HOUSE OF ASSEMBLY

Wednesday 18 November 1998

The SPEAKER (Hon. J.K.G. Oswald) took the Chair at 2 p.m. and read prayers.

QUESTION

The SPEAKER: I direct that the following written answer to a question without notice be distributed and printed in *Hansard*.

ETSA, SUPERANNUATION SCHEME

In reply to **Mrs GERAGHTY (Torrens)** 29 October.

The Hon. J.W. OLSEN: In the explanation of her question, the member for Torrens quotes the case of an ETSA worker whose recent superannuation benefit from the ETSA Division 4 Scheme was $12 000 less than an estimate he received a month earlier. Without receiving some further information about the case, it is not possible to give a full answer. It is likely though that the explanation relates to the substantial fall in investment markets since last August 1998.

Most of the benefits from the Division 4 Scheme reflect investment earnings. Members have the option of being in a 'cash' investment (where the assets are short-term bonds, etc) or being in 'diversified growth' investments (where the assets are Australian shares, overseas shares and long-term bonds).

Investing in shares, etc gives a return which varies with the investment market, but is expected over time to give a better result than investing in cash. Members are able to choose which investment suits them best from time to time and they can switch between investments.

The ETSA worker referred to in the question may have previously chosen to use the 'diversified growth' investment. The substantial drop in investment markets in August 1998 may then be the explanation for his actual benefit at 30 September being lower than the estimate given a month or so earlier.

For August 1998 the 'diversified growth' investments fell in value by 5.4 per cent. This result was not out of line with investment funds generally, for in that month the average growth superannuation fund fell by 5.1 per cent according to the Mercer survey of growth funds.

Union representation on the ETSA Superannuation Board could not have prevented the fall.

When employees are given an estimate of their ultimate superannuation benefit, they are clearly told in writing that:

- the estimate is based on the 'actual investment returns of the Scheme known to date';
- 'the Scheme's actual investment returns may vary between now and the date your benefit is actually paid'; and
- 'your benefit may therefore not be the same as this estimate'.

The facility in Division 4 for employees to have a choice of investment strategy makes it a very modern arrangement. I note that this arrangement is consistent with federal Labor party policy on member choice.

Division 4 provides benefits which far exceed those available from the normal industry funds to which employers make Superannuation Guarantee level contributions. The returns to members from the diversified growth investment are comparable with the crediting rates in industry funds. In the 1997-98 year, the Division 4 return credited to members 9.1 per cent which is close to the industry fund average.

If electricity industry workers believe that union representatives on the ETSA Superannuation Board would improve performance, they are free to vote for such candidates at the three-yearly elections.

PAPER TABLED

The following paper was laid on the table:

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

Ports Corp of South Australia—Report, 1997-98.

LEGISLATIVE REVIEW COMMITTEE

Mr CONDOUS (Colton): I bring up the third report of the committee and move:

That the report be received.

Motion carried.

QUESTION TIME

MOTOROLA

Mr CONLON (Elder): Will the Premier cooperate with the 10-point framework for inquiry as laid down by the Auditor-General to the Economic and Finance Committee and adopted by the committee to inquire into the Motorola deal and, in particular, will he allow the committee to obtain all the relevant documents from the relevant agencies? This morning in an unprecedented move the Auditor-General recommended to the Economic and Finance Committee that it adopt his 10-point plan on how the Motorola deal should be properly examined. The Auditor-General said that all relevant documents should be obtained and examined on the basis of the facts and it should be determined whether 'there has been a non-compliance with statutory provisions or whatever, i.e., misleading of Parliament.'

The Hon. J.W. OLSEN: Here they go: they have missed in one area and so they are now trying to save face by moving this inquiry round in another area. What the Auditor-General said to members of the Economic and Finance Committee, and particularly Labor members of the committee, is that, 'You have been running this sort of scatter gun approach. If you are going to do something, do it logically and in a sequence of steps; do it consistently.' That is what the Auditor-General told them today and I invite Labor Party members to take note of what the Auditor-General is trying to tell you.

SHERIDAN AUSTRALIA

The Hon. R.B. SUCH (Fisher): Yesterday we heard good news about ACI's investment in South Australia and today we have more good news about which I ask the Premier to advise the House.

The Hon. J.W. OLSEN: I thank the member for his question, because it is another important step forward in securing South Australia's economic future. The good news story for the State is that Australia's largest bed linen manufacturer is relocating its international distribution centre from Sydney to Adelaide. That is part of the Government's aggressive push to attract companies to the State and, once we have them here, provide an economic environment in which they feel confident enough to expand and stay.

In 1997-98 the Government has secured something like $374 million of new investment which contributed to the creation and retention of more than 6 700 jobs. Importantly, we also assisted more than 420 local based companies in 10 different industry sectors that will undertake enterprise improvement, and we gained $57 million in import replacement contracts. The Government intends to continue its aggressive push to assist international, national and local companies, because by doing so we are creating and, importantly, protecting existing jobs.

The other side to the story is the fact that the company would not even be here if not for the fight that the Govern-

ment took up on behalf of the textile, clothing and footwear industry against proposed tariff cuts. In August last year I received a petition from many Sheridan employees seeking my intervention to ensure the Federal Government maintains its TCF reform in line with and consistent with Australia's APEC partners. We took that up with many industry sectors in support in this State. We took up that fight because it is a vital industry to the State, and we successfully lobbied the Commonwealth in that regard.

Sheridan currently employs 550 people in South Australia. Their distribution centre has now relocated out of Sydney to Adelaide. That is hot on the heels of the hemmings plant relocating out of Tasmania to South Australia. I would hope—and they indicated today—that they are prepared to enter into discussions with the Government to look at further opportunity to consolidate their operations in South Australia. Not only are the 50 or 70 jobs transferred as a result of the distribution relocation important in themselves but by the consolidation of Sheridan's operations in South Australia we have a major manufacturer producing goods and services—sheets and pillow cases if you like—that go to 60 export countries from South Australia, a product going onto the international marketplace. That clearly demonstrates that with appropriate Government policies South Australian based manufacturers can successfully compete against the best in this work in the TCF industry internationally.

Yesterday we saw ACI announce a $65 million further expansion and consolidation. The distribution centre being relocated out of Sydney to Adelaide for Sheridan indicates that our existing manufacturing base is important in this State in this respect. It creates the greatest opportunity for consolidation and for securing jobs for those people in those industry sectors and creates the opportunity to attract further industry and private sector investment from industry sectors into South Australia upon which we can grow in the future.

Mr Speaker, I would put to you that $374 million worth of new private sector investment so far this financial year is not a bad track record, and, indeed, having assisted 42 companies with enterprise improvement to meet international benchmarks is also an important step forward. The Government makes no apology for being aggressive in this area, because it is only with new private sector capital investment and consolidation of operations in this State that will we give security of jobs in this State and have the prospect of creation of jobs in this State.

MOTOROLA

Mr FOLEY (Hart): Will the Premier explain why the June 1994 agreement between the Government and Motorola and which the Premier claims gets him off the hook was kept hidden from the Executive Director of the Government radio network contract, Mr Peter Fowler, until he 'read about it in the papers this year'? In this morning's Economic and Finance Committee it was revealed that Mr Peter Fowler wrote to Crown Law asking for advice on the legal obligations created by the Premier's April 1994 letter. Mr Fowler said that this advice became part of a strategic review being undertaken by the Cabinet IT subcommittee, of which the now Premier was a member. No-one from the Cabinet IT subcommittee informed Mr Fowler that the April 1994 letter had been superseded by the so-called June 1994 agreement on which the Premier has based his defence. Mr Fowler told the media today that the first he knew of the June 1994 agreement with Motorola was when he read about it in the paper.

The Hon. J.W. OLSEN: In relation to the 'off the hook' comment, that is not my comment: that is the member for Elder's comment. If the member for Elder wants to see the TV tapes of that, we can replay them to him, because he said it in the committee. As events have unfolded, the conspiracy theories of members opposite have slowly been dismantled. I would think that the Leader of the Opposition would be somewhat pleased about this, because here is the new chum on the block—the great strategist for the Labor Party, who fell foul in the last Federal election campaign—as the driving force on this strategy. So, the member for Elder has not only failed in the Federal election campaign; he is also now failing here.

Now, having created this environment and this circus for the media, the members for Hart and Elder must now save face in this. That is what they are scrambling to try to do. If you ask me why one department did not now what the other department knew of, or that an agreement had been signed, it was clearly a process problem between the two departments; I freely acknowledge that. One department—and it was acknowledged by it before the committee today—did not know what another department or agency had signed off. That is the sum total of it.

Mr Foley interjecting:

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

The Hon. J.W. OLSEN: So, that puts paid to the so-called conspiracy theory. On the Economic and Finance Committee we are seeing what the members for Elder and Hart do, occasionally assisted by the other Labor member on that committee. The member for Hart goes in and, when the TV cameras start up, he preens himself, takes a deep breath, grows about a foot in height, combs his hair, get it all right, and puts on a display for the cameras. As soon as the cameras shut down he goes back to a normal and reasonable approach when he asks his questions. This is what we see from Opposition members. With the members for Elder and Hart we see a classic abuse of the committee system of this Parliament. They are using this as a circus. They are trying to create a circus.

Today we even had the Auditor-General come in and say, 'Effectively, you are chasing every rabbit down every burrow and, instead of the scatter gun approach, for goodness sake get some consistency and logic to what you are doing.' At least, in some sequence of events, they should be formative in the steps they take. What has happened today is that they have been exposed for what they are—a sham.

Mr Conlon interjecting:

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

Mr Conlon interjecting:

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

STATE ECONOMY

Mr CONDOUS (Colton): I direct my question to the Minister for Industry and Trade. What success has the Department for Industry and Trade had in attracting new investment and jobs to South Australia?

The Hon. I.F. EVANS: On the back of the recent ACI and Sheridan announcements it is important that members appreciate that the industry and trade activities in relation to investment and jobs broadly fall into three areas. One would

be to keep South Australia's business climate and infrastructure conducive to world conditions and very competitive so that companies are attracted here and stay here, and also to ensure that existing industries are supported through various Government programs and encouraged to increase their export efforts. It is pleasing to see that some 70 per cent of investment funds are spent on existing South Australian industry. In addition, we should ensure that South Australia is effectively promoted as an appropriate and attractive investment location.

The Premier is quite right in saying that South Australia has been quite aggressive over the previous period in attracting investment to South Australia. He referred to about 6 700 jobs and $374 million worth of direct investment. That has also continued in the first four months of this year, which is very pleasing. Already through the department the Government has attracted an extra 1 886 direct jobs. They are in a rage of different industries: 930 are in the back office or call centre field, 213 in defence, 236 in the food sector, and 136 in the information services sector.

That obviously creates indirect jobs, of which we have another 1 950, so that is approximately 3 850 jobs in all through direct investment of some $95 million. That is obviously important to South Australia; it continues the growth in investment and obviously grows the gross State product. The Premier referred to being aggressive regarding attracting industry to the State. That is why he announced the Office of State Development, which continues to attract industry to the State. We look forward to more successes to build on what has been a pleasing result thus far.

MOTOROLA

Mr CONLON (Elder): Why did the Premier tell a press conference on 4 September this year that the Motorola deal had been signed off by the Supply and Tender Board, which had looked into competing technologies, had determined whether the matter should go to tender and had ascertained the price? This morning in the Economic and Finance Committee the Chair of the State Supply Board, Ms Anne Howe, told the committee that the State Supply Board had not had any role in looking into competing technologies, had no role in determining whether the deal should go to tender and had no role in ascertaining the price.

The Hon. J.W. OLSEN: What the Chair of the State Supply Board also told the Economic and Finance Committee this morning was that the New South Wales tender process on which South Australia coat-tailed was fair and transparent, that the results of the process that South Australia had been through give value for money and that everyone engaged in the process was operating in good faith.

Members interjecting:

The SPEAKER: Order!

KANGAROO ISLAND

Mr MEIER (Goyder): Will the Minister for Primary Industries, Natural Resources and Regional Development advise the House what the Government is doing to help create new opportunities for Kangaroo Island farmers, particularly in light of the prolonged downturn as a result of the wool crisis and also of the risks associated with Ovine Johnes disease?

The Hon. R.G. KERIN: Certainly we all know a lot about Kangaroo Island as a tourist destination, but Kangaroo Island has been very reliant on its traditional industries for a long time, particularly wool and meat, and the future viability of Kangaroo Island will very much lie in its being able to restructure its agricultural enterprises. That will partly involve improving what they do, but they will have to look at new agricultural enterprises; there is no doubt about that. Currently, it contributes about $50 million per annum to the State economy.

We have looked at the situation over there and we are announcing a new program to address the future of the primary industries on the island. It has been heavily reliant on wool and meat. The downturn in wool in particular has had a profound effect on the island and the viability of many of its enterprises. As the member for Goyder identified, the discovery of Ovine Johnes disease on Kangaroo Island has been a major blow. We have put off the decision on whether or not to destock the 16 or 17 properties until next year, when we will know whether or not we can beat the disease on the island. That could have a major impact on the future.

Along with that, the operator of the abattoir over there, or the person who was buying the meat, has pulled out this year. We have worked with the Kangaroo Island export abattoir to rejig a few things, and it will be opening up again soon, which is good news for the island. But, overall, the 330 wool growers on the island have seen their assets diminish over time and we really need to work on some changes for the future.

The island as such lacks sufficient diversity to manage the risks associated with commodity prices at present. There has been a major swing to grain from a very low base, but of course with low grain prices and the heavy freight rates from the island that has not turned out to be an instant answer. The community over there has identified that a crop industry development officer is needed. We need a person who has experience in and an understanding of economic development for the island and a person to help the island move from reliance on livestock to becoming significant grain producers, and also to improve the productivity of pastures and things to do with wool and meat.

Considerable effort will also be expended in developing other viable industries, whether in horticulture or some of the seed industries and to help with getting a processing industry up and going on the island whereby it can market its natural advantages. A range of crops and possible processing industries have been earmarked. We need to work along the line of getting them up. We need to develop infrastructure to support new and expanding industries and overall to increase local employment opportunities and choices for those on the island. A $330 000 project is an example of the Government working with and supporting a community that is drawing together resources for the common good. I pay credit to the efforts of the member for Finniss in constantly representing the people of the island and bringing their needs to my attention and for his assistance in getting up the project.

SOUTH-EAST WATER

Mr HILL (Kaurna): Does the Premier deny the allegation by the member for MacKillop that the Hon. Dale Baker intervened to have the South-East water policy changed to advantage constituents who wanted water for nothing and, if so, will the Premier tell the House on whose advice and for what reason the Government decided to allocate water on a 'first in first served' basis? On 10 June 1997 under the headline 'Water backflip' the *Border Watch* reported that

then Minister Wotton said that it was his plan to ensure that those who had made financial or legal commitments for development were able to continue with their projects. On 1 July 1997 under the headline 'Water policy shock' the *Border Watch* reported that then Minister Wotton had released a controversial 'first in first served' water policy. The *Border Watch* stated:

> The first in scenario has long been considered dangerous by many experts because it fails to equally recognise all sectors wanting to source the water.

The Hon. J.W. OLSEN: Any change in policy of that nature is determined by Cabinet.

Mr LEWIS (Hammond): Will the Premier advise whether there is any police inquiry into anonymous allegations about the allocation of water rights in the State's South-East? In the *Advertiser* the Director of Public Prosecutions is quoted as rejecting calls for an inquiry into the allegations, the headline saying 'Water inquiry refused'. Yet in the *Australian* an article headed 'Police called in on water rort claim' reports that both the police and the Director of Public Prosecutions are investigating the allegations.

The Hon. J.W. OLSEN: I will table and read to the House without comment a minute to the Attorney-General from the Director of Public Prosecutions, Mr Paul Rofe, QC, dated 18 November 1998, as follows:

> I refer to the above two articles.

That is, the articles in the *Australian* and the *Advertiser* of 18 November 1998 and the allegations with respect to the allocation of water rights. He continues:

> I want to correct a statement attributed to me by Matthew Abraham in the *Australian* that I had said the police had received similar information and that an investigation was a matter for them. At the time I spoke to Mr Abraham I did not know whether the police had received the anonymous allegation. I have now been informed they have not. I did comment to Mr Abraham that normally investigation was a matter for the police and that it was usual for this sort of anonymous allegation/accusation to be bulk mailed to myself, the police and other parties, including the media. I can only presume that this was taken to mean that the police had this information in this case and were investigating. This is not the case.
>
> I have considered the allegation which I received on 9 November. In my opinion, on its face it is completely lacking in substance and is of course anonymous. I have written today to the Commissioner of Police correcting the misreport and also advising that I have decided not to refer the allegation to him for the above reasons.
>
> I am happy for you to use the contents of this minute in any way that you see fit to correct any misunderstanding that may have arisen from my reported comments in the above articles.

Mr HILL (Kaurna): Given that the member for MacKillop is standing by his allegations that the Hon. Dale Baker influenced the Government in 1997 to change the policy of allocating water in the South-East and the Premier's denial of ever having met the Hon. Dale Baker to discuss the issue, will the Premier agree to the demand by the member for MacKillop to change the water policy by tomorrow?

The Hon. J.W. OLSEN: Any policy changes on this or any other matter of Government will be decided by Cabinet.

MENTAL HEALTH, ADOLESCENT

Mr SCALZI (Hartley): My question is directed to the Minister for Human Services.

Members interjecting:

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

Members interjecting:

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

Mr Foley interjecting:

The SPEAKER: Order! I warn the member for Hart for the second time for continuing to interject after he has been called to order.

Mr SCALZI: Will the Minister advise the House of recent initiatives in the area of adolescent mental health?

The Hon. DEAN BROWN: This morning, I went to the Enfield campus of the Women's and Children's Hospital and launched a new web site for adolescents who have concerns about their mental health, in particular those in a state of depression. I must say that it was a very good web site, indeed, and it highlights the growing number of services now out in the community to help people with mental illness.

I think it is important that the Parliament understand the dramatic impact that is occurring in the community in terms of demand with mental health. The demand has exploded in the past two or three years, and I can cite figures that highlight that demand. For instance, the number of contacts to the Assessment and Crisis Intervention Service (ACIS) teams, who are out in the community dealing with people with mental illness—both visits and telephone calls—increased from 4 900 in February last year to 8 600 by December last year. There was an absolute explosion of 65 per cent in less than 12 months.

Also, in the past two years the demand for forensic beds in James Nash House has increased by a dramatic 40 per cent, or from 7 600 in 1995-96 to 10 300 in 1997-98. The demand from acute mental bed patients in South Australia has increased by 70 per cent in just two years from a figure—

Ms Stevens: Why are you cutting the budget—

The Hon. DEAN BROWN: I will come to that in a moment. The number of inpatient beds in South Australia has increased from 5 300 to 9 000 in the last year—an increase of about 70 per cent in the last two years alone. We have this huge demand for mental health services. The biggest part of that is that previously there were in the community people with mental health problems, in particular depression, who just were not being serviced at all. As we have put more services out into the community, so the demand for those services has increased dramatically indeed.

In fact, since 1992, under the Labor Government, we have gone from having 139 full-time people out in the community dealing with people with mental health problems to now having 466 people—about a threefold increase in that short period of six years. What the honourable member must understand is that this is not about cutting funds or services: it is about an explosion in demand, partly because we have been running an education program to make sure that general practitioners, in particular, identify cases of mental illness and report them to community services.

The honourable member has said that funding has been cut. Let me give the facts to the House. Funding allocated to mental health in South Australia is as follows: 1994-95, $85.3 million; 1995-96, $95.6 million; 1996-97, $98.6 million; 1997-98, $103.4 million; and, this year, $106.2 million. This amounts to a more than $20 million increase since 1994-95 (four years) or about a 25 per cent increase in funding. So, this is not about cutting services or funds but about putting more money into mental health whilst understanding the fact that there has been this explosion in terms of demand.

Ms Stevens interjecting:

The Hon. DEAN BROWN: I would have thought that this subject deserved to be tackled with a unilateral approach

of this Parliament. Currently, across Australia we have 35 000 young people a week accessing emergency telephone lines to seek help because of depression in particular. Recently, the Federal Government launched a web site to deal with suicidal adolescents. Since March this year, the demand for that web site has been 72 000 hits. In fact, it has now reached the point of 400 hits per day by young people suffering from severe depression.

An unfortunate problem has occurred in the developed world partly through high levels of unemployment, breakdowns in relationships and the pressures of modern life. It has now been predicted by the World Bank and the World Health Organisation that within 20 years mental illness will be the number two disease in the entire world. In fact, for women they estimate that depression, in particular, will be the number one disease.

Therefore, what we have is an explosion in terms of demand. At the same time, we have this move by institutions to provide more community services. I have highlighted how in the past six years alone we have trebled the number of staff in community services. South Australia still does pretty well in terms of acute beds. This State has the highest level of acute beds for mental health patients of any State of Australia on a *per capita* basis. We have the highest number of psychiatrists and the highest number of consultations with psychiatrists. In fact, we get the highest benefit from medical benefits schemes for consultations with psychiatrists. So, this State is using these services ahead of the other States of Australia. We spend more money on mental health on a *per capita* basis—

Ms Stevens interjecting:

The SPEAKER: Order! The honourable member has had a fair go.

The Hon. DEAN BROWN: —than the average for the whole of Australia, based on 1996 figures, and we have substantially increased funding since 1996 from $98 million to $106 million. However, I believe that the community and this Parliament need to understand the problems, particularly the depression, that is occurring throughout the broader community, and to make sure that we are able to respond as a community in the broadest sense to put forward the services that are clearly needed.

I have taken the case to Cabinet and highlighted the extraordinary increase in demand that is occurring. I would hope that this Parliament will work in a sensible way to identify where the gaps are and make sure that we are covering those gaps adequately, most importantly of all meeting the needs particularly of young people who are searching out and wanting help at present. It is now estimated that something like one in four young people in Australia are suffering from some form of depression at some stage during their teenage years. When they suffer that depression that is when they need that help. Early intervention is by far the most effective cure. It is the No. 1 priority of this Government, and we are trying to do that but, when we get an increase of 75 per cent in terms of demand on our services in less than one year alone, members will understand the enormous task that we have.

AUSTRALIAN WOOL EXCHANGE

The Hon. M.D. RANN (Leader of the Opposition): Is the Premier prepared to be part of a bipartisan delegation to convince the board of the Australian Wool Exchange to reverse or suspend Friday's decision to close Adelaide as a wool selling centre pending a full and public inquiry? This morning I spoke with representatives of the Adelaide Woolbrokers Association, who told me that the decision made in Sydney on Friday would mean that no wool sales would be rostered for Adelaide after 31 March next year, resulting in a substantial loss of jobs and dearer costs for South Australian woolgrowers forced to sell wool at show floors in Melbourne.

I have been informed that the board of the Australian Wool Exchange acted with stealth to close Adelaide as a wool selling centre and that a so-called independent consultant was hired to undertake a study but failed to consult with key leaders of the South Australian industry during his visit to Adelaide. I understand that the Deputy Premier will meet with the local leaders of the industry tomorrow who will ask the Government to press the Board of the Australian Wool Exchange to suspend its decision and undertake a study on the future of the Adelaide wool selling centre in an open, honest and consultative way so that all the facts will be known to the board before it makes its final decision.

The Hon. R.G. KERIN: For once it gives me pleasure to thank the Leader of the Opposition for his question, because I think we are on very similar ground here. He is correct: a decision was made with quite a bit of stealth by the Wool Exchange on Friday. It came pretty well out of left field. We found out about it early on Friday morning and on behalf of the Premier and myself I wrote to the board asking it to delay the decision, but it chose not to do so. It is one of those decisions where they thought that, if they consulted fully, they might have difficulty making the decision that they actually made at the end of the day. The industry here is somewhat divided on this matter: I think one would find that a large percentage of growers and certainly the independent brokers are very much against the decision, whilst a couple of the larger brokers are showing some support for the decision.

Most brokers are saying, 'We've been told that there are savings, but where are the figures?' They want some proof that they will actually save money, and it is just not the big brokers, the Wool Exchange and buyers who will save money, because some of the savings will get through to growers at the end of the day. We can well and truly question the process used by the Wool Exchange Board. I understood that it would be June next year before the board made a decision, but it seems to have raced this decision through. It does not mean that the wool has to go to Melbourne, but certainly the sales are in Melbourne. Even if the board can prove that the move is cost neutral to the industry, there is still a loss to South Australia, bearing in mind that in the past buyers have had to come to South Australia and people have been employed through the sales and other activities.

I have already met with some industry members and I have two more meetings to attend in the morning. Some want to put one side and some the other side. In addition, the Chief Executive of the Wool Exchange is flying over tomorrow morning to meet with me to put his side of the story. Even if they can show the figures, there are some real concerns about the way in which the Wool Exchange made the decision with quite a bit of stealth on Friday. That is the matter we intend taking up. We might even point out that, if all the figures have been done to justify this change, we would not mind seeing the figures that might have closed Melbourne and used Adelaide. We would like to see if those figures have been done as an alternative to the decision made.

WINE INDUSTRY

Mr VENNING (Schubert): Can the Minister for Education, Children's Services and Training advise on the steps the Government is taking to meet the demand for skilled staff in the thriving wine industry in South Australia?

The Hon. M.R. BUCKBY: The member for Schubert is very interested in the wine industry and it is an industry in which I, too, have an interest because part of my current and future electorate of Light takes in part of the Barossa Valley, which I am very proud to represent. On 7 November members may have seen an *Advertiser* article referring to our annual wine production increase and indicating that some 20 000 jobs could be developed within the next five years in that industry. The Government is very mindful that the wine industry is an extremely important one in our State and is addressing the training requirements of that industry. Our TAFE institutes and private providers are extremely active in this area and are heavily involved.

Our private providers such as the South Australian Wine and Brandy Industry Association, Daedel Viticulture, Sheppard Consulting Group, Employment Directions and River Murray Training, to name but a few, have developed courses focusing on the upskilling of existing workers and traineeships. To October 1998, 349 students are involved in their training programs: 239 traineeships and 110 in other funded courses. Such companies as Southcorp Wines, Vinpac International, BRL Hardy, Yalumba Wines and Waninga Wines have been heavily involved in this training. Murray, South-East and Onkaparinga TAFE institutes are also heavily involved. The Murray institute is the focus institute for wine studies while Onkaparinga and the South-East play a major role in responding to the viticulture needs of the industry.

As at October 1998 there are 815 students in wine studies, 754 in viticulture and 320 projected traineeships. Strong links have been made with firms such as Mildara Blass, BRL Hardy and Orlando Wyndham, and those companies are particularly keen on involving themselves in training within the industry. In addition, through our high schools a number of vocational education training courses in viticulture are currently taking place at Nuriootpa, Naracoorte and Mount Gambier. I was speaking to the Training Manager for Mildara Blass while I was in the South-East a couple of weeks ago. He had been to a Canberra conference which suggested that in the next two to three years we will have a shortage of about 3 000 traineeship positions in South Australia, and that is a matter that we really do have to address. The industry is extremely keen to become involved in this activity, which we are promoting through our TAFE institutes as strongly as we can, and I would say to young people in the country or the city that this is a viable option for them in terms of future employment.

WILLIAMS, Mr R.

The Hon. M.D. RANN (Leader of the Opposition): Will the Premier consider the making of a new regulation under the State Superannuation Act to allow the South Australian Superannuation Board to have discretion in extraordinary or tragic circumstances such as those facing Mr Russell Williams to commute part of his pension to a lump sum on compassionate grounds? Yesterday in this House I asked the Government to consider Mr Williams' case. Today I received a letter from the Treasurer, Mr Rob Lucas, informing me that there is no discretion under the current South Australian Superannuation Act to make individual exceptions which would be required to assist Mr Williams, who is 58 years of age and dying of mesothelioma.

The Hon. J.W. OLSEN: I am more than happy to refer that question to the Treasurer.

ABORIGINES, YOUTH

The Hon. G.M. GUNN (Stuart): Will the Minister for Aboriginal Affairs tell the House how community awareness companies are assisting South Australia's Aboriginal youth to realise their full potential?

The Hon. D.C. KOTZ: I thank the honourable member for his question and acknowledge his long time interest and support in matters relating to Aboriginal affairs. Despite the efforts and the intentions of both past and present Governments, it is fair to say that the gap between Aboriginal and non-Aboriginal society in many different areas is significant. For a number of complex reasons many Aboriginal people do not exploit fully the educational opportunities available. Often, Aboriginal retention and attendance rates within our school systems are very low. So, any culturally appropriate initiative that assists Aboriginal people to realise their own creativity, skills and self-worth is therefore very worth while and valuable.

On this occasion I am pleased to advise the honourable member and the House of an excellent example of such a program, the Young Achievement Australia program, which runs programs for the general student population across Australia. Aboriginal specific programs are targeted at years 8 and upwards. The sponsors for this very excellent program are Australian industry, involving companies which recognise the value of community spirit such as Pasminco, Western Mining, BankSA, the Myer Centre, and many others. This is a program which operates nationally, although I will refer to its operation only here in South Australia. The program is facilitated by the State Division for Aboriginal Affairs. The department arranges local contacts, sources, students and locations through the use of State and local knowledge.

The State Government, through the department, also provides some financial support. Additional support is provided at the local community level by regional development boards and by local Aboriginal community groups. By the end of this financial year it is anticipated that approximately 100 students will have had the opportunity to participate in this excellent program. The program, which lasts a period of 16 weeks, trains Aboriginal youth to approach life from a new perspective through real work activities. Participants learn how to set up a real business. The program addresses issues such as finance, marketing and sales: in short, students examine the full business cycle.

I draw the House's attention to three specific examples of this program, about which I am sure members will be most interested to hear. One program involved Murray Bridge students who successfully created jewellery out of emu eggshells. We also had students at Coober Pedy who created and marketed clothing apparel.

