

HOUSE OF ASSEMBLY

Tuesday 24 October 2000

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

NOARLUNGA THEATRE

A petition signed by 211 residents of South Australia, requesting that the House ensure the continued access by the community to the Noarlunga Theatre, was presented by the Hon. R.L. Brokenshire.

Petition received.

PAPERS TABLED

The following papers were laid on the table:

By the Premier (Hon. J.W. Olsen)—

Department of the Premier and Cabinet—Report, 1999-2000

National Wine Centre—Report, 1999-2000

Planning Strategy for South Australia—Report, 1999-2000
Fees Regulation Act—Regulations—Water Supply, Service Fees

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

South Australian Cattle Advisory Group—Report, 1999-2000

South Australian Sheep Advisory Group—Report, 1999-2000

South Australian Soil Conservation Council—Report, 1999-2000

Veterinary Surgeons Board of South Australia—Report, 1999-2000

By the Minister for Human Services (Hon. Dean Brown)—

Charitable and Social Welfare Fund—Report, 1999-2000

Chiropody Board of South Australia—Report, 1999-2000

Commissioners of Charitable Funds—Report, 1999-2000

Development Act—Administration of the—Report, 1999-2000

HomeStart Finance—Report, 1999-2000

Medical Board of South Australia—Report, 1999-2000

National Road Transport Commission—Report, 1999-2000

Office for the Ageing—Report, 1999-2000

Pharmacy Board of South Australia—Report, 1999-2000

South Australian Housing Trust—Report, 1999-2000

Regulations under the following Acts—

City of Adelaide—Members Allowances and Benefits
Motor Vehicles—Licence Surrender Refund

By-Laws—

City of Charles Sturt

No. 1—Permits and Penalties

No. 2—Moveable Signs

No. 3—Local Government Land

No. 4—Streets and Roads

No. 5—Lodging Houses

No. 6—Dogs

District Council of Ceduna—Various

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

Construction Industry Long Service Leave Board—

Actuarial Report, 30 June 2000

Report, 1999-2000

Industrial Relations Commission—President, and Senior Judge, Industrial Relations Court—Report, 1999-2000

Regulations under the following Acts—

Sewerage—Various Fees

Waterworks—Various Fees

By the Minister for Education and Children's Services (Hon. M.R. Buckby)—

RESI OE Pty Ltd—Report, 1999-2000

Regulations under the following Acts—

Education—Teachers Registration

Electricity—Resale Licence Exemptions

By the Minister for Environment and Heritage (Hon. I.F. Evans)—

Animal Welfare Advisory Committee—Report, 1999-2000

Director of Public Prosecutions—Report, 1999-2000

Legal Services Commission of South Australia—Report, 1999-2000

South Australian Classification Council—Report, 1999-2000

State Electoral Office—South Australia—Report, 1999-2000

Witness Protection—Report, 1999-2000

Regulations under the following Acts—

Liquor Licensing—Roxby Downs

Real Property—Check Search Fee

Registration of Deeds—Certified Copies Fees

Travel Agents—Trust Deeds

By the Minister for Water Resources (Hon. M.K. Brindal)—

National Wine Centre—Consultancy Guidelines—
Correspondence from the Premier to Chairman,
National Wine Centre Board, 21 October 2000

Water Resources Act—Regulations—Holding Allocation
Exemption

By the Minister for Employment and Training (Hon. M.K. Brindal)—

Construction Industry Training Board—Report, 1999-2000

By the Minister for Tourism (Hon. J. Hall)—

Adelaide Convention Centre—Report, 1999-2000

Adelaide Entertainment Centre—Report, 1999-2000

South Australian Tourism Commission—Report, 1999-2000

By the Minister for Local Government (Hon. D.C. Kotz)—

Outback Areas Community Development Trust—Report, 1999-2000

Local Government Act—Rules—Schedule 1—

Amendment of Local Government Superannuation
Scheme—

Fixed Term Contract

Members Benefits

By the Minister for Police, Correctional Services and Emergency Services (Hon. R.L. Brokenshire)—

Fire Equipment Services South Australia—Report, 1999-2000

Emergency Services Funding Act—Investigation into the
Impact on Insurance Premiums—Report, September
2000.

NATIONAL WINE CENTRE

The Hon. J.W. OLSEN (Premier): I seek leave to make a ministerial statement.

Leave granted.

The Hon. J.W. OLSEN: I previously undertook to report back to the House on consultancies at the National Wine Centre. The Wine Centre is a new development for this state, won against stiff competition from other states. It will be a magnificent showcase for the industry and will become a significant tourist attraction and education centre. Apart from a major construction project, the Wine Centre involves building up complicated expertise, displays and functions in

the areas of wine industry development, wine education, wine marketing and wine research. It is doing all this from scratch and with a small staff. I am advised that this is why the centre has made considerable use of consultancies: to provide the relevant expertise promptly and temporarily so that the centre can establish itself securely before it opens next year with a full staff that will provide most of the necessary expertise in-house.

That being said, it is clear that when government authorities engage consultants there are certain processes that must be followed. The Auditor-General has singled out two consultancies at the National Wine Centre for special attention. I have sought and received a response from the Chairman of the National Wine Centre, Mr Rick Allert, a widely respected South Australian businessman. Mr Allert correctly points out that the National Wine Centre Act, section 7(2), demands that the centre performs its functions 'in accordance with best commercial practices'. He assures me his board has ensured that this is exactly what has happened. The consultant Hemmerling International was initially appointed only after a full public tender—the Auditor-General's comment relate to the extension of that agreement.

