project. During the first six weeks of this project, 700 litres of used pharmaceutical products have been collected. The council coordinated 17 pharmacies in Noarlunga to accept unwanted pharmaceutical products, and these are being donated to Overseas Pharmaceutical Aid for Life, otherwise known as OPAL, and are for use in developing countries. Normally, many of these products would have been disposed of using unsafe methods, which could have presented a danger to residents and to the environment. Now they are helping the sick and the poor in other countries.

A big plus for the southern suburbs was the successful tender won by the TransAdelaide Lonsdale depot. On 14 January the member for Kaurana and me, along with the Minister for Transport, the Lonsdale TransAdelaide team and corporate staff, our local public transport advocate, Mr Brian Wreford, and his wife endured the 42° day to be part of the launch and unveiling of the new timetable carousels. The Lonsdale depot, under the leadership of Nick Gianetta, can truly be proud of the work it has done, which led to its successful contract bid. I congratulate all the Lonsdale staff and management on their ongoing pursuit of better transportation for the southern suburbs residents.

Another significant event that the residents of Noarlunga will witness this week is the official co-signing of documents by the Minister for Health and the Mayor of Noarlunga that make Noarlunga a part of the Safe Communities network: a world-wide network of communities that have acknowledged

and worked on issues of community safety that meet the broader objectives and criteria outlined by the World Health Organisation. This is a very special project for me and for many others who have worked for six years to bring this event to fruition. Two years ago I was presented with the official lapel pin of the Safe Communities network. The pin was presented to me by Prof. Leif Svanstrom of the Safe Communities World Health Organisation Collaborating Centre from the Karolinska Institute in Sweden. On Friday I feel that I can proudly wear this pin knowing that, like many other communities, Noarlunga truly deserves this recognition and acknowledgment for its work in community safety.

Another very proud moment for me even topped the establishment of our very own rugby league team. On Australia day this year, Mrs Pam Borthwick, a parent worker, Chairperson of Christies Beach High School and a friend to many people, was awarded the medal of the Order of Australia. Pam was recognised for this award for her services to youth in the community, particularly as a school counsellor. Pam has been a truly dedicated worker with young people. She has always believed in giving all kids a fair go. Like many in our community, I am really proud of Pam and her untiring efforts at Christies Beach.

Whilst addressing the issues of school and school communities, I acknowledge the considerable amount of money that has been distributed to schools in the form of back-to-school grants. However, even though I am pleased that this money has been allocated, as a parent of two young children it still annoys me that our schools have been allowed to get into such a state of disrepair. It frustrates me that, year in and year out, our school councils have to fight to have issues such as straw ceilings addressed. Both sides of this House have nothing to be proud of when it comes to looking at the occupational health needs of children within our schools. I also strongly object to the decision made by our Minister for Education and Children's Services regarding cutting SSO hours. Through this House I again urge the Minister to reconsider this decision. School support officers have provided and do provide a valuable service within our schools. Quality education cannot be compromised.

I also congratulate a group of very hard working, committed women from Noarlunga, who produce a newspaper called *Women's Voices*, a newspaper for women in the south. *Women's Voices* came into being in 1995 and so far five issues have been produced. *Women's Voices* believes that all women have the ability to learn and develop new skills and aims to provide a supportive environment to help this happen. I could cover many issues, but time is not on my side. In finishing, I reiterate my many congratulations. I acknowledge that Reynell has enjoyed many achievements in business investment, in sport and in community. Like many electorates, we have had our fair share of fiscal constraint, and I believe that the time has come for my electorate to share in the benefits of a State that is back on track.

Mr BUCKBY (Light): It is very interesting that, in criticising the current policy, the Opposition completely overlooks the legacy left to this Government. This Government is attempting to make the best of the resources available to it, so the Opposition should not start criticising the efficiencies this Government is looking for, especially when one thinks back to the State Bank, Scrimber, 333 Collins Street, Melbourne, and Beneficial Finance—to name a few of the massive losses incurred upon this State by the inept management of the previous Government.

The Opposition has the hide to come in here and criticise this Government over its current direction, when it has no choice but to deliver savings to the South Australian community and to make the best of the resources left to it. Of course, this Government was left with a \$350 million current account deficit, which the Opposition completely overlooks. The Opposition seems to think that we should glibly continue on and forget all about it—let us not cut any education services; let us not change anything; let us continue along the way we have been going and lose another \$350 million this year, next year and for every year into the future.

Labor was shown to be a complete failure in its economic management, a complete failure in attempting to attain some sort of direction for this State, and a complete failure in trying to bring back a deficit that was growing year by year. It helps to reflect a little on exactly what \$350 million looks like. It is somewhat of a large figure for every person in the street, even for members in this place who often deal with relatively large contracts and figures. I remember that, when the figure of \$350 million was first announced, the analogy was the equivalent number of loaves of bread. It was calculated that the figure amounted to loaves of bread covering Football Park to a height of 10 storeys.