Members interjecting:

The Hon. D.C. KOTZ: I know that the Opposition is not terribly interested in Aboriginal affairs, but I would have thought that hearing about young students who are participating in specific programs with very good outcomes for them would be something in which members opposite would be interested. There are also students at Port Lincoln who have produced an audio CD of Aboriginal music and looking at

producing one more. Indeed, I understand that Young Achievement Australia has recognised the enterprise of the Port Lincoln students by awarding a State Managers Special Initiative Award, and this was an excellent choice on behalf of Mr David Hammond, the South Australian State Manager.

General feedback about the program suggests that participation increases school attendance, learning outcomes and attention spans. This initiative is offering a new perspective on success. Aboriginal students are obviously getting a lot out of it. Australian companies are certainly putting a lot into it, and, as the Minister for Aboriginal Affairs, I am very keen to see the department's association with Young Achievement Australia continue, because the program is really achieving some very excellent successes.

AUGUSTA ZADOW AWARD

Ms THOMPSON (Reynell): My question is directed to the Minister for Government Enterprises. Will the Augusta Zadow Award be conducted this year? The Augusta Zadow Award, which was established in 1994, the year of the Centenary of Women's Suffrage, honours the achievements of South Australia's first Inspector of Factories, Augusta Zadow. A grant of $4 000 was to be awarded on an annual basis to an action research project which would establish and promulgate best practice in an area of women's occupational health and safety. I have been contacted by several people who are concerned that there appears to have been no call for applications this year.

The Hon. M.H. ARMITAGE: As the House knows, the Government does take the whole issue of occupational health and safety in South Australia with a great deal of seriousness—not for any reason of financial benefit only. As I have identified to the House before, it is felt that there is a financial dividend to South Australia of $2 billion if we actually improve our occupational health and safety record. As I said, that is not the only reason we do it: we actually do it because it is very important for workers. It is also very important for employers, and we believe that the whole culture of improving occupational health and safety is an extraordinarily important issue for South Australian industry in general.

May I also say that it does offer an opportunity for South Australia once again to seize a competitive advantage over the other States if in fact our occupational health and safety record is better. I am expecting a briefing in relation to this particular award from my officers in the near future and I will be reporting back; but I do stress that there has been no particular decision not to have this award. However, it is an important issue, and I am happy to get a report on it.

MILE END RESIDENTIAL DEVELOPMENT

Mr HAMILTON-SMITH (Waite): Will the Minister for Government Enterprises provide details of the recent agreement signed between the Land Management Corporation and Kinsmen Realty Pty Ltd in relation to the Mile End residential development?

The Hon. M.H. ARMITAGE: I thank the member for Waite for his question, because it provides me with an opportunity to inform the House about a very important milestone in the regeneration and redevelopment of the previous Australian National rail yards at Mile End. Last week, I was pleased to be present when the development agreement was executed between the Land Management Corporation and Kinsmen Pty Ltd as it will enable Kinsmen to proceed to develop 56 allotments on 14 000 square metres of land between Railway Terrace and James Congdon Road. It is a significant development agreement, and it represents the final component of the Government's efforts to develop the Mile End site in a strategic fashion.

I am sure that most members of the House and, indeed, most people in South Australia would recall that a short two or three years ago the development site effectively was abandoned by Australian National, and it was considered both a liability and an industrial wasteland.

Mr Koutsantonis interjecting:

The Hon. M.H. ARMITAGE: Well, it was considered an industrial wasteland at that time because of the contamination and the work that had to be done.

Mr Koutsantonis interjecting:

The Hon. M.H. ARMITAGE: I note that the member for Peake is enthusiastically supporting the redevelopment we have done down there—and so he should—because this is a magnificent redevelopment which has transformed the former Australian National rail yards. Basically, they were a liability to Australian National and, in their contaminated state, an industrial wasteland. It has turned them into one of the most terrific developments. It is one of the most fantastic opportunities to have urban infill close to the city and all the facilities. It is interesting to see that the member for Peake is now nodding. So, the member for Peake is acknowledging that the efforts of this Government over the past two or three years have improved his electorate—and so they should, because that is exactly the sort of land that we ought to be looking at.

The residential land development will be undertaken by Kinsmen and will further enhance the area, which includes the nearby athletics and netball stadiums. I do not notice the member for Peake making any great complaints about the fact that we have put two of the best sporting facilities in South Australia in his electorate. No, I do not notice any complaint about that at all. The site also integrates the realignment of the western bypass to provide efficient transport movement through the area. So, we have been looking after the member for Peake as if it has been going out of style. We are proud to do it, because it is important for the people of South Australia. It provides a good example of what can be achieved when the Government works very closely with interest groups and local government—in this case the West Torrens council—to realise the full potential of development sites. I acknowledge all the work of West Torrens council in this instance.

I understand that I am being asked to get on with it. I will get on with it by saying that, so successful has this Government been, last year the Urban Development Institute of Australia recognised our efforts and judged the Mile End project the best redevelopment project in South Australia. That is a great achievement for everybody involved. Again the member for Peake nods. There is a lot of noise from one part of the Opposition, but from people who represent and presumably live in the area—

Members interjecting:

The Hon. M.H. ARMITAGE: Well, the member for Peake has made a lot of noise, then. Maybe he knows something about the redistribution that others do not. This is another example of the Government working closely with the broad community to provide very appropriate opportunities for residential development, which is obviously important, particularly residential development close to the city—in other words, urban regeneration—because that is good for all

South Australia. It is also a promotion of very livable medium density housing and, once again, it is an example of the Government delivering results.

COBBLER CREEK

Ms RANKINE (Wright): I direct my question to the Minister for Environment and Heritage. When the State Government gave telecommunications carrier Vodaphone permission to erect a mobile phone tower in the Cobbler Creek recreation park on 26 June 1997, was it advised by Vodaphone that the tower may not be operational for up to two years? The argument consistently put by Vodaphone to justify the erection of a telephone tower in the Cobbler Creek recreation park was that it needed to provide an effective mobile phone service to the Golden Grove area and that that particular tower in the park was essential in complying with its obligations under the Federal Telecommunications Act, claiming that if it did not build this tower it could face hefty fines of up to $10 million. However, the telephone tower remains inoperative 12 months after construction, and in one media report Vodaphone's public relations officer indicated it may not be operational until as late as March next year.

The Hon. D.C. KOTZ: I will be very happy to bring back a report to the honourable member on this issue.

HOUSING TRUST, YOUTH TRAINING

The Hon. D.C. WOTTON (Heysen): Will the Minister for Human Services advise the House what opportunities are being provided by the South Australian Housing Trust for young unemployed people from the northern suburbs to gain valuable skills in the building industry?

The Hon. DEAN BROWN: The Housing Trust is undertaking a very large urban renewal project in the city of Salisbury at Salisbury North. The project will run over a 10 year period and is worth about $16 million. It is an area where the level of unemployment is very high.

Mr Foley: Have you been there?

The Hon. DEAN BROWN: Yes, I have. The South Australian Housing Trust has taken the initiative with what I guess is a small project but one that I hope others will pick up as well. As part of the redevelopment and rebuilding of the homes we are taking 20 unemployed young people who basically do not have skills, and we will put them through a prevocational training course.

Members interjecting:

The Hon. DEAN BROWN: There is the retort of the Labor Party in terms of unemployment in this State, which is a sad reflection on the Labor Party as an Opposition, particularly on the issue of unemployment. We propose to take 20 unemployed people in the Salisbury North area, give them prevocational training skills and find them jobs with contractors who win jobs as part of the refurbishment of these homes. So, 20 young people in the area will then be able to use those skills in the building trades. We have started the project and taken on two young people already. It is a small but very important step in doing something about lifting the hope of young people in this State and in creating long-term jobs for them.

PARA HILLS POLICE STATION

Mr SNELLING (Playford): Will the Minister representing the Minister for Police advise the House of the Government's long-term intentions for the Para Hills police station?

The Hon. R.G. KERIN: I shall ask the Minister and get a reply quickly.

YEAR 2000 COMPLIANCE

The Hon. G.A. INGERSON (Bragg): Will the Minister for Year 2000 Compliance advise the House of the significance of the recent launch of the Standards Australia Year 2000 Internet register?

Mr Koutsantonis interjecting:

The Hon. W.A. MATTHEW: I would like *Hansard* to put on record the interjection of the member for Peake. Standards Australia, unlike the member for Peake, takes the year 2000 issue seriously—so seriously that in fact a week ago Standards Australia, in conjunction with the Federal Government, launched the world's first year 2000 Internet register. The South Australian Government has also been pleased to put its support behind the register, which effectively for Australian businesses and other businesses around the world that deal with Australia becomes a listing for year 2000 compliant products, for remediation services and for software tools. It is an information base specifically designed to assist business overcome this important problem in preparing for entry into the new millennium. At the same time Standards Australia has launched a definition of the problem, which might be of significant assistance to the member for Peake and his colleagues.

The Hon. R.B. Such: Is it simple?

The Hon. W.A. MATTHEW: Yes, it is and I am sure that even the member for Peake can understand it.

An honourable member interjecting:

The Hon. W.A. MATTHEW: Yes, it could be an interesting benchmark. The compliance definition states:

> Year 2000 conformity shall mean that neither performance nor functionality is affected by dates prior to, during and after the year 2000. In particular—
>
> (a) Rule 1: No value for current date will cause any interruption in operation.
>
> (b) Rule 2: Date-based functionality must behave consistently for dates prior to, during and after year 2000.

Mr Clarke interjecting:

The Hon. W.A. MATTHEW: I know the member for Ross Smith understands rules, so I am sure he will listen with interest. It continues:

> (c) Rule 3: In all interfaces and data storage, the century in any date must be specified either explicitly or by unambiguous algorithms or inferencing rules.
>
> (d) Rule 4: Year 2000 must be recognised as a leap year in terms of handling both 29 February and day 366.

The register has particular benefit to software developers in South Australia. We ensured that Standards Australia had access to details of South Australian software developers so that it could, in advance, inform software developers of the site by e-mail so that our software developers had the chance to register their interest in being part of this opportunity. I am pleased to advise that 39 significant South Australian software developers have had the opportunity to place their products on the Standards Australia site so that not only South Australian and Australian companies but companies worldwide can draw on this information base.

For those members who are Internet literate—and I would hope that there are a growing number (and I look forward to the member for Peake advising me that he has looked at this site)—they can find the site at www.y2Kregister.com.au. I commend Standards Australia for this initiative, and I think we will see many similar organisations in other countries following suit.

GRIEVANCE DEBATE

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

Mr ATKINSON (Spence): Yesterday the Electoral Districts Boundaries Commission handed down its final report, and alas from my electorate I lost Woodville South, Findon west of Findon Road, and Ovingham to the member for Adelaide. It is about that latter loss that I want to speak today because I think it is courteous when one loses a suburb in a redistribution to write to constituents in that suburb to alert them to the change, and that is what I will be doing this evening. I want to share with the House the letter I will be sending to people in Ovingham. Dated Wednesday 18 November and headed 'Dr Armitage, Ovingham and Barton Road' it states:

Dear Mrs L,

I am sorry to lose you. Owing to yesterday's redistribution of State electoral boundaries, my parliamentary seat of Spence has lost the suburb of Ovingham and been renamed 'Croydon'. I am most disappointed at losing your neighbourhood. I have enjoyed representing Ovingham in the State Parliament for the past nine years and am grateful for the support you have given me. I will continue to have the interests of Ovingham at heart, wherever the lines on the electoral map may be drawn. I will never stop fighting for the right of Ovingham residents to have restored to them their traditional right of access to western North Adelaide via Barton Road. I hope you will continue to regard me as your local MP and ring me for help and advice in the three years leading up to the State election. I can be contacted on—

I then give my work and home telephone number—a number that the residents of Ovingham will not be given by their replacement MP. The letter continues:

The really interesting thing is that you have been pitched into the State seat of Adelaide, now represented by Dr Michael Armitage of Molesworth Street, North Adelaide. Dr Armitage is the Minister for Government Enterprises in the Olsen Liberal Government. Adelaide was a safe Liberal seat, but the redistribution has reduced Dr Armitage's margin to 2.3 per cent by including all of Ovingham.

Dr Armitage has been a vocal supporter of the closure of Barton Road, North Adelaide in order to exclude, amongst others, Ovingham motorists and cyclists. From his vantage point up on the hill overlooking us, Dr Armitage has said that the best solution for improving access to North Adelaide for Ovingham residents would be to do away with the closure of Gilbert Street at Torrens Road. This would, Dr Armitage told the Parliament, allow Ovingham residents access to Torrens Road, (which we already have via Guthrie Street), and they could then turn right up Torrens Road and use Jeffcott Street to get to western North Adelaide. Dr Armitage's proposal would also allow Churchill Road to flow south along Gilbert Street!!

And those members who know the district will understand why I place two exclamation marks after that sentence. It continues:

Dr Armitage's sister-in-law, Transport Minister Diana Laidlaw, last year had her department canvass the option of diverting interstate semitrailers from Portrush Road to Torrens Road at Ovingham. Dr Armitage was desperate that the part of Ovingham south of Torrens Road not be included in his electorate. He launched a lengthy and costly appeal to try to stop you being among his constituents. His appeal argued that people like you, living in the Charles Sturt council area, did not have a community of interest with the kind of people he had been representing, such as people in North Adelaide and the city.

I am sorry this change has occurred. I will do my best to represent you in the State Parliament for the next three years and should Dr Armitage become your MP at the next State election through the weight of Liberal votes in North Adelaide, I will do my best to ensure Ovingham's concerns are voiced in the Parliament. Yours sincerely, Michael Atkinson, member for Spence.

Now that the member for Adelaide is aware of my draft letter and my intention to letterbox it this evening, perhaps he will take the opportunity in Parliament today to explain to the House and to the people of Ovingham that I am wrong and that, in fact, he does not support the closure of Barton Road despite its benefiting him personally; that he has not canvassed the reopening of Gilbert Street to Churchill Road; and that his sister-in-law in the Government of which he is a member did not canvass redirecting interstate semitrailers from the eastern suburbs to Torrens Road at Ovingham. If he were to explain any or all of these things, I would be happy to take his explanation into account in writing my letter to Ovingham residents.

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

The Hon. G.M. GUNN (Stuart): I, too, am pleased to have the opportunity to say a little about the boundaries report, because it has confirmed a number of interesting facts. First, we will not have to put up with the member for Mitchell after the next election because—

Mr Clarke: You will not be here.

The Hon. G.M. GUNN: Well, there is nothing you can do about it, sunshine, nor your bovver boy mate Morton from Port Augusta or your malcontent mate from Spalding. There is nothing they can do about it. You can have your poison pen—

Mr Clarke: You will be easy pickings.

The Hon. G.M. GUNN: I could be uncharitable to the honourable member, but I won't be: I will be here longer than the honourable member. Let me say to the member for Ross Smith that he will need more than the Marijuana Party to get him over the line next time or the Bolkus Left, of which he is a member. So, I was very pleased to see that the list—

Mr Clarke interjecting:

The Hon. G.M. GUNN: I have here a most interesting publication which has been circulating around the Parliament. It gives the various factional memberships of the Labor Party and it is quite an authoritative source. I understand that it has had wide circulation. It goes through the State Executive, members of the Legislative Council and members of the House of Assembly. This authoritative document indicates that the member for Mitchell is a member of the Bolkus Left faction. I have not heard him deny it. It is fortunate that both he and the member for Elder will not be here after the election: they will need more than the Bolkus Left. I understand that Peter Duncan and his two factional allies here will do their utmost to ensure that they do not come back.

The boundaries report has done two things: it has ensured that the members for Elder and Mitchell will not be here and it has confirmed that the member for Stuart will be returned to the Parliament for another term.

Members interjecting:

The Hon. G.M. GUNN: It has also confirmed that the Deputy Premier will be returned with a handsome and robust

majority. Therefore, in my view it has a great deal to commend it.

Mr Clarke: How come Malcolm Buckby is not so happy?

The Hon. G.M. GUNN: I have not given much attention to that. But, I have every confidence that the Minister for Education will be back, because he is doing an excellent job in his area.

I now refer to another topic. Last week during the grievance debate I mentioned Mr Matthew Abraham, and I was trying to give him some friendly help, assistance and advice, because it appeared to me that he did not know how to use a telephone book. I have been reliably informed that, following my comments, he took umbrage at what I had to say and said some quite unkind and uncharitable things about me on radio.

I am most hurt and upset about this, because I was only being generous towards him. For someone who is an honorary press secretary for the Labor Party and the Leader of the Opposition, someone who is commonly referred to as 'Matthew the Midget', he needed a bit of help. He had the effrontery to attack the member for Unley and I was only helping him out so that he could make contact with him; then he goes on the radio and says unkind things about me. I thought that today I ought to put the record straight and say that I am still available to give him the telephone book, if he wants it.

I have never once known him to put forward anything constructive about country and rural areas and about the northern parts of the State. All he can do is to get his poison pen and peddle scuttlebutt and nonsense put to him by the Labor Party. He uses his column as a vehicle to explain to the people of South Australia what the tactical moves of the Labor Party will be the next day. He is really forewarning the readers what the Labor Party will get up to.

I thought he distinguished himself today in the *Australian* when, as usual, he got his facts wrong. My offer to him is still there: I will show him how to use a telephone book. I will give it to him and turn it to the right page and then, if he wants to say nasty things about me on the ABC or elsewhere, let him go. My constituents do not listen to him; he will not affect me politically. But, I really think that he should broaden his horizon.

The ACTING SPEAKER (Mr Scalzi): The honourable member's time is up.

Mr HILL (Kaurna): Before I start my contribution, I comment on the fact that the honourable member's time will be up in three years when this set of boundaries comes into place. I must say, Sir (and I am glad you are in the Chair) that I think you should have rebuked the honourable member for using sizist language in his description of the journalist for the *Australian*, Matthew Abraham, when he described him as 'Matthew the Midget'. It was demeaning and inappropriate.

I, too, want to talk about the redistribution that was released yesterday and make a number of references partly to the history and partly to the implications that this report has for this House and for democracy in South Australia. As members know, this is the third of the redistributions conducted under the new fairness test. The fairness test was introduced as a result of a coalition of Liberal members of Parliament and Independent Labor members of Parliament, the notion being that the election results in 1989 were unfair because the Labor Party won government on a minority of the vote. Therefore, an overriding factor—the fairness criterion—was to be introduced to ensure that this could never happen again.

I find it passing strange that this is the third redistribution we have had. In the first redistribution in 1993, the Electoral Commissioner decided that there was unfairness and that, to fix that unfairness, one seat would be taken away from the Labor Party and given to the Liberal Party to create a fair set of boundaries. Then we had the 1993 election and, of course, the Liberal Party won overwhelmingly, so there was no issue of whether or not the boundaries were fair. Minor adjustments were made for the 1997 election and, after the 1997 result, we had to look at the fairness issue again because, if the Labor Party had received 1½ extra points at that most recent election, we would not have won government because we would not have won half the seats. As you know, Mr Acting Speaker, only your seat would have fallen to the Labor Party and we would have been short by two seats—even if we had won 50 per cent of the vote.

An honourable member interjecting:

Mr HILL: We might have got Stuart, but we would not have won government. So, that extra seat which was given back to the Liberal Party in 1992 had to be given back to the Labor Party after the recent election. In effect, the Commissioner has put back into place a set of boundaries similar to the boundaries that existed around 1989. My contention is that, if we had not had a fairness test and if we had used the criteria that existed prior to the 1992 redistribution, we would have had roughly the same boundaries that are now in place, because the factors that were used to determine boundaries would have produced a set of boundaries which were fair. Except for 1989, the boundaries under the modern system had been fair: the 1989 result was something of an aberration.

Nevertheless, we now have this system, which I contend has damaging effects on our parliamentary system. I would like to go through some of those effects, particularly in relation to my electorate, not that I am fussed at all by the boundary changes in terms of my electorate because the effect has not been great. But I know that some of my colleagues on both sides of the House have had massive changes to their electorate. As a result, electors in some electorates will not have proper representation. For instance, the member for Colton has indicated that half of his electorate has been changed. Even if he were to stand at the next election—and he has indicated that he may not—his attention, especially towards the end of his term, would not be on the 10 000 electors who are in his electorate but on the 10 000 who will be coming into his electorate. He will be looking after someone else's electors—and so it will be across the board. It is bad for a democracy when electors do not have the full attention of their local member for the full term. That will happen all over the place.

Another implication is what will happen to individual communities. I refer, for instance, to the community of O'Sullivan Beach which is now in my electorate but which will move back to Bright. In each of the last five elections it has had a different member of Parliament, sometimes because of boundary changes and sometimes because of changes in the Party holding the seat. That is the nature of a marginal seat. In 1982, the seat was held by Don Hopgood; in 1985, Derek Robertson; in 1989, Wayne Matthew; in 1993, Lorraine Rosenberg; and, in 1997, John Hill. So, that community has had five different members of Parliament.

An honourable member: They are very lucky—

Mr HILL: Aren't they. Now, they are being taken out of my electorate and put in another electorate.

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

The Hon. R.B. SUCH (Fisher): I will add to the point made by the member for Kaurna. Whilst we can accept the fairness principle of the current redistribution law, there is a significant problem which I do not believe can be easily addressed, and that is where you lose people with whom you have been working for a long time. I am disappointed to lose 4 000 of my electors north of Black Road. Even though I will gain some from the south, it is disappointing, because you develop a relationship with schools and people and then you lose them. If we could have the best of both worlds—the fairness principle and retain the people with whom we have had a long association—that would be desirable.

Mr Acting Speaker, because I am aware of your great interest in education I would like to highlight a couple of points of interest. The Students of High Intellectual Potential (SHIP) program has been very successful in our school system. Earlier this week, I attended a special meeting at the Heysen School, which is one of the four campus schools in Aberfoyle Park, where David Esterhuizen, supported by the Principal, Ian Mitchell, presented an outline of that program. It was a well attended meeting, which is an indication of the interest of parents in ensuring that their children who have particular gifts and talents are assisted through the school process. I make a plea to Minister Buckby—and I am sure he will be receptive—that that program continue into next year, because we need not only to assist children with significant disabilities but also to encourage and cultivate those who have significant intellectual potential.

Another education matter concerns computers in schools. This Government has done a lot in that regard, but one aspect of the present policy is that, if schools purchase computers outside the current arrangement, they forgo the $600 per computer subsidy. One of the local high schools in my electorate, Aberfoyle Park, has an extensive computer network and facility and is able to purchase computers for a lot less than the price which would prevail if it purchased them through the department. Yet, in so doing it will lose that $600 subsidy. That school can buy computers with double the computing capacity than those which are available through the existing contract and get equally good service.

I implore the Minister to review this system, which I think was introduced when the Hon. Rob Lucas was Minister, to see whether schools can shop outside the contract without losing the $600 subsidy. It is particularly important for people in country areas as well as city areas, and it is very important for large schools such as Aberfoyle Park High School, which has the capacity to buy a lot of machines but which could do much better if it could buy outside the established purchasing arrangement of the department.

There are a couple of other matters that I would like to address briefly. I want to encourage the police, the Police Minister and the City of Adelaide actively to promote the detection of motorists who run red lights. People running red lights has become a disease in this city. It is a threat not only to pedestrians but to other motorists. People seem to take the view now that they can disregard traffic lights. I am amazed that more people are not killed in our city. I would like to see greater emphasis on red light cameras, including within the city where the traffic lights are owned and controlled by the City of Adelaide.

On that point, the City of Adelaide would do well to look at its traffic lights, because there could be improved coordination. I often find myself sitting at lights with no traffic coming the other way because the system is not responsive enough to traffic flow. These things are not cheap, but there would be merit in the City of Adelaide having a look at its system to see whether we can update computer technology and perhaps use the skills of the Hon. Wayne Matthew so that we can have a more updated computer system to facilitate traffic movement around and within the city.

The other matter involves the need to provide a safe pedestrian bridge at bus stop 38 on Chandler's Hill Road, Happy Valley. I have written to the Minister for Transport and Urban Planning. I hope that she, together with the City of Onkaparinga, will assist in providing safe pedestrian access for the people of my electorate adjacent to bus stop 38. Chandler's Hill Road is no longer a horse and buggy road: it is a very busy road, and people put their life at risk because of the 80 km/h speed zone on the bridge where there is no facility for pedestrians.

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

Ms HURLEY (Deputy Leader of the Opposition): Like many members, today I want to touch upon electoral redistribution. All members of this place naturally have a keen interest in redistribution.

Mr Venning interjecting:

Ms HURLEY: I actually want to refer to the member for Light's acquisition of several areas of my electorate of Napier. The electorate of Light now encompasses Smithfield Plains, part of Davoren Park and Munno Para. The member for Light said today by way of an interjection that he was the current and future member for Light. I took him to mean that he will stand for preselection for the Liberal Party for the seat of Light and that he hopes to be the member for Light after the next election.

I would like to offer the honourable member some assistance if he would care to ask for it. The suburbs of Smithfield Plains, Davoren Park and Munno Para will be essential for the future member for Light, so I want to offer the honourable member some assistance in getting to know those areas and relocating his residence there if he so chooses. I would be perfectly happy to introduce him to a number of my close friends in Smithfield Plains, Davoren Park and Munno Para. In fact, three blocks of Davoren Park that he has acquired are situated across the road from my house. If he chooses to live in that part of his new electorate, I will be happy to assist him to find a house.

This is a wonderful area in which to live and bring up children. My son goes to school locally, as do his friends. I recommend that part of the world to the current member and perhaps the future member for Light.

Mr Venning interjecting:

Ms HURLEY: Yes. I also recommend Smithfield Plains to the member for Light. That is also a good area which is adjacent to several semi-rural areas, and I am sure that the honourable member would feel very much at home there. Again, I have a large number of friends and supporters in the Smithfield Plains area. It would be very helpful for the member for Light to live in the Smithfield Plains area, where he could see at first hand the needs of the schools in the area. Smithfield Plains Junior Primary, Smithfield Plains Primary and Smithfield Plains High School are in desperate need of an upgrade and provide services to a number of children from disadvantaged families. I am sure that the member for Light would find it very enlightening and it would be useful for

him, as Minister for Education, Children's Services and Training, to see at first hand the difficulties those schools face.

In particular, I would prefer the member for Light to live in Munno Para, which is a lovely suburb, well treed and very handy to Main North Road, with excellent facilities and an excellent school. Munno Para, however, is very close to a facility which we may be about to get and which the residents of Munno Para do not want. I refer to the Medlow Road landfill at Smithfield, which is across the road from Munno Para. Among the consistent complainants to my office about this landfill facility have been residents of Munno Para who, being such close neighbours, will feel the full effects of the increased traffic to that landfill area, together with the effect of any noise, smell or disruption from that area. They are also concerned about the potential contamination of water.

So, I will be very pleased to introduce the member for Light to those constituents who are complaining. I know that several have already been or have attempted to see him regarding this facility but so far, I understand, the member for Light has equivocated regarding his approval or opposition to this landfill facility. As we understand it, we are close to a decision and I hope the member for Light now has a stronger view on it.

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

Mr VENNING (Schubert): I rise today to speak about more good news in my electorate of Schubert. It is another real success story to which people in the Barossa have become accustomed. AQ Printworks, a printing business at Nuriootpa in the Barossa, has just won the best waterless printer award in the world—not in Australia but in the world. These awards were held in Chicago, in the US, a few days ago. AQ Printworks, which is owned by Mr Gerald Viergever and his family, has its origins in the Barossa dating back to 1865 when Auricht's Printing Office specialised in printing gothic text liturgical documents for the Lutheran Church. When Mr Viergever purchased his business in 1977, amalgamating it with his art house, Quadrex, it had two employees. Today it employs 60 full-time staff with a turnover of $10 million per annum.

AQ, after many years of committed, diligent and tireless work, led by Mr Viergever, has achieved the enviable title of best in the world. However, it has cost a considerable amount to develop new technology and to purchase the most up-to-date equipment. AQ was the first to import the waterless press, a Heidelberg Speedmaster SM74, to Australia. It was the first of its kind outside the manufacturers R&D department in Germany. The Premier, Hon. John Olsen, attended the commissioning of this new press last year and I was there also. It was a fabulous spectacle, and I have never witnessed such a pressing occasion, the launch of a press in this way. With smoke, flashing lights and music, there it was—this magnificent piece of machinery. Certainly, Mr Viergever's flair was obvious in the presentation of this press of which he was so proud.

For members' information, the waterless printing process is regarded world wide as the most environmentally friendly method of printing. Most printing presses use a lot of water and chemicals in the printing process, which results in damaging gases and residues entering the environment. The waterless process does not use any water and considerably fewer chemicals, therefore making the process cleaner and greener. In some States of the US printers are only allowed by law to use the waterless presses to enhance the environmental protection process. In Europe printing firms are employing staff solely dedicated to monitoring and minimising their environmental impact emissions.

AQ Printworks is obviously a leader in this area and is setting an example for others to follow. It has fought a long campaign to stay ahead of other printers with its newest, cleanest, greenest and smartest state of the art thinking. AQ provides business and industry, both nationally and internationally, with a wide range of printing expertise, but the printing of wine labels is one of its real fortes. Its clients range from corporate giants like Southcorp to the small boutique wineries including the James Boag (Tasmanian beer) label, which was recently judged the best in Australia. Also, members have seen a fine example of AQ's work, the label on the bottle of dirty Barossa water that I used effectively in the campaign to get filtered water for the region. That label was produced and donated by AQ.

I pay tribute to the Premier, the Hon. John Olsen, in this respect, because about four years ago as Minister in the new Liberal Government he visited AQ Printworks at the request of Mr Viergever and myself. The Hon. John Olsen facilitated the acquisition of land to allow AQ to expand, which it did. Not only did he ensure that AQ stayed in South Australia but he enabled this excellent enterprise to now be adjudged best in the world. Not only is Mr Viergever a great businessman, entrepreneur and perfectionist but his flair, flamboyance and infectious enthusiasm make him another true Barossa identity. He is currently the head baron of the Barossa, a role he has carried out with great aplomb.