Mr Allert says the extension was approved because Hemmerling International's service had been of the highest standard, the company demonstrated a good understanding of the relevant areas, the company retained extremely good contacts in the national corporate marketplace, and it had gained substantial knowledge of the Wine Centre project through its initial contract.

The electronic commerce consultancy awarded to Price Waterhouse arose because Price Waterhouse went to the National Wine Centre with a business proposal. The National Wine Centre was required to provide a confidentiality undertaking in order to progress this matter. This precluded the possibility of tendering for alternative contractors. In other words, this was an opportunity that the Wine Centre could either accept or relinquish. Mr Allert and the board took the view that this opportunity had the potential to generate substantial revenue and underpin the commercial viability of the centre. It was therefore considered to satisfy the act's requirement for 'best commercial practice'.

Notwithstanding that background, the Auditor-General has seen fit to refer to the process used in these appointments. Certainly, it must be recognised that special rules and processes must apply to the expenditure of taxpayers' funds. That is why government guidelines for the engagement of consultants go to great lengths to ensure that, where possible, there is open competition for all contracts.

Accordingly, I have written to the chairman stressing that, in future, I expect the National Wine Centre to follow the guidelines put in place by my department. In effect, the National Wine Centre will be expected to satisfy the demands of both best commercial practice and the government's guidelines. Mr Allert has assured me that the board is happy to comply with that instruction.

The House should recognise the extraordinary efforts of Mr Allert to bring this project to fruition. His experience, intelligence, reputation and passion have been great assets to this state as we have worked to establish a centre of international significance. Mr Allert has never deliberately sought to bend, break, ignore or flout any government guidelines. I note that one media organisation has apologised to Mr Allert over the way his remarks on the topic were misrepresented.

Mr Allert and his board at all times have endeavoured to comply with government guidelines as they believed them to apply. When these particular matters were raised, Mr Allert did not hesitate in saying that he and his board would do whatever they needed to do in order to satisfy the requirements of the government, the Auditor-General and, ultimately, the taxpayer.

Mr Allert has volunteered to answer questions before parliament's Economic and Finance Committee tomorrow. And he has already arranged to meet with the Auditor-General to ensure that appropriate measures are put in place at the National Wine Centre.

Mr Allert advises me that his offer to provide a full briefing to the opposition remains open. He has briefed them on the project before but, despite reminders that he is happy to brief them on any aspect of the centre's operation, the opposition has failed to take up the opportunity so far on the consultancy issue. In fact, the opposition leader and his shadow Treasurer failed to raise any of these concerns about these Wine Centre matters when they spoke to Mr Allert at a public function just two hours before the issues were raised in parliament.

Members interjecting:

The SPEAKER: Order!

The Hon. M.D. Rann interjecting:

The SPEAKER: Order! The Leader of the opposition will come to order.

The Hon. M.D. Rann interjecting:

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

The Hon. J.W. OLSEN: One hopes that the opposition is acting on the basis of serious concerns and not simply seeking to undermine another South Australian success story. Certainly, we on this side of the House are taking the issue seriously. Officers within government are reviewing the appropriate guidelines across a range of agencies.

Mr Foley interjecting:

The SPEAKER: Order, the member for Hart!

The Hon. J.W. OLSEN: Those guidelines will be promulgated widely so that all people involved in the expenditure of government funds can be in no doubt as to the requirements.

SULLIVAN, Mr S.

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

Leave granted.

The Hon. M.H. ARMITAGE: I rise to provide details to the House in relation to the termination of Mr Sean Sullivan's contract of employment with SA Water. On 16 October 2000, the board of SA Water terminated Mr Sullivan's contract of employment, invoking clauses within the contract which were designed to give either party the right to terminate at any time. I quote clauses 9.2 and 9.3 from the contract. Clause 9.2 provides:

Either the Chief Executive or the corporation may terminate this agreement by giving six months' notice in writing provided that the Chief Executive is guaranteed employment for a minimum of 18 months including the period of six months' notice and the Chief Executive undertakes not to terminate the employment for the same period.

Clause 9.3 provides:

The corporation may make payment in lieu of notice pursuant to clause 9.2.

The board of SA Water undertook an assessment of Mr Sullivan's entitlements to the performance incentive payment in accordance with—

The Hon. G.M. Gunn interjecting:

The SPEAKER: Order, the member for Stuart!

The Hon. M.H. ARMITAGE:—clause 3.2 of the contract, which provides:

The Chief Executive will be entitled to . . . 'at risk' performance pay of up to \$30 000 payable after completing each year of employment.

An honourable member interjecting:

The SPEAKER: Order! The leader will come to order.

The Hon. M.H. ARMITAGE: For the benefit of the Leader of the Opposition, I will repeat clause 3.2 of the contract, as follows:

The Chief Executive will be entitled to at risk performance pay of up to \$30 000, payable after completing each year of employment. Any such performance pay will be subject to an assessment of the Chief Executive's work performance over the previous year as assessed by the board of the corporation.