If the average person thought about how many loaves of bread they might buy in a lifetime, it would add up to an extremely large figure. That helps to put the figure into some sort of context. I am pleased to say that this Government is placing the State back on the track to financial profitability. The Treasurer brought down the budget earlier this year, and the estimated deficit for May 1996 is \$114 million, which is on track with the estimates given in the 1995-96 budget. That will be a good result because there have been some significant downturns in this economy, particularly in the housing industry. One only has to speak with land agents or builders in that industry to discover that many land agent agencies have closed; and, if one talks with bricklayers and builders, one finds that very few apprentices are currently being employed, which will have ramifications three or four years down the track when the building industry turns around, as inevitably it will. We will be looking around for skilled people for that labour force and they may not be there.

As I said, the Government was faced with the following decision: do we attempt to reduce this debt of \$350 million recurrent or do we just continue on and glibly allow future generations to pay for it? There are places that have faced debt, and New Zealand is one of them. The credit rating of New Zealand is now above that of Australia, because it introduced a goods and services tax. It has turned around its economy. It is interesting to note that, during the debate the other night when Mr Keating accused Mr Howard of changing his mind on Medicare, he glibly forgot how he, in 1985, had supported fervently a GST, but in 1993 it turned out to be very convenient for him to forget and to create the greatest scare campaign we have seen against a GST. The 1993 election basically became a referendum on the GST.

South Australia's credit rating has improved since this Government took office, and that is of note. The average person in the street might not consider that to be terribly important, but it is important when we come to look at the cost of borrowing funds for this State. Even .25 per cent or .5 per cent in interest, given a rate going from AA to AA plus, makes a large difference when you have some \$8.5 billion worth of debt left to this Government by the previous one. I really do feel that the Opposition's criticism of our direction is somewhat hypocritical. As was stated by the

Minister for Health today, the Opposition was looking into the very things this Government is looking into now, and that involved initiatives that will deliver a better health service in a more efficient way, exactly as we are doing at the moment.

With respect to the water outsourcing situation, what a misrepresentation by the Opposition prior to the signing of this contract. It would have the South Australian public believe that the entity which was to be created here was exactly the same as the UK entity and the privatisation of water there. It is nothing of the same. I spoke with people in England in the middle of last year and the system here is totally different from that in England.

The blow-out of costs that has occurred in England has been created by the Director-General having the say in allocating a yearly cost of water. In doing so, he must take into account the profitability of the 10 private water companies that deliver water to the UK. That opens up a window of opportunity for those companies whereby, if they decide that their costs are running high and they can prove that the cost of water must be increased, that is done. That is the very reason why executive salaries rose to such a degree in England: it cannot happen here because the contract is of an entirely different nature. It is not a privatisation process, as the Opposition would have everybody believe: it is the contracting out of a service.

Members of the Opposition apparently would have us believe that we do not require any international expertise or capital to come into this State: we can do it all from here. Let me tell members opposite that this is a country that does require international investment. We do not have the population base or the capital riches in this country required to fund all the infrastructure and investment needed to develop the resources of this country. It has been that way since this country was first developed, and it will continue to be that way, and the Opposition is just adopting a head in the sand policy if it feels it can do it all from within Australia.

I congratulate the schools in my area for their acceptance of the cuts they have had to take this year. School councils have had a particularly hard time in making decisions. All sectors have had to face cuts because of the deficit that this State has incurred, and those school councils have been particularly responsible in working out better ways to deliver services to their community.

The Hon. FRANK BLEVINS (Giles): I want to say a few words about petrol pricing, particularly in country areas. I received a letter dated 11 January 1996 from a group called APADA (Australian Petroleum Agents and Distributors Association) in which it attempted to make out a case for country petrol prices being what they are and saying that everything was fine—absolutely no problem. The last paragraph of this rather pathetic letter concludes in the following way:

I would be happy to discuss any aspect of the foregoing with you, and I hope I am able, by means of this letter and any subsequent discussion, to put to you a balanced viewpoint on the hoary subject of petrol prices which so often seems to be dealt with 'dramatically' in the press.

I tell APADA through you, Mr Deputy Speaker, that I do not think this topic is dealt with dramatically in the press. In fact, I do not think the press deal with it dramatically enough. I do not think one can say too much about the way APADA, its members, or companies in general, and just about everyone else connected with this industry, rip off country motorists. Nothing that APADA can say will make me have any respect

for its point of view. I would like very much for it to support me and a number of others in reducing petrol prices for country motorists before it will get any respect from me.

I also take to task our own South Australian Farmers Federation. An article appeared in the *Advertiser* of Saturday 3 February of this year under the headline 'SA model on fuel pricing, say farmers'. The article includes a purely statistical table headed 'The price at the pump', and I seek leave to incorporate it in *Hansard* without my reading it.

Leave granted.