I have also appreciated the lobbying skills of Mr Viergever and I note Gerald's son Wolf is of similar mould. We know we grow the best wine in the world and now we know it is best presented with the world's best labels. I believe that AQ Printworks' world acclaim is yet another success story. It is a real success for the Barossa, and I congratulate Mr Viergever, his family and staff on a truly outstanding achievement.

SOCIAL DEVELOPMENT COMMITTEE: GAMBLING

Adjourned debate on motion of Hon. R.B. Such:

That the eleventh report of the committee on gambling be noted.

(Continued from 4 November. Page 186.)

Mr LEWIS (Hammond): I am one of those people distressed by the proposal which passed this Parliament some time ago to introduce poker machines in South Australia and fairly accurately predicted the consequences of its doing so. You, Sir, having been elected at the same time as myself in 1979, will recall early in 1980 the strength of opposition I expressed to the establishment of a casino in this State, with the prediction that, if a casino were established, it would only be a matter of time before further forms of gambling would also be made lawful on the grounds that it was legitimate for people to choose their poison, if they were going to kill themselves, to use a metaphor to describe what we have as a phenomenon before us now.

Indeed, we have what are lawful activities in the different forms or codes of gambling which are very destructive of self-esteem, because they destroy the person's disposable

income and capacity to accept a responsible role within their families as providers. That arises from their becoming involved in the impulsive gambling which invariably results where they have a predisposition to be pleased by winning and to be pleased by participating.

That leads me to citing one of the main reasons why I object to widening the range of gambling. There are those people in our society who are predisposed to becoming addicted to gambling if they ever try it. The greater the number of forms of gambling in which they can participate, the greater will be the number in that group who become addicted and who destroy their lives and bring misery to the lives of those close to them. That has always been the basis upon which I have opposed gambling. I saw the effects of gambling, including the often closely associated consequences of prostitution and drug taking, in other countries and other societies over 30 years ago, and it was predicated upon that experience that I came to the very strong conclusions I had at the time I was elected, and still have to this day, about all three: gambling, prostitution and drugs.

We are dealing in this measure with gambling. I am concerned about the range of products now available in the marketplace and about the consequences they have produced. Having made that statement, I do not want anyone to think that it is any less consequential that I should now leave that argument aside and look at my next reason for originally being so strongly opposed to gambling in the form of the Casino. We were told that to introduce a Casino in South Australia would enhance international tourism to this State and that it would bring to South Australia—or retain in South Australia, more particularly—those reputedly millions of dollars that went out of the State to Wrest Point in Tasmania or to the poker machines in Tooleybuc and other places in New South Wales, where this crazy proposition of a day's membership of the club was a prerequisite for people to go and play.

The legal fiction that was created of a one day membership I now see bedded down in our social attitude by the current Government's morally bankrupt proposition allowing David Lloyd Leisure Centre to run a one day membership in that commercial venture to be established on parkland in Memorial Drive. That is indeed a fiction, as there is no commitment of the person concerned to the welfare of the club, the organisation or its assets. It is a matter of convenience for them just for the time that they are there. I am distressed by the fact that we are willing to accommodate such people in this way.

The money that was supposed to be going out of this State as a consequence of our having no casino (and then we were told that it was still going out of the State as a consequence of our having no poker machines) is still going out of the State in the form of profits that are repatriated to the businesses with their head offices interstate and shareholders who are predominantly elsewhere. So, the profits do not stay in South Australia, and there is no requirement that they stay here. That is something that the committee overlooked in its deliberations on the matter. I called on then Premier John Bannon, and he gave a commitment to have such an inquiry as we are having now, after we established a casino when we debated it the second time around. However, that commitment was never honoured.

I thank the committee for the report that it has now produced, as limited as it may be on some points. But at least it sets out, albeit more than 15 years too late, what are the hazards for the wider community, and what it, therefore, expects will be the responsibility of long suffering taxpayers to pick up the problem—and, more particularly, as I said earlier, the consequences for the innocent young people who suffer from their parents' inability to be responsible for them. Mostly they are children, but not always. There are other adults who depend upon someone as the breadwinner and who find suddenly that they can no longer depend on that person, because they have been seduced into gambling in one form or another.

I agree very strongly with the committee's recommendation that we should remove the ambience from the practice of gambling in clubs and hotels, especially in the pokie parlours, as they have become known. Those inducements are seductive lights and the music associated with winnings, which reinforces at a subconscious level the pleasure derived from having a win, even though losses will continue from the pocket of the gambler. It is absolutely inane that we allow people to develop the belief that they are getting somewhere and winning something with the use of pleasant flashing lights. It makes it a sensual experience, and you become hooked, if you are predisposed to it, and I believe that it is quite wrong.

I am also strongly of the view that the committee has got it right when it says that we have to cap numbers of these things and cut them back if we can. I believe that the Hon. Nick Xenophon is doing this State's community a service by constantly drawing attention to the evil that is produced. As the committee found, advertising gambling—projecting the image that you will be better off as a consequence of gambling—is absolutely evil in the extreme. It is deceitful, because the advertiser knows that the odds are stacked against the gambler—and that is deliberate. Yet, in the television advertisements we see the Casino pictured as being at the end of the rainbow, giving people the notion that there is the pot of gold for them, and we see the advertisements such as 'Break free' which are totally irresponsible in the models of behaviour that they project and the benefits that are supposed to accrue to the player through their participation. It is statistically improbable that they will win, and that is why I see it as so wrong.

I commend the committee for its work. I believe that the recommendations ought to be even further stiffened up, and that all the recommendations should be taken on board by the Government, especially the one about extending the six second cycle and compelling people to break once they have had a win from any machine anywhere.

Mr HANNA (Mitchell): When the member for Fisher brought the report of the Social Development Committee into gambling in South Australia into this Chamber, he prefaced his remarks with his personal view of gambling and other human behaviour. He expressed the liberal view—and I mean small 'l' liberal view—that people have the right to engage in activities unless there is an obvious and easily demonstrated negative impact. And that really comes to the essential question in this whole area of gambling. Many, not only on the conservative side of politics but also on the Opposition side at the moment, hold that liberal view in relation to social issues, and particularly gambling.

However, it is a balancing act. It is a balance between the right of people to choose how they harm themselves or how they use their leisure time, as against the social responsibility that members in this place have to ensure that harmful social impacts are avoided. There is a clash there, because we must look after the interests of society as a whole. But that really

means the harmful impact on a whole range of individuals. The particular individuals who might be harmed from losses through gambling may well say that no-one should have the right to look after them, and no-one should have the right to intervene to ensure that they do not do harm to the dependants around them, and that is the essential tension in this area.

I take a view of social issues that is similar to that which I take of economic issues. Where in the economy there is what is called 'market failure'—that is, people are being hurt financially through the way that income and wealth is distributed or through the way competition works to squeeze out people who have a right to live and to operate in business—I think that the Government has a responsibility to intervene, and that can occur through regulation of an industry, by prohibiting certain behaviour or by taxing certain forms of economic activity. I believe that the same principles apply in relation to social behaviour as opposed to economic behaviour. Where we see a social failure as opposed to market failure, it is for the people in this place to intervene in some active way to minimise the social failure, the harmful consequences, that we sometimes see in human behaviour if it is left unchecked.

The Social Development Committee's brief was to look at gambling throughout South Australia in the various gambling codes. However, the committee's focus and that of members of Parliament as we respond to the report tends to be in relation to poker machines. Some call them gaming machines: I prefer to call them gambling machines, because I think that is just a little more accurate. I make that distinction because it is important to recognise that gambling machines are not merely entertainment. The hotel industry and civil libertarians are disposed to say that these machines are merely a matter of fun. Of course, that is not the case; it is not the case for individuals who will lose their money. There is no doubt about it: if they stay long enough at a particular machine they will lose their money. Of course, that can have harmful consequences for those in their families or other people who depend on the income of the person who succumbs to the temptation to gamble in that way.

It is quite right that there is a particular focus on gambling machines as a form of gambling. No doubt, many of the criticisms that people make of the gambling machine industry and human behaviour in relation to it equally apply to other forms of gambling, be it lottery tickets, horse racing or some other kind of gambling such as that at the Adelaide Casino. I am nowhere near as far down the track as the Hon. Nick Xenophon in terms of campaigning against gambling machines and other forms of gambling. I am not one who seeks to prohibit gambling completely; I think that that would be an unrealistic objective. I do not believe that we could ever eliminate gambling in this community any more than we could eliminate the human fascination with chance, the human desire to take a short cut to success wherever possible or human greed and the importance placed by people on material gain as opposed to social relationships and kind behaviour among people.

So, gambling is here to stay, and I am not sure how far the Hon. Nick Xenophon will get with his bid to remove gambling machines from our hotels completely. Personally, I doubt that that proposal will be realised by this Parliament, bearing in mind that about a year ago I introduced in this very Chamber an amendment to place a moratorium on the granting of new licences. This amendment was not to remove machines or to limit the number of machines permanently: it was simply to hold off any decision until this Social Development Committee report had been tabled. What was the result? It was a vote of 31 to 13 against my proposal. So, when the will of the Parliament shows itself in that way against a fairly moderate proposal in the scheme of things, there is little chance of Nick Xenophon's current, proposed legislation getting through.

However, the obvious reason why the issue of gambling machines is still being debated is that they have been in this State for only a few years. Nonetheless, there is something else we need to bear in mind when discussing this issue, namely, that gambling machines as a form of gambling are distinctive. There is something distinctive about the rapid play, continuous form of gambling that poker machines represent. It is different from buying a lottery ticket where, characteristically, people might buy one ticket a week and wait to hear the results on the evening television service. It is different from something such as horse racing where an element of thinking, planning and researching is involved. You simply cannot bet on horse racing as quickly as you can on gambling machines.

There is something distinctive, too, about the environment the hoteliers create. There are the sometimes dimly lit pokie parlours, with the noises related to winning which form part of the conditioning that subtly applies to the players, and there are the coloured lights and so on of the machines. All of it together provides a particularly seductive temptation, and there are a number of measures which could be brought into play to counter that. Not enough research has been conducted into that, although I am aware of a postgraduate student at Flinders University who has done some very good research in this regard. I do not have the time to go into it today. It follows on from the work of Professor Dickerson and a number of other researchers in this area. The Social Development Committee has put forward a few modest proposals perhaps to limit losses, and I do endorse them.

Mr MEIER secured the adjournment of the debate.

PETROLEUM (PRODUCTION LICENCES) AMENDMENT BILL

The Hon. R.G. KERIN (Deputy Premier) obtained leave and introduced a Bill for an Act to amend the Petroleum Act 1940. Read a first time.

The Hon. R.G. KERIN: 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.

Section 27 of the Petroleum Act provides for a right to a Petroleum Production Licence (PPL) to a licensee who holds a Petroleum Exploration Licence (PEL) over an area within which petroleum is discovered, provided the quantity or quality of the petroleum is not insufficient to warrant production.

PELs 5 and 6 in the Cooper Basin expire on 27 February 1999 with no right of renewal. Such exploration licences are held by Santos Ltd and Partners who are still conducting successful exploration activities in the area and are likely to continue to lodge applications for Petroleum Production Licences immediately prior to the expiry of PELs 5 and 6.

As the Petroleum Act, 1940 requires that the discovery is evaluated to ensure that production is warranted, it is possible that some applications for PPLs may not be determined as at the date of the expiry of PELs 5 and 6.

As the current Section 27 of the Petroleum Act, 1940 only provides for the right to a PPL to a licensee who holds a PEL, any applications still undetermined as at the expiry of PELs 5 and 6 could be deemed to be invalid.

It is not in the interests of the State, the Cooper Basin Producers, or any other licensee for there to be doubt about a licensee's entitlement to PPL over an area of discovery because of the fact that a PEL has expired pending the determination of a PPL application over the discovery.

The Petroleum (Production Licences) Amendment Act 1998 provides for an amendment to Section 27 of the Petroleum Act, to be put beyond doubt that such applications could not be invalidated simply because the PEL has expired.

I commend the Bill to the House.

Explanation of Clauses

Clause 1: Short title

This clause is formal.

Clause 2: Amendment of s. 27—Right to petroleum production licence

This clause provides that if a licensee who holds a petroleum exploration licence applies for a petroleum production licence for an area comprised, at the time of the application, in the exploration licence, the licensee's entitlement (if any) to the grant of a production licence is not affected by the expiry of the exploration licence, or a contraction of its area, before the determination of the application, and no further exploration licence can be granted for the area to which the application relates until the application has been finally determined.

Ms HURLEY secured the adjournment of the debate.

NURSES BILL

The Hon. DEAN BROWN (Minister for Human Services) obtained leave and introduced a Bill for an Act to provide for the registration and enrolment of nurses; to regulate nursing for the purpose of maintaining high standards of competence and conduct by nurses in South Australia; to repeal the Nurses Act 1984; and for other purposes. Read a first time.

The Hon. DEAN BROWN: 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.

I am pleased to introduce this Bill, the primary aim of which is to provide the mechanism through which the public may be assured of high standard, effective and ethical nursing practice. The Bill reforms and updates the systems of registration and enrolment for nurses, thereby positioning the profession to meet the challenges which will be ushered in by the new millennium.

Honourable members may recall that the last time the Act was substantially revised was in 1984. Since that time, heightened community expectations of health professionals, the increasing introduction of highly sophisticated technology and therapeutic agents, changing practices and higher educational standards, have created a new environment in which health care is delivered.

The nursing profession, to its credit, has responded positively to the changing environment. The role of nurses has expanded to keep pace with advances in health care and technology and nurses are increasingly assuming more responsibility for complex patient care. The profession has recognised the need to ensure that the legislation which sets down the parameters within which it practises should also keep pace with modern developments and expectations.

The Bill before honourable members today is the culmination of an extensive process of review and consultation, including most recently, a review carried out in accordance with the Competition Principles Agreement. It is designed to reflect national and international developments in nurse regulation which aim to—

- use standardised and understandable language for nursing regulations, clearly describing the functions for consumers, employers, education providers and nurses;
- standardise entry-to-practice requirements and limit them to competence assessment, promoting physical and professional mobility;
- operate on the basis of demonstrated initial and continuing competence, allowing and expecting different professions and professional groupings to share overlapping scope of practice;
- provide pathways that allow all regulated persons to provide services to the full extent of their knowledge, training, experience and skill;
- redesign professional registration boards and their functions to reflect the interdisciplinary and public accountability demands of the changing health care delivery system.

Turning to the main provisions of the Bill, the board is maintained at eleven members, five of whom must be nurses. However, it is no longer prescriptive as to nominating bodies or areas of nursing practice to be included in membership. Importantly, the Minister is empowered to nominate three consumer members to the board. Increased public participation in the regulatory process is in keeping with international trends. It increases transparency and accountability which in turn should lead to enhanced public confidence in the system.

Significantly, the first of the functions of the board is listed as regulating the practice of nursing in the public interest. The board, in exercising its functions under the legislation, must do so with a view to ensuring that the community is adequately provided with nursing care of the highest standard. It must also seek to achieve and maintain the highest professional standards both of competence and conduct in nursing. Professional standards developed by the board will be provided to all registered and enrolled nurses, will be available at the board's offices for perusal and will be published in the *Gazette*.

The board pursues its objectives through a system of registration and enrolment of nurses. Under the existing Act, a number of separate registers and rolls are maintained for different fields of nursing, for example, registers for general nurses, psychiatric nurses, mental deficiency nurses and midwives, and rolls for general (supervised) nurses and mothercraft nurses. The Bill proposes to streamline that system by establishing a single register and a single roll. Those persons registered or enrolled under the existing system will be taken to be registered or enrolled on the commencement of the new system and any specialist qualifications noted under the existing system will be noted under the new system.

Under the new system, the board will authorise specialties for inclusion on the register or roll. The first authorised specialties will be midwifery and mental health nursing, practitioners of which will have their specialised area of qualification and experience noted on the register. Such authorisation will carry with it an assurance that individuals authorised as specialist practitioners meet the legal requirements for practice. They will have unequivocal authority for a scope of practice and regulatory endorsement of their role. The proposed stringent controls on use of title and 'holding out' will protect against unqualified use of advanced practice titles for the benefit of the public and also the practitioner. Substantial penalties apply for breach of those provisions.

The board is empowered to approve or recognise courses of education and training, a function which is linked to its registration and enrolment role. By this mechanism, the board can ensure that training for nurses reflects the competency standards of the nursing profession. The provision is broad enough to enable the board to approve a training course which would, for example, support the direct entry of midwives into the profession. A right of appeal is included against a decision of the board to refuse to recognise or approve a course.

In relation to enrolled nurses, the Bill continues the requirement for supervision by a registered nurse. However, flexibility is introduced to enable the board to approve arrangements and specify conditions under which an enrolled nurse may practise within their area of competence but without supervision by a registered nurse. Such arrangements might relate, for example, to domiciliary care, day surgeries, doctors' rooms and hostels, after due consideration has been given to competence and circumstances.

An important consideration for any registration Act is the scope of practice which it covers. The Bill is clear in its intent that it covers nurses and nursing practice and standards. It is not intended, nor is it appropriate, that it embrace other care workers. While productive working relationships exist between registered and enrolled nurses and other categories of care workers, such care workers are not practising nursing and do not come within the ambit of the legislation.

In summary, the Bill establishes a firm foundation for the continuation of nursing excellence. It introduces increased flexibility to enable the Nurses board to respond to changing health care practices and the community's right to high standard, effective and ethical nursing care. It enshrines increased public and professional participation in the regulatory process which will promote the

partnership that is most critical to maintaining standards of nursing care.

I commend the Bill to the House.

Explanation of Clauses

PART 1
PRELIMINARY

Clause 1: Short title

This clause is formal.

Clause 2: Commencement

The measure will be brought into operation by proclamation.

Clause 3: Interpretation

This clause sets out various definitions for the purposes of the measure. A 'nurse' is defined as a person who is registered or enrolled under the Act. There will be a register of nurses and a roll of nurses. Other key terms include definitions of 'supervision' and 'unprofessional conduct'.

PART 2
NURSES board OF SOUTH AUSTRALIA
DIVISION 1—ESTABLISHMENT OF BOARD

Clause 4: Establishment of board

The *Nurses board of South Australia* is established. The board will be a body corporate with perpetual succession and a common seal.

DIVISION 2—THE BOARD'S MEMBERSHIP

Clause 5: Composition of board

The board will (subject to the operation of Part 5) be constituted of 11 members appointed by the Governor, of whom *(a)* one will be the presiding member; *(b)* five must be nurses registered or enrolled under the Act; *(c)* one must be a medical practitioner; *(d)* one must be a legal practitioner; and *(e)* three must be persons who are neither nurses, medical practitioners nor legal practitioners.

Clause 6: Terms and conditions of membership

A member of the board will be appointed on conditions determined by the Governor for a term not exceeding three years.

Clause 7: Vacancies or defects in appointment of members

An act or proceeding of the board is not invalid by reason only of a vacancy in its membership or a defect in the appointment of a member.

Clause 8: Remuneration

A member of the board is entitled to remuneration, allowances and expenses determined by the Governor.

Clause 9: Disclosure of interest

A member of the board must disclose an interest in any matter under consideration by the board, and must not take part in any deliberations or decision of the board on the matter.

DIVISION 3—THE BOARD'S PROCEDURES

Clause 10: The board's procedures

Subject to the Act, six members constitutes a quorum of the board. At least two nurses must be present at any meeting of the board (other than under Part 5). This clause also addresses other matters relevant to the proceedings of the board.

DIVISION 4—REGISTRAR AND STAFF OF THE BOARD

Clause 11: Registrar of the board

There will continue to be a Registrar of the board appointed on terms and conditions determined by the board. The Registrar must be a person who is registered, or who is eligible for registration, as a nurse. The Registrar is the chief executive of the board and, subject to the direction of the board, is responsible for managing the staff and resources of the board and giving effect to the policies and decisions of the board.

Clause 12: Other staff of the board

There will be such other staff of the board as the board thinks necessary for the proper performance of its functions. The board may, with the approval of the relevant Minister, make use of the services, facilities or officers of an administrative unit.

DIVISION 5—COMMITTEES

Clause 13: Committees

The board may establish committees.

DIVISION 6—ACCOUNTS, AUDIT AND ANNUAL REPORT

Clause 14: Accounts and audit

The board must keep proper accounting records in relation to its financial affairs, and have annual statements of account prepared in respect of each financial year. The board's accounts will be audited by an auditor approved by the Auditor-General and appointed by the board. The Auditor-General may audit the accounts of the board at any time.

Clause 15: Annual report

The board must prepare an annual report by 30 September in each year. Copies must be laid before both Houses.

PART 3
FUNCTIONS AND POWERS OF THE BOARD
DIVISION 1—GENERAL FUNCTIONS AND POWERS

Clause 16: Functions of the board

This clause sets out the functions of the board, which include to regulate the practice of nursing in the public interest, to approve various courses of education and training, to determine the requirements necessary for registration or enrolment, to investigate issues concerning the conduct of nurses, to endorse codes of conduct and professional standards for nurses, and to provide advice to the Minister. The board must exercise its functions with a view to ensuring that the community is adequately provided with nursing care of the highest standard, and to achieving and maintaining the highest professional standards both of competence and conduct in nursing.

Clause 17: Powers of the board

The board has the powers necessary or expedient for, or incidental to, the performance of its functions.

DIVISION 2—EVIDENCE AND PROCEDURE

Clause 18: Proceedings before the board, etc.

The board may conduct inquiries, hearings and other proceedings and exercise various powers associated with the gathering of information and evidence.

Clause 19: Principles governing hearings

The board is not bound by the rules of evidence and may inform itself on any matter as it thinks fit. The board will, on the hearing of proceedings, act according to equity, good conscience and the substantial merits of the case.

Clause 20: Representation at proceedings before the board

A party to proceedings before the board has a general right to be represented at the hearing of those proceedings.

Clause 21: Costs

The board may award costs against a party to proceedings before the board. A person may request that costs be taxed by a master of the Supreme Court.

PART 4
REGISTRATION AND ENROLMENT
DIVISION 1—THE REGISTER AND THE ROLL

Clause 22: The register and the roll

The board will keep a register and a roll for the purposes of the Act. The Registrar will be responsible to the board for the form and maintenance of the register and the roll.

DIVISION 2—REGISTRATION AND ENROLMENT

Clause 23: Registration

A person is eligible for registration as a nurse if the person has relevant qualifications approved or recognised by the board, has met the requirements determined by the board for registration, and is a fit and proper person to be a registered nurse. Registration as a nurse authorises the registered nurse to practise in the field of nursing without supervision.

Clause 24: Enrolment

A person is eligible for enrolment as a nurse if the person has relevant qualifications approved or recognised by the board, has met the requirements determined by the board for enrolment, and is a fit and proper person to be an enrolled nurse. Enrolment as a nurse authorises the enrolled nurse to practise in the field of nursing under the supervision of a registered nurse or, with the approval of the board, to practise in the field of nursing on conditions determined by the board without the supervision of a registered nurse.

Clause 25: Application for registration or enrolment

An application for registration or enrolment as a nurse must be made to the board in a manner and form approved by the board. The board may require the provision of any information for the purposes of determining an application. The Registrar may grant provisional registration or enrolment in an appropriate case.

Clause 26: Reinstatement of person on register or roll

This clause sets out various processes associated with the reinstatement of a person's name on the register or roll (as appropriate).

Clause 27: Limited registration or enrolment

This clause allows the board to register or enrol a person in a specified case on a limited or conditional basis.

Clause 28: Renewal of registration or enrolment

Registration or enrolment (other than on a provisional basis) operates for a period determined by the board or specified by the regulations, and may be reviewed by the board from time to time.

Clause 29: board's approval required where nurse has not practised for five years

A registered or enrolled nurse who has not practised nursing for five

or more years must not practise nursing without first obtaining the approval of the board.

Clause 30: Revocation or variation of conditions

The board will be able, as appropriate, to vary or revoke a condition attached to a registration or enrolment under the Act.

Clause 31: Removal from register or roll on request

The Registrar may remove a person's name from the register or roll at the request of the person.

Clause 32: Removal of name from register or roll on suspension

The Registrar must remove a person's name from the register or roll on the suspension of the person under the Act.

Clause 33: Concurrent registration and enrolment

A nurse cannot, at the same time, be both registered and enrolled.

Clause 34: Fees

Various fees are payable (including a practice fee).

Clause 35: Information to be provided by nurses

The board or the Registrar may require the provision of prescribed information relating to a nurse's employment.

DIVISION 3—RESTRICTIONS RELATING TO THE PROVISION OF NURSING CARE

Clause 36: Illegal holding out as being registered

A person who is not registered under the Act must not hold himself or herself out as being registered as a nurse or permit another to do so.

Clause 37: Illegal holding out as being enrolled

A person who is not enrolled under the Act must not hold himself or herself out as being enrolled as a nurse or permit another to do so.

Clause 38: Illegal holding out concerning restrictions or conditions

A registered or enrolled nurse whose registration or enrolment is restricted or subject to a condition or limitation must not hold himself or herself out as having a registration or enrolment that is unrestricted or not subject to a limitation or condition.

Clause 39: Other restrictions

A person must not practise nursing for remuneration, fee or other reward unless registered or enrolled under the Act.

A person must not take or use the title 'nurse', or another title calculated to induce belief that the person is a nurse, unless the person is registered or enrolled under the Act (unless otherwise provided by the regulations). A person who has not successfully completed a course leading to qualification as a midwife, as determined or recognised by the board, must not take or use the title 'midwife', or another title calculated to induce belief that the person is a midwife. The same type of provision applies in relation to 'mental health nurse' or 'psychiatric nurse'. Various holding-out provisions also apply.

Clause 40: Offence against Division

It is an offence to contravene or to fail to comply with these provisions.

PART 5

PROCEEDINGS BEFORE THE BOARD

Clause 41: Inquiries by the board as to competence

The Registrar or another person may lay a complaint before the board alleging that within a period of two years immediately preceding the complaint that a nurse provided nursing care without having or exercising adequate or sufficient knowledge, experience or skill. If the case is established, the board may impose conditions restricting the right of the nurse to provide nursing care.

Clause 42: Incapacity of nurses

The Registrar may lay a complaint before the board alleging that a nurse's ability to provide nursing care is unreasonably impaired by physical incapacity, mental incapacity, or both. If the case is established, the board may suspend the nurse, or impose conditions restricting the nurse's right to provide nursing care.

Clause 43: Obligation to report incapacity

If a health professional who has a nurse as a patient or client believes that the nurse's ability to providing nursing care is or may be seriously impaired by a physical incapacity or mental incapacity (or both), the health professional must provide a written report to the board.

Clause 44: Enquiries by the board as to unprofessional conduct

This clause sets out the powers of the board in respect of unprofessional conduct.

Clause 45: Obligation to report unprofessional conduct

If an employer of a nurse has reason to believe that the nurse has been guilty of unprofessional conduct, the employer must submit a written report to the board.

Clause 46: Special investigatory powers

This clause sets out various investigatory powers that the board or the Registrar may exercise in relation to proceedings, or potential proceedings, under this Part.

Clause 47: Provisions as to inquiries

This clause empowers the Governor to appoint a person as a special member of the board, who may act as a member of the board for the purposes of proceedings under this Part. The quorum of the board will be three members for the purposes of proceedings under this Part. The clause also sets out other associated matters.

Clause 48: Revocation or variation of conditions

The board may, at any time, vary or revoke a condition imposed under this Part.

Clause 49: Other matters

No civil liability will attach to a person who makes a statement honestly and without malice in a report for the purposes of this Part.

PART 6

APPEALS

Clause 50: Appeal to Supreme Court

This clause sets out various rights of appeal to the Supreme Court.

Clause 51: Operation of order may be suspended

Subject to a decision of the Supreme Court or board, the operation of an order or requirement is not suspended pending the determination of an appeal.

PART 7

MISCELLANEOUS

Clause 52: Protection from personal liability

No personal liability attaches to a member of the board, the Registrar or a staff member for an act or omission in good faith under the Act. The liability attaches to the Crown instead.

Clause 53: Delegations

This clause sets out a power of delegation for the board and the Registrar.

Clause 54: Retrievals, emergencies, etc.

A nurse registered in another State will not be taken to be practising nursing in this State by virtue only of assisting in a retrieval, patient escort, organ transfer or emergency.

Clause 55: Additional provisions concerning conditions

It will be an offence to contravene or fail to comply with a condition in relation to the provision of nursing care imposed under the Act.

Clause 56: Procurement of registration or enrolment by fraud

Clause 57: False or misleading information

Clause 58: Continuing offence

These clauses set out other provisions relevant to offences under the Act.

Clause 59: Punishment of conduct that constitutes an offence

The taking of disciplinary action is not a bar to criminal proceedings, or vice versa.

Clause 60: Service of documents

This is a service provision for the purposes of the Act.

Clause 61: Ministerial review of decisions relating to courses

The provider of a course will be able to apply to the Minister in relation to a decision of the board to refuse to approve a course for the purposes of this Act, or to revoke an approval.

Clause 62: Regulations

The Governor may make various regulations for the purposes of the Act.

SCHEDULE

Repeal and transitional provisions

The *Nurses Act 1984* is to be repealed. The board established by this Act will take over the assets and liabilities, staff, and processes and proceedings of the board under the *Nurses Act 1984*. The register under the new Act will be taken to be constituted so as to include, as separate parts of the register—

(a) the general nurse register; and

(b) the psychiatric nurse register; and

(c) the mental deficiency nurse register; and

(d) the midwife register.