On the basis of the performance review process as required by the contract, SA Water was required to pay Mr Sullivan a performance pay based on the assessment. It should be noted that only two-thirds of the total possible performance bonus was paid. Achieving budget was a significant criterion, representing 40 per cent of the assessment, and it represented over 60 per cent of Mr Sullivan's final performance pay. Assessment of this criterion was based on whether budgeted profit was achieved. I observed that the budget and the associated strategy were developed prior to Mr Sullivan's appointment. The criteria in which Mr Sullivan did not satisfy the board were:

1. Accelerate the commercial development of the corporation through the value based management and such other processes as deemed necessary for success—he failed.
2. Public relations and customer services—he failed.
3. Work closely with the Chairman and board so as to provide assurance that the corporation is being managed in a vigorous and visionary manner—he failed.
4. Adopt a strong coping and mentoring role—

Members interjecting:

The SPEAKER: Order!

The Hon. M.H. ARMITAGE:—with the executive and impart acquired strategic knowledge and develop team spirit—he failed.

The criteria which Mr Sullivan failed are those very attributes that are required to meet SA Water's challenges of the future and are the areas from which the future growth of the corporation will emanate.

Members interjecting:

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

The Hon. M.H. ARMITAGE: The board's decision to terminate the contract should have come as no surprise to Mr Sullivan. Mr Sullivan was counselled by the board and the Chairman on a number of occasions. On 29 September 2000—

An honourable member interjecting:

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

The Hon. M.H. ARMITAGE: I am sure the member for Elder will be really interested in these examples. On 29 September 2000, the non-executive members of the board

identified their concerns to Mr Sullivan. The Chairman of the board, on 6 and 10 October, further counselled Mr Sullivan about his performance and discussed his future with SA Water, including possible exit strategies. Mr Sullivan was given an opportunity at the board's meeting of 14 October 2000 to present his case regarding his future leadership of the corporation. The board considered Mr Sullivan's presentation and his performance on both 14 October and at the adjourned meeting on 15 October 2000. The board on 15 October unanimously agreed that it had lost confidence in Mr Sullivan's ability to lead SA Water effectively and determined to terminate Mr Sullivan's contract. In accordance with section 35—

The SPEAKER: Order, the member for Elder!

The Hon. M.H. ARMITAGE:—of the Public Corporations Act, as Minister for Government Enterprises, I was kept informed by the Chairman of the SA Water board regarding these developments. On Thursday 5 October, the Chairman consulted with me regarding Mr Sullivan's performance and the options being considered by the board. During the week beginning 9 October, I was advised of the board meeting to be held on 14 October to consider further Mr Sullivan's future. I am advised that among the board's concerns relating to Mr Sullivan's performance included his inability to build a management team within South Australia and to maintain enhanced relationships with SA Water's partners. It is interesting to note that during his term Mr Sullivan met officially with the Chief Executive of United Water, South Australia's most significant contractor, on only two occasions. I was advised on Sunday 15 October—

An honourable member interjecting:

The SPEAKER: Order! The member for Hart will remain silent.

The Hon. M.H. ARMITAGE: I was advised on Sunday 15 October that the board had decided to terminate Mr Sullivan's contract. At no stage did I, as minister, attempt to influence the board's decision. SA Water remains a vibrant corporation, with the support of over 1 100 dedicated staff. Its board is charged with making decisions to ensure that taxpayers receive the best possible return on their investment. It is my view that the SA Water board has discharged its duties diligently, and I have full confidence in the board in keeping SA Water at the forefront of water industry developments.

ARMITAGE, Hon. M.H., SHAREHOLDING

The Hon. M.H. ARMITAGE (Minister for Government Enterprises): I seek leave to make another ministerial statement.

Leave granted.

Mr Foley interjecting:

The SPEAKER: Order, the member for Hart!

The Hon. M.H. ARMITAGE: I wish to correct allegations made publicly by some members opposite relating to share ownership. The fact that I own shares is documented, as I have provided full details regarding my share ownership in the members' register of interests. As members know, cabinet guidelines also exist in relation to these matters, and they have been followed. In recent days, some members opposite have quoted selectively from these cabinet guidelines.

Regarding the key question of interests, the guidelines state:

A minister shall be taken to have an interest in any matter on which a decision is to be made or other action taken by the minister in the exercise of his or her responsibilities of office, if the possible decision or action could reasonably be capable of conferring a pecuniary or other personal advantage on the minister or his or her spouse or children, but the minister shall not be taken to have such an interest if the advantage is no more than the advantage that would be conferred by the decision or action on any member of the public at large, or any section of the public.

Mr Foley interjecting:

The SPEAKER: Order! The chair is getting particularly tired of the constant interjections from the member for Hart. If he wants to be here this afternoon for the Auditor-General's Report, I suggest that the honourable member remain silent.

The Hon. M.H. ARMITAGE: Thank you, sir. On each occasion my shareholding has been identified as required, and it has been determined that there was no conflict of interest. At all times cabinet guidelines have been followed.

QUESTION TIME

SULLIVAN, Mr S.

Mr CONLON (Elder): My question, oddly enough, is directed to the Minister for Government Enterprises. Did the minister instruct the Crown Solicitor, as early as the beginning of September this year, to inquire into allegations that had been circulating about the former CEO of SA Water, Sean Sullivan; was an inquiry completed; and what was its outcome?