The Price At The Pump
A selection from an RAA survey
on 2 February
(UL—Unleaded, L—Leaded)

	UL	L
Zone 1		
Two Wells	66.7	69.9
Gawler/Evanston	69.5	71.7
Mt Barker	69.9	71.2
Strathalbyn	69.7	71.9
Mt Compass	69.7	72.0
Zone 2		
Port Wakefield	71.9	74.1
Eudunda	76.3	78.5
Nuriootpa	71.7	73.9
Murray Bridge	73.7	75.9
Tailem Bend	74.7	75.9
Goolwa	75.9	78.4
Victor Harbor	75.7	77.9
Zone 3		
Mt Gambier	75.9	77.9
Bordertown	76.9	78.9
Waikerie	75.9	76.9
Burra	70.4	72.9
Port Pirie	73.9	75.9
Port Augusta	73.9	75.9
Coober Pedy	86.5	87.5
Whyalla	78.9	80.9
Port Lincoln	73.9	75.9
Ceduna	79.6	82.3
Eucla	94.5	96.5
Oodnadatta	96.0	97.0
Maria Bore	88.0	90.3
Innaminka	89.9	91.9

The Hon. FRANK BLEVINS: Anyone who looks at the table will see the huge discrepancy between country petrol prices and what they see everyday when they travel around the metropolitan area. The main thrust of the article states:

But South Australian Farmers Federation policy director, Mr Dean Bolto, said the problem went deeper than unfair pricing. He said few gains could be made by pressuring oil companies and retailers but a tiered fuel excise system similar to South Australia's would be more helpful. In the SA model, drivers within 50 kilometres of the Adelaide General Post Office pay an excise of 9.46¢ per unleaded litre, 6.99¢ out to the next 50 kilometres, and 4.58¢ across the remainder of the State.

It also states:

An excise system that provides for country people would certainly help. . .

I have news for Mr Bolto. As the architect of the system which he is praising, I can inform Mr Bolto that it is a total and utter failure. I thought I had worked out a way of assisting country motorists by bringing down the excise in the areas of the State 50 kilometres or more from the metropolitan area. I worked out a system where those motorists would pay only half the excise paid in the metropolitan area. Even taking into account freight, I thought there would still be a sufficient margin, so that people outside the metropolitan area would pay no more than those in the metropolitan area.

The theory was right, and I was very proud of myself in managing to get this through Cabinet, and subsequently the

system was put in place and it is being praised by the farmers. However, that 4.5c per litre less State tax that is paid in the country has not helped country motorists one iota. It has only added to the profit margin of sections of the oil industry, whether it be the oil companies themselves, their agents or their retailers. They have taken that tax deduction and kept it for themselves. The margin between city and country prices has not come down one iota.

If, as he stated, Mr Bolto feels that this is the way to go nationally, he is wrong, because, as the architect of the system, I can tell him that it is a failure. The taxpayers have forgone tens of millions of dollars because of the system that I introduced, and the consumers have benefited not one iota. In their usual greedy and evil way, the oil companies have appropriated that extra margin for themselves. The table that has been incorporated into *Hansard* will demonstrate that very clearly.

I congratulate the Farmers Federation in Victoria. Over the past couple of months I have seen articles stating that the federation has organised a boycott of certain petrol stations in the country. Its effect has been quite significant, because the boycotted petrol stations have suddenly found out that they can give to motorists quite significant discounts, which they had never been able to do before. I still think those prices are a rip-off, but they are much less of a rip-off than they were previously. The boycotts that have been organised by the Victorian Farmers Federation have been successful, and that is what I would like the South Australian Farmers Federation to do here.

It could organise some boycotts of petrol stations in the country, and let us attack country prices that way. Talking to the oil companies will not help, because they do not care. They have a different standard of morality from the rest of us and most other business. In fact, they have no morals at all. It is the most immoral industry in the whole of Australia. So it is no good talking to them. We have to do what the Victorian Farmers Federation has done and organise boycotts. The Victorian Farmers Federation is considering putting pickets in the city terminals to bring to the attention of city people just how country people are being ripped off.

I would support the Farmers Federation if it organised boycotts and pickets on the oil terminals in South Australia, and I would assist them. I would be out there on the picket line, shoulder to shoulder with the South Australian Farmers Federation, if it wants to do something effective about the problem, rather than very occasionally talking about it. I am not sure why the Farmers Federation has not taken this up in a big way, but it has not. Nevertheless, Mr Bolto, whom I know well and respect, has made this statement. He is wrong to say that a reduction in the excise for country people is the way to go. That is demonstrably incorrect and has been proven to be incorrect. I want the Farmers Federation of South Australia to take it one step further and organise boycotts and pickets. I will be with them, and I look to some of my rural colleagues in this place to stand shoulder to shoulder with us.

Mr OSWALD (Morphett): I will use the debate tonight to put on record my praise of public servants. In particular I will use the West Beach/Glenelg development to highlight some of the difficulties that public servants must encounter in their role in getting large urban development projects up and running. All members are well aware of the project, which is now well under way. They are probably well aware of it because of the behaviour of the Australian Labor Party,

the Opposition, in using every opportunity it could to undermine it, knock it and to create disquiet in the community about the project. It is one of the largest urban development projects that this State has seen and will see for a while.