The roll will include the following parts:

(a) the general nurse (supervised) roll; and

(b) the mothercraft nurses roll.

Ms HURLEY secured the adjournment of the debate.

GUARDIANSHIP AND ADMINISTRATION (EXTENSION OF SUNSET CLAUSE AND VALIDATION OF ORDERS) AMENDMENT BILL

The Hon. DEAN BROWN (Minister for Human Services) obtained leave and introduced a Bill for an Act to amend the Guardianship and Administration Act 1993. Read a first time.

The Hon. DEAN BROWN: I move:

That this Bill be now read a second time.

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

Leave granted.

The Guardianship and Administration Act and the interdependent *Mental Health Act 1993* came into operation on 6 March 1995. The two Acts were introduced following an extensive policy development process from 1989 to 1993.

The Guardianship and Administration Act provides a number of options for substitute decision making for people who are mentally incapable of making their own decisions due to conditions such as dementia, intellectual disability and brain damage. The legislation also created the position of Public Advocate for the first time.

At the time of passage of the legislation, a sunset clause was inserted to give Parliament the opportunity to review the new arrangements, particularly in relation to the Public Advocate. The legislation, which came into force on 6 March 1995, was originally due to expire on the third anniversary of its commencement. Honourable Members may recall that last year Parliament extended the sunset date, so that the new expiry date became 6 March 1999.

The reason for that extension to the sunset date was that a review had been established to advise on any changes which should be made to the legislation and it had not at that time completed its task. It was necessary to protect this significant legislation from expiry in the meantime.

Subsequently, an operational review was established to consider matters which were more of an operational than legislative nature.

While the process has taken longer than anticipated, the reports of both reviews have now been completed and are under consideration. I thank all of the consumers, interest groups and service providers who have contributed to the process.

As the guardianship system and legislation has not been changed significantly since its inception, the Government is keen to ensure that the reports are given full and detailed consideration and that any ensuing action is undertaken without haste.

The Bill therefore seeks to extend the sunset clause by another 12 months.

A second matter dealt with by the Bill relates to the validity of some orders made by the Guardianship Board.

At a recent appeal against an order of the Guardianship Board, a Judge of the District Court indicated that he had some doubts about the validity of the order under appeal and would hear argument about it at a later date. An examination of a number of orders made by the Guardianship Board was undertaken. It would appear that some guardianship or administration orders made by the Board while constituted by a single member sitting alone may be invalid, although the Court would need to interpret the regulations under the Act in a particular way to reach such a conclusion. It is also the opinion of the Crown Solicitor that a number of single member orders, particularly those made on a review, could have been invalidly made.

If this were so, a number of people who have acted as guardians and/or administrators for protected persons may be at risk. Guardians and Administrators have acted in good faith on the basis of their appointment by the Guardianship Board and, should the Court find that the Guardianship Board was improperly constituted when making the appointment, may be at risk through no fault of their own. The Public Trustee administers approximately 2 350 administration orders and there are a number of private administrators also operating under Guardianship Board orders.

The amendment will make valid all those Guardianship Board orders over which there is any doubt and will protect those guardians and administrators who have acted in good faith in accordance with those orders.

Explanation of Clauses

Clause 1: Short title

This clause is formal.

Clause 2: Amendment of s. 6—Establishment and constitution of the Board

This clause inserts a new provision that validates orders purportedly made by members of the Guardianship Board, when sitting alone, granting guardianship or administration and provides that any such order will be taken to have always been valid, provided that it could have been made by the Board when properly constituted.

Clause 3: Amendment of s. 86—Expiry of Act

This clause delays expiry of the Act until the fifth anniversary of the commencement of the Act, ie., until 6 March 2 000.

Ms HURLEY secured the adjournment of the debate.

SHOP TRADING HOURS (MISCELLANEOUS) AMENDMENT BILL

The Hon. M.H. ARMITAGE (Minister for Government Enterprises) obtained leave and introduced a Bill for an Act to amend the Shop Trading Hours Act 1977. Read a first time.

The Hon. M.H. ARMITAGE: I move:

That this Bill be now read a second time.

I commend the Bill to the House, and I seek leave to have the second reading explanation inserted in *Hansard* without my reading it.

Leave granted.

This Bill seeks to amend the *Shop Trading Hours Act 1977*, to provide for a relaxation of the restrictions that apply currently to the permitted trading hours of certain non-exempt shops.

Retail trading hours have been subject to regulation in South Australia since the passing of the *Early Closing Act* in 1900. Significant changes to the regulation occurred in 1911, 1923/24, and 1940. In 1970, a referendum asked all metropolitan area voters whether or not they were in favour of, or against, shops in the metropolitan area and Gawler being permitted to trade until 9 p.m. on Fridays, and consequent to that result, a further extension to shop trading hours was legislated. In the early to mid-1970s various legislative attempts were made to amend trading hours.

A Royal Commission to look at the issue was conducted by Commissioner Lean of the South Australian Industrial Commission in 1977. As a result of his recommendations, the *Shop Trading Hours Act 1977* was enacted. This led to the introduction of late night trading in the suburbs of Adelaide from November 1977, and in the Adelaide city area in December 1977.

The Act has since been amended in 1980 (weekend and public holiday trading for hardware and building material shops and a lessening of the size restriction to be classified as an 'exempt' food shop), and in 1990 (Saturday afternoon trading until 5 p.m.) Under the provisions of the Act, the Minister of the day has extended trading hours in 1986 (24 hour trading by service stations), in 1988 (weekend and public holiday trading by furniture and floor covering stores) and in 1989 (further extension for hardware stores).

In October 1993, the former Labor Government gave Ministerial certificates of exemption on application to supermarkets to allow trading until 9 p.m. on weekdays. Following election to office in 1993, this Government revoked the supermarkets' exemptions and established an independent Committee of Inquiry to undertake a thorough review of the Act.

The Committee of Inquiry gave its report in June 1994. The Committee considered that it should not be necessary to regulate shop trading hours in the longer term. The Government did not follow the recommendations of the Committee of Inquiry. The Government announced in 1994 that it would, by certificates of exemption issued by the Minister, allow Sunday trading in the city and an extra weeknight to 9 p.m. for suburban trading on either Wednesdays or Fridays.

A High Court decision in 1995 held that this could not be done and the Act was amended again allowing regulated shops to trade from 11am to 5pm on Sundays in the city only. The Act defines three kinds of Shopping Districts; Central, Metropolitan and Proclaimed (in country areas). The Act only regulates shops which lay within one of those Shopping Districts.

The Act excludes certain shops from being covered by the Act—including shops below a certain size, and those exempted because of the types of goods they sell (e.g. bookstores, pharmacists, plant nurseries, hairdressers). The Act also provides the power to make proclamations to alter trading hours on a State-wide or regional basis. Proclamations are usually made because of temporary changes to

general trading hours during times such as Christmas,or to allow extended trading during events of local significance.

Shops in the Central Shopping District, other than those selling motor vehicles, caravans, boats or trailers, may be open Monday to Thursday until 6 p.m., Friday until 9 p.m., Saturday until 5 p.m., and Sunday from 11 a.m. until 5 p.m.

Shops in the Metropolitan and Proclaimed Shopping Districts, other than those selling motor vehicles, caravans, boats or trailers, may be open Monday to Wednesday and Friday until 6 p.m., Thursday until 9 p.m., and Saturday until 5 p.m., though some variations are permitted in Proclaimed Shopping Districts. Shops which predominantly sell motor vehicles, caravans, boats and trailers may be open Monday to Wednesday until 6 p.m. Thursday and Friday until 9 p.m. and Saturday until 5 p.m. Shops which predominantly sell hardware/building materials, furniture, floor coverings, or motor vehicle parts and accessories may be open certain additional hours.

The Premier announced on 17 March 1998 a Review of the *Shop Trading Hours Act 1977*. To ensure that all interested parties were afforded the opportunity to express their views to the Review, advertisements were placed in *The Advertiser* on Thursday 26 March 1998 and Saturday 28 March 1998 alerting the public to the Review and inviting their written submissions by post, fax or to an e-mail address. Additionally, an independent consumer survey was commissioned to gauge consumer views on shop trading hours in South Australia. Around 700 written submissions were received by the Review, and meetings were held with key stakeholders.

The Review considered that there is consumer demand for extended or different trading hours, and strong support for traders to have the choice of opening their stores outside of standard hours. The Review considered that technological changes, such as increased opportunities for television shopping and buying goods through the internet, have meant that the application of the Act has been reduced to some degree, and that it is probable that these technological changes will reduce the Act's impact in the future.

It was evident to the Review that there is no consensus on an 'ideal' structural framework for the regulation of shopping hours. The Review found other options for the legislative regulation of trading hours to include the establishment of a shop trading hours tribunal to determine hours or allowing local councils to determine the trading hours to apply within their districts. Except for "full" deregulation models, other legislative frameworks for this area are complex in both implementation and interpretation. Accordingly, the Government considered that the current regulatory provisions of the Act relating to the type of retail facility (ie based upon the goods sold) and the size of retail facility should be maintained.

If the Act was repealed, it would in all likelihood alter the dynamics of the retail industry to the detriment of some existing, mainly smaller, retailers. Accordingly, a fully deregulated approach has not been supported by the Government at this time. Rather, to increase the potential shopping hours available to the general public the Bill provides for closing times for non-exempt retailers in the Metropolitan Shopping District to be extended to 7 p.m. on Monday, Tuesday, Wednesday and Friday with existing late night shopping on Thursday nights to 9 p.m. remaining.

There is a clear and valid concern that immediate deregulation of trading hours in the suburbs could have a significant detrimental effect on the City of Adelaide. In this respect, the Government has recognised that the health and prosperity of the city centre are important indicators for the metropolitan area and the State as a whole. The Government is committed to the regeneration and revitalisation of the city centre which has been identified by Adelaide 21 and other projects. The Bill provides that the closing time in the Central Shopping District be extended to 9 p.m. every weeknight to provide a further opportunity to support retailing in the city. Such an extension also could enhance the potential benefit in the area of tourism.

There was little support within submissions for any extension to Saturday trading, with opposition to any extension from key small retailing groups and by a number of individual retailers. The Government has proposed that there be no change to existing Saturday trading arrangements.

The Review found no significant pressure for re-regulation of Sunday trading. Abolition of Sunday trading would meet with strong retailer and consumer resistance. The application of Competition Policy principles makes such a position unsustainable as the Government would be increasing regulation with no definable benefit to the community. Additionally, allowing Sunday trading in the suburbs would run counter to the Government's commitment to develop the Central Shopping District. The Bill provides no changes to current arrangements of Sunday trading from 11 a.m.-5 p.m. for non-exempt retailers situated in the Central Shopping District, but provides for trading for non-exempt retailers in the Metropolitan Shopping District to be allowed from 11 a.m.-5 p.m. on six Sundays per year, four before Christmas. Two other Sundays per year across the Metropolitan Shopping District will be prescribed following consultation with the retail trade industry.

There was relatively little put to the Review in relation to public holiday trading, other than a strong lobby on behalf of workers to protect existing public holiday opportunities. This position is accepted by the Government, and it has not proposed any extension of existing trading arrangements, other than for non-exempt retailers in the Central Shopping District. The Bill provides for non-exempt shops in the Central Shopping District, from the Year 2000, to open on Easter Saturday with closing at 5.00pm. This arrangement will provide additional opportunities for the city to capitalise on tourism benefits over this extended holiday period. The Government will continue the current process of declaring Easter Sunday a non-trading day so that non-exempt traders are not permitted to trade in the Central Shopping District on Easter Sunday.

Representations were made to the Review on behalf of motor vehicle retailers that they should be treated separately from the general retail industry in any discussion on the regulation of trading hours. The motor vehicle industry currently does have trading hours which are different to general retail hours, providing for two late nights during the week (but no trading on Sundays). A contrary position was also put to the Review by other motor traders who wished to trade on Sundays to compete with the private sales market which currently dominates weekend trade in motor vehicle retailing. The Government considers that these traders are different from some areas of the general retail sector, in that small business operators in motor vehicle retailing do not enjoy a privileged position against their large competitors—all motor vehicle traders are faced with the same limits on trading hours and the competition policy imperative to deregulate trading hours for motor vehicle retailers is less pronounced. Accordingly, the Bill provides that the proposed extension of trading hours outlined in this Submission not be made available to retailers selling motor vehicles (ie closing time will remain at 6.00pm on Monday to Wednesday, 9 p.m. on Thursday and Friday, and 5 p.m. on Saturday). Following further discussions with representatives of the boating industry, the Bill provides a similar provision for boat retailers.

In addition to boat and motor vehicle retailers, the Act currently prescribes special closing times for shops selling caravans and trailers, irrespective of the Shopping District in which they are located. It is considered that shops selling caravans and trailers are different from general shops, in that they are principally a component of the leisure market. Accordingly, the Bill provides for the addition to the existing list of exempt shops of those shops which predominantly sell caravans and trailers.

The Act currently contains a provision which states that a term of a retail shop lease in the city cannot require the shop to be open on a Sunday (and is void if it does so require). A similar protection is provided for employees from having to work on a Sunday in the city. The Bill extends those provisions to the Sunday trading days in the Metropolitan Shopping District.

There are a number of minor drafting amendments in the Bill which do not alter the operation of the current Act but which have been recommended by Parliamentary Counsel to address drafting anomalies in the current Act. For example, following Local Government amalgamations the current definition in the Act of the Metropolitan Shopping District requires updating.

The Government thanks all those who contributed to the Review and to the overwhelmingly positive response these proposals have received since announcement. We consider that this proposal is to the benefit of customers, retailers and the State.

Explanation of Clauses

Clauses 1 and *2:*

These clauses are formal.

Clause 3: Amendment of s. 4—Interpretation

This clause amends the definition section of the principal Act. The amendment made by paragraph *(a)* makes shops selling caravans or trailers exempt shops. Paragraph *(b)* makes a consequential change. Paragraph *(c)* updates the definition of the "the metropolitan area". The purpose of paragraph *(d)* is to bring the drafting of subsection (2) of section 4 into line as far as possible with the drafting of similar provisions in the principal Act—*see* sections 4(3) and 13(5f)*(a)*.

Clause 4: Amendment of s. 11—Proclaimed Shopping Districts
This clause makes an amendment to section 11(2) of the principal Act which is consequential on the substitution of subsection (6) of section 12 by previous amending legislation.

Clause 5: Amendment of s. 13—Hours during which shops may be open
This clause amends section 13 of the principal Act. The paragraphs of this clause make the amendments to shopping hours already outlined together with necessary consequential amendments. The purpose of paragraph *(g)* is to further standardise the drafting of the three provisions comprised in section 4(2) and (3) and 13(5f)*(a)*.

Clause 6: Amendment of s. 13A—Restrictions relating to Sunday trading
This clause makes a consequential amendment to section 13A and updates the references to the "*Retail Shop Leases Act 1995*" in that section.

Clause 7: Amendment of s. 16—Prescribed goods
This clause makes a consequential amendment to section 16 of the principal Act.

Clause 8: Insertion of Schedule 1
This clause inserts a new schedule specifying the Metropolitan Area for the purposes of the principal Act.

Clause 9: Insertion of heading
This clause inserts a heading to the existing schedule of the principal Act.

Ms HURLEY secured the adjournment of the debate.

NON-METROPOLITAN RAILWAYS (TRANSFER) (NATIONAL RAIL) AMENDMENT BILL

Second reading.

The Hon. DEAN BROWN (Minister for Human Services): 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 is the same as a Bill that was introduced to Parliament in August 1998 and lapsed at the close of the last session of Parliament. It provides a referral of powers to the Commonwealth under the Australian Constitution with a view to allowing National Rail to operate rail freight services in South Australia.

National Rail (NR) is the national rail freight company established by the Commonwealth Government five years ago, with equity also provided by the New South Wales and Victorian governments. NR has a major presence in South Australia through its operations headquarters and Islington freight terminal.

Under its Memorandum of Association, NR is prohibited from operating intra-State services in its own right, in the absence of a referral of powers to the Commonwealth and a letter of authorisation from the State Government.

NR has been advised that the State would consider granting it this right if it were successful in winning a contract for intra-State services. NR has now advised that it has entered into a contract with BHP to carry steel products from Whyalla to Adelaide, subject to receiving the State's approval. NR already carries BHP products on its interstate services and has carried this traffic as a sub-contractor to AN in the past.

Both New South Wales and Victoria have passed the necessary legislation to refer power to the Commonwealth. NR has been granted the right to operate as it wishes within Victoria. However, in NSW the Minister has placed conditions on the NR's operations in that State. The Bill provides a referral of power to the Commonwealth. Control over the extent of NR's activities in the State will be exercised by the Minister only authorising specific services. Initially this will be for haulage of steel products for BHP from Whyalla to Adelaide. Future approaches from NR will be considered on their merits.

In addition, the Bill provides that the referral pursuant to this amendment will cease to have effect if the Commonwealth legislation is amended so as to remove the requirement that the authorisation of the State Minister must be obtained in relation to any intra-State services. The requirement for State authorisation (contained in NR's Memorandum of Association) could be amended or deleted by Commonwealth legislation. The provision proposed by this Bill will therefore guarantee that the referral of power to the Commonwealth will cease to have effect if the State cannot continue to have some control over whether or not NR can operate on an intra-State basis (for so long as NR continues to rely on the current Commonwealth legislative scheme).

In this regard, it is worth noting that these restrictions on NR's activities in South Australia apply only while the Commonwealth is a shareholder. The Commonwealth has stated its intention to sell its share in NR. When this happens, NR will not need the State's approval to provide intra-State rail services.

Granting approval to NR to operate within the State would provide increased rail competition. Limiting this to the current contract will enable BHP to obtain services from its preferred carrier. In future, competition for this contract will ensure pressure on all operators to perform at best practice service levels and prices, to the benefit of South Australian businesses.

Explanation of Clauses

Clause 1: Short title
This clause is formal.

Clause 2: Commencement
The measure will be brought into operation by proclamation.

Clause 3: Insertion of s. 11B
The matter of the Commonwealth holding or dealing with shares in National Rail Corporation Limited when the Company engages in intra-State rail services in the State is referred to the Parliament of the Commonwealth under the Australian Constitution. However, the referral will cease to have effect if the Commonwealth legislation establishing the Memorandum of Association for the Company is amended so as to remove the requirement for prior State approval before the Company begins to carry on intra-state services.

Ms HURLEY secured the adjournment of the debate.

JOINT COMMITTEE ON TRANSPORT SAFETY

Consideration of the Legislative Council's resolution:

That the Joint Committee on Transport Safety be authorised to disclose or publish, as it thinks fit, any evidence and documents presented to the joint committee prior to such evidence and documents being reported to the Parliament.

Resolution agreed to.

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

A quorum having been formed:

AUDITOR-GENERAL'S REPORT

The Hon. R.G. KERIN (Deputy Premier): I move:

That Standing Orders be so far suspended as to enable the report of the Auditor-General and Budget Results for 1997-98 to be referred to a Committee of the whole House and for Ministers to be examined on matters contained in the papers in accordance with the following timetable:

Premier, Minister for State Development, Minister for Multicultural Affairs, Minister for Tourism, Minister for Year 2000 Compliance (45 minutes);

Minister for Human Services (45 minutes);

Minister for Government Enterprises, Minister for Information Economy (30 minutes);

Minister for Education, Children's Services and Training, Minister for Employment, Minister for Youth (45 minutes);

Minister for Environment and Heritage, Minister for Aboriginal Affairs (30 minutes);

Minister for Industry and Trade, Minister for Recreation, Sport and Racing, Minister for Local Government (45 minutes).

Motion carried.

In Committee.

The CHAIRMAN: In accordance with the motion just passed by the House, matters concerning the Premier, Minister for State Development and Minister for Multicultural Affairs, the Minister for Tourism and the Minister for Year 2000 Compliance are now available for examination regarding the Auditor-General's Report and budget results for 1997-98. Does any member wish to question the Premier? I

remind the Committee that normal procedures apply and that members will stand to ask questions and to respond.

The Hon. M.D. RANN: Why did the Government misrepresent the report of the Auditor-General by claiming that Audit had found that the State would benefit financially from the sale of our power utilities when the Auditor-General had made no such claim but was merely reporting on work done by the Treasurer's own department? The Auditor states that his comments are not about the merits of the sale but 'to explore the relationships between the possible sale and the State budget'. That is on page A.2-53. On page A.2-58 he continues:

> . . . it is to be emphasised that this analysis is based entirely on the material provided by the Department of Treasury and Finance as to the figures incorporated in the Budget Estimates. Clearly, the actual amount of annual net premium, if any, will depend on sale proceeds and on interest rates. . . neither of which can be predicted at this stage. It is certainly not the role of the Auditor-General to make such predictions, and the foregoing should not in any way be interpreted as an attempt to do so.

The Hon. J.W. OLSEN: Last year the Auditor-General's Report when tabled clearly and concisely identified a range of risks that would apply to South Australia when the national electricity market was established. It was based on that Auditor-General's Report and was, I think, in the first week of December last year, which was the audit report for the preceding year, and clearly identified the range of risks. In that audit report for the first time, if my memory serves me correctly, the range of risks and the components of that risk had been tabulated. Not previously had anyone undertaken such an overview to bring into the one form those areas. As a result of that, there was a need to make a statement and for the Government to change its policy, as it did, and I have acknowledged that clearly.

The reason for that was that we wanted to eliminate the risk of trading in the national electricity market. I would have thought that the examples coming out of New South Wales this year, where it was either its audit report or the financials of its power utilities this year, have shown a decrease in dividend of some $200 million. If we in South Australia are exposed to similar reductions in dividend flow, it destroys the argument put by some that to manage the debt we maintain the utility, take the dividends and retire the debt. That also ignores the fact that interest rates are at a many decades low and inflation is low. They are circumstances that any reasonable economist would anticipate might rise over the next 10 or 20 years. I would be delighted if the policy thrust of the Government maintained interest rates at the current level, but I would be somewhat of an optimist to believe that.

That being the case, not only is there exposure of the trading enterprise to higher interest rates but also the debt level of South Australia. I mentioned this week in Parliament, as it relates to the Premiers' Conference, that one of the stark positions that came to me (and I commented to my officers) was that you could have a position around the table where New South Wales post-March next year could effectively eliminate its debt with a sale or lease; Victoria is well on the track to eliminating its debt; and Queensland has no debt and in addition has an income on its investments of the order of $1.2 billion, compared with our debt servicing costs of $800 million, so that is about a $2 billion variation between the financial circumstances in this State and the financial circumstances in Queensland.

If we are not careful, we will see the position with GST revenues going to the Queensland Government from year four or five on, and it will be the beneficiary of $400 million-plus over that which might apply at the moment. Further, what if it decided to eliminate payroll tax? It would be like when the former Queensland Premier, Joh Bjelke-Peterson, eliminated succession and death duties: he had a flight of capital from every other State in Australia to Queensland.

It is true, as the current Queensland Government says, that the education and health infrastructure in Queensland is nowhere near the standard of that in South Australia. That is true, because it has not been invested like in other States, which have taken a social responsibility in investment. I understand from officials that the windfall of the GST for Queensland will be invested in that rather than the former example I gave, and I hope that is the case. If in another five years we have a maintained high debt level and high debt servicing costs, and if Queensland eliminates stamp duty on share transactions, costing us $60 million, we cannot match it. We do not have the financial resources to match it. Therefore, in economic terms we put South Australia at a very significant disadvantage.

That is the reason for the view we have come to and the reason why I have made a number of public statements in relation to these power utilities and the need for sale: to eliminate the risk and to attempt to retire the debt. The Auditor-General's further report this year underscores the importance of that policy position. There are those who say that this has the proportions of a State Bank Mark II if we fail to heed the warnings. I concur with that view. If that view prevails, it is incumbent upon us as a responsible Government—popular it might not be: responsible it would be—to take the policy decision we have. It is my view that the various reports of the Auditor-General underscore the importance of the policy position.

The CHAIRMAN: Order! I ask that the members for Chaffey, Gordon or MacKillop indicate whether they wish to ask any questions during this process.

Mrs MAYWALD: Will the Premier explain why the net gain from the sale of ETSA and Optima, as forecast by the Auditor-General and reported in his 1998 annual report, of $35 million to $65 million per annum ignores revenue forgone by the State from net interest payments on the Treasury loan and depreciation provisions? The net gain estimate reported by the Auditor-General on page 57 of his report includes only certain taxes and dividends paid by ETSA to Treasury but does not include other payments and provisions by ETSA, particularly the net interest on borrowings from Treasury and depreciation. These provisions are shown in the ETSA Corporation and SA Generation Corporation 1998 annual accounts at pages 47 and 43 respectively. When these net interest and depreciation provisions are taken into account, the Auditor-General's forecast gain to the public of $35 million to $65 million per annum actually becomes a loss in the order of $146 million to $176 million per annum.

The Hon. J.W. OLSEN: The honourable member is presenting the case that, after net interest payments and depreciation provisions are taken into account, the net gain to the public sector of $35 million to $65 million, as referred to on page 57 of the Auditor-General's Report and forecast by him, actually becomes a loss of the order of $146 million to $176 million. It is not appropriate to exclude these two factors in determining net gain or net loss to the public sector. If ETSA and Optima were not sold, the interest payments to Treasury would continue, but Treasury would also continue to pay corresponding amounts on its borrowings to the private

sector. So, while they pay interest, the interest is also on a debt that has to be paid out, so it just moves on. Therefore, there is no net benefit being forgone if the entities are sold. If the entities are sold, they do not pay us interest, but we do not have to pay interest because we have retired a component of the debt.

Depreciation is a cost which, over time, reflects the consumption of assets by ETSA and Optima. By consumption of assets, I refer to useful life, wear and tear, depreciation and the life of the asset being used. The consumption of assets by ETSA and Optima in generating income from operations must be offset against the income stream in deriving the profit result, which is then available for distribution. That is the depreciation component *vis a vis* the interest component.

The Hon. M.D. RANN: My point before was that in this year's report, to the point of laying it on thick as far as Auditors-General go, the Auditor-General is clearly making a major point of disassociating himself from what the Premier has attributed to the Auditor-General in trying to sell his case. Will the Premier, in order to substantiate his case, now release the consultant's and the Department of Treasury and Finance report referred to in the Auditor-General's Report and produced around December 1997 into the State's financial position and the possible impact upon that financial position of the sale of ETSA and Optima?

Members interjecting:

The Hon. M.D. RANN: I have not got the actual place in front of me, but he makes a point of referring to those reports. They are the same reports that I tried to get from the Premier under FOI. Here we have a Premier who says that he changed his mind because he got an Auditor-General's Report and other reports. The Auditor-General now distances himself from all that in a subsequent report, but the Premier refuses to release to the Parliament, to the Opposition, to the Economic and Finance Committee, to the media or to the public the consultant's reports that apparently convinced him to change his mind in December 1997 and to break his promise to the people over ETSA.

The Hon. J.W. OLSEN: I have been looking through the Auditor-General's Report to find the reference to which the Leader refers, but I just cannot pick it up. If the Leader can refer me specifically to it, I will be happy to comment.

The Hon. M.D. RANN: Let me just remind the Premier that it was the Premier who told this Parliament and endless press conferences that he had the consultant's report and a Department of Treasury report that inquired into the State's financial position and the possible impact upon that financial position of the sale of Optima and ETSA. Why not, in the interest of an open and honest accountable process, now release those reports that you say substantiate your case?

The Hon. J.W. OLSEN: First and foremost, I indicate to the Leader that we have made offers of briefings for the Leader and—

The Hon. M.D. Rann interjecting:

The CHAIRMAN: Order!

The Hon. M.D. Rann: I went to the briefings and asked for the consultant's reports and got knocked back.

The CHAIRMAN: Order! We will not have a discussion across the floor. The Premier has the call.

The Hon. J.W. OLSEN: There are about four pages here, and I understood that today we were supposed to respond specifically to the Auditor-General's Report and questions on it, which I am more than happy to canvass. I cannot pick up the line referred to by the Leader in prefacing his question. I am more than happy for him to refer me to it so that I can pick up the import of what the Auditor-General is saying. I quote the Auditor-General in the 'Conclusion' as follows:

> Clearly, the actual amount of annual net premium, if any, will depend on sale proceeds and on interest rates at the time of sale, neither of which can be predicted at this stage.

That indicates the forward nature as per my previous comments. I go back to what I said previously, that is, the reason for the policy change that we have enunciated. The Auditor-General's Report that was tabled in December last year was the basis upon which we took the view that we would have to review this policy—well understanding the commitments that had been made before.

The Hon. M.D. Rann: He backs away from that in his own report—A.2-53 to A.2-58.

The Hon. J.W. OLSEN: What the leader has just referred to is the whole section without specifically indicating that. I point out that at A.2-53, 'Rationale for this sale', the Auditor-General says that this rests on three main issues:

> (1) risk reduction;
> (2) direct ongoing financial benefits resulting from the sale;
> (3) indirect benefits resulting from the favourable implications of sale for the State's credit rating.

In my response a moment ago, I attempted to highlight in practical terms from the Premiers' Conference held only a few days ago how this State will be at a significant disadvantage. This will not impact against this current Government. We are talking about positioning South Australia in subsequent years. This GST and tax plan will reap rewards for the Government in South Australia in four to five years—not for this current Government. So the *bone fides* in policy that we are signing off on are for the future. This is about making policy—

The Hon. M.D. Rann interjecting:

The CHAIRMAN: Order!

The Hon. J.W. OLSEN: Clearly, the original Auditor-General's Report has identified that.

Mrs MAYWALD: I want to follow up on the issue of depreciation. My understanding is that it is not merely a book entry. Income is actually transferred into maintenance and capital works. A private operator or owner of ETSA will have to maintain exactly the same provisions and maintenance which will be taken into consideration as depreciation. Why would a Government entity not have to consider that?