The Hon. M.H. ARMITAGE (Minister for Government Enterprises): The member for Elder has been making a number of allegations about political interference in this matter. What is fascinating is to see where these allegations began. I well remember sitting in an estimates committee when the member for Hart raised the first of a series of allegations about Mr Sullivan. It was the member for Hart who first raised the allegations, and a series of other allegations then came from the Labor opposition.

Faced with that, it was completely legitimate for the board and for the government to investigate those matters. As to what the member for Elder identified in a public comment a week or so ago, Mr Sullivan was completely exonerated of all those charges.

ALICE SPRINGS TO DARWIN RAILWAY

The Hon. G.M. GUNN (Stuart): Will the Premier outline the potential benefits to flow from the completion of the Alice Springs to Darwin railway line? Last week the Premier, together with the Prime Minister and the Chief Minister of the Northern Territory, signed off on their commitment to the Alice Springs to Darwin rail link, paving the way for earth works and construction to begin before the end of the year.

The Hon. J.W. OLSEN (Premier): Clearly, the honourable member has taken a personal interest in this project, as have many members of the House. The long-awaited dream of the Adelaide to Darwin rail link has taken this very significant step forward. First mooted more than 100 years ago, the contract agreement signed last Wednesday will now allow this \$1.23 billion rail link to go ahead. It is a nation-building project and an internationally significant infrastructure scheme.

The construction phase alone will mean a major boost to our economy of some 2000 jobs, with an additional 5 000

jobs in the supply of goods and services. Already, more than 800 South Australian companies, including more than 160 from the Upper Spencer Gulf region (the honourable member's electorate), have registered for work on the rail line as part of the SA Government Partners in Rail program. More importantly, the rail link leads the way to a more prosperous future for our state.

The rail line can and will become a land bridge to Asia: a faster, cheaper way to export Australian and South Australian goods to that marketplace. As I have noted before to the House, the mass consumer markets of the world this century are in Asia, and we ought to be supplying the goods and services to that marketplace. The range of transport modes to enable us to do that is very important.

The jobs and industry development that it will foster will support families throughout this state. With South Australia already building its exports at double the national rate, the rail line will only increase our state's exporting success and, with that, of course, comes prosperity for the state.

The latest ABS figures show that our exports rose by 17.1 per cent during the 12 months to July 2000; that is, to a total of \$6.3 billion: an increase of some \$919 million dollars. Our automotive sector, seafood, aquaculture and wine industries were again among our fastest growing exports. The rail line itself will see exports of these products increase dramatically, particularly our food and beverage industries.

The government has no intention of resting on its laurels. We are about maximising the benefits of the rail line for our state and jobs being created in our state. To that end we are pursuing a private sector investment to build a national rail track transport hub in both Port Augusta and Adelaide. That push to set up the state as a national transport hub into Asia received a significant boost with the announcement by the minister of a new grain wharf to be built at Outer Harbor.

That project includes major upgrades to existing rail and road infrastructure to service that new terminal. There is now very real potential to establish South Australia as the gateway to Asia and to siphon off the eastern seaboard—and I would have thought that even the member for Hart would want more through-put in containers through the port to supply work for the MUA and others engaged in our port.

What we have the capacity to do upon the upgrading of the Outer Harbor—the deepening, the swinging basin, the wharf facilities—to take panamax-type vessels—that is, to take it up to 80 000 tonnes—is not only to get the savings on per tonne shipping for grain growers in this state that will reduce the cost to grain growers but more importantly, if the major companies like Mildara Blass, Southcorp or other companies exporting wine product to the international market can have a panamax-type vessel, their cost of exporting the wine to the market is so much less per crate. That is the advantage.

In addition, it is not only wine that we are talking about: we can then go to the automotive industries. One of the advantages of expanding the port facility as we are proposing as part of this transport hub is that the port of Melbourne has a rock base. It has a disadvantage compared to us being able to create a panamax berthing facility at Outer Harbor. What we are able to do in this process is position South Australia as a port and, instead of containers going by rail to Melbourne, bring containers from Melbourne back here exiting either our port or exiting out through the rail line through the port of Darwin. This is about some long term and visionary thinking to build opportunities. The people who will benefit from that are in fact many of the constituents of the member

for Hart. I am somewhat surprised that he would shake his head at the suggestion of this expansion.

In addition, we have commissioned a freight study to identify new industry and export opportunities in our state once this rail link is completed—bricks and tyres from Adelaide, gypsum from the Barossa, grains and seafood from Eyre Peninsula, fresh food products from the Murraylands, Kangaroo Island, Riverland and the South-East.

These are industry sectors that rely on a range of transport options where pricing is internationally competitive so that our goods can get to the international marketplace and access the marketplace by reducing the cost of transportation and other input costs. Further, the rail line we are proposing between Adelaide and Darwin, beyond the freight, will now move to passenger services. It can and will be one of the great train journeys of the world. In no other country can you go east-west, north-south in a rail link such as the one to be established in South Australia. The rail line has captured the imagination of major investors.

I had the opportunity on Friday last to speak to a number of key business leaders as part of the government's campaign to market South Australia's food and beverage products. Business leaders with major interests in hotels, restaurants and grocery chains throughout Asia were genuine in their interest about this project and what other options it might open up for them—all positive steps in the right direction.

The only sour note in the signing last week was a question that came from the Leader of the Opposition. That question last week in the media was whether we had actually got it right and warning South Australia and South Australian businesses about the level of purchases within the state.