If the project had been up on the eastern seaboard it would have been announced and everybody would have got behind it. It would have gone ahead and, other than local issues that would be raised from time to time, the Government and Opposition would have supported it fully because it created jobs, opportunities and development and advanced the State.

But, that does not happen here in South Australia. From the start of the project, every time we went into a second, third or fourth phase of the project we had the Opposition out there in strength inciting public debate to try to undermine and break the credibility of the Government and the project and find something wrong. It seems that there is something about the culture of South Australia that people in Opposition, particularly in the Labor Party, want to knock. I can give examples.

When the dredge came over and we started to build the slopes retention dams we had the Labor Party out in force with local residents trying to incite them on the health issues. We had problems with the alleged bird strike and the need to build nets. The background to that is interesting because the nets have little to do with the birds. If we look at the end of the airstrip we will see far more birds there than we will ever see anywhere near where the slope will be deposited. There are dozens of pelicans, gulls and all nature of birds at the end of the airstrip. It really revolved around the fact that the FAC was concerned about litigation from a firm in Western Australia which wanted to put in a mechanical water device in the West Beach Trust area and had not been successful. There was always the threat of litigation. If we had gone ahead and not covered the dams, there would have been some question of litigation. Whilst we spent some time putting over the nets to keep out the birds, that was not the real reason behind it and certainly there was a delay getting up the nets. However, the nets are up and running and, once the sludge started pumping into those dams, whilst it would pump in as a very black ink-like sludge, it came out the other end crystal clear. The consultants were telling us that that was the case.

We went back and redrilled the bottom of the Patawalonga and did another series of tests for local residents, and I thought it was highly risky to do that. We were being assured all the time that it was okay. We did the test, which of course came up okay. The local residents, after seeing the quality of the water coming out and confirming that it was almost odourless, were reassured. I recall the Deputy Leader attending one meeting of local residents and inciting them so that they would object and try to stop the project.

We had another example with the extension of the Adelaide runway across Tapleys Hill Road into the existing golf course. We had the Chairman of the trust, Mr Julian Myles, in the media, helped along by some members opposite who were obviously intent on trying to undermine the project, saying that half the golf course would be shut down. Next we had all the golfers upset. If they had only given the officials, consultants and the public servants the time they were asking for to work through the issue they would have found that, as has happened, the golf courses have been saved and re-designed, and we will have a far better golf course in the West Beach Trust region than we had before.

The next issue to emerge was the diversion road that it was felt would take out the baseball club. I said at the time

last year that we should give the consultants and the officers running the project the opportunity to work through the issues. Now that that has happened, Rust PPK and senior people in the department together with the FAC have come up with an alternative whereby the road will move around the end of the proposed air strip and will not have to cut across the baseball arena. Once again, this was an opportunity to satisfy the concerns of local people but, because of this desire to knock the project, public servants are not being given the opportunity to sit down with the developers and consultants and come up with a solution.

Every issue that has been raised as a matter of concern regarding this project has been resolved. I put to members that they should give the public servants who are running this project under Rod Hook, the Project Manager, and the consultants the opportunity to resolve the issues, because every issue that has been put up as a matter of public concern has been resolved. I have no doubt that, as we move into the next phase (the Kangaroo Island fast ferry terminal and the relocation of the breakwaters) and the project proper, once again we will find public disquiet being engendered by those who should know better.

I offer my congratulations to Rod Hook and his team. He has had to stand on the public platform on many occasions and take abuse from the public and politicians far beyond the call of duty. Yet, he has done so, and he has persevered for one purpose only: that is, because he has an objective to make sure that we get a good development in South Australia. I repeat my opening remarks: if this project were on the eastern seaboard we would not hear the hype on a day-to-day basis, the criticism and carping about it; everyone would have heard about the project and the attitude of the public would have been 'Let's get on with it'. I believe that is mainly the attitude of the people in the district. We do not need this constant agitation behind the scenes.

The last issue that I would like to raise this evening is not related to development but to a local issue in Glengowrie, and that is the need for traffic lights to be constructed at the corner of Cliff Street and Morphet Road. The Department of Transport has consistently said that there is insufficient traffic travelling around that corner to warrant the installation of lights. A former member of the Labor Party in the electorate adjoining mine had no trouble when he was in Government getting traffic lights installed on a corner that was subjected to far less traffic density than this one. This corner needs traffic lights. It has been generally agreed by the council that it should have traffic lights. In fact, the council offered to pay a 50/50 share—that is how seriously the council considered the need for traffic lights at this corner.

I fully support the local residents. I believe that this is long overdue. At its western end, the Glenelg council is looking at installing traffic lights where Cliff Street enters Diagonal Road, but this particular corner at Cliff Street and Morphet Road has a strong need for traffic regulation through the installation of lights. Certainly, the traffic varies at different times of the day. During peak hour, the traffic volume is sufficient for traffic lights to be installed. In my view, the Government should support the Marion council and install lights as a matter of urgency.

The Hon. R.G. KERIN (Minister for Primary Industries): I move:

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

Motion carried.