The Hon. J.W. OLSEN: I simply make the point that, if the private sector utility is paying the interest rate, that is fine. It is not costing us, the taxpayers, a cent. Let me go back again. With Government borrowings, ETSA pays us interest and those interest payments are then paid on to offset the debt. If we are able to sell the power utilities, or long-term lease them and get equivalent sale price for the power utilities, through the proceeds we can retire the debt. So, there is not a loss in that factor. What the private sector does is up to the private sector. Our whole endeavour is to shift the risk of a national electricity market onto the private sector and off the shoulders of the taxpayers of South Australia.

In sitting in Cabinet as we do, week in and week out, looking at strategic decisions each month and budget each quarter, for five years now we have been absolutely constrained in the things we want to do as a Government because of the level of debt and the debt servicing cost. By effectively moving down the track of debt retirement, we reduce the debt servicing cost. To the extent that we retire debt and, therefore, reduce the debt interest costs, we have surplus funds. Those surplus funds, instead of going into interest costs for the debt, can be reinvested in social infrastructure. It was only this

week that the Minister for Human Services brought to the attention of the Cabinet that we have a 12 per cent increase in demand in our public hospital system as we see the shift from private health hospital cover to public health hospital cover.

Over the past five years, we have tried to reduce the cost of operating social infrastructure—health, education and police services. We are of the view that there is very limited fat, if you like, and very limited further efficiencies that we can put in place and maintain the level of services. In fact, with the growing demand, we ought to be reinvesting in those services. The way we can do that is through debt retirement and freeing up the interest bill to reinvest, in addition removing the sort of exposure that we see with a Government instrumentality in New South Wales and a private sector instrumentality in Victoria, if my memory serves me correctly, currently suing each another in terms of the national trading market between New South Wales and Victoria with at risk something like $650 million. I can tell members that I would not want to be the Government of New South Wales and lose that court case because, to have a cost such as that applied to you, effectively overnight, would destroy your budget strategy.

That is the sort of risk of which we are very much aware and which we are attempting to take account of in a responsible way. We are trying to highlight that to South Australians as to the absolute urgent need for us to pursue this course.

The Hon. M.D. RANN: Does the Government still intend to introduce a mini budget involving tax increases and service cuts amounting to an extra $150 million if the Parliament does not approve the sale of ETSA and Optima, given that the Auditor-General has not found in favour of the Government's claim of a $150 million benefit from this sale or any $150 million black hole? In his budget speech, the Treasurer states:

> Members must understand that if the sale of ETSA and Optima is stopped the Government would be forced reluctantly to return to the Parliament in October with a mini-budget to provide up to $150 million of further tax increases or expenditure reductions. . .

When inquiring into the derivation of the figure of $150 million, the Auditor-General states (Volume A2, page 54):

> The Department of Treasury and Finance has advised that, in interpreting the significance of this statement, the words 'up to' are to be particularly noted.

That was the big threat. Where do we stand?

The Hon. J.W. OLSEN: I have not picked up the actual line. I will take it on face value that the Auditor-General refers to 'up to $150 million'. Clearly, the October option no longer exists because we are now in November and passage of the legislation has not occurred. However, I need to reaffirm that if we do not have passage of these Bills in some form through the Parliament we will have no alternative but to look at other revenue raising measures.

The Leader mentioned and stressed the word 'reluctantly'. I assure the Leader that it would be with the utmost reluctance that we would increase taxes and charges. That is the most unpalatable thing that politicians have to do at any stage. Increasing taxes and charges is not universally popular. By choice, I assure the Leader that if there is an alternative—

The Hon. W.A. Matthew: The Mike Rann tax.

The Hon. J.W. OLSEN: That's not such a bad suggestion. If the Labor Party knocks back our capacity to reform the debt levels that we inherited from the Labor Party, it may well be that this is the tax that we had to have because the Labor Party had no alternative plan and was not prepared to put one in place. I guess the 'Mike Rann tax' might be an appropriate label to apply to this 'up to $150 million' that we would have to put in place.

Mr Clarke interjecting:

The CHAIRMAN: Order!

The Hon. J.W. OLSEN: The simple point is that we will have no choice. Day after day Ministers receive requests from members opposite for a range of things in their electorate. We might get all those letters out, do a summary and add them up, because I think it would reveal an interesting sum. I do not argue that these are not legitimate requests—

Mr Koutsantonis interjecting:

The CHAIRMAN: Order!

The Hon. J.W. OLSEN: I don't argue that you are not attempting—

Mr Koutsantonis interjecting:

The CHAIRMAN: Order! If the member for Peake has a question, he will have the opportunity to ask it.

The Hon. J.W. OLSEN: I think the member for Peake might be quite surprised at the answer to his question, because the Government has applied expenditure over the past five years pretty fairly and equitably across the board.

Members interjecting:

The CHAIRMAN: Order!

The Hon. J.W. OLSEN: The simple fact is that we will have to apply additional revenue raising measures if the legislation is not passed in some form by the Parliament. We will have no choice, because, having balanced the budget after a lot of hard work over the past four years—this State now has a balanced budget for the first time in I do not know how many decades—we are intent on not walking away. We will maintain a balanced budget for the future.

All we have to do now is fix the debt. If we can do that we can start to create a real future for our children. That will mean revenue raising measures. By choice we would prefer not to do that. We have refrained from putting in place business taxes because as we try to rebuild the economic base of South Australia it is important to have a conducive business climate for further investment. That means that the brunt of it is going to the general population because people are—

Ms Hurley: Hear, hear!

The Hon. J.W. OLSEN: The Deputy Leader says, 'Hear, hear!' as if the brunt is going to the general population. Well, it is, because this debt is one that you delivered to us. The Deputy Leader cannot say, 'Hear, hear!' and just walk away and say, 'It's all your fault.' The debt that we are trying to manage is the Labor Party's debt. I note that no-one opposite challenges that statement. At least give us credit for trying to manage and retire that debt and reposition South Australia for the future. A lot of hard work has gone into this.

I assure the Leader that we will not walk away half way through the project, that we will get it right for South Australia, and that we will leave a good legacy for this State in the future, one which will give our children a decent future. The Leader of the Opposition went up to the Old Toll Gate and talked about our children moving interstate. What the Leader was really talking about was the fact that when the bank fell over there was an exodus of our young people, particularly graduates. Why? Because they could see no new private sector investment in a State which had a huge debt and high taxes and charges which would deter industry from reinvesting.

Members interjecting:

The CHAIRMAN: Order!

The Hon. J.W. OLSEN: When the bank fell over in the last years of the Labor Government—

Members interjecting:

The CHAIRMAN: Order!

The Hon. J.W. OLSEN: —about 8 000 people a year were leaving South Australia. That figure has now been reduced to 3 400, and immigration is more than that. For the first time in about seven years we are actually getting population gains in addition to the natural birth rate increase in South Australia. That is how we have turned this State around. If members opposite think we are going to walk away from that policy direction, they have another think coming.

The Hon. M.D. RANN: If the Premier wants to bring in a new tax, let me tell him one thing: it will be marked on his political gravestone, because he might introduce it but he will not be the person who reaps the financial benefit of that tax because his successor on that side of the House after he has been dumped will actually be responsible—

The CHAIRMAN: Order! I suggest that the Leader of the Opposition get back to the report.

The Hon. M.D. RANN: There has been a bit of politics. They talk about 'after the bank'. Look at the economic growth rate in South Australia in 1993. It was more than 3 per cent compared with the situation under the Premier's leadership. Look at the number of children who completed year 12 in 1993 compared with the number under his leadership. Do not carry on trying to shore up support, because I know what they are saying about you even if you do not. In the light of the threat of further tax increases and service cuts if the Parliament does not pass the Premier's Bill for the sale of ETSA and Optima—

Members interjecting:

The CHAIRMAN: Order!

The Hon. M.D. RANN: —does the Premier concede the claim—

Members interjecting:

The CHAIRMAN: Order!

The Hon. M.D. RANN: We know that you're a big supporter of John Olsen. We know that your vote is in contention.

The CHAIRMAN: Order! The Leader of the Opposition will resume his seat.

Mr Condous interjecting:

The CHAIRMAN: Order! The member for Colton will cease interjecting out of his seat and will cease interjecting altogether.

The Hon. M.D. RANN: In the light of the threat of further tax increases and service cuts if the Parliament does not pass the Premier's Bill for the sale of ETSA and Optima—the Bill which the Premier said he would never introduce—does the Premier concede the claim made by the Auditor-General that his Government has already introduced massive tax increases which will mean that South Australians will be paying 26 per cent more in tax in real terms in 2001 and 2002 than they were paying in 1993-94—just to remind the Premier?

The Hon. J.W. OLSEN: The simple fact is that when we came into Government in 1993 effectively overnight we inherited an increase in the debt of about $3.5 billion to $4 billion. We had to manage that debt. In its dying days, the Labor Administration made no policy decisions. It did not even attempt to correct that which it had created and presided over. It took a Liberal Government to take the initiative and effectively put in place an economic strategy for South Australia.

That economic strategy will demonstrate in the fullness of time that it has been a Liberal Government over two terms that has repositioned and corrected that which we inherited. That has not been done without pain. I have often said in this House that, by choice, we would prefer to be governing in circumstances like those in which Peter Beattie in Queensland is governing, where he has walked into government with surpluses which have been invested and with an interest bill of $1.2 billion. That makes a lot of difference to the sort of initiatives that you can undertake. It opens up a range of options which otherwise would be precluded from consideration.

I am repeating myself now, but it is important to indicate to the Committee that we have a whole range of policy initiatives that we would like to put in place if only we had the money to put them in place. We are seeking to position this State so that we can do that in the future. That means taking some hard policy decisions. There have been some taxes and charges increased this year—we clearly indicated that was the case—but that is for good reason. If anyone thinks we are putting the taxes and charges in our hip pocket and having a good time, they are horribly mistaken.

Mr Koutsantonis interjecting:

The Hon. J.W. OLSEN: I am tempted, but I shan't.

The CHAIRMAN: Order!

Mr Clarke interjecting:

The CHAIRMAN: The member might be unleashed as well.

The Hon. J.W. OLSEN: We will not delve into history. I will leave it at that.

Members interjecting:

The Hon. J.W. OLSEN: I will not delve into history but, suffice to say, we have put in place these increases to maintain services. No-one on the other side could say that we have not made some hard policy decisions in trying to ensure that we maximise the efficiency of the provision of essential services. That has brought some political pain to this Party over the past four years. We are at the stage of having put efficiencies in place in a range of Government agencies and departments and, as I mentioned to the member for Chaffey, we do not think there is much more fat in the system. If we are going to meet the increasing demands on some of these social services, we are going to have to get the finances right to free up funds for reinvestment in social services. That is one of the driving forces.

As a number of the Ministers have said in examples during Question Time and other times when out and about in the community when confronted with a range of realistic and demanding requests, quite human requests for services, we would like to respond to them. The only reason we cannot is to come back to the bottom line. It is no different from a business that is broke. If you take over a business that is broke, the first thing you have to do is fix up the financials of the business before you then look at the strategies to rebuild the business. Operating this Government is no different from that and that is simply what we are attempting to do.

The Hon. M.D. RANN: One of the things the Opposition is concerned about is the huge expenditure by the Government on consultancies, which runs to tens of millions of dollars. Will the Premier detail the 55 consultancies? I am happy for him to take these questions on notice if that is appropriate. A number of questions can be taken on notice

because I understand the Premier will not be able to detail them off the top of his head (I am a fair person on some things and not on others). Will the Premier detail the 55 consultancies costing $1.4 million last year? What was the single consultancy that cost as much as $350 000 and did that contract go to competitive tender? For instance, as to the number of consultants mentioned on page 680, part B, volume 11, were any of them Alex Kennedy or any firm in which Ms Kennedy is a partner or in which she has an interest? Was the firm the Write Connection awarded any of these contracts and, if so, did that contract go to tender? Did Ms Kennedy write any speeches for you in 1997-98 and has she written any speeches for you in the current financial year whilst she has been working on the sale process?

For instance, was she involved in drafting any of the Governor's speech delivered last month and does Ms Kennedy or Mr Anderson, her business partner, have access to any Government credit card? I am happy for the Premier to take those questions on notice. We are aware that Ms Kennedy, having been one of your principal advisers last year, has now received a contract from your Government along with Mr Anderson to promote the sale of ETSA and Optima. There is considerable community interest in knowing how much Ms Kennedy and Geoff Anderson are to be paid in the current financial year. Did the contract for Anderson Kennedy to promote privatisation go to open competitive tender?

The Hon. J.W. OLSEN: I lost count of the number of questions wrapped up in that.

The Hon. M.D. Rann interjecting:

The Hon. J.W. OLSEN: There were more than five or six. The first concerned the largest consultancy of $350 000 and I can give an answer for that. It was to KPMG. As to whether it went to tender, I am told it did not. If you want, I can arrange for the rationale of that to be provided to the Leader. Last year, as the Leader knows, Ms Kennedy did write speeches for me so, included in the accounts, would be some component of speech writing.

The Hon. M.D. Rann: What about this year? Does she have a credit card?

The CHAIRMAN: Order! The Leader of the Opposition has placed some of these questions on notice for the Premier to answer.

Mr WRIGHT: Page 419 of the Auditor-General's Report says that the Adelaide Convention Centre has entered into a peppercorn lease agreement with TransAdelaide for the Convention Centre and car park. I have now been advised that the contract for the extension of the Convention Centre has been awarded to a consortium involving Woods Bagot and US-based Skidmore, Owings & Merrill and that the Riverside development has been awarded to another consortium involving Hassells and the UK-based Sir Norman Foster & Partners. Can the Minister confirm this information? What is the value of the contracts? Will the developments also be subject to a lease arrangement with TransAdelaide? Will taxpayers be protected against fluctuations in the exchange rate, given the involvement of overseas companies?

The Hon. J.W. OLSEN: Again, there is a range of questions in that. As it relates to SOM and Foster out of the United Kingdom, they are international consultancy firms: one an architectural firm and one a landscape architect to do the outside areas. As the Committee would know, the Government has committed $55 million to double the size of the Convention Centre. Investment of that magnitude—

The Hon. W.A. Matthew: An excellent investment.

The Hon. J.W. OLSEN: Indeed, it is. As the Minister indicates, the initiative will underscore a Convention Centre that has a good track record. It had its tenth birthday last year, if my memory serves me correctly, and has something like 50 per cent repeat business and has 17 per cent or 18 per cent of the market.

Members interjecting:

The Hon. J.W. OLSEN: That is right: as the Minister reminds me, it has just been judged one of the top 10 in the world and that is not a bad record for Adelaide and South Australia. The $55 million investment is a capital allocation for the expansion of that centre. We took the view that, if we were going to expand the Convention Centre, then the Hyatt, the Festival Theatre, the river bank and surrounds ought to be all integrated and that we would do the job properly. We are attempting to turn the city towards and incorporate the river, rather than the city looking away from the river. These international consultants have been brought in to work with local firms to support the development of that plan. The specific components of the question, in terms of hedging against interest rate movements and questions such as that, I will take on notice and supply the honourable member with an answer.

The Hon. M.D. RANN: One of the areas we have not covered so far under the Premier is the Office of Multicultural and Ethnic Affairs. During the Estimates Committee hearings I asked questions about an article appearing in a Polish newspaper which attributed statements to Dr Sev Ozdowski, the Chief Executive Officer of Multicultural and Ethnic Affairs. Included in the transcript were quotes for the official translation, which talked about the Aboriginal people of this country, as follows:

> The situation of Aborigines is different. Simply 200 years ago they lost the battle for Australia.

There are a number of other quotes that, if truly reported as having been made by Mr Ozdowski, I believe the majority of South Australians would find deeply offensive—and even more offensive if they are truly and accurately a reflection of what Mr Ozdowski said, as he is the head of multicultural affairs. When I asked the question—and I made a point of saying that I had obtained an official transcript but, of course, we had to determine whether or not he actually said those things—the Premier said:

> I advise that an article was brought to my attention only in the past day or two. I have referred the matter to the Chief Executive Officer of the Department of the Premier and Cabinet to look at the circumstances and report back to me. That is the appropriate course to be followed.

What happened in relation to those inquiries?

The Hon. J.W. OLSEN: The Chief Executive did take on board my request for a review, and that has been undertaken with other officers of the department. As I have announced to the House, some restructuring has been put in place. If there are any further aspects of that, I will arrange for the Chief Executive of the Department of the Premier and Cabinet to advise me so that I can advise the Leader.

The Hon. M.D. RANN: I suppose my question was: did he actually say those things while representing this State overseas? That is what we would like to ascertain. If he did, it is an extraordinary state of affairs for a senior officer of this Government, let alone the head of Multicultural Affairs, to say that the Aboriginal people have lost the battle for Australia and to then go on and say:

> I am pessimistic. I do not think that they will succeed within, say, 100 years.

That is grotesquely offensive to Aboriginal people. As a former Minister for Aboriginal Affairs, I find those statements deeply offensive, whoever said them, and I would like to know whether Mr Ozdowski did or did not say those things.

The Hon. J.W. OLSEN: I understand that that is contested—that is, the reports overseas as attributed to Mr Ozdowski. I share the view of the Leader. If they are accurate reports, they are unacceptable: I accept that. The matter was left in the hands of the Chief Executive to assess and conduct interviews, and I believe that translation of the transcripts and discussions has taken place. As a result of a number of reviews, OMIA has put in place a new structure and, as I said, I have advised the House of that. However, specifically related to the Leader's question, I will seek some further advice of the Chief Executive and clarify any further aspects as necessary.

The Hon. M.D. RANN: Will the Premier confirm that Treasury and Finance has advised the Government and the Auditor-General that the sale of South Australia's power assets will not guarantee a triple A credit rating agency upgrade and, in fact, that the reduction in borrowing costs from such an upgrade will, in the words of the Auditor-General, 'be very small', the reduction possibly being well under 0.1 per cent per annum?

The Hon. J.W. OLSEN: I draw to the honourable member's attention the press release (and I will obtain a copy for him) where one of the international credit rating agencies has clearly nominated that we are now on credit watch—having introduced the legislation, we are on credit watch. Passage of the legislation will see an improvement, in its view, in the credit rating of South Australia.

The Hon. M.D. Rann: So, the Auditor-General is wrong—

The Hon. J.W. OLSEN: The fact that an international credit rating agency has made that statement is something that we will continue to highlight. Following the introduction of the legislation we are on credit watch, and with passage of the legislation we would expect and hope to see an improvement in our credit rating.

The ACTING CHAIRMAN (Mr Venning): The time for examination of the Premier has now expired. Matters in respect of the Minister for Human Services are now open for examination.

Ms STEVENS: My first question relates to the comments of the Auditor-General with respect to the Modbury Hospital contract, Volume A.3 page 67 and pages thereafter. Comments and findings by the Auditor-General about the secret contract for the management of Modbury Hospital include criticism of the lack of due diligence by the Government and ambiguities in the agreement and failure by the Government to meet conditions precedent for Healthscope to meet a commitment to build a new private hospital. As a result, the Auditor-General said, at page 67 paragraph 4:

> Even though, as a general principle, parties are expected to carry out contractual agreements, the Government agreed to renegotiate and pay Healthscope more money for the same services.

Given that the Minister was Premier when this secret contract was first negotiated, can he explain why the former Minister for Health, and Cabinet, failed to conduct due diligence, failed to meet conditions precedent and entered into a contract with so many deficiencies that it was not sustainable?

The Hon. DEAN BROWN: There has been a select committee on this—because we are talking here about the first contract with Modbury—that has met day after day. Members of the Opposition have had an opportunity to ask questions about those issues in respect of the former contract. I was recently at the National Private Hospital Association's Annual Conference, and people there said that the deal we have with respect to Modbury Hospital is, in fact, the best value for money that you will receive anywhere in Australia, in terms of hospital services, because the guaranteed price is now at least a guaranteed 5 per cent below casemix, and potentially up to 10 per cent below casemix.

That means immediately a saving of $2.4 million to the State Government in terms of cost. And, of course, if we make savings of that nature, that means that we will get more services out of our budget. As the honourable member knows—and I gave her the details yesterday, but I will repeat them again today—in fact, there has been a positive result in respect of services delivered through Healthscope in the following areas: an increase in the ENT outpatient sessions; an increase in ENT surgery; there are now eight hospice beds instead of six, as was the case previously; there is an increase in the booking lists for surgery; there is an increase in day surgery in excess of 40 per cent of total elective surgery; and now you can have general angiograms done at the hospital, which could not be done previously.

This is not just about savings, though; this is about equally getting value for money and a high quality service. The hospital has now received accreditation. If we take the total aggregate value once the full private hospital is operating, etc., the benefit to the State Government is about $4 million to $6 million a year because, over and above the savings of $2.4 million, there is a range of other things such as the fact that some fees for services provided a discount, and that payroll tax is paid to the Government, whereas previously it was the Government paying the payroll tax to itself, so we receive the benefit of additional tax.

Once the private hospital is developed, we receive the benefit of the annual lease payments. So, there is a range of other benefits as well that we pick up. Therefore, the value is somewhere between $4 million and $6 million. In addition to the other value out of the renegotiated contract, besides now using casemix as the funding base in place of the previous rather complex formula, the big advantage now is that it stretches over 20 years, which is a longer period than the previous contract.

Ms STEVENS: I rise on a point of order, Mr Acting Chairman. The Minister is not answering the question I asked and we have hardly any time to do this. I ask you, Sir, to direct the Minister to answer my question.

The ACTING CHAIRMAN: We still have 40 minutes. I am sure that you can return to the question if you feel that the Minister is not answering it. The Minister is not out of order, but I will ask the Minister to return to the question.

The Hon. DEAN BROWN: We have been absolutely open on the Modbury contract. On 30 June I tabled the contract here in the House. What more could you ask for? The entire contract was tabled here in the House. You have had a select committee about it; you have been able to call any witnesses you wanted; and you have been through all the detail. We have been entirely transparent—

Ms Stevens interjecting:

The Hon. DEAN BROWN: I do not know what the honourable member is saying. I think the honourable member is trying to make some sort of astute—

Ms STEVENS: I rise on a point of order, Mr Acting Chairman. I will re-state the question to enable the Minister to answer it.

The ACTING CHAIRMAN: I remind the honourable member that she is using her own time, but I will ask the Minister to address the concerns. The Minister can answer the question how he wishes. We do have 40 minutes.

Ms Stevens: This is ridiculous.

The ACTING CHAIRMAN: The Minister can answer the question as he wishes.

The Hon. DEAN BROWN: I just make the point: the Government has put the contract out; it is there for everyone to see; and it is entirely transparent. The other point is that people are saying that you would not get better value for your money out of the services, because they all acknowledge that Healthscope signed the first contract with the Government at a price that was not viable; but that was Healthscope's fault. The Government was there to get the best possible deal. Healthscope, under the revised contract, is saying that it is not making any money out of it. But that is okay; it accepts that it is locked in contractually. South Australians are the beneficiaries because we—

Ms Stevens interjecting:

The Hon. DEAN BROWN: Well, they are getting the services. Under the contract, they are required to get the services, and no-one has yet produced any evidence that they are not getting the services.

Ms Stevens interjecting:

The ACTING CHAIRMAN: Order! The honourable member is interjecting while out of her seat.

Ms STEVENS: I will repeat the question which the Minister has ignored. The points that the Auditor-General made related to the process that the Minister, as Premier, undertook with Cabinet in relation to setting up this contract. The Auditor-General stridently criticised the Government for its lack of due diligence, for ambiguities in the agreement and for the failure by the Government to meet conditions that preceded Healthscope's commitment to build a new private hospital. I asked the Minister to explain how that could have happened. The Minister knows very well that during the select committee there was such obfuscation that it could not get that information and, in fact, never finally reported because of the fact that it was obstructed in terms of being able to gather that information. How could that have happened in the first place? I would really appreciate just that answer this time.

The Hon. DEAN BROWN: I do not accept that comment, because I believe that—

Mr Koutsantonis interjecting:

The ACTING CHAIRMAN: Order!

The Hon. DEAN BROWN: —the contract is a good contract in terms of the outcome for South Australians.

Mr Koutsantonis interjecting:

The ACTING CHAIRMAN: Order! The member for Peake will come to order.

The Hon. DEAN BROWN: I wonder whether the member for Peake has read the contract.

Mr Koutsantonis: I certainly have.

The Hon. DEAN BROWN: The point is that the contract is a good contract for South Australia. Surely that is the issue that should be the basis of any judgment of the contract.

Ms STEVENS: I accept the Minister's statement; he disagrees with the Auditor-General's comments in that regard. Will the Minister say how much extra is now being paid to Healthscope under the re-negotiated contract for the same work? Will the Minister guarantee that arrangements in place with Healthscope for the management of Modbury are now sustainable and that Healthscope will proceed with the new private hospital?

The Hon. DEAN BROWN: From the details we have here we cannot provide the information in terms of the payments. I think the payment for last year was $42.5 million, but I will check that rather than mislead the Committee. I will get a figure in terms of what we paid last year. I point out that, whatever the figure, it would have been $2.4 million higher for the same services if we were trying to provide those services ourselves. That is the crucial thing: it would have been $2.4 million higher if we were supplying the same services. That highlights the benefit to South Australia. I do not even know why the honourable member has raised this issue, because every time she raises it she highlights the fact that as we are saving money at Modbury we are able to get more services for people in South Australia who are ill. There is probably one reason—

Ms Stevens: Is it sustainable?

The Hon. DEAN BROWN: Yes. I suggest that the honourable member attend the annual general meeting of Healthscope or read its annual report. That is for the company to talk about, but I understand that the company is saying that the contract is sustainable. So, that is good for South Australia. The company is bound by a contract, and we will make sure that it adheres to that contract.

Ms STEVENS: Thank you for that answer, Minister; but I was aware of your own speculation in the *Advertiser* about Healthscope's possible unsustainability.

The Hon. Dean Brown: Why? What did I say?

Ms STEVENS: You were reported as commenting on the fact that it may be losing money. I could give you the *Advertiser* quote from a couple of days ago. The Minister is reported in the *Advertiser* as referring to that.

The Hon. Dean Brown: I said that I did not think that it is making money, and Healthscope has said that publicly.

Ms STEVENS: I have the comment from the newspaper. I understand that Healthscope exceeded its budget somewhere between a few hundred thousand dollars and $1 million. How much precisely did Healthscope lose on the contract last year? Does the Minister believe that the contract is sustainable without further cuts to services?

The Hon. DEAN BROWN: It is not for me to comment on Healthscope's books; I find that a preposterous question to be asked in this Committee. I do not run the accounts of Healthscope. It is not for Healthscope to be accountable to me, whether or not it made a profit, loss or broke even on the contract. I think that Healthscope has made public statements, and that is why I referred the honourable member to some of the public statements I think it made at the time of the annual general meeting or in its annual report which implied that it was not making money on the contract, that it was breaking even approximately. But that is Healthscope's worry. Our concern is that we continue to get the services on the most efficient basis one will find anywhere in Australia, and that is exactly what we are getting.

Ms STEVENS: I refer to the Auditor-General's comments on the lack of due diligence in establishing the first contract. I understand from reading the contract that a quality assurance committee has been established, and I presume that that would be part of an improved due diligence process. Has the committee been operating? How often has it met? Who is on that committee? Has it approved the cutting of emergen-

cy surgery hours and that of the aged care program that was cut back a week or so ago?

The Hon. DEAN BROWN: The honourable member has asked me who is on the quality assurance committee and several other questions in relation to that committee, and I will obtain a detailed answer to those questions. Of course, a Government management team is on site which supervises the contracts. A public hospital board on site also oversees the running of the hospital with respect to the capital facility and the contract, but I will get the details on quality assurance. Additionally, it received its accreditation at the beginning of the year, and the member for Elizabeth was at that function. That in itself sets down quality benchmarks that must be achieved. We are talking here about a quality standard that is now accepted around Australia by an independent interstate authority that assesses a whole range of points that must be complied with in terms of staffing levels, staff training and the delivery of services. That delivers a comprehensive quality control program, and it has been received by that hospital. That is not lightly received under any circumstances. In fact, hospitals have said to me that they are amazed how much effort and resources they need to put in to get that accreditation and maintain it on an ongoing basis.

Ms STEVENS: I want to clarify my comment about what the Minister was quoted to have said in the *Advertiser*. This was on 16 November, in an article by Annabel Crabb. This is what I meant when I said that the Minister himself had speculated on its financial position, because he is quoted as saying that, despite the fact or the reports that Healthscope has made a loss on the contract, it is still having to deliver the services. That is what I was referring to when I stated that the Minister had been reported as saying that.

The Hon. DEAN BROWN: Everyone knows, and the company itself had reported the fact, that in previous years it had made a loss on the contract. My understanding is that in the last year it said that it was still down but was expecting to break even this year. It was down last year.

Members interjecting:

The Hon. DEAN BROWN: The point is that that is its worry. Our concern—

Members interjecting:

The ACTING CHAIRMAN: Order! The member for Peake is out of order: he is interjecting while out of his seat.

The Hon. DEAN BROWN: No; it is to our benefit that we have more money to deliver health services here in South Australia. I am amazed at the economics of members of the Opposition. If I was to spend more money getting those services than we spend under a casemix model, they would be criticising. But they are criticising the fact that we are breaking even or getting them 5 per cent below what we had achieved in our own hospitals in terms of exactly the same services. I am amazed; I would have thought they would be saying this is a very good deal because it means there is more money in the health budget to provide other services for those who are sick in South Australia. One thing I have learnt is that you just cannot win with the Opposition.

Members interjecting:

The ACTING CHAIRMAN: Order! These interjections are taking time away from the shadow Minister.

The Hon. DEAN BROWN: If we save money on the contract, we are criticised. It is just unbelievable. Incidentally, I am able to indicate that the indicative contract price for 1997-98 was $42.1 million.