The facts are these: 70 per cent is not a target or a wish list but the offer of the consortium, which is part of the requirement under the contract arrangements. Secondly, there are penalties to ensure that the 70 per cent is met in certain categories and incentives when they meet and are beyond the targets set in those contractual arrangements.

So, clearly, what we have put in place is a program not only to put this major infrastructure in place but also to build a transport hub opportunity around it and to build on the opportunities which we now have and which will be before this parliament to build a port facility that can get a break on other ports in Australia, and in that respect it must involve good, long-term use for our state and, in addition, build on a range of different products using a range of different transport modes to go to the international marketplace. That is about securing our future.

SULLIVAN, Mr S.

Mr CONLON (Elder): Did the Premier have any discussions with any member of the board of SA Water or anyone else regarding allegations made about the CEO of SA Water, Sean Sullivan, prior to the Premier's being informed of the SA Water Board's decision to terminate Mr Sullivan's contract last week?

The SPEAKER: The honourable the Premier.

Mr CONLON: Did you?

Members interjecting:

The SPEAKER: Order! Has the honourable member finished his question?

Mr CONLON: The Premier was looking a bit confused. I was going to—

The SPEAKER: Order! I call on the Premier.

The Hon. J.W. OLSEN (Premier): If the import of the question, in trying to read where the member is going, is whether I sought to influence the board's decision, the answer is no.

MODBURY HOSPITAL

The Hon. D.C. WOTTON (Heysen): Will the Minister for Human Services inform the House whether statements about Modbury Hospital attributed to the Labor's federal shadow health minister, Jenny Macklin, are correct?

The Hon. DEAN BROWN (Minister for Human Services): Jenny Macklin is the shadow minister for health in the Labor Party in Canberra for the whole of Australia. So, one would think that she was a person who, if she was coming to South Australia and looking at the health or hospital system, would know just a little bit about it or at least make sure that she was appropriately briefed. But what did she do? She flew in from Canberra and made four specific allegations about Modbury Hospital. First, she talked about how here in South Australia we would be locked into 20 years of secrecy about the Modbury contract.

Clearly Ms Macklin was not told that both the original contract and the modified contract had been tabled before this parliament, and here are the two copies. They are the variations of 1997 and this is the original 1995 contract. They have been lying on the table of this parliament for more than two years. It raises a very interesting question. Do you think anyone on the opposition side has ever read these contracts?

Honourable members: No.

An honourable member: Why didn't you tell Jenny?

Members interjecting:

The Hon. DEAN BROWN: I am delighted that the member for Florey has said that she has, because on the ABC between 8.30 and 9 o'clock this morning, just before I went on radio, or whilst I was on radio, she rang in and claimed that the variations to the contract had never been released publicly. Has she just misled the parliament by claiming she has read the contracts, or did she mislead the people listening to the ABC news this morning when she claimed that the variation of the contract had never been tabled in this parliament? I point out to the member: here are the variations to the contract—she might like to read them later. The second allegation concerns—

Members interjecting:

The SPEAKER: Order!

The Hon. DEAN BROWN: The second allegation made by Jenny Macklin was that the Modbury Hospital is now costing the taxpayers of South Australia more for the same services than it was prior to the contract's being signed. Again, if the Labor Party had bothered to read this contract, it would find that there was a guaranteed 5 per cent saving for exactly the same services under this contract. Clearly, members of the Labor Party have not read this contract, despite the claim just made by the member for Florey, or she cannot understand what is in the contract. Again, it would appear that Jenny Macklin was well and truly misinformed or not informed at all.

The third allegation made by Jenny Macklin was that the quality of treatment at the Modbury Hospital was well below the accepted standards to apply around Australia. In 1998, I presented Modbury with its three year certificate issued by the Independent National Australian Council on Health Care Standards. It was a three year accreditation, the maximum level of accreditation you can possibly receive, and it is the

standard accreditation for all hospitals around Australia. So again, Jenny Macklin was neither informed or inappropriately informed in terms of what the standards are at Modbury and the fact that it received full accreditation.

The fourth claim made by Jenny Macklin was that there had been a substantial cutback in services. Again, if the Labor Party had bothered to read these contracts, it would find that Healthscope is contracted to provide exactly the same services as it was providing prior to the contract's being signed. That is exactly what it is paid on and that is exactly what it is currently doing. The final point which Jenny Macklin made and which I thought was incredibly humorous was that, South Australia would face 20 years of secrecy unless she had a federal inquiry into the contract for Modbury Hospital. I wonder why the Labor Party in South Australia did not bother to notify Jenny Macklin that it had been part of an inquiry already carried out in this parliament. I find it astounding that—

Members interjecting:

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

The Hon. DEAN BROWN: I find it astounding that the member for Florey appears not to know what is going on within her own electorate in terms of the public hospital, or she wishes to misinform the people of South Australia on the ABC radio this morning, or she has deliberately misled this parliament this afternoon. However, what concerns me even more is the fact that the alternative minister for health for the whole of Australia does not know what she is talking about.

Members interjecting:

The SPEAKER: Order!

SULLIVAN, Mr S.

Mr CONLON (Elder): Was the Premier advised by the former CEO of SA Water, Sean Sullivan (or anyone else at SA Water), against taking a three day trip to West Java at the end of last month to be part of an announcement relating to a joint venture water plan and, if so, what reasons were given to the Premier in that advice and why did he ignore it?