Mr BASS (Florey): Earlier today, I raised the issue of the Federal Labor Party's addressing State and not Federal issues in the lead-up to the 2 March election. As the Federal Labor Party does not wish to speak on its record over the past 13 years, I would like to speak on what can only be described as an absolute disgrace, that is, its record on unemployment; and let me say this, Labor has failed miserably on employment. When Labor was re-elected for a fourth term in March 1990, unemployment was 6.2 per cent. In December 1995, it was 8.1 per cent. Over Labor's last two terms, unemployment has risen by 1.9 per cent. Labor is Australia's greatest jobs destroyer. It is the Party of high unemployment. Labor's recession caused the worst unemployment we have seen in 60 years. Hundreds of thousands of Australians remain unemployed. It is Labor's most damning failure. It is the greatest obstacle to achieving a fairer, more compassionate Australia. Labor's average rate of unemployment has been 8.7 per cent, yet it was 6.2 per cent under the Fraser Government.

Unemployment and under-employment is a crisis that impacts on two million Australians and their families each year. Over 730 000 Australians are unemployed. To this can be added over 1.3 million Australians who are under-employed, discouraged job seekers or who want to work and are available for work but are presently engaged in other activities. Then there are those Australians who are hidden in false and make believe job creation programs. The unemployment trend is bad. Today, more Australians are unemployed than at the time Labor was re-elected in 1990, when it was 6.2 per cent—515 100 Australians. There are more Australians unemployed today than at the peak of the 1982-83 recession, when it was 730 000 Australians.

Unemployment never came close to falling to pre-recession levels. Labor has failed to create enough jobs to repair the damage of its recession, let alone meet the demands of a growing labour force. Labor's claim that it will reduce unemployment to 5 per cent by the turn of the century is a fraud. It is falling well short of the required level of growth to reach that target. To reach the 5 per cent unemployment target by the year 2000, we would need a growth rate of 4.5 to 5 per cent. The 1995-96 mid-year review predicts growth of only 3.25 per cent for 1995-96. Labor has always been full of lofty rhetoric about confronting unemployment. But it is only that: rhetoric. The sad reality is that Labor's policies have been the cause of unemployment, not the solution to it.

Labor is a callous Party. It will always be remembered as the Party that failed to secure growth, that drove up interest rates and engineered the worst recession in 60 years—a recession that saw the highest unemployment levels in the post-war era; over a million Australians were out of work. It has been those who could least afford it who have borne the brunt of Labor's high unemployment policies. Labor has betrayed them.

People are our nation's greatest resource. It is a resource that Labor has squandered. Labor's unemployment is the greatest cause of social misery and financial pressure in Australia today. It is a major contributor to the social problems afflicting our nation. Labor's unemployment denies many Australians the right to a secure future. Labor has always known that the solution to unemployment is strong, sustained growth. The problem is not finding the solution. The problem is that, when it came time for Labor to choose

between improving Australia's ability to sustain growth or hammering down growth through interest rates, Labor chose the latter.

Labor lacked the vision and the courage to lock in high levels of sustained growth. Labor has left Australia with a legacy of high unemployment which, at its peak, in December 1992 reached 11.2 per cent, the highest level recorded in the post-War era. Labor's policy failures have created a ratchet effect whereby unemployment peaks at successively high rates during each economic downturn and fails to reach previous lows during recovery periods.

In the downturn of 1982-83, unemployment peaked at 10.4 per cent in September 1983; in the 1990 recession, it reached 11.2 per cent in December 1992. Following the 1982-83 downturn, unemployment dropped as low as 5.8 per cent in late 1989. This time it fell to only 8.1 per cent and it is expected to rise again. The bottom of the unemployment cycle after Labor's recession is nearly 2.3 per cent above that achieved after the 1982-83 recession. This reflects the weakness of Labor's recovery. It also demonstrates how, with each increase in unemployment, the pool of long-term unemployed grows. The long-term unemployed often lack the skills to re-enter the work force during the recovery phase. This could form the basis of an under-class unless the problem is addressed.

Those who have suffered and who have been hit the hardest under Labor, for all of its talk about a compassionate society, are those who can least afford it. Unemployment hits hardest among the young, those without tertiary qualifications, single mothers, new migrants, parents with disabilities and people in regional Australia. Youth unemployment, those 15 to 19 years of age who are looking for full-time work but who cannot find it, is over 26 per cent. The ABS Labour Force Survey Data on youth unemployment for the three months to December 1995 revealed regional youth unemployment at 50.5 per cent in the mid-north coast region of New South Wales; in Victoria, it was 48.9 per cent in Gippsland; in the Wide Bay-Burnett area of Queensland, it was 44.4 per cent; in eastern Adelaide, South Australia, it was 44.6 per cent. That is an absolute disgrace.