Ms STEVENS: I move now to the comments of the Auditor-General on the Food Act. Following the tragic consequences of the HUS epidemic in 1995, the Auditor-General describes the importance to public health and the community at large of the proper enforcement of the provisions of the Food Act and the Meat Hygiene Act. The Auditor-General reports that the Food Act has not been amended, and members will recall that this was recommended by the Coroner and accepted without question by the Government in September 1995. He also questions the effectiveness of controls between the South Australian Health Commission and local government, and recommends as a priority a review of the resources being applied. Has the Minister accepted the Auditor-General's recommendation for a review of resources; who is conducting the review; what are the terms of reference; and when will it report?

The Hon. DEAN BROWN: First, the Food Act is being unified across the whole of Australia. After the Garibaldi affair, it was South Australia which argued that a uniform food standard should apply across Australia. This State has been pushing for that. I do not know whether some members do not understand how difficult it is and the sort of time it takes to achieve national uniformity.

Ms Stevens: Victoria didn't wait.

The Hon. DEAN BROWN: In fact, Victoria had moved before that because it did not have a food standards Act in place. Victoria has put in place a food Act, but we already have a food Act in place. The honourable member implies that Victoria has done something very dramatic. In fact, Victoria's previous Act had come to an end because of a sunset clause. It did not have any standards, so it has now introduced some. We have a food Act; it is not as if an Act is not in place.

Ms Stevens interjecting:

The Hon. DEAN BROWN: That is what the honourable member has tried to imply. It is interesting that, even looking at some of the comment in the Auditor-General's Report, one would assume that no standards applied. Standards do exist, but they now need to be uniform across Australia. In the 12 months that I have been Minister, I have been to a number of meetings of the Australian New Zealand Food Standards Council. I have been one of those who have moved that we achieve uniform legislation. I took a submission to Cabinet some months ago and the principles of that were signed off by Cabinet here. I believe it has been achieved in most other States around Australia; they are now drafting that uniform legislation. I understand that it will be well into next year before it is drafted, but I think I am right in saying that new food hygiene standards are due to be presented to the Health Ministers or the food council in December, and they will be national standards. They will very dramatically lift the standards for food across the whole of Australia.

I have gone back to the council and stressed once again that I want to make sure that those food hygiene standards are available for the December meeting and that the uniform legislation is then put in place as quickly as possible. So, with regard to both the issues, the uniform legislation has been dealt with, but we will not see that legislation before next year; and the uniform standards are expected to come before the food council. I cannot pre-empt what the food council might do in that regard, but I presume that it would want to put them in place as quickly as possible.

I am a very strong advocate for making sure that Australia significantly lifts its food hygiene standards and achieves uniformity before the Olympic Games because, with so many

overseas visitors coming into Australia in the year 2000, it is very important that adequate food standards be in place. There is no doubt that the world's food standards have lifted and are continuing to lift, and Australia needs to be kept abreast of those standards. I am the first to acknowledge the need for Australia to lift its standards and certainly in South Australia we are a part of that.

I am not sure, therefore, what the honourable member is suggesting. Is she suggesting that we suddenly bring in modified legislation based on Victoria's and that we adopt it in South Australia for a period of six, 12 or 15 months before the national standard applies, so that every food place will have to adopt the Victorian standard? First, they will have new food hygiene standards come through later this year, then they will have to adopt the Victorian legislation and then they will have to adopt the national legislation. I would have thought it better to adopt the existing new food hygiene standards coming through in December and to ensure that local government is out there policing under the existing Food Act in South Australia. I acknowledge that the department is working on that. We have increased staffing levels in the area and the department has equally been through the recommendations of the Coroner's report and ensured it is acting on all of them.

In relation to the specific finding of the Auditor-General in relation to local government resources applied to the Food Act enforcement, councils were asked in July to provide specific information in their annual reports. Although these annual reports are not a statutory requirement under the Food Act, those councils that had not provided a report at the time of the Auditor-General's Report were requested to forward one as a matter of priority. All councils have now responded and the information provided is being analysed and summarised. Therefore, that will give us some idea of the level of activity. I can give some information on that now.

There are now about 65 councils in South Australia as a result of amalgamation. As at the end of September, 45 councils had responded. There are 109 authorised officers under the Food Act; 42 of them are employed primarily on Food Act matters and 86 of them have dual or multi roles within their councils. Unfortunately, five of the councils were not undertaking any surveillance at all: I find that unsatisfactory and have instructed my department to get onto those councils to ensure that they do. Further, 32 of the councils are using the new AIEH food premises assessment scheme. Approximately 44 per cent of the time spent dealing with Food Act matters is on program surveillance.

Something like 8 031 food premises were inspected by the 45 councils that reported back by the end of September; and 6 300 premises were inspected during 1997-98. About 1 700 letters were sent by councils requesting action. Some 1 863 complaints were received and 37 expiation notices were issued, with three prosecutions in 1996-97 and 253 samples of food submitted for analysis in 1997-98 with 248 submitted in 1996-97. That gives a snapshot of what the 45 councils that had reported by the end of September are doing. We are waiting for a more comprehensive analysis and we should wait until it is in to make a further assessment on what action should be taken.

I stress that there has been an increase in the number of staff. In the communicable disease control branch, there has been an increase in staff since the coronial inquiry and there has also been a review of the organisational structure to improve surveillance, analysis and investigation of food poisoning outbreaks.

Ms STEVENS: The question was, first, whether the Minister has accepted the recommendation of the Attorney-General for a review of resources; secondly, who is conducting it; thirdly, what are the terms of reference; and, fourthly, when will it report? Could I have a succinct answer to those four questions?

The Hon. DEAN BROWN: I have explained that we are obtaining that information and analysing it. The food branch is reviewing the resources once the data I referred to earlier has been analysed.

Ms STEVENS: When will it report?

The Hon. DEAN BROWN: In the next few weeks.

Ms STEVENS: I refer to year 2000 compliance. The Auditor-General says that the Government must ensure that all necessary steps are taken to ensure that systems and medical facilities are year 2000 compliant and specifically refers to circumstances where hospital management is contracted out, for example, Modbury Hospital, but where the Crown continues to have a non-delegable duty of care. The Auditor-General also says that the South Australian Health Commission is responsible to ensure that all units are year 2000 compliant.

The Opposition has been told by major metropolitan hospitals that they need millions of dollars to make systems compliant but that sufficient funds have not been made available for this task. How much has been set aside for the Health Commission to make its facilities compliant and how are hospitals and other units accessing those funds?

The Hon. DEAN BROWN: This is a huge task amongst public hospitals in the State. I can give members an idea of the size of the task: 11 000 letters have been sent out to manufacturers of equipment—mainly medical equipment—asking for assurances that the equipment we have in our public hospital system is year 2000 compliant. Unfortunately, many letters have not been replied to and it is difficult to get assurances back from the manufacturers at any rate. Some are only too willing to comply and others are not.

A hospital by hospital analysis is well advanced and significant headway has been made in the past two months since the Auditor-General's Report was prepared or written. Significant headway has been made under Dr Tom Stubbs, the new person in charge of information technology. Not only are we a long way down the track in terms of assessment but we have now identified hospital by hospital what specifically has to been done in terms of big systems that may need to be changed. I am not saying that some medical equipment has not yet been identified, because some of it has embedded chips and the manufactures are not even sure of it. Many have chips from different manufacturers, some of which are compliant and some are not, but hospitals have been given a program to test all their equipment. A CAT scan at the Women's and Children's Hospital, due to the testing program, actually turned off as a result of having the date 2000 put into it. That is the sort of problem we are facing.

We have done an assessment across the hospitals. Some of that money has already been allocated from existing budgets within the Department of Human Services to rectify the problem. We have an information technology budget of $16 million a year, so some of the requirement is already met. We believe that some can be met from within existing budgets, and there is a significant amount that needs additional funding. I have gone to Cabinet and Treasury on that and I am awaiting a response.

I have discussed this with the CEOs and Chairs of the boards of the major hospitals. I have given them an assurance

that we will get back as quickly as possible. It is very important so that I can go back to the boards to give them the authority to spend money. Basically, the issue is this: we have identified the problem; we have identified the systems that need to be replaced and how they need to be replaced; and now we need to give them authority to spend the money and I am asking for that authority from Treasury. As I said, I hope to have that resolved in the near future so that we can go back to the hospital boards and give them the authority to spend the money, even though much of the expenditure will not be finally committed, in terms of actual payment of accounts, probably until the next financial year.

Ms STEVENS: You mentioned three categories of money: the money that was—

The ACTING CHAIRMAN: Order! The honourable member will address her question through the Chair.

Ms STEVENS: The Minister mentioned three categories of funds: money that is part of the $16 million budget, money from within the units themselves, and money from Cabinet. Can the Minister give specific dollar amounts in each of those three categories?

The Hon. DEAN BROWN: No, I cannot at this stage, but I can say that the honourable member has the three categories slightly wrong. I referred to work that needed to be carried out where the commitment has already been given, the funds are there and expenditure has been approved. There is then another category where some of the money can still be found from within the internal budget and where authority for expenditure has not yet occurred, but where it will be given and where additional funds will not be required. There is then the third category where additional funds will be required.

Much of this expenditure is what you would class as capital expenditure because large software systems are being put in. The single biggest problem is probably within the large software systems within the hospitals, such as patient management systems. They are the types of areas where some of the systems are not year 2000 compatible. I think we have now come to grips with this and, in fact, the Minister responsible for the year 2000 bug problem acknowledged that we have made enormous strides in the past couple of months and we are now able to go to Treasury with a specific request for funds.

Ms STEVENS: Under the contract to manage the Modbury Hospital, who is responsible to upgrade the systems to be year 2000 compliant—Healthscope or the Government?

The Hon. DEAN BROWN: It would depend upon who owns the assets. Obviously, if they are our assets it is our responsibility; if they are assets owned by Healthscope, they are Healthscope's responsibility. The same issues have been worked through in that regard. I do not think the honourable member wants me to detail it asset by asset; I think it is inappropriate because one is dealing with perhaps hundreds of assets. There is a mixed responsibility depending on ownership of the asset.

Ms STEVENS: The Auditor-General points to serious irregularities in the appointments of Ms Christine Charles as CEO of Human Services, and CEO and board member and Chairperson of the South Australian Health Commission. The Auditor-General says that some aspects of the administrative restructure have the substantive effect of defeating some of the legislative intentions of the Parliament. He points out in volume A.4-18 that the South Australian Health Commission Act requires the appointment of a CEO who is not a public servant and says that the CEO of the Human Services Department could not give a direction to those staff carrying out a statutory duty of the Health Commission. The Auditor-General also outlines concerns about the new arrangements cutting across the legal obligations of the board of the South Australian Housing Trust.

Does the Minister acknowledge that the new arrangements cut across the roles legislated by this Parliament for the boards of the Health Commission and Housing Trust; and what is being done to rectify the issues outlined by the Auditor-General and the apparent conflict with the legislation?

The Hon. DEAN BROWN: I read with interest the arguments put forward by the Auditor-General. First, the Crown Solicitor has been heavily involved in this throughout. A lot of it boils down to legal arguments and counter legal arguments between the Crown Solicitor and the Auditor-General. I can assure the honourable member of one thing: I want to stay out of that. I will leave it to the lawyers to argue their different viewpoints. I can say that there have been ongoing discussions; in fact, there have been discussions throughout putting counter legal points of view.

In summary, the Crown Solicitor's office has now recommended that Ms Charles be appointed Chief Executive Officer of the South Australian Health Commission as well as Chair, concurrent with her appointment as Chief Executive of the Department of Human Services. The Crown Solicitor's office has confirmed that, contrary to an Auditor-General's suggestion, there is no legal impediment to this course of action provided that the Commissioner of Public Employment approves the arrangement. Effectively, Crown Law is saying it believes that it is acceptable, provided Ms Charles is made CEO of the Health Commission and provided the Commissioner of Public Employment agrees to it.

Moreover, the Crown Solicitor's office has concluded that such an appointment does not give rise to an incompatibility of public offices. The Auditor-General has now been advised of that, but no response has been received back from the Auditor-General. As I said, it is really a legal argument between the two and there has been a difference of legal opinion between the two throughout. If you like, it is a moving feast in terms of legal argument—as most lawyers like to have a moving feast. They do sometimes make headway.

In terms of the statutory authorities, there is an instrument between the Department of Human Services and the Health Commission. There have been some negotiations already between the South Australian Housing Trust and the department, and I can assure the honourable member that we will now proceed to complete those negotiations between the Housing Trust, the department, the CEO and also SACHA (South Australian Community Housing Authority) so that there is a memorandum of understanding in relation to the responsibilities.

The other point I make on this is that the Auditor-General referred to a 'conflict of duties'. A number of people, publicly and in some of the media—and I think the honourable member was guilty of this as well—have used the phrase 'conflict of interest'. They are two entirely different things. There is a difference between conflict of interest, which becomes a personal interest, and a conflict of duty. A conflict of duty can be simply a technical conflict, if you like, not a conflict of any material value. I have taken some legal advice on this and I am told that, in fact, at worst, this could only be described as a conflict of duty in a technical sense with no material impact.

Frankly, as a Minister, I confront that all the time. I am Minister for Human Services. I am, therefore, arguing for the biggest number of dollars for health services but, equally, I sit in Cabinet and we have to make decisions as a whole and in the broader interests of the community. There is a conflict between those two positions. I will never forget Tom Playford once saying to me—

Ms Stevens: Jack wants to ask a question.

The Hon. DEAN BROWN: Let me just finish—and I am sure the Acting Chairman is blind: he will not look at the clock for one moment.

The ACTING CHAIRMAN: I have no discretion.

The Hon. DEAN BROWN: I will let Jack ask his question.

The ACTING CHAIRMAN: I have no discretion and the time has expired.

Members interjecting:

The ACTING CHAIRMAN: Order! The honourable member's time has expired. I have no discretion. The bell had rung before the honourable member finished speaking. The examination has concluded.

Ms HURLEY: Did United Water meet all its commitments under the economic development, operation and management provisions of the contract in the last year, and will the Minister table the latest report on the company's performance during the last year?

The Hon. M.H. ARMITAGE: As the Committee would be aware, an audited review of the process is established by the corporation to monitor the performance of both the operating aspects and the economic development aspects of the United Water and Riverland Water contracts. The review was an assessment of the progress made by the corporation following the 1996-97 review which identified that the corporation had not finalised the establishment of a complete framework for managing the operations and maintenance aspects of the Adelaide outsourcing contract.

The 1997-98 Auditor-General's Report highlighted that the contract management frameworks established for both the Adelaide and Riverland contracts were a significant improvement in the corporation's contract management process. The Auditor-General reported that the establishment and implementation of contract management frameworks has enabled the corporation to demonstrate that it is receiving the services contracted under the agreements at the contractually required quality and response levels for the targeted costs. I am informed that of the 60 or so performance requirements all but two have been met.

Ms HURLEY: Which are those two?

The Hon. M.H. ARMITAGE: I will obtain details for the honourable member.

Ms HURLEY: Why did SA Water's CEO, Ted Phipps, receive yet another increase last year of as much as $20 000, what did he do to justify that increase, and what will Mr Phipps' pension entitlements be when he retires in a few months?

The Hon. M.H. ARMITAGE: When it was first 'taken over' by the Government, United Water was making a loss of $47 million. At the same time, the shackles of ideological torpor were removed from the EWS which had been imposed by the member for Hart, the pink stickered, yellow stickered adviser for the then Premier and his confreres, and as soon as we allowed the managers to manage appropriately that was turned around from a loss of $47 million to a profit of $103 million after tax. That is the context in which all executive salaries are identified.

It is important to acknowledge that one cannot have expensive utilities which tie up a lot of Government money and upon which the populace of South Australia relies a lot without the people at senior management level being well recompensed. Whilst there are members on the Opposition benches who would see these people paid a pittance, if that were to be the case there would be the potential for them to be head-hunted into other areas of South Australia, Australia or internationally. As we are setting up a national water industry, it is highly likely that that could happen. On the subject of executive salaries, following an assessment of material in relation to the finalisation of the accounts of the MFP Corporation—

An honourable member interjecting:

The Hon. M.H. ARMITAGE: Following an assessment being made in material in relation to finalisation of the accounts of the MFP Development Corporation, I have been made aware of material which may indicate that advice provided to the Parliament may have been incomplete or incorrect in relation to the termination payment of $198 000 made to the former Chief Executive Officer. For example, it appears that the amount of $10 576.92 may have been paid for professional leave. This matter is being fully investigated, and I shall report to the Parliament at the earliest opportunity when complete information is available.

Ms HURLEY: I find it very strange that when Ted Phipps was in charge of the whole of SA Water he was paid a lot less than he is being paid now when he is only managing a contract. He has received an increase of as much as $100 000 over the past three years for doing much less. I remind the Minister that I also asked what Mr Phipps's pension entitlements will be when he retires in a few months.

The Hon. M.H. ARMITAGE: I am unaware of that detail, but I would advise the Deputy Leader, as I indicated during the answer to the original question, that there are a number of ways in which one can tackle this sort of issue. If one is to have a profit making internationally focused water utility, one must face the fact that, unless the executive team is well paid, they will be head-hunted to go elsewhere. Clearly, from the fact that the Deputy Leader is pursuing this, she believes that is the wrong thing to do. I understand that. However, at the end of the day, the executive team and indeed the board—and I have been quizzed in other places about board remuneration—have turned a significant profit for South Australia which factually enables—

Mr Foley interjecting:

The Hon. M.H. ARMITAGE: The member for Hart says that the previous Labor Government downsized it.

Mr Foley: It did the hard work.

The Hon. M.H. ARMITAGE: Clearly, the honourable member indicates by that that under the previous Labor Government there were downsizings, presumably TVSPs paid, and so on—and the member for Hart is acknowledging and agreeing with that. I applaud that sort of strategy. That is no more and no less than what we as a Government have done in a number of other entities for which the member for Hart, indeed, is one of our most vocal critics. All I can say is that there is absolutely no difference between a decision to downsize when it is taken by a Labor Government (if it is the correct economic decision) and a similar decision taken by the Liberal Party.

Mr Foley interjecting:

The Hon. M.H. ARMITAGE: The member for Hart is saying that is why they made a profit. I do not believe that is why they made a profit. Nevertheless, the point I am making

is that the member for Hart and his confrères ought not be able to argue consistently and logically that if they downsize it is okay and, if we do, it is rape and pillage of the Public Service. Obviously, there is an inconsistency in what they are saying. I remind everyone that these rates are not figures that are picked out of the air. I know only too well that executive salaries are determined often with advice from relevant firms that give the sort of advice and provide guidance regarding what similar people operating similar sorts of utilities—and indeed, not only utilities but other organisations under my portfolio—are likely to be paid in South Australia. We have to pay that because we face the reality that, if we do not, these very good managers will be taken elsewhere.

Ms HURLEY: When will the Pica activated carbon factory finally be established as required under John Olsen's water contract?

The Hon. M.H. ARMITAGE: I will have to bring back exact detail. We are unaware of that, but I am aware of other briefings that I have had, recognising the religious fervour that the Opposition has for this question—

Ms Hurley interjecting:

The Hon. M.H. ARMITAGE: I understand that, and that is exactly why I have a briefing, which I do not have with me, unfortunately, but which indicated that as we speak is approximately the date. As I say, I do not have the brief in front of me, but I believe it was November. I am happy to be corrected on that, though. Again, I am prepared to bring back the information, but I was quizzed on this in the Estimates Committee not three months ago by the honourable member sitting on your left, the member for Hart—

An honourable member interjecting:

The Hon. M.H. ARMITAGE: That is why I organised the briefing, which gave me a certain degree of comfort, and I am happy to provide members with that detail.

Ms HURLEY: I refer to pages 97-99 of Part B Volume I with respect to the environmental levy on sewerage rates introduced in 1990 and extended for a further five years in 1995. Audit says that $87 million was collected under this levy by June 1997 but that, among other things, SA Water has not achieved key commitments made at the time of introduction of the levy, such as development and implementation of an environmental management system and updating of an environmental policy, which one would have thought was pretty basic to an environmental levy.

The Auditor went on to say that reports on how the money was collected were inadequate. What has been done to lift SA Water's game in this area? Where has the $87 million been spent, and will the Minister undertake to make annual comprehensive reports to Parliament on the performance of the fund and the uses to which it has been put, as did the former Labor Government after its introduction in 1990?

The Hon. M.H. ARMITAGE: In relation to environmental management, the audit review focussed on the framework, the policy and the plans in relation to environmental management, and processes to ensure compliance with relevant legislation and reporting of the environmental levy. Audit revealed that the corporation identified the management of the impact of its activities on the environment as a key risk area—the corporation identified that, I stress—and has developed and approved an environmental policy and an environmental action plan to address this risk area.

These documents provide an outline of the corporation's commitment with respect to areas such as compliance with legal requirements, community and employee involvement in environmental management, performance management, etc. An independent review of SA Water's operations by Hyder Consulting in November 1997 confirmed that SA Water is managing its environmental impact in compliance with legislation.

Ms Hurley interjecting:

The Hon. M.H. ARMITAGE: I am coming to that. Indeed, SA Water is committed to best practice in management to assign additional resources to this environmental management unit and to seek certification of its environmental management system. So, with respect to the reporting of the environmental levy, the corporation introduced detailed reporting on a quarterly basis, in addition to information that is contained in the corporation's annual report, which I tabled a week ago.

Ms HURLEY: If the Minister is saying that everything is in place and that quarterly reporting has been achieved, why was the Auditor-General critical of the development and implementation of the environmental management system and environmental policy with respect to the levy and, if quarterly reporting is done, will the Minister table at least an annual report to Parliament, as was done previously?

The Hon. M.H. ARMITAGE: What we have here is a timing issue. At the time of the audit in March 1998, Audit identified, from its perspective, that the corporation had not achieved the number of commitments detailed—which are, as the honourable member said, the completion of an environmental management system, the development of a comprehensive audit, updating the environmental policy and so on. However, those issues were focussed on the delay in achieving some of the outcomes of that environmental action plan, although they did identify and acknowledge the additional resources that had already been allocated in finalising the development of the environmental management system, and full accreditation under IS014001 Australian standard.

In the intervening time, following Audit's suggestion that it would be appropriate to have specific management reporting on the collection and application of these moneys, as I have identified, it is reported on a quarterly basis, and that information is contained in the corporation's annual report. The environmental management system is now being implemented.

Ms HURLEY: Will the Minister advise what projects the $87 million has been spent on?

The Hon. M.H. ARMITAGE: The honourable member would no doubt be aware of the $210 million commitment to the environmental improvement program. I will identify just a couple of projects. There is an extensive list, but I will just give a flavour of the sorts of projects in which SA Water has been involved. Given the Deputy Leader's electorate, the project with which I imagine she would have the most contact is the Virginia pipeline, which transports the treated waste water from Bolivar to Virginia. We believe that that will result in a doubling of the produce from the Virginia market gardens, and we think that that will be excellent for the economy.

Not only will that improve the waste water disposal and allow economic development at Virginia but it will also stop large amounts of nitrogen in particular being discharged into the gulf along with a whole lot of other nutrients. We all know only too well about the effect that has on seagrasses, fish breeding and so on. Also, that has been preceded by the building, which is nearly complete, of the DAFF plant (the dissolved air flotation filtration plant), the general Bolivar upgrade—which obviously the member for Taylor knows all

about—the Christies Beach waste water treatment plant, and so on. Factually, the proposed environmental bonuses are cogent and very positive.

Ms HURLEY: I refer to page 23 of Part B, Volume 1, and the Wirrina development. Given that this is a $15 million liability taken on by the Government, is that investment which South Australian taxpayers have made in supporting the resort secure, and how many people currently visit the resort?

The Hon. M.H. ARMITAGE: The honourable member will be even more dissatisfied with this answer. I was just clarifying the area of Government in which Wirrina is held. It is in the major projects area of the Premier's department, not mine.

Ms HURLEY: I expected that sort of reply. It is one we get all too frequently from the Minister. I refer to—

The Hon. M.H. ARMITAGE: On a point of order, Mr Acting Chairman, I am legally allowed to comment only on the matters for which I have responsibility. I do not have responsibility for that project.

The ACTING CHAIRMAN: It is not a point of order.

Ms HURLEY: I refer to page 21, Part B, Volume 1, with respect to the Carter Holt Harvey compensation fund. It says that it is a compensation fund for the loss of revenue, as per specific agreements between the Government and Carter Holt Harvey in the contract for the sale of Forwood Products. Will the Minister explain the nature of this fund and what agreements have been entered into with Carter Holt Harvey?

The Hon. M.H. ARMITAGE: This whole matter was handled by the Asset Sales Management Task Force, and I am delighted to bring back a report on the detail which the honourable member is seeking so there is no suggestion of the intricacies of the matter not being fully explained.

Ms HURLEY: Given that the then Treasurer stated on 4 July 1996 that one of the key aspects of Carter Holt Harvey's bid for Forwood Products was its future intention to expand the business of Forwood Products, what expansion has taken place in the former Forwood Products business, and how many employees does Carter Holt Harvey employ compared with the number formerly employed by Forwood Products?

The Hon. M.H. ARMITAGE: I am not responsible for the number of employees in a private sector company, but I do know that general forestry in the South-East is an expanding industry. My recollection is of very positive figures upon which I will have to get some further detail, but at the moment there are specific plans to improve the South Australian and, indeed, the green triangle forests. Carter Holt Harvey is a very keen participant in that, and I have spoken with the manager of Carter Holt Harvey on several occasions. On each occasion he has stressed to me that he regards South Australia as a key component in terms of his company becoming more internationally focused. It is fair to say that in that exercise there will be some decisions which are difficult for a private sector company to make. Indeed, one of those was already identified earlier this year when a small, non-economic mill in world terms was closed.

The whole thesis behind that, though, is to continue to grow the industry, that is Carter Holt Harvey's industry which it purchased from the Government, in a world competitive scenario. Its clear indication to me is that it is unable to be competitive and to continue to expand on a world basis if it has non-economic units. I think that is a rationale which everyone in today's age understands; but the whole premise of its management is on building the company, building the industry, in the South-East.

Ms HURLEY: Further, in relation to Forestry SA it was stated that at the time of the budget report preparations were under way to assist with structural reforms and that a financial management framework should be implemented. Has this assessment been undertaken? What are the particular concerns with the structure of Forestry SA?

The Hon. M.H. ARMITAGE: That is still under way, but I indicate that the Government's whole view of Forestry SA is that the industry is a world leader; in fact, it is an unsung gem in our South Australian economy. Recently, I was host to a visit by Madame Professor Jiang, sister of the Chinese President Jiang. She is an international forestry expert in her own right, and she and a large group of senior staff from forestry in China decided to visit South Australia after the very large floods which people will remember in China recently that caused so much devastation, the rationale being that there had been so much foresting that there was no barrier to excess run-off and erosion. Indeed, that had led to many of the floods which caused such damage in China.

So, the Government's view of Forestry SA is that whilst like all things it is subject to review to ensure that it is producing the most economic and efficient outcome for South Australia, it is an excellent industry. Our reviews will be in line with and in the context of the national competition policy. These sorts of issues will be part of that review. They will be looked at very carefully to ensure that the industry in the South-East is enhanced.

Ms HURLEY: I refer to page 131 of Part B, Volume 1 and to the target savings for Government procurement. What amount of the target $72 million in savings from the reform procurement strategy have been made to date? Are we on track to make $72 million of annual savings, and, if so, by when?

The Hon. M.H. ARMITAGE: I understand that it is progressing well but the State Supply Board is the responsibility of Minister Lawson.

Ms HURLEY: I refer to page 95 and year 2000 compliance. Audit has observed that some aspects of the plans are lagging behind guidelines and business continuity plans did not include specific consideration of year 2000 risks and impacts. What has been done to address these problems to ensure that the big pong does not become the millennium pong?

The Hon. M.H. ARMITAGE: Year 2000 compliance is an extraordinarily important issue, but it is an extraordinary question. The reason I say that is that almost every day in Parliament a derisory noise emanates from the Opposition benches when the Minister for Year 2000 Compliance stands up to answer questions posed about important matters, or, indeed, to give very important ministerial statements. Much work has gone into this from the Government's perspective. We believe that it does have the opportunity to give South Australia potentially an economic advantage as a differentiator; but in relation to the specific matters it is clearly the responsibility of the Minister for Year 2000 Compliance.

Ms Hurley interjecting:

The Hon. M.H. ARMITAGE: I am not responsible for year 2000 compliance; that is the responsibility of the Minister for Year 2000 Compliance, as members of the Opposition identify every day.

Ms HURLEY: I find that extraordinary. The Minister for Year 2000 Compliance, presumably, is responsible for developing guidelines, but surely it is the Minister's responsibility to ensure that his department is organised enough to comply with those guidelines. Surely, the Minister is

responsible for his own staff within his own department who will ultimately be responsible for putting those guidelines into effect, and the Auditor-General says that they have not been put into effect.

The Hon. M.H. ARMITAGE: I may have mistaken the honourable member's question, but factually in relation to year 2000 compliance within SA Water, the corporation has responded that a program covering operational, administrative and commercial systems in fact were in place. This was completed in April 1998 and compliance activities are currently being undertaken. The corporation is currently integrating year 2000 contingency requirements with existing operational contingency plans, and the management of the compliance is well in hand to ensure that all appropriate year 2000 arrangements are in place and operating by June 1999 which gives plenty of time for the crucial dates.

[Sitting suspended from 6.15 to 7.30 p.m.]

The ACTING CHAIRMAN: We now commence examination of matters in respect of the Minister for Education, Children's Services and Training, Minister for Employment and Minister for Youth.