The Hon. J.W. OLSEN (Premier): I have had no recent discussions with Mr Sullivan and no correspondence from him previously.

An honourable member interjecting:

The Hon. J.W. OLSEN: Well, it was certainly not brought to my attention.

Mr Foley interjecting:

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

TEACHERS' PAY RISE

Mr WILLIAMS (MacKillop): Can the Minister for Education and Children's Services inform the House of the recent decision of the Australian Industrial Relations Commission in the long-running salary dispute, which has been in its hands for almost two years, between the South Australian government and the Australian Education Union?

The Hon. M.R. BUCKBY (Minister for Education and Children's Services): I am pleased to inform the House that the Australian Industrial Relations Commission on 12 October handed down its recommendations in this regard. Members and the public might recall that the government in October 1998 offered teachers in this state a 13 per cent pay increase over a period of three years. History has proven, in

fact, that that is the best offer that has been put forward by any state government to its teachers; that is 4.33 per cent per year over three years as against Victoria's 3 per cent and New South Wales' 4 per cent. However, we all know that the AEU got greedy about this, unreasonable and out of touch with its own members. It forced its own members into a two-year wait to receive this outcome, a decision about which many teachers to whom I talk in schools are very angry. They are not angry because they got 14 per cent; they are not angry because they wanted more than that, but they are angry because they lost ground, they lost time, they lost money and, in terms in their public profile, they lost in that way as well. They have certainly lost credibility and certainly any respect they ever had for their President.

In total, the commission gave 14 per cent; 4 per cent of that 14 per cent was an interim award given on 23 December 1999. There is 4 per cent back pay to 1 July this year; a 2 per cent increase on 1 October this year; and a further 4 per cent increase on 1 October next year. The wages decision is now to be given effect by the making of an award through the AIRC. Put simply, both parties must now prepare a draft to the effect of that decision and present it to the commission prior to 31 October. That is now being undertaken. Once that is presented to the commission, the salary increases to employees will be paid as soon as the commission accepts that award.

Sadly, I notice that the union has wasted no time in attempting to call its members to the barricades. We are still dealing, unfortunately, with a union which is operating back in the 1960s and 1970s and which has no skills in terms of negotiation. Just four days after the commission's decision, the union is calling its members out to strike. The commission has granted a 14 per cent wage increase and the union is calling its teachers to strike on 9 November if they do not get their back pay by that day. Such is the bunker mentality of that union—total and utter desperation to try to cover the fact that it failed its members miserably. After two years of negotiations, they ended up with the decision from the commission that they have.

It could be argued that many teachers are becoming too embarrassed and too afraid to even read the AEU executive's little gems such as we saw in the paper over the weekend, because they know that out of this negotiation they lost money. In fact, teachers will lose \$616 over the length of this agreement—

The Hon. R.L. Brokenshire interjecting:

The Hon. M.R. BUCKBY: Exactly, as the member for Mawson says—thanks to the union. This is teachers' hard-earned money, and they will never see it again. There is no doubt that teachers have lost confidence in their union executive, and it would not surprise me if there was a call for the resignation of Mr Gregory.

SULLIVAN, Mr S.

Mr CONLON (Elder): My question is directed to the Minister for Government Enterprises. Prior to his dismissal, did the CEO of SA Water, Mr Sean Sullivan, raise concerns with the minister or the board of SA Water about the propriety and effectiveness of operations by SA Water in Indonesia and, if so, what were those concerns and what action was taken—other than sacking him?

The Hon. M.H. ARMITAGE (Minister for Government Enterprises): I am not sure what Mr Sullivan raised with the board of SA Water regarding Indonesia.

An honourable member interjecting:

The Hon. M.H. ARMITAGE: I am very happy to tell you. However, on a number of occasions and with great enthusiasm Mr Sullivan raised the opportunity for SA Water to be a water manager in Indonesia and, indeed, in other places around the world.

An honourable member interjecting:

The Hon. M.H. ARMITAGE: I am giving you the answer. Thanks to the outsourcing contract in South Australia, SA Water now has a great deal of expertise in being a water manager. Indeed, on several occasions, in my office and in other presentations, Mr Sullivan drew presentations with SA Water having particular slices, triangular in area, of the whole presentation of water in Indonesia, and the main focus of that was water management. Mr Sullivan was tremendously enthusiastic about the opportunities for SA Water in Indonesia and, quite frankly, was pleased to be leading that phase of SA Water's development.

EMERGENCY SERVICES

Mr HAMILTON-SMITH (Waite): Will the Minister for Police, Correctional Services and Emergency Services outline for members the benefits to their local emergency services with the current roll-out of new equipment and facilities?

The Hon. R.L. BROKENSHIRE (Minister for Police, Correctional Services and Emergency Services): I know the honourable member has one of the greatest and most committed SES units in his area. It has been the recipient of further support by way of increased funding and the rolling out of capital works. When it comes to emergency services funding, capital works is a really important issue because, when a 30 000 volunteer work force is putting in day-in, day out—and there was a great example of that last week—and giving up its time and making an effort, it is important that we roll out the capital works.

Prior to the capital works program which is coming out quickly at present, in the previous three years about \$23 million was spent on capital works for all the services. In just one year we have seen \$18.5 million spent, and that is to be repeated again this year, whether it be on equipment for the SES such as the 11 new rescue trucks that have recently been commissioned and the new rescue boat, or the new command unit that I had the pleasure of commissioning at West Beach on the weekend.