There are pockets of very high unemployment. According to the Department of Employment, Education and Training in the June 1995 Small Area Labour Market Survey, unemployed in Bundaberg and Fraser Coast, Central Queensland was 14.9 per cent and 14.2 per cent respectively; 18.6 per cent in Auburn, west Sydney; 16.8 per cent in Fairfield and Cabramatta, south-west Sydney; 21.9 per cent in Footscray; 17 per cent in Brunswick Melbourne; 18.8 per cent in the northern region of north South Australia.

The number of Australians who have been unemployed for more than a year stands at 238 100. Of this, 127 000 have been unemployed for more than two years. The situation of Australia's long-term unemployed has worsened considerably while Labor has been in Government. In March 1983, there were 161 600 Australians unemployed for more than one year of which 69 700 had been unemployed for more than two years. The average duration of unemployment has increased from 33.2 weeks in March 1983 to 55.3 weeks in November 1995.

Labor has tried to rationalise its damning record by claiming that it has created over 600 000 jobs since the last election, but from this figure one has to subtract over 300 000 jobs that Labor destroyed in the 1990 recession. The fact that the unemployment rate in December 1995 is much higher than it was in March 1990 tells us that the remaining jobs

have been nowhere near enough to meet the demands of a growing labour force. Over the same period the labour force has grown by about 700 000. Labor talks about employment growth rather than unemployment because its unemployment record is an absolute disgrace.

Mr VENNING (Custance): Last week I was pleased to be able to visit the phylloxera quarantine region of Victoria, which was a very sobering experience. I went over on the Sunday and the Monday en route to the ABARE conference in Canberra. I was accompanied by a local vigneron, Leo Pech, from Angaston. We visited the King Valley and Rutherglen regions of central Victoria and saw first hand the devastating effect of the phylloxera aphid. Mr Pech and I were the guests of Mr Guy Darling in the King Valley, a very picturesque spot; a lovely area with beautiful vineyards. Two years ago phylloxera was found in the valley in a vineyard of one of the bigger companies, on one of the ridges. The vineyard had been planted from stocks brought unknowingly from another phylloxera area.

Two years later Mr Darling found a round patch in the middle of his pinot vineyard and was devastated to be told it was phylloxera, after a diagnosis by the Victorian department officials. There is no cure: the aphid attacks the roots, scarring and rupturing them. Seeing it through a microscope was quite traumatic. Eventually, a fungus sets in and the vine withers away. The loss of production can be as dramatic as from six tonnes a hectare before the infestation down to two tonnes the second year, down to half a tonne in the third which, of course, is totally uneconomic. The only solution is to pull out the vines and plant new vines on resistant native root stocks, a very long and expensive process. The phylloxera will be in the soil forever but the resistant root stock can tolerate it.

Mr Pech has been advocating for years that growers in South Australia plant at least one-third of their vines on stocks as insurance, if ever we are unfortunate enough to be infested with phylloxera. I am not sure what percentage of vines in the Barossa Valley is sown on root stocks, but I think it would be much less than one third, and that concerns me greatly. I know that Mr Pech has almost all his own vines on stocks, and he is still urging other growers to do the same. I do not wish to cause any undue panic or alarm, but I just hope that all the people in our wine growing regions are aware of this insidious, destructive and ruinous pest. It has been in Victoria for over 100 years and has been isolated in several quarantine areas of central Victoria and southern New South Wales.

It is spreading within the King Valley after the outbreak three years ago. It moves naturally about 25 metres a year but can move distances of up to two to three kilometres in storms and strong winds. It actually glides. Mr Pech and I also visited the Rutherglen research station where we met the Australian expert on phylloxera, Mr Greg Buchanan, thanks to the kindness of the Victorian Minister for Primary Industry, the Hon. Bill McGrath. We were very lucky to have Mr Buchanan, who travelled quite a distance to be with us, and it was a most valuable time. Undisputedly he is the Australian and possibly the world authority on the phylloxera disease. A session in the laboratory showed the various forms of the phylloxera aphid and the destruction it causes.

In fact, there are three different types of phylloxera, which are now being detected by using DNA tests, and we saw that very interesting science. This phylloxera aphid is a native of America, but we in Australia would probably now have the

most detailed information on this pest. In America it is a native, and the vines over there are tolerant. It loves damp, humid conditions and heavy, cracking soils. It dislikes sand, which will be good news for many in the Barossa.

But it is not good news for the Coonawarra, parts of the Barossa, the Clare Valley, McLaren Vale and the Hills. Not a lot is known about how it spreads, but a lot of work is being done on that. The most favoured theory is that it is spread inadvertently by man, by way of on pickers' clothes and boots, grape bins, tools, grape picking machines, contractors using pole borers, visiting company representatives, etc. The problem is that you can be in a vineyard which you think is clean but which in fact is infected by phylloxera, because the symptoms are not often obvious for up to three or four years. It is consoling to know that the aphid is easily destroyed in warm air and dry conditions. It dehydrates very quickly and dies after an hour in the hot sun and in even less time in a hot car. This is probably the single most important reason why we have not had a spread to South Australia, but we have to be very vigilant. It could be brought in on pieces of vine root material, especially when planting a new vineyard. A lot of the stock that we have used came out of Victoria.