Ms WHITE: The overall comment I would make about what the Auditor-General's Report has to say on education is that disappointingly very little is said about education outcomes. We have moved to accrual accounting based around educational outcomes or outcome reporting, so it seems to me that it would be much more helpful if the Auditor-General's Report were more focused around those outcomes. We spend about $1 billion on education, and the question that the people of South Australia and I would ask is whether we get value for money.

The new budget format is aimed at providing outcomes, but the Auditor-General's Report is not focused in that way at all. In terms of examining the outputs in the budget, we find no guide as to important questions such as why we have more children or students in our classes than the limit set by the Government, why retention rates continue to fall, whether our teacher to pupil ratio is reflected in the classroom, and issues of equity of access to computers and discrepancies in the level of fees between schools.

I will give an example of what I am talking about. The Auditor-General's Report states that the DECS*tech* program underspent by $12 million in two years, but the report makes no comment about why that was, whether that led to a good or bad outcome, whether it was an acceptable underspend or whether it came about through something that went wrong in the department, incompetence or whatever. So, I am first asking the Minister to comment on the way the new budget format for reporting these so-called educational outcomes in the move to accrual accounting should operate. Secondly, does the Minister agree with me that the Auditor-General would provide us with more useful information if his examination included examination of all those issues that are nominated in the budget papers as educational outputs, such as class sizes, access to student computer programs, retention rates and management of capital works in schools? Does the Minister agree and, if so, will he discuss this issue with the Auditor-General so that next year we can have a better picture of the measure of educational outcomes?

The Hon. M.R. BUCKBY: It is a matter for the Auditor-General as to how he decides to report, and the member for Taylor needs to keep in mind a couple of points. The first is that the department has amalgamated in only the past 12 months so that the full reporting period of this particular Auditor-General's Report did not include the full department for a 12 month period. Secondly, up until this year we had not been operating on an accrual basis but under a compliance audit whereas, as the member for Taylor has said, looking at value for money, as we move fully into accrual accounting so will the Auditor-General look at the future value for money, and that is the way his audits will come across. We are looking this year at a changeover period and, as we go down the track, whilst I am not the Auditor-General, I imagine that his reporting will change because we will be operating on full accrual accounting.

The other thing that the honourable member would know is that we were asked by the Auditor-General to define output classes this year—and we are currently doing that—which will enable the Auditor-General to better report on that value for money style of audit rather than just the compliance audit that has occurred in the past. I note from looking through the Auditor-General's Report that his report on the Department of Education, Training and Employment was complimentary in the fact that he expressed his satisfaction with the way that the books had been presented and with the way that the department undertakes its job, which I was very pleased to see. I believe that, as we gradually move through to full accrual accounting, so will we be looking at those outputs, and that is the way that his report will be written, rather than, as previously, operating merely under a compliance audit—a cash accounting system.

Ms WHITE: The first question I would like to ask relates to comment not specifically about the Education Department but earlier in the first volume of the Auditor-General's Report. I found no specific reference to education with regard to the millennium bug, but the Auditor-General does say that as at July 1998 the Department of Administrative Services indicated that the total budgeted cost for corrective action regarding year 2000 compliance could exceed $111 million.

Comments are made on page 48 of that first volume that a number of agencies are lagging in terms of becoming year 2000 compliant. Will the Minister assure the House that his department is not one of those 'lagging' in being compliant and will he detail what his department is doing for year 2000 compliance with all the information technical systems such as EDSAS, Kidsbiz, Bookmark library systems, school curriculum computers, the DETAFE systems and all administrative systems throughout his department? Specifically, will the Minister indicate how much money and resources have been allocated to make the Education Department and agencies compliant? In so doing, what is the source of that money? Is it coming out of the education budget or Treasury or will schools be required to pay for some of the changes from their school funds?

The Hon. M.R. BUCKBY: The year 2000 millennium bug is obviously very important not only to my department but to all Government departments and one that this Government intends to get right. I have spoken about this on a number of occasions with the CEO of my department and we are undertaking all checks required to be done, and we are going according to plan. As at March next year it is envisaged we will be having a trial run. The project management by the year 2000 program office includes an assurance that all year 2000 issues and risks are addressed and compliancy of the department's systems is achieved. In line with the audit recommendations the completion of the year 2000 task by the agreed dates will continue to be closely monitored, and that is what we are currently doing.

I am advised that the payroll system only came through the day before yesterday and is year 2000 compliant now, so that has been checked off. At the time of the audit review the department had completed the detailed assessment of critical systems, and an assessment of non-critical systems was completed by July 1998. All year 2000 project resources are being concentrated on the completion of the plan of replace, retire or rectify, and the department management structure of executive sponsor, IT steering committee and line management for the year 2000 program office will ensure close monitoring of the project plan for compliance. I am very confident and, in the checks that have been undertaken by the Minister that has responsibility for this project, my department is well up and certainly on track to be 2000 compliant by the time it is required to be.

Ms WHITE: I asked about the funding allocation for that compliance, from where funding would come and whether schools would be required to pay or pick up any of that cost from their funds.

The Hon. M.R. BUCKBY: As the member for Taylor would know, already we have allocated between $9 million and $10 million in the budget. That was quite clear in May when we released our budget figures and that amount is there, is correct and will cater for the costs the department will incur.

Ms WHITE: I turn to the issue raised by the Auditor-General in Part B on the education page 163 on DECS*tech* 2001. It was planned to have an expenditure of $75 million over five years. Over the first two years, only $18 million of the budgeted $30 million was spent, which leaves a shortfall of $12 million. During that period, the Government paid out $3.3 million in computer subsidies, while schools—and really in the main that meant parents, through schools fees and fundraising—forked out $5.6 million as their share of the cost of those 4 300 new computers. Minister, given the continual statements by the Government about the need to sell ETSA in order to provide computers for classrooms, how does the Minister explain that quite significant under-spend of $12 million in the DECS*tech* 2001 program at a time when schools right across the State are complaining that they cannot afford to meet the costs of the targets set under the DECS*tech* 2001 program?

The Hon. M.R. BUCKBY: The uptake of this $75 million is, to a degree, a matter for each school to determine, based on what they believe they can cater for in their budget. We are supplying that amount of money as a maximum. We must also remember that it is to be used not only for the purchase of computers but for the infrastructure that goes with this program. While schools might have taken up $5.6 million, as the honourable member quoted, to purchase computers and while our subsidies amounted to $3.3 million, the money is also available for schools to spend on associated infrastructure. So it does not only involve the purchase of those computers; a range of issues fall into that DECS*tech* 2001 funding.

In addition to that, this year we announced a $10.6 million one-off Computer Plus program. The Auditor-General, in earlier reports, noted that one of the complaints of the DECS*tech* 2001 program was that it did not allow money for software, furniture and other things that needed to go with this type of technology. The sum of $5.3 million of that $10.9 million is set aside to upgrade furniture, to improve Internet access to schools and to provide for the purchase of administration computers in schools, plus virus protection packages in schools. The other money, by way of cash grant, was for schools to use to purchase software or to do whatever they wished in terms of computers, whether it be professional development or whatever for their teachers. So it is not only a matter of the $75 million that this Government has allowed for; it is a further $10.6 million this year, which I would have to say has been received delightfully by schools right across the board as it has helped them give the extras needed to match the computers purchased under DECS*tech* 2001.

Ms WHITE: The Minister seems to be saying that the reason for the under-spend was purely that schools failed to take up this offer to the extent that he budgeted for. If that is the case, will the Minister reconsider the subsidy scheme to relieve parents of the burden placed on them under the existing scheme, to include more generous subsidies as replacement computers are required and provide additional funding for all the peripherals that are required?

The Hon. M.R. BUCKBY: The member for Taylor is wrong in saying that I said that the majority of the shortfall was due to schools not taking up this initiative. I said that was one factor in the under spend. The other, as I said—and it is quite significant—was the infrastructure provision which has been negotiated with the department and which is ongoing. I would say that hardly a fortnight goes past that I do not see some sort of submission for infrastructure to various schools, be it cabling or Internet access or a number of other things that are gradually being worked through the system. It does not happen overnight: you cannot go out and suddenly put in all this cabling. It needs significant building and planning throughout the schools and, as well as that, you are dealing with Telecom in terms of the cabling, particularly in the country, which goes in to many of our schools at the same time. So, there is a timing factor as well.

The member for Taylor should also remember that the actual grants or subsidies to schools are based on enrolments and on School Card. Those schools which have a very low proportion of School Card holders receive only a $500 subsidy whereas those schools which have a high proportion of School Card holders receive $1 000 subsidy per computer.

Another factor is that prior to DECS*tech* a number of schools—and I have had a number write to me—already had computers in their schools, and it would have been only two or three months ago that a school wrote to me saying that it had just purchased 15 computers prior to the DECS*tech* scheme's coming on and could I give it a subsidy for that. Some schools had already upgraded or were in the process of that before this came along.

In terms of what this Government is providing relative to the previous Labor Government, I would remind the honourable member that the previous Labor Government in its last budget spent $360 000 on computers in schools and this is a $75 million—with Computer Plus, $85 million—project that we are putting into schools in South Australia.

Ms WHITE: I take it that the Minister's short answer to my question about more generous subsidies is 'No'. On the issue of school computers and the school computer contract, the Auditor-General reveals in his report that it was decided to extend the existing contract for school computers from March this year to July next year without going to tender. Given that in 1997 that contract attracted quite a bit of attention because of the tender process and, secondly, because of the pricing arrangements which meant that schools qualified for a subsidy only if they purchased through the contract (even though the same computers were available at lower unit prices elsewhere), I am a little surprised that the Auditor-General did not make more comment on this matter.

But, given that prices for IT equipment have fallen over the past two years, did the Government in this renewed contract obtain lower pricing under the extended contract arrangement; and exactly what are the prices for the nominated units to schools?

The Hon. M.R. BUCKBY: The State Supply Board approved an extension of the standard PC contract up to 31 July 1999. Due to the recognised benefits of that contract and the disadvantages of moving outside the standard contract (for example, duplication of effort and proliferation of non-standard equipment), it was decided not to issue a new request for proposal until the establishment of a new standard PC contract. Therefore, the existing situation would be maintained until that time. Legal advice provided to the department indicated that the previously agreed discounts and conditions as detailed in the official order would continue to apply. If she wishes, we can supply to the honourable member a list of prices that were paid. The decision was approved by the CEO in July 1998 and I also approved it on 28 July 1998.

There are significant benefits, although much has been made in certain school communities about having to stay with the three contractors. One of the benefits of this contract is its 24 hour service anywhere within the State. It is fine for schools in the metropolitan area because there are computer technicians within minutes. However, for schools at Wudinna, Salt Creek, East Murray or Brown's Well, where no computer technician is available within a short period, that 24 hour service agreement is extremely valuable. Given that we are dealing with a statewide contract, that is one of the benefits of this contract, as against each school going off and dealing with a supplier within its own town.

Ms WHITE: Is it the case that schools cannot attract the subsidy without purchasing through this contract arrangement? If that is not the case, why not?

The Hon. M.R. BUCKBY: The answer is that schools will receive the subsidy only if they deal with one of the three contractors. The contract is with the Government and it is binding on all Government schools. As a result of that, they do not get the subsidy if they go outside that contract. One of the advantages of the Computer Plus scheme was that they were not tied to those three contractors, so they could move wherever they wished to buy their software or whatever they wanted. Given that there was a range of needs for the backup of the computers in terms of software, furniture and that sort of thing, it was deemed that it would be an advantage if they could go where they wished to buy their software.

Ms WHITE: I have a question about the South Australian School Investment Fund. In his report, the Auditor-General states that he raised issues with the department about lack of preparation of timely bank reconciliations, delays in monitoring fluctuations in interest rates and the like, and he commented that the department had responded to his queries and that both issues had been addressed.

Often in other areas of government these sorts of accounts are handled by Treasury. In the Education Department, we have public servants in a sense acting as bankers. How much money is held in this investment fund; why were the bank reconciliation statements and other matters which the Auditor-General raised not dealt with in a timely manner; how are invested funds managed; and, with reference to the comment I made earlier about Treasury and Education officials handling these types of accounts, will the Minister comment on this type of activity being conducted within the Education Department? Does the Minister believe that it is better for Education Department officials rather than those from Treasury to deal with these sorts of matters, because normally one would expect that the skills needed to manage such events would lie within Treasury rather than in the Education Department?

The Hon. M.R. BUCKBY: These funds are not administered *per se* by Education Department staff; they are deposited in a SAFA account. The department liaises with Treasury about the management of such accounts and merely undertakes the administration of this account, which holds the grants that are given to schools. Schools are able to place their money into this account, and we administer that money, while SAFA manages the account.

The honourable member asks what amount of money might be placed in such an account. That varies depending on the grants that are given to schools and how schools draw on that account. It can amount to about $70 million. The benefits are that it offers to schools an account which earns a good interest rate, and the department completely manages the risk. It is efficiently managed under the department's administration, and no administration fee is charged to schools. They earn interest on any money that they put into that account, and they get back the full amount. It is a voluntary scheme. If schools want to invest money in that scheme, they can. If they want to manage it with their own accounts, that is up to them. As the Auditor-General said, the departmental response indicated that both issues that were raised by him had been satisfactorily addressed. So, he has no worries about the risk to schools or the way in which the money is managed.

Ms WHITE: The Minister seemed to imply that Education Department officials did not have much to do with this. However, the Auditor-General talks about departmental delays and things such as monitoring fluctuation in interest rates and other issues, all of which sound much like hands on to me. Therefore, the Minister might want to readdress that issue.

In his report the Auditor-General describes how schools operate various accounts and he provides a pie chart showing the break up of expenditure between specific purposes, equipment, canteen creditors, school programs, and so on. He also states that as at 31 October schools held $57 million. However, the Auditor-General's Report does not indicate the sources of those funds used by schools. Will the Minister agree to ask the Auditor-General to include those details of funding sources in schools as part of future reports and, in particular, the level of funds being paid by parents as fees and charges for services and materials and through other payments?

The Hon. M.R. BUCKBY: It is up to the Auditor-General what he puts in his report, but I am quite happy for my officers to discuss with the Auditor-General's officers the possibility of putting that in the report. I do not have a problem with that, but whether or not he will put it into the report is a matter for his discretion.

Ms WHITE: I accept that. In relation to the issue of separation packages mentioned in the Auditor-General's Report, the report states that a total of 3 433 staff were given separation packages between 1993-94 and 1997-98 at a cost of $251 million, and that includes the departure of 130 staff during 1998 at a cost of $11.4 million. Given that all States now acknowledge that Australia is facing a shortage of trained teachers, will the Minister tell the House how many teachers have been given packages and whether packages are still available to teachers?

The Hon. M.R. BUCKBY: That information is not in the Auditor-General's Report. I am happy to provide an answer to the honourable member in detail, but I do not have that detail with me at the moment. In terms of the shortage to which the honourable member refers, it is well recognised—and I have raised it at national level—and we are advised that a shortage will occur in a few years' time. There is no shortage at the moment, but it could happen by about the year 2003 or 2004. This State, and I as lead Minister, have been very pro-active in putting up to the other State Ministers and the Federal Minister the need for research to determine exactly how many teachers we believe we will be short.

I also put up a stage three proposal, recognising that there would be a shortage, which recommended a $1.5 million marketing package and which was to be supported by the States and the Commonwealth. Unfortunately, not all the other States saw it in the same light, and nor did the Commonwealth. Once stages one and two, that is the research, are undertaken, we will readdress stage three and the need for a marketing plan and the spending of $1.5 million on a marketing strategy.

I recognised that very early, because there is a three to four year lag between the time that a teacher enters university to undertake a Bachelor of Education degree and the time that they complete that degree. I impressed that very heavily on the other Ministers but, unfortunately, they did not see the issue in the same way. So, we will have to go back to the report. The research report is due by the time of the next MCEETYA meeting in March so, obviously, I will do battle again to have that marketing program undertaken.

Ms WHITE: With respect to the review conducted into the Construction Industry Training Board, eight recommendations from that report are listed in the Auditor-General's Report as arising from that review, and the Auditor-General states that, at the time of preparation of this report, there was no outcome on the Minister's review of the report. Will the Minister go through those eight recommendations and indicate whether he will implement them?

The Hon. M.R. BUCKBY: The review of the Act was undertaken by a consultant, who canvassed a wide range of groups within the industry. I have looked at the recommendations that have arisen from that report and I have discussed them with the Construction Industry Training Board. We have had numerous meetings with the Housing Industry Association, which wanted the complete Act rescinded. It does not want a training levy: it does not believe in it. It wants to undertake its own training, which we do not agree with. We believe that the Act should remain in place, and that is one of those recommendations. We also believe that there should be a levy.

I am currently tying down those recommendations, and I will go back to Cabinet with a series of recommendations as to what I believe should be enacted under the Construction Industry Training Fund. Not only did I look at the review here but I also looked at the Construction Industry Training Fund in Western Australia and in England, where a different system runs, in that the charge is made on the labour content on the number of hours that are worked rather than on the value of the construction. Also, if someone is already spending money on apprenticeships and trainees, we looked at whether or not there should be some sort of compensation in terms of recognition that they are already undertaking training.

So, there is a range of issues that I am still looking at, in addition to having discussions with industry, and I suggest that within the next two or three months we will have a preferred position to put back to industry, and I hope then that we will be able to come back to the Parliament with any changes to the Act.

Ms KEY: As there have been five Ministers for Youth Affairs in 22 months, will the Minister for Youth Affairs indicate how much has been spent on preparing new letterheads, 'with compliments' slips and other identifying departmental documents, and have there been any extra relocation costs? If there has been considerable cost, will that money be reimbursed to the department to ensure that the Minister for Youth Affairs can proceed with the work that he is paid to do?

The Hon. M.K. BRINDAL: I ask the honourable member to indicate where that is identified in the Auditor-General's Report.

Ms KEY: There are a couple of references but, because of the new system, as the senior shadow Minister explained, it is very difficult to ask specific questions without looking at the budget in detail. The member for Taylor has gone through the budget very carefully to establish under the general portfolio umbrella where the allocation of money has gone.

I am asking the Minister to give me an indication of the sort of money that has gone into all the changes. I do not hold that over the current Minister's head, because I know that he has just been appointed, but I seek some assurance, if not from him, from the senior Minister and the Treasurer, that this money will go back into the area to ensure that youth affairs receives the proper allocation it has had through the budget and the report of the Auditor-General.

Members interjecting:

The ACTING CHAIRMAN: Order! The member for Peake is out of order. So is the member for Ross Smith by interjecting out of his seat.

The Hon. M.K. BRINDAL: First, on the general question asked by the honourable member, which is an important question, I can assure her that, in my capacity as Minister for Youth Affairs and, I am sure, in the capacity of the previous Minister, money is expended very carefully. We are conscious that it is public money. Secondly, in the accounting period referred to by the Auditor-General, I believe that the honourable member will find that there was only one Minister for Youth Affairs and, therefore, the letterhead did not change. We are talking about the accounting period now under discussion. There was one Minister for Youth Affairs. If that was the case, the letterhead would not have changed. If I am wrong and if there was more than one Minister, I will try to get a considered answer for the honourable member.

Mr Koutsantonis interjecting:

The ACTING CHAIRMAN: Order! The member for Peake will come to order for the fourth time. The time for examining the Auditor-General's Report in relation to the Minister of Education, Children's Services and Training, Minister for Employment and Minister for Youth has expired. The examination of the Minister for the Environment and Heritage and Minister for Aboriginal Affairs will now commence. Are there any questions?

Mr HILL: I refer the Minister to Part A.1 of the Audit Overview on page 14, and also Part A.2, pages 89 and 97. All of those sections deal with national competition policy and the allocation of water. I know that generally national competition policy as it relates to water relates to SA Water and issues to do with the provision of mains water systems, but I understand that it also applies to underground water and

water that is controlled by the Water Resources Act. How does the Minister see national competition policy affecting ground water supplies?

In particular, I draw the Minister's attention to an article of 23 October in the *Border Watch* when a Mr Evans, hydrologist, attending a meeting in the South-East, said about COAG and therefore, I assume, about national competition policy:

> Even though everybody agreed and signed the policy there are a lot of loopholes, so there are a lot of 'outs' for each of the States and they can weasel out of it. . .
>
> There are a lot of escape clauses and ways for the States to weasel out. . . but I don't think they should. . .
>
> However, the States can choose to ignore the COAG principles and do their own thing.

What is the relationship between the Water Resources Act and national competition policy? Are we as a State obliged to follow the competition principles, and what does that mean for underground water supplies?

The Hon. D.C. KOTZ: In terms of the report in the *Border Watch*, I believe that the gentleman making many of the claims can be acknowledged for his opinion as in his own way he is a hydrologist, a consultant, in Victoria; but some of his claims as an author of some of the COAG principles are not correct. His firm was actually contracted to look at part of the principles being incorporated into the strategic framework, which were adopted after the COAG principles were set. So, although the gentleman in question is entitled to his opinions, they are not necessarily accepted by this Government or necessarily by those involved in the signing of the COAG principles.

The role of the National Competition Council and the scope for inconsistent interpretation of the 1994 COAG Strategic Water Reform framework have been of concern both to the Department for Environment and Heritage and Aboriginal Affairs and the Department of Premier and Cabinet. South Australia has already raised the need to clarify the scope of water reforms for purposes of competition payments at the senior officials' meeting on 22 May 1998. Senior officials agreed that the matter needed attention and referred it to their committee on regulatory reform. Although it has been expected that the clarification of the scope of water reform would be provided by this committee, to date this has not occurred.

In order to reduce the interpretation risk to the Government, the Premier is writing to the NCC to request officer level discussions in order to clarify and if necessary challenge the NCC's interpretation of South Australia's reform obligations. These bilateral discussions were approved by Cabinet in September 1998. Other jurisdictions, specifically New South Wales, Victoria and Queensland, have already begun bilateral negotiations with the NCC in an effort to clarify water reform obligations. So, it is not just a matter of South Australia on its own looking at a matter that is of extreme importance to us all, that is, the clarification of those reforms, but each of the States in their own right have the same concerns and are expressing them in bilateral discussions at the present time.

Mr HILL: The Minister read that answer very well and, no doubt, expected a question along those lines. Unfortunately, the Minister did not answer my question. What would the Government like the national competition policy to say to South Australia about how water should be allocated?

Mr Clarke: You ask Dale Baker, don't you?

The ACTING CHAIRMAN (Mr Such): Order! The member for Ross Smith is out of order.

The Hon. D.C. KOTZ: Perhaps if the member for Kaurna would like to put aside a couple of hours I could give him a complete run down on issues regarding water within this State. These issues are very complex and have no simplistic answers, other than the fact that, given the complexity of the detail about which we are talking, management processes have already been undertaken in this State. In terms of the NCC and what we would like to see, I suggest again to the honourable member that those agreements have already been struck. It is a matter of looking at the interpretations, and I have already given the honourable member the most succinct answer that he is likely to get at the moment, with the optimum word being 'clarify'.

That is exactly what we are attempting to do. We are attempting to clarify our concerns in relation to the interpretation. Until those discussions have taken place the honourable member's question is irrelevant. The discussions have not yet taken place. When they have I will be quite happy to come back to this place and outline to the honourable member exactly what answers we received from these bilateral discussions.

Mr HILL: I look forward to hearing more detail at a later date. Perhaps the Minister can clarify the time line for those discussions so that I know when I can look forward to the answers.

The Hon. D.C. KOTZ: At this stage the time line is March 1999.

Mr HILL: I refer to Part A.4, pages 148 and 149 and 'Information Systems Project Management'. The Auditor-General finds, I think, some reasonably serious problems with the implementation of the information systems project. Page 148 states that there has been a project cost overrun at June 1998 of $1.3 million and a further project slippage of four months. Page 149 states:

> Audit is of the opinion that it would be prudent for DEHAA to consider modification of the project management methodology to include a contract management role in projects where critical components are contracted out to third party suppliers.

And further:

> Audit considers it important that contingency plans be developed in the event that the LOTS redevelopment project fails to meet the 3 September 1998 deadline.

I have two questions: first, will the $1.3 million come out of existing resources or will it come out of additional funds from Treasury; and, secondly, has the department undertaken the reforms that Audit suggested?

The Hon. D.C. KOTZ: I am quite sure that the member for Kaurna is aware that LOTS is a key business system for Government in terms of its support for all transactions and business activities that are associated with the management of landownership and revenue raising in particular. The Government approved funding to redevelop LOTS for commencement in the 1996-97 financial year. The first stage of this process involves the transfer of the LOTS family of systems from its existing Unisys mainframe to open systems technology using whole of government endorsed or mandated products.

The work was undertaken by a project team from the Department of Environment and Natural Resources, which was the old structure of the Department of Environment. Government rearrangements in October 1997 have had little impact on the manner in which the project has proceeded. The Chair of the steering committee is the Director of Land

Services from DAIS, while the project budget is managed through the Department of Environment and Heritage. Many components of the first stage have now been completed, namely, the development of the new computer assisted valuation system, the implementation of the new revenue system and the upgrade of the network.

The largest component, which was a conversion of the existing LOTS program from the Unisys mainframe, was awarded after a public tender and detailed evaluation. The Unisys bid was on the basis that much of the actual conversion work would be subcontracted to Tata Infotech Limited, a major software company based in Mumbai India. TIL's software activities are accredited to ISO standards. The scheduled implementation date for the converted LOTS system was May 1998.

The conversion process involved UNISYS converting programs; testing them against pre-defined examples, which included key business transactions; and then supporting the department as it continued to test those programs. The project schedule incorporated approximately six to seven months of testing and commissioning of the programs before the system was to be implemented.

The testing process is vital to ensure that the converted LOTS will produce accurate results. The impact of implementing a faulty system is that the Government is potentially exposed to claims from owners of properties if erroneous or incomplete data are recorded in the title register. The valuation property database—

Members interjecting:

The Hon. D.C. KOTZ: If this is too difficult for the honourable member to understand, I could slow down a bit. The valuation property database—

The ACTING CHAIRMAN (Mr Such): Order! The Committee is getting disorderly. I take the opportunity to remind the Minister that under Standing Order 72 only two advisers are allowed on the floor of the Committee.

The Hon. D.C. KOTZ: As I was saying (and this is the imperative part that perhaps the honourable member missed due to the jocularity on the other side of the Committee), the testing process is vital to ensure that the converted LOTS will produce accurate results. If erroneous or incomplete data are recorded in the title register, the valuation—

The ACTING CHAIRMAN: Order! There is one excess adviser in here. Standing Order 72 does not allow more than two advisers and I am required to uphold it.

The Hon. D.C. KOTZ: Unfortunately, the converted programs have contained many errors. At this stage the number of defects logged by the project team exceed some 900. In addition, in a recent review of the programs, UNISYS corrected a further 1 200 errors. The sheer number of errors has unfortunately exceeded the worst expectations of the project team and has caused the significant overrun in the budget. UNISYS also left a number of major project tasks envisaged as part of the contract to be undertaken by the project team. At this stage the best estimate of the implementation date for LOTS is late January 1999. The overrun in the overall project budget of $16.3 million over the life of the project is estimated at present to be between $1.7 million and $2 million.

Mr Hill: Where's it coming from?

The Hon. D.C. KOTZ: The answer is that that is still to be determined.

Mr HILL: Once again, the Minister reads very well, but she avoids answering my questions right until the very end. If I had asked the question, 'Tell me everything you have ever heard about LOTS', that would have been the right answer, but unfortunately it was totally inappropriate that we have now had two questions and lost 15 minutes. My third question relates to consultancy fees. I refer the Minister to pages 258 and 264 of Part B and Volume 1, to do with consultancy fees in relation to catchment water boards.

I note that a number of the consultancies are common to both the Patawalonga and the Torrens boards. For example, Michels Warren is paid $52 000 for the Patawalonga board and some $47 000 for community education, public awareness and communications for the Torrens board. Are we as a State getting good value out of these consultancies? In other words, is Michels Warren giving one board an education package for $47 000 and then giving another board exactly the same package for $52 000? Or, are they totally different packages with absolutely different mental activity behind each, with new designs and new ideas?

An honourable member interjecting:

Mr HILL: Exactly right. Are we getting good value? Would it be better if we had some form of coordination so that we paid Michels Warren once and used the ideas twice?

The Hon. D.C. KOTZ: I would first suggest that the honourable member's question, although important, appeared to be rather cynical, which is a complete surprise to me. On the basis that we are—

Members interjecting:

The ACTING SPEAKER: Order! Members will not interject. The Minister has the call.

The Hon. D.C. KOTZ: I am sure that if you ever get to this side of the Chamber you will have your opportunity to speak. What we are dealing with is the Auditor-General's qualifications, and I believe that the Auditor-General has not made any specific qualifications regarding any of the catchment water management boards. There are in place many different procedures through which this Parliament has a means to test the financial responsibilities of each of the boards. One of those is the Economic and Finance Committee, which did just that very early this year. In fact, I believe that two of the catchment board reports were actually brought into the House of Assembly.

The catchment boards are set up specifically to enable community representation to look at the processes of water management through each of the catchment areas. They are appointed because of the skills they bring to that board, and they have a responsibility to determine to the greatest degree the means by which they will reach their objectives in terms of putting together their comprehensive plans and determining the administrative means by which they consult and contract to bring in the information required.

I am afraid that the honourable member will have to wait until there is another annual audit on the financial responsibilities of the board to obtain an answer to those questions. At this stage, with the Auditor-General just having looked at each of the areas and having no qualifications, if the Auditor-General is quite satisfied, I am sure the member for Kaurna should also be.

Mr HILL: I doubt whether the Minister will have the material here and I would appreciate if she could take this question on notice: will the Minister provide details of the contracts to which I have just referred, including the period of the consultancy, details of all publicity and communications prepared under these contracts, and details of whether Michels Warren is working for any of the other catchment authorities?

The Hon. D.C. KOTZ: We will take that on notice.