It was interesting to see the support for the South Australian volunteer Sea Rescue Squadron which also celebrated its 40th birthday. I was delighted to see—and I am sure that you, Mr Speaker, would be, too, having as you do a great interest in that area—the number of people from across the metropolitan area who came out last Saturday to witness the mock exercise that the Sea Rescue Squadron put on and to look at its new command unit.

Also, we have 21 new two-four pumpers being built for the CFS. Over half of those are now out, and the balance of those will be out in the fire field prior to the start of the fire season across the state on 1 December. We are also in the process of calling for expressions of interest when it comes to building capital works in the way of new fire stations.

In short, the answer to the member for Waite is that a lot is going on when it comes to capital works spending, and there is a lot going on to show the community of South Australia that its emergency services funding is being spent and spent very well on its behalf. I was interested (and I am sure that the member for Peake will be interested in the next

few points that I have to raise) to read a recent report in the *Sunday Mail* that three other governments across Australia are now being pressured from some of the industry groups and also from their volunteers, who are saying it is about time that they received some dedicated and quarantined funding. There are indications from some of my interstate colleagues with whom I associate that there is a groundswell of support for a dedicated fund for emergency services.

With respect to Victoria and the Bracks Labor government, an independent report recently highlighted the fact that, at the moment, up to 84 per cent of the whole of a business premium could be taken up just in fire services levy. Under the Carr government, we had a situation where possibly about 67 per cent of a premium for a business was being taken up just in fire levy. In addition, we can add 10 per cent on to that for the GST. Of course, we know that the emergency services fund in South Australia is exempt from the GST, because it is a dedicated and quarantined fund. That exception alone returns another dividend worth approximately \$7.6 million to the South Australian community.

I watched with great interest what happened at the Labor convention here the other weekend. I must commend the member for Ross Smith (also the candidate for Enfield; he is about to announce his position as the independent Labor candidate for Enfield) for the magnificent sign—and what a marvellous photograph it was!

The SPEAKER: Order! I bring the minister back to the question.

The Hon. R.L. BROKENSHIRE: It was a marvellous photograph of the independent Labor candidate. The point that I am getting to, which is very relevant to me as emergency services minister, is the soon to be announced independent candidate for Enfield saying that the Labor Party should look at a progressive tax where it would attack middle mortgage belt people in this state. It was interesting to see at last some facts coming from the Labor Party, which has been attacking the emergency services fund for some time. Yet we have always known, from what we have heard members opposite say on the floor of this parliament and what we saw endorsed by the shadow spokesperson during the Labor convention, and also the shadow spokesperson for Treasury, that the Labor Party absolutely supports the emergency services fund.

Finally, after playing games for two years and being totally hypocritical, on the one hand Labor members have come out and supported at the Labor convention the emergency services fund in its entirety but, on the other hand, they are still running non-factual propaganda around some electorates in the state and unnerving thousands of volunteers. Those volunteers have spoken to me as recently as the weekend and expressed their concerns about the mixed messages that the Labor Party has been sending. It is time that the Labor Party stood up and said that it once and for all supports the fund and the 30 000 volunteers who are out there risking their lives and who want to see one policy and one commitment from the Labor Party.

ARMITAGE, Hon. M.H., SHAREHOLDING

Ms HURLEY (Deputy Leader of the Opposition): My question is directed to the Minister for Information Economy. Given the minister's statement on 12 October that he had 'scrupulously followed the cabinet guidelines', (and confirmation in a ministerial statement today), can the minister say whether he ever met representatives of any of the information economy companies in which he and his family traded since

his appointment on 8 October 1998; when those briefings occurred; and whether he was ever given confidential briefings or information not available to the general public? Checks made with company share registers yesterday show that, since 1998, the minister, his family and a company called Auberge Pty Ltd, registered at the minister's home address, have traded in information economy stocks including Optus, Ecorp Ltd, Etrade, One.Tel and AAPT and currently hold significant shareholdings in Telstra?

The Hon. M.H. ARMITAGE (Minister for Government Enterprises): That would be of great interest if I had not declared the interest in cabinet and if there were any conflict of interest. As I have stated quite specifically, where there has been any possible conflict I have identified that and, as I said in the ministerial statement, it is quite clear and unequivocal that all the cabinet guidelines have been followed.

Members interjecting:

The SPEAKER: Order!

Mr Foley interjecting:

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

Members interjecting:

The SPEAKER: Order! The member for Hartley.

ELECTRICITY, LEASING

Mr SCALZI (Hartley): Will the Premier outline the latest developments in the electricity asset leasing program? Has the process been completed and was it successful?

The Hon. J.W. OLSEN (Premier): Yesterday, the Treasurer announced the final transaction, the sale of Terra Gas Traders to Tarong Gas Trade, the Queensland-based company, for \$35 million. This relatively small deal brought to an end the largest business transaction ever completed in the state, raising over \$5.3 billion. We have effectively bought back South Australia.

All South Australians are now better off: we are more secure; we have escaped the debt trap; and we can look forward to greater opportunities, better services and more jobs because we are now able to invest in the future. When we took office, we were borrowing more money simply to meet interest payments on a spiralling debt. As it moved towards the peak of \$9 billion, that was \$6 416 for every man, woman and child in this state. Now that figure has been cut by more than two thirds. The \$6 416 as it was—

Members interjecting:

The SPEAKER: Order!