There was a dispute in Victoria when one large wine company had a permit to move grapes in open bins and trucks out of a phylloxera quarantine area through a clean, uninfected area. There was much disquiet about it, and I was pleased with the result of discussions that I had with the Victorian Minister for Agriculture, Bill McGrath, and Deputy Premier Philip Gude. I was lucky enough to meet these gentleman on the bowling green at a recent bowling carnival. Many people may smile at what can be achieved at a bowling green, but to have 2½ hours of their ear was very important and valuable. As a result of that—and with the efforts of Victorian growers—the permit was lifted and now no grapes are allowed out of those areas unless processed and in a sealed stainless steel tank. So, people can smile all they like about the Parliamentary bowls but I put that down as a real plus and further proof of the value of being able to meet with our interstate colleagues.

A special processing plant is now operating at the little town of Moyhu, and it is available to process affected material. We have heard much of the good work of the South Australian Phylloxera Board for many years. It has been of great assistance to the Victorians and it is great to see this cooperation between States. We also met a South Australian chap who is doing a thesis on the phylloxera at Rutherglen and who is understudying Greg Buchanan.

Phylloxera is one visitor we do not want in South Australia. If it ever developed in the Barossa the effects would be absolutely horrific. The wine industry and the tourist industry would be dealt a savage blow. In fact, it does not bear thinking about. But we must think about it, because the only way to control it is to pull the vines out. You would lose the production of about six years and the cost would be massive. Where would our tourism industry be? We must encourage the strictest quarantine of all grape material coming into South Australia from the east. We must educate our people as to dangers of this aphid and signpost adequately all roads into the State as we are doing with the fruitfly problem. In fact, they should be dealt with in conjunction.

I really felt sorry for our Victorian winegrowing friends. To be told that your vines had phylloxera would be absolutely devastating. I got to know Mr Guy Darling very well. For Mr Darling to be told at 73 years of age that that beautiful part of Australia, the King Valley, and the magnificent vineyard

that he had with its premier varieties was affected by phylloxera was almost impossible to comprehend. I presume that he would be too old to replant. He will eventually have to sell the vineyard, but what is it worth? I was emotionally disturbed by it. I urge all South Australians not to panic or be unduly concerned, but we have to lift our campaign to keep South Australia phylloxera free.

Mr CAUDELL secured the adjournment of the debate.

LAW OF PROPERTY (PERPETUITIES AND ACCUMULATIONS) AMENDMENT BILL

Received from the Legislative Council and read a first time.

The Hon. R.G. KERIN (Minister for Primary Industries): 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, in abolishing the rules against perpetuities and accumulations, reforms an area of law that is notoriously complex, obscure, difficult to apply, capricious and unnecessary.

Our legal system, particularly in the area of property, is weighed down by the baggage of the past. The Law Reform Committee of South Australia in its Seventy-Third Report in 1983 recommended that the rules against perpetuities and accumulations should be consigned to the dust bin of history rather than papering over one layer of complexity with another as has been the case with reforms to the rules in the UK and in some other States in Australia. These reforms have resulted in practitioners and law students having to grapple with not only the old law but the new law as well. This will not be the case in South Australia when the measures in this bill are enacted.

The rule against perpetuities has the effect of limiting the period for which trusts creating a succession of interests in the same property can continue. The way in which it does so is to make a disposition void to the extent that it creates, or in some cases may create, an interest which may not be capable of vesting in its owner within the perpetuity period. The perpetuity period consists of any life or lives in being together with a further period of 21 years and a period of gestation.

The rule against excessive accumulations prevents the accumulation of income under a disposition for a period longer than permitted by section 60 of the Law of Property Act, 1936. These periods are:

- the life of the grantor or settler; or
- a term of 21 years from the death of the grantor, settler, or testator; or
- the duration of the minority or respective minorities of any person or persons living or *en ventre sa mere* at the death of the grantor, settler, or testator; or
- the duration of the minority or respective minorities only of any person or persons who under the limitations of the instrument directing the accumulations would, for the time being, if of full age, be entitled to the income directed to be accumulated.

These rules ensure that capital does not remain tied up in trusts or income accumulated for a period longer than about 80 to 100 years.

The fundamental justification for the rule against perpetuities is that it restricts the ability of a property owner to "reach out from beyond the grave" to control the actions of his or her successors in title, by preventing them from freely disposing of the property. Social conditions and economic needs change, and nobody can guarantee to foresee what will be appropriate in the future. Restricting the free alienability of property therefore serves to prevent dispositions on a limited basis stretching far into the future, which could prove to be against everyone's best interests. Further, in so far as economic growth is in the public interest, so it is in the public interest to seek to ensure that capital does not remain indefinitely tied up in trusts.

On the other hand the aim of ensuring that property is fully used in a beneficial manner is now facilitated or encouraged by other

legislation: trustees can always dispose of land, there are statutory provisions for variation of trusts and fiscal legislation discourages the tying up of estates for generations. Further, charities and pension schemes are not constrained by the rule against perpetuities.