Mr HILL: I now refer to the Environment Protection Fund, page 268, Part B, Volume 1 of the Auditor-General's Report. The Auditor makes a number of criticisms of the operations of that fund and suggests, in the nicest possible language, that the fund is operating illegally. What has the Minister done to make sure that the fund operates legally in future?

The Hon. D.C. KOTZ: The honourable member has quite rightly identified that an area was brought to notice through the Auditor-General's Report, which noted that ministerial and Treasurer's approval had not been obtained to transfer funds, including revenue and appropriation, from the Department of Environment, Heritage and Aboriginal Affairs into the Environment Protection Fund for 1997-98. The Environment Protection Authority is required to obtain both ministerial and Treasurer's approval to deposit funds into the Environment Protection Fund, pursuant to section 24(3)(g) of the Environment Protection Act 1993.

In 1996-97 the Environment Protection Agency sought an ongoing approval from the then Minister for Environment and the Treasurer to transfer revenue and appropriations from the Environment Protection Fund. However, the former Minister's approval was for the 1996-97 financial year only. Following the Auditor's advice that the Environment Protection Agency had failed to seek explicit approval for the 1997-98 financial year, the agency prepared a submission to effect ministerial and Treasurer's approval. My approval was obtained on 7 September 1998 and the Treasurer's approval obtained on 19 September 1998. The Auditor-General received a copy of both those approvals immediately after that last signing.

Mr HILL: I refer the Minister to page 270 under the heading 'Authorisation fee rates'. The Auditor picked up the fact that the authority had failed to collect fees payable on the new basis from the beginning of the financial year. In fact, the fees were not applied until I think the beginning of December 1997, so six months of an increased fee was forgone. I understand that the authority has given the agencies some advice on how they should do that in future. Will the Minister advise the Committee whether she is satisfied that the procedures are now correct and how much revenue was forgone as a result of this tardy practice?

The Hon. D.C. KOTZ: The honourable member has again picked out an area that nobody was necessarily terribly happy with, namely, the regulated fees for licensable activities, which were updated as part of the annual fee review and increases that were to apply from 1 July 1997. Due to an oversight, I am advised, the computer information system that produces fee rates was not updated until early December 1997, resulting in approximately five months of fees being collected at the old rates. Although there was a detailed assessment of the amount of unrecouped revenue that still has to be completed, preliminary figures suggest an excess of some $50 000, but given there are a large number of licensees and only a small increase in the fee—5¢ per unit of activity—the costs associated with recovering such small amounts per licensee would be disproportionately high.

The procedures, including electronic checking mechanisms and administrative responsibility to relevant personnel, have since been implemented, with the objective of avoiding any recurrence. At this stage the advice I have been given is that these measures have been taken and put in place to ensure that it does not occur again. We all hope that that is the case.

Mr Hill: How much did you lose?

The Hon. D.C. KOTZ: The assessment is not totally complete, but in terms of what we have been able to assess presently it would be approximately $50 000.

Mr HILL: Another area that the Auditor commented on with regard to inappropriate, sloppy or illegal processes was on pages 270-71 relating to the operation of the EPA fund and the payment of fines and fees into that fund. I understand from the Auditor that the processes were inappropriate and there was a comment from the Auditor that the improvements requested in the past had not been progressed. Will the Minister say whether she is satisfied with the way the fund is operating?

The Hon. D.C. KOTZ: The Auditor has raised concerns that there may be a conflict between the provisions of the Acts Interpretation Act of 1915 and the Environment Protection Act of 1993, specifically with regard to the treatment of revenue collected by way of expiation fees and penalties. This conflict exists due to a discrepancy in accordance with the provisions of section 24 of the Environment Protection Act, which is revenue from expiation fees and penalties that should be credited to the Environment Protection Fund, and the Acts Interpretation Act that suggests that any final penalty imposed under any Act should be credited to General Revenue.

Legal opinion has been sought, as one can imagine, on this matter and is expected to be finalised by 20 November 1998. However, we have received preliminary opinion that suggests that the accounting treatment of expiation fees and revenues has been correct. I am told that that is based on specific provisions in section 24(3)(b) of the Environment Protection Act, which overrides the Acts Interpretation Act. It provides:

> The fund is to consist of the following:
> expiation fees and prescribed percentage of penalties recovered in respect of offences against this Act.

The Act also provides in section 24(3)(g):

> The environment protection fund is to consist of any money paid into the fund at the direction or with the approval of the Minister and the Treasurer.

A copy of legal opinion, when it has been obtained, will be sent on to the Auditor-General.

Mr HILL: On page 271, under 'Waste depot levies', the Auditor-General, I think for the second time, criticises the department, as follows:

> The 1996-97 audit revealed that a structured mechanism was not in place to ensure that waste payments received by the authority are reflective of the underlying waste disposals received by licensees.

He further states:

> The 1997-98 audit review revealed that no interim measures had been initiated.

What is happening? Why are those measures not in place, and what is the Government doing about it?

The Hon. D.C. KOTZ: We are quite pleased that the Auditor-General takes such an interest in the areas of the department, because it means that these types of efficiencies can be dealt with in a professional manner. The Environment Protection Act requires that a holder of a licence to conduct a waste depot must pay a levy to the authority in respect of waste received at the depot, and the levy payable is based on fee unit payable per tonne. That fee unit is lower for rural landfills than for those in metropolitan Adelaide. Random checks of landfills, which we talked about the last time we met in this Chamber on a similar occasion, was considered but was rejected, because it is not a cost effective way achieving the objective of providing a clear indication of the

volume of waste going to landfill and, therefore, the amount of the levy.

The EPA has commissioned a major audit of the commercial and industrial waste stream at a cost in excess of some $200 000. The audit will commence in late November, the contract having been let this week. The audit will include major metropolitan and selected rural waste depots, which should provide us with a balanced cross-section of the waste management industry, and the audit will provide an understanding of the quantity and the composition of the waste stream which, of course, is what we are all interested in. The results of the audit will definitely assist the EPA in developing the policies and the procedures of minimising the quality of waste going to landfill to provide a quality control check on the current waste volume reporting by licensees.

The ACTING CHAIRMAN: Order! The time has expired for examination under the Auditor-General's Report of the Minister for Environment and Heritage and the Minister for Aboriginal Affairs. The examination will now commence in relation to the Minister for Industry and Trade, the Minister for Recreation, Sport and Racing, and the Minister for Local Government, and the time is set down at a maximum of 45 minutes.

Mr WRIGHT: I refer to the Auditor-General's Report, Part B, Volume II (page 455). Why was United Water International awarded a consultancy worth up to $100 000 on developing the water industry when the company is contractually obliged to do this anyway?

The Hon. I.F. EVANS: I understand that that consultancy involved the cluster development. We are trying to develop a number of key industries, and the State water industry is one of those. The development of a cluster is our launching pad, if you like, for the industry being a relatively new industry that we are trying to develop to consult in relation to that. If the honourable member needs more information, I am happy to bring that back.

Mr WRIGHT: I do want more information. Did this consultancy go out to competitive tender and, if not, why not?

The Hon. I.F. EVANS: I will have to bring back that answer.

Mr WRIGHT: I would also like to know the outcomes of the study and whether the Minister will table those outcomes.

The Hon. I.F. EVANS: I am happy to bring back that information.

Mr WRIGHT: Did United Water industry meet all of its commitments under the economic development provisions of the contract in the past year, and will the Minister table the latest report on the company's performance over the past year?

Members interjecting:

The ACTING CHAIRMAN: Order! There are too many interjections. Both the member for Ross Smith and the member for Elder are out of order.

The Hon. I.F. EVANS: I am advised that that question is appropriately asked of the Minister for Government Enterprises.

Ms RANKINE: I refer to page 459 of Part B Volume II. Given that the taxpayer paid for the MDS licences of the now defunct Australis, has any interest been shown by potential purchasers in the licences, and is the Minister confident of getting a price close to the amount the South Australian taxpayer has already committed?

An honourable member interjecting:

The ACTING CHAIRMAN: Order! The honourable member is not only out of order but out of her seat.

The Hon. I.F. EVANS: I am advised that there have been discussions in relation to those licences, but nothing has been resolved. I am happy to update later if something is confirmed.

Mr WRIGHT: I would like to return to United Water industry—and the Minister can give us more detail with these answers if he wishes. How many taxpayer funded positions exist within your portfolio working on the water industry development, and how much was spent by EDA and DIT in the past year on assisting the water industry and the United Water industry?

The Hon. I.F. EVANS: I am advised that we have a water best practice program at the South Australian Centre for Manufacturing, and I understand that involves two or three employees.

Mr WRIGHT: I refer to page 446 of Part B Volume II. This is the second consecutive year that the Auditor-General has drawn attention to inadequate information and controls over public assistance payments to companies and obligations and liabilities consequently incurred by DIT. What is the size of any taxpayer exposure as a result of this failure to exercise control?

The Hon. I.F. EVANS: This issue is not one for the officers of the department.

Mr Clarke interjecting:

The Hon. I.F. EVANS: In fairness to the previous Minister, he did put in a place a process where the issue was being addressed. I understand that the debtor management issue within the department will take another four to six months, to finally put in place all the processes required to properly address the debtor management. It is a very complex issue. My understanding is that the officers of the department have been working in conjunction with Auditor-General's officers to put in place a proper process, and that those officers are aware of the processes. From memory, the Auditor-General's Report refers to some of the steps that have been taken by the officers of the department to try to address the issue, so it is not a new issue to the department.

It is not a new issue to the department. Over recent years the audit of the department and its predecessor the EDA has included a review of the accountability arrangements covering various financial assistance packages provided under the various support programs. The audits have identified a number of accountability issues, and they are highlighted in the Auditor-General's Report. The important point to make is that the department has had a response to these matters and they broadly encompass two general initiatives. One is the creation of a revised policy and procedure manual and the conduct of associated staff training to enhance the record documentation standards. That is to make sure that, when various incentives are offered, there is an appropriate paper trail with regard to the incentives, so, if someone moves on, the paper trail can be appropriately tracked and audited. There has also been the commencement of a comprehensive review of data, including a confirmation process with industry assistance recipients.

The Auditor-General is aware of the procedures that have been put in place but I understand it will be another six months before the process is finally completed. It has been an ongoing and complicated process for the department, and my understanding is that it was put in place under the previous Minister. The issue was raised last year, and this is

really just a note to say that the issue is still there, but the department is aware of it and it continues to deal with it.

In September 1997 a management review group called the Financial Assistance and Administration Review Group was set up to oversee the review of the department's systems and processes. That now has three goals. One is to elevate the standard of documentation and records management; one is to elevate the monitoring, management reporting and project management; and one is to improve the database systems and management. To achieve those goals, this group has designed and implemented a new project file structure which is supported by a staff training program and a stocktake of all project files, so they need to go through all the files and make sure that they fit this project file structure. The system will continue to review data, including a confirmation process.

A policy of regular review of all medium and major projects by prudential management has been implemented. The implementation of these is reflected in a more specific project management guideline and a revised policy and procedure manual, which was issued during the year. A former database system has been replaced with one system, with real time updating of all enterprise and financial data. The system has a number of in-built controls such as reminder flags and approval sign-off. What I am saying is that the department has been aware of the issue, it has worked with the Auditor-General, it has put in place appropriate measures and, all things being equal, within about six months this issue will be off the department's plate as far as an audit response is concerned.

Mr Clarke interjecting:

The Hon. I.F. EVANS: In response to the member for Ross Smith, I can guarantee that I will not be back here next year apologising—

The ACTING CHAIRMAN: The Minister should not respond to interjections, and the member for Ross Smith has been here long enough to know that he should not interject. The Minister should ignore interjections.

Mr WRIGHT: Can the Minister confirm the information contained on pages 458 and 459 that the Department of Industry and Trade has contingent liabilities of over $20 million as a result of various industry incentives such as the soccer stadium, the netball stadium and the South Australian Cricket Association?

The Hon. I.F. EVANS: I cannot quite see where the $20 million total is shown on that page. I assume that the honourable member has added them up. If the Auditor-General has suggested that the contingent liability is $20 million, who am I to argue with the Auditor-General?

Mr WRIGHT: On page 455 it states that you have spent as much as $200 000 on studies under the heading 'Priorities for a competitive tax system'. What did these studies recommend? What use has been made of them and will you table these studies?

The Hon. I.F. EVANS: As the new Minister, I have not seen those reports, so I will take that question on notice.

Mr WRIGHT: Part of my question was whether the Minister would table that information. Will the Minister make a commitment to do that?

The Hon. I.F. EVANS: Until I have read the reports, I am not in a position to make a commitment to table them. I have been the Minister for only six weeks, and 20, 30 or 40 consultancies are listed. No-one could expect me to read every consultancy between—

Mr Conlon interjecting:

The Hon. I.F. EVANS: There are 24 hours in a day, but I have not read them, so I will not make a commitment to table that information.

Mr WRIGHT: I have not been able to find any reference to the normal procedures regarding the Racing Industry Development Authority. I do not know whether I have missed something or whether the Minister can confirm what has not taken place and why.

The Hon. I.F. EVANS: My understanding is that the TAB books are yet to be finalised in audit. The Racing Industry Development Authority has an income stream from the TAB and, because the audit of the TAB is yet to be finished, RIDA cannot be audited. My understanding is that, when the TAB has finished being audited, so will RIDA, and those matters will then be dealt with.

Mr WRIGHT: One reference that I have found to the Racing Industry Development Authority appears on page 455, and it relates to another of these consultancies. I appreciate that the Minister has been in the position for only six weeks and that there are many consultancies, as he has said. However, I am interested to know, regarding this consultancy, what are the outcomes of this study in respect of the economic evaluation of the racing industry, whether the Minister can obtain that information for us if he does not have it at hand now, and whether he will table it.

The Hon. I.F. EVANS: Officers of my department recently received that report. My understanding is that it looks at the economic impact of the racing industry in South Australia. I have not finished reading the report, so I cannot give a firm undertaking to table it. It looks at the impact of the racing industry on employment numbers, the flow-on effect, direct and indirect jobs, and all those sorts of issues. My understanding (and I stress that I have not yet read all of it) is that it looks at the importance of the state of the industry and what sort of flow-on increases or decreases might occur.

Mr FOLEY: The Minister's department has eagerly been promoting a project in which I know my colleague the member for Ross Smith has a passing interest—and it shall remain passing as far as the member for Ross Smith is concerned. I refer to the proposed ship breaking industry. I have been briefed about this matter and told that the Minister's department is somewhat eager to pursue this industry, which is situated in the middle of my electorate. I might add that it is very close to my home, just in case there is any accusation that I have a conflict of interest, because I do! I have had discussions across Government and with a number of other agencies. Will the Minister update the Committee as to what status that project currently enjoys within the Department of Industry?

The Hon. I.F. EVANS: There is not a lot of joy with this one in respect of any final result. My understanding is that initial discussions on the project have taken place with various departmental officials. Nothing is firmed up one way or the other and discussions are ongoing.

Mr FOLEY: As a supplementary, has the Government committed itself financially in any way? Has it assisted the company with any consultancies or any out of pocket expenses for its feasibility studies?

The Hon. I.F. EVANS: I will have to source that detail for the honourable member.

Mr FOLEY: Finally, why is the Department of Industry and Trade giving such a bizarre project the light of day, particularly given that there is a degree of resistance from other Government agencies and other sections of Government with proposals for power stations? Given that it is causing

such great angst in my community and it is something that my community is terrified of having plonked in it, why is the department pursuing what clearly is not an industry that is of benefit to the LeFevre community and Port Adelaide?

The Hon. I.F. EVANS: I know the member for Hart says that, if the project went ahead, it would not be of benefit to the State. I make the point that, until you speak to the people, you do not know whether or not a project will be of any benefit. Why would you simply close the door before you have at least spoken to them? What I am saying to the honourable member is that the Department of Industry and Trade's initial step would be to sit down and talk to someone who comes through the door or approaches it saying, 'Look, I have an idea for a project.'? What might be an unusual project for some might create work for others. So, in the initial sense, we would not rule out the project until we had at least talked to them and thought the project through.

Mr FOLEY: I put on the record that I stand stunned tonight that the Government indeed is continuing to pursue with vigour the ship breaking industry, because clearly that is not the indication that I have been given from other senior sections within Government. I will have to report this alarming development back to my community in the widest possible manner and endeavour to inform my community of this Government's preparedness to move forward with such an anti-Port Adelaide project.

Mr WRIGHT: I now refer to the audit overview, part A.4-119. I note that the Auditor-General brings to our attention that the audit review identified that the Office of Recreation and Sport had prepared summaries of the respective deed provisions and status reports covering the key accountability provisions contained in the deeds. The status reports reflected correspondence forwarded by the Office of Recreation and Sport to the sporting associations and the responding information provided by the associations. The status reports indicated that a number of key provisions in both deeds had not been sufficiently addressed by all parties since the deeds were put in place. What checks has the Minister put in place to redress this situation?

The Hon. I.F. EVANS: This is not dissimilar to the question raised about debtor management, in that I am advised that the department has been aware of all these issues. The important thing to realise is that all the issues raised are known to the department, which has been working on them. It is important to realise that many of the requirements under the deeds of trust actually kick in at the end of the financial year and that the actual financial year for some of the deeds, particularly soccer and netball, is the end of October or the end of September.

In actual fact, the financial year for those sports in relation to the deeds has only just finished, so many of the issues in the deed start to kick in only now. The first full 12 months of the operation of the deed has really only just been completed in the past four to six weeks, because the financial year is not, as we would know it, 1 July to 30 June. My advice is that, with respect to the financial year for sport, soccer is 1 November to 31 October and netball is 1 October to 30 September. So, given that the financial year for those two sports has only just finished, many of those issues in relation to the deed only now kick in.

Officers in the Office for Recreation and Sport have been in communication with the various sports in relation to their deeds and making them aware of their obligations, and the issues raised by the Auditor-General were not news to the office: it was aware of them and was addressing them as a matter of management, anyway.

Mr WRIGHT: On the same page at the bottom, continuing with the same topic as my most recent question, the Auditor-General brings to our attention the following:

> At the time of the audit review the provisions in each deed for review of the operations and record keeping in relation to the stadiums had not been exercised. This was despite the fact that both stadiums had not been able to fully fund the sporting associations' loan repayments during the year thereby requiring the Government to meet the shortfall.

How much was the shortfall?

The Hon. I.F. EVANS: I am advised that it was $218 000.

Mr WRIGHT: What is the ongoing liability—can that be assessed?

The Hon. I.F. EVANS: My understanding is that the deed allows the Government to underwrite under-collection of the levy so, if the levy was not collected in enough quantity to pay the loan repayment, the Government underwrites the difference. So, it ultimately depends on the crowd attendances. It is impossible to predict what the crowd attendances will be, so I cannot give a projection.

Mr WRIGHT: I appreciate that answer, because I believe that it is probably fairly close to what was running through my mind as well. I have had meetings with people from the soccer federation and, as the Minister would probably be aware, the crowd attendances have been less than expected. It is only the early part of the season, and one would hope that the crowds do kick in again. Has any assessment been made, particularly having regard to the large investment by the Government in the soccer stadium, as to how the situation will be handled if crowd attendances do not meet the budgeted targets, and how will the soccer federation cope with it?

The Hon. I.F. EVANS: The important thing to consider with respect to any of the stadiums is ultimately our long-term goal as a State in relation to our sports. To my memory, people criticised the football league for taking football headquarters out of Adelaide Oval and moving it into swamp at Football Park. They said that that would not work, and they argued about the long-term future of football. There was a vision for the sport, and I believe that it is now fair to say that the Aussie Rules component of football is working pretty well. I believe that a similar thing could be said for some of the other stadiums. Ultimately, what is your long-term vision for soccer in the State? We believe that long-term soccer is showing good growth prospects throughout Australia generally as a sport, and there are some big issues for soccer to address not only nationally but certainly in South Australia.

Private ownership of the clubs will be an interesting issue in relation to how that affects crowd attendances or involvement in the clubs. My understanding is that both clubs are at least talking, if they have not already—although I have not had it confirmed—about the possibility of private club ownership. Ultimately it depends on your long-term vision for soccer. We think that, in the long term, once upgraded, the facility will no doubt suit both soccer and rugby as sports, and we think that ultimately it will be a good long-term venue for those sports.

With respect to the short term and whether or not the crowds front, that is an issue that will have to be monitored on a monthly basis. The building works will cause some difficulty for the crowds, because some people are put off by a building site. Trying to watch any sport while building is

going on is always a difficult issue. That does affect crowd attendances. Long term, the issue is right. It is really just a matter of monitoring on a monthly basis and discussing the arrangements with people from the soccer federation.

Mr WRIGHT: I do not disagree and, in respect of the vision, certainly it is important with these various stadia, whether it be for soccer, netball, hockey or various other sports including basketball, where new stadiums have been erected, it is a visionary component. We have had our attention drawn to the Auditor's comments with respect to the short falls. I guess we have to be realistic with respect to the investment made in respect of all of them, but particularly the soccer stadium, being such a huge investment and the difficulty the soccer association is currently experiencing in fulfilling its commitment.

I really wanted to assess how the Government is involved in that ongoing situation. I appreciate what the Minister has said in response. I also want to ask one or two questions about the athletics stadium, another stadium which of course we all welcome and something which is a visionary component of athletics in South Australia. I draw the Minister's attention to a couple of points that are in Part A.4, on page 121. I note that the Auditor-General has raised some concerns in respect of the athletics stadium. In particular, I draw the Minister's attention to the following:

> Audit notes that although the association was awarded the management arrangement in October 1997, a formalised contract document between the stadium board and the association was still in draft form at the time of audit of the operations of the stadium (July 1998).

Has the draft form of that document now been overcome?

The Hon. I.F. EVANS: I am advised that we still have not received a signature on the agreement sent through. The Auditor-General is aware that negotiations have been ongoing obviously for some time. My understanding is that the draft contracts have been forwarded to the athletics association but that we still have not received back a signed copy.

Mr WRIGHT: Is there any advice as to when we can expect that to be concluded?

The Hon. I.F. EVANS: My advice is that we anticipate that to be resolved before Christmas.

Mr WRIGHT: I refer to page 122, as follows:

> The outcome of the audit review of stadium management arrangements revealed deficiencies with respect to meeting adequate standards of accountability. The department acknowledges these deficiencies and is proceeding to address the issues.

What standards of accountability is the Auditor talking about?

The Hon. I.F. EVANS: I understand that that relates to the issues the honourable member raised previously in relation to the deeds regarding the stadium funding. It is simply about the requests for a financial and annual report when that is produced and a set of accounts for the management of the stadiums when they are produced. As I said earlier, with the annual reports for those two stadiums not being completed until September and October, we would not expect to have them in our hands by the middle of November. We expect to get them over the next six to eight weeks. I understand that the Auditor-General is simply bringing those issues to our attention to make sure that the deeds are properly administered.

Ms KEY: I refer to the Auditor-General's Report, Part B, Vol. 2, pages 443 and 445. The general question I want to ask is not transparent within the Auditor-General's Report or within the budget. Suffice to say that there are a number of activities that have been reported in here with regard to the netball stadium at Mile End which I am pleased to say is in the electorate of Hanson and which will soon be in the electorate of West Torrens. Could the Minister supply me with any details of the breakdown of funding for women's sport as opposed to men's sport? Will there continue to be an equity program to make sure that, other than the Mile End stadium for which I know the netball players are very grateful and with which the community is very impressed, women and girls get an equal cut of the cake in the sport and recreation budget? Is that still being looked at as an equity issue?

The Hon. I.F. EVANS: Obviously I do not have a breakdown of expenditure, male versus female, with me tonight, but I am happy to provide that. The Office of Recreation and Sport has a social development unit which looks at those sorts of issues not just on a sex basis but in terms of different cultural backgrounds, etc. Country versus city is another issue in relation to expenditure. One of the issues that we need to appreciate—I have no doubt that, given her interest, the member for Hanson does—is that there tends to be a difference between genders in relation to competitive sport as against non-competitive sport.

From memory, there seems to be a higher participation rate by females in the recreation style of activity, the non-competitive social style of recreation—bush walking, recreational walking, cycling, horse riding—whereas in competitive sport and combat sports such as football and rugby there is a higher participation by males. Certainly netball is a very high participation sport. I will endeavour to bring back information that relates not only to competitive sports but to the recreation side of sport and recreation. If the honourable member is interested in the sports side versus recreation, I will try to split them up. I am not quite sure what level of detail we have on the recreation side, but I think the sport side is reasonably well documented. I am happy to bring back that information.

Ms KEY: I have raised in this House the matter of the South Australian Chess Association, particularly as it relates to youth. It has also been brought to my attention that, despite its best efforts to get funding, for some reason the Education Department does not recognise it as a legitimate organisation for funding, despite the huge involvement of young people. I understand that, over the years, this association has approached the Office of Recreation and Sport—under its various names—without achieving any sort of assistance whatsoever. Could the Minister provide me with the definition of 'recreation', and say whether the youth arm of the Chess Association in South Australia could be deemed a legitimate—and I consider it to be legitimate—recreation activity and be eligible for funding?

The Hon. I.F. EVANS: I am aware that this issue has been raised with the Office of Recreation and Sport. My advice is that the office has replied, not ruling the association out of funding *per se* but simply seeking more information. It may be that that association will not meet some of the criteria in relation to incorporation, or whatever, and there is a series of criteria. My advice is that the office is trying to work through this issue. It may be that the association has applied previously and, through sheer weight of numbers of applications, it has missed out.

As is the case, when the Department of Recreation and Sport advertises grants there is a flood of applicants that far outweigh the amount of money available. It may be that it has missed out through sheer weight of numbers. The Office of Recreation and Sport will continue to work it through with

the Chess Association and, hopefully, resolve the matter in the positive so that at least it can definitely apply and take its chances with various other applications.

Ms RANKINE: If the Rams are lost to South Australia, has the department done any analysis of the impact on the Hindmarsh Soccer Stadium?

The Hon. I.F. EVANS: Whether or not the Rams remain in Adelaide is yet to be resolved. My advice is that the department has not done an economic statement of the impact on the Hindmarsh Soccer Stadium.

Mr WRIGHT: What progress has been made with respect to the active club program and, in particular, a possible revised format in regard to the process and the selection?

The Hon. I.F. EVANS: As the honourable member is aware, as a result of Living Health funding going back to the departments we instigated a review of sport and recreation grants. There was a variety of grants, as the honourable member is well aware. My advice is that, as Minister, I will receive that review prior to Christmas. We will look at the recommendations, whatever the review might suggest, and then decide what changes, if any, need to be made to the grants that are available. One change we have already implemented, about which members would be aware, is that, essentially, we have taken out of the process the ability of members to rank various grants under 'active club'.

Members can still write letters of support for a particular project, but the previous procedure ranked them. Many members were very sensitive about that for all sorts of reasons. We have written to members saying that no longer will projects be ranked; we will simply ask for their support.

We have also changed the procedure so that members now have to confirm that the grant applications apply to their electorate. There is a lot of confusion amongst recreation and sporting groups as to what electorate they belong to. In fairness to the department, this causes a lot of difficulty to departmental officers. There was a case the other day in my own electorate concerning the Marion Pony Club. Marion is technically in Mitchell. The club uses a facility that is right on the boundary between Elder and Davenport, but the secretary's address is a post office box in Blackwood. So, there would be an allocation to Davenport because the secretary's contact address is in that electorate.

It is very confusing, so we have a new procedure with active club grants. Members may have received letters which I signed this week. We are writing to all the members saying, 'These are the associations or clubs that have applied; please confirm that they are in your electorate. If they are not in your electorate, please identify which electorates they more correctly belong in and there will be an allocation there.' So, now at least a checking measure is in place for members to be involved in. I know they are two minor issues, but I will obtain a report on the broader issue by Christmas and we will act from there.

Mr WRIGHT: I welcome those comments; it is a positive direction to take. I think all members in this House have felt some of the concerns that the Minister shared with us. Those things should not have happened, but we can iron out the process and look at the broader issue as to how selection should take place. I think there is general consensus on this side that perhaps it should be done on a broader basis, taking social equity into account.

Has the Minister or the department considered the situation of SACA? I know there is a delicate balance as to how, when, if or where a Government becomes involved in a situation such as this, but it seems to me that the current situation with regard to the lighting at Adelaide Oval is nothing less than a shambles. There has to be a time when we as a State become involved; I know that local government has been involved. What information can the Minister provide with respect to when this lighting fiasco will be fixed? It seems to me that SACA has had difficulty with the lighting for an inordinate time. It had much difficulty getting the lights up in the first place and now this unfortunate situation has occurred.

It seems to me that if we as a State are not able to fix up what would appear to be a basic engineering problem at Adelaide Oval, particularly affecting cricket, we are falling way behind an acceptable standard. Has the Minister or the department given any thought to or been involved in fixing up the problem, which has dragged on for far too long and which is making the State look a bit shabby?

The Hon. I.F. EVANS: The advice given to me is that SACA has never approached the Government or the Office of Recreation and Sport in relation to the towers.

Mr Wright interjecting:

The Hon. I.F. EVANS: The member for Lee and I probably have a fundamentally different view on that. Ultimately, it is up to the sports to administer the sport. The tower issue at Adelaide Oval is a complex legal matter. I note that the honourable member described it as a simple engineering issue. I do not think that is the point now: it is a very complex legal issue, which is best left to SACA and its legal officers to deal with the builder or the engineer. The Government has no intention of getting involved in the issue. I thought I read a press report that a temporary tower was approved ready for cricket this year, and we look forward to enjoying the games.

The ACTING CHAIRMAN: That completes the examination in respect of the Auditor-General's Report regarding the Minister for Industry and Trade, Minister for Recreation, Sport and Racing and Minister for Local Government.

Progress reported; committee to sit again.

ADJOURNMENT

At 9.36 p.m. the House adjourned until Thursday 19 November at 10.30 a.m.