A further argument in favour of abolition of the rule against perpetuities is that its application is complex and problematic. The rule is applied by asking if, at the time the instrument creating a future interest took effect, is it then certain that the interest must vest, if at all, within the perpetuity period. It is a trap for the drafts-person that far-fetched possibilities or even physical impossibilities (for example, that a child may be born to a woman throughout her life) may be relevant to drafting a provision containing a contingent interest.

The rule against excessive accumulations can, on the one hand, be seen as preventing money being put to good use during the accumulation period. On the other hand, the money will be invested, and is not therefore lost to the general economy. Here again, tax legislation is likely to discourage any over-lengthy accumulations.

The rule against excessive accumulations is also complex and uncertain in its application. A particularly complex area of case law is that dealing with the fundamental question of what is an accumulation.

With the abolition of these rules there will be no time limit within which a disposition of property must be capable of vesting and no time limit on how long income can accumulate under a disposition.

New section 62, however, recognises that it may be desirable for the interest in property to vest and provides a mechanism by which a court may vary the terms of a disposition so that property which has not vested (or will not vest) within 80 years will do so. Similarly the court may vary a disposition which provides for the accumulation of income from property over a period that will (or may) terminate 80 years or more after the date of the disposition. Thus the time at which an interest in property vests is relevant for the purpose of section 62.

One of the requirements of the law of trusts for the vesting in interest of an interest is that the person, or class of persons, entitled to the interest is ascertained. The ascertainment of persons entitled to an interest is not assisted by the assumption that a female is always capable of bearing a child. New section 60 makes presumptions about the possibility of people having or adopting children so that the vesting of property does not have to await events which are impossible or highly unlikely. Advances in reproductive technology are also taken into account in subsection (e). Should the presumptions in section 60 turn out to be false, section 60A allows the court to take account of what has actually happened.

The new rules in section 60 will apply, not only for the purpose of section 62, but where any question arises in relation to the closing of a class, as to the time at which payments may be made from a trust, in relation to the termination of a trust or a period of accumulation or for any other like reason where it is relevant to determine the ability of a person to have a child at some future time.

Explanation of Clauses

Clause 1: Short title

Clause 2: Commencement

These clauses are formal.

Clause 3: Amendment of s. 7—Interpretation

This clause inserts a definition of "interest" in property and a definition of "vest" (in relation to property) in the interpretation section of the principal Act. These terms are used in proposed new Part 6.

Clause 4: Substitution of Part 6

This clause repeals the current Part 6 of the principal Act and substitutes a new Part as follows:

PART 6

CLASS CLOSURE, PERPETUITIES AND

ACCUMULATIONS

Division 1—Preliminary

59. *Application of Part*

Proposed new section 59 specifies that Part 6 applies to dispositions of property made before or after its commencement and rights and powers granted or conferred before or after its commencement. The Part does not, however, validate a disposition if property has already been distributed on the basis that the disposition is invalid.

The new section also specifies that Part 6 applies to land whether or not it has been brought under the *Real Property Act 1886*.

Division 2—Rules for class ascertainment

60. *Class ascertainment*

Proposed new section 60 provides a number of presumptions to assist in class closure.

60A. *Court's power to reverse statutory limitation on class membership*

Proposed new section 60A provides for the presumptions applied under proposed section 60 to be rebutted by actual events. The section empowers a court to expand the membership of a class to include any person who would, but for the presumptions, have been a member of the class. A member included under this section becomes entitled (subject to any conditions imposed by the court) to share in any future distributions.

Division 3—Perpetuities and accumulations

61. *Abolition of rules against perpetuities and excessive accumulations*

Proposed section 61 expressly abolishes the rule against perpetuities and the rule against excessive accumulations.

62. *Court may order vesting of interests*

Proposed new section 62 allows the court to order the immediate vesting of interests if, 80 years or more after the date of a disposition, there remain interests that have not vested. The court is also empowered to vary any disposition so that interests that cannot or are unlikely to, vest within 80 years will vest within that period.

In addition, if a disposition provides for accumulation of income over a period 80 years or more the court may vary the terms of the disposition so that both capital and income will vest within 80 years.

In varying any disposition the court must, as far as possible, give effect to the spirit of the original disposition. An application to the court may be made by the Attorney-General, a trustee, the deceased's next-of-kin, a person who has an actual or potential interest in the disposition or an ancestor of an unborn person who would have an actual or potential interest in the disposition.

Proposed subsection (6) specifies certain types of trusts that do not come within the section and proposed subsection (7) provides that a disposition by will is taken to have been made at the date of death of the testator or testatrix.

62A. *Preservation of rule in Saunders v Vautier*

Proposed new section 62A preserves the principle allowing a beneficiary who is *sui juris* to require distribution of his or her presumptive share of property that is subject to an accumulation.

Mr De LAINE secured the adjournment of the debate.

ADJOURNMENT

At 10.1 p.m. the House adjourned until Wednesday 14 February at 2 p.m.