Members interjecting:

The SPEAKER: Order! Is the House finished?

Members interjecting:

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

The Hon. J.W. OLSEN: I will repeat: the debt levels at their peak and when we came to government were something like \$6 416 for every man woman and child. That figure is now \$2 006. A weight of more than \$4 000 has been lifted off the shoulders of every single South Australian. To put that into perspective we need to realise that, in today's dollars, we are now almost twice as well off as we were before Labor's financial disasters.

Let me repeat that: South Australia has now little more than half the debt burden that it had before Labor lost billions in its financial disasters. In dollar terms, we owe less than Victoria; in percentage terms, we are better off than New South Wales.

Mr Atkinson interjecting:

The Hon. J.W. OLSEN: The doomsayers opposite—and the honourable member interjecting seems to be one of those—suggested that we would fetch only \$3 billion or \$4 billion. Despite the stalling of the opposition, we still reaped an excellent reward, an excellent price of \$5.3 billion. Importantly, that policy has been a landmark achievement that has not only rescued the state from the past but, more importantly, creates a new course for our future. What we have done, throughout this past 18 months or two years, is create a financially stable future for all South Australians.

ARMITAGE, Hon. M.H., SHAREHOLDING

Ms HURLEY (Deputy Leader of the Opposition): My question is directed to the Minister for Information Economy. Given that ministers are required to divest themselves of any shares that may lead to a conflict of interest and that the minister and his family—

Members interjecting:

The SPEAKER: Order, the member for Waite!

Ms HURLEY: —have been trading in information economy companies since his appointment on 8 October 1998, can the minister assure the House that he has not had any official negotiations or dealings with any of these companies?

Members interjecting:

The SPEAKER: Order! The member for Waite will remain silent.

The Hon. M.H. ARMITAGE (Minister for Government Enterprises): As I have identified in my ministerial statement and in public—and I will continue to reiterate it as often as I am asked—the cabinet guidelines relating to conflict of interest have been followed scrupulously.

APIARY INSPECTORS

Mr LEWIS (Hammond): My question is directed to the Deputy Premier. Does the minister stand by his statements in his letter of 7 September in which he said:

South Australia's apiary program (referred to as the mandatory disease control program) has over three full-time equivalent personnel who are involved in the development and implementation of the program. A recruitment process is also under way in an attempt to identify up to two suitable candidates as short-term apiary inspectors.

If so, will he name the officers who make up the three full-time inspectors and the two extra short-term apiary inspectors and provide to the House a report on how many hives they have inspected during August and September, the locations of those hives and how many swarms have been found to be infested with American foul brood and therefore have been destroyed; and will the minister say what other steps he is taking to protect the honey eating public from dangerous and unnecessary continuous exposure to OTC?

The SPEAKER: Order! Before I—

Members interjecting:

The SPEAKER: Order! I do not need help from the member for Peake. Before calling the minister, I ask members, when they are considering framing questions, to consider placing questions on notice. There is a requirement to ask sufficient questions in question time without notice to allow them at least to be answered in the chamber. I ask the Deputy Premier to take that into consideration during his reply.

The Hon. R.G. KERIN (Deputy Premier): I will take the member's question on notice and bring back a considered reply.

MODBURY HOSPITAL

Ms BEDFORD (Florey): My questions are directed to the Minister for Human Services.

1. Can the minister advise if all the conditions in the Modbury Hospital contract and variations have been met in regard to the provision of maternity services, especially the proposed private facility which I understand has been or may have been grounds for disputation between the government and Healthscope?

2. Who or what body oversees and monitors the contract?

3. How often has a report been available since 1995?

The Hon. DEAN BROWN (Minister for Human Services): The honourable member asked a series of questions, and I will get a detailed response on each of those parts. First, I should have thought that as the member for Florey will ask a question about Modbury Hospital she might have clarified the difference between what she said on ABC radio this morning, when she said that we had not yet released the contracts, and what she said earlier this afternoon when she claimed that she had read the contracts. There is an enormous conflict there. We all sat there and heard 'I have read those contracts.' Yet she claimed that on ABC radio this morning between 8.30 and 9 o'clock that the contracts had not even been released. She was supporting Jenny Macklin in a claim that they were 'secret contracts' hidden from the public of South Australia.

An honourable member interjecting:

The Hon. DEAN BROWN: Well, I would like the member for Florey to explain to this parliament some time this afternoon exactly what the situation is. Did she mislead the public this morning on radio or has she mislead this parliament?

Members interjecting:

The SPEAKER: Order! Order on my right!

The Hon. DEAN BROWN: In relation to the detailed questions the honourable member asked, I will obtain the detail and bring down a report.

Members interjecting:

The SPEAKER: Order, the member for Ross Smith and the member for Wright! I call the member for Stuart.

Members interjecting:

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

COOPER BASIN EXPLORATION LICENCES

The Hon. G.M. GUNN (Stuart): Can the Minister for Minerals and Energy inform the House of the further potential benefits to South Australia with the announcement of the successful bidder for three exploration licences on offer in the third round of releases in the Cooper Basin, and can the minister further advise the House of what steps have been taken to ensure that the successful bidders have adequate access to infrastructure to carry out their functions?

Mr LEWIS: On a point of order, sir, in view of the observations you made about the question I asked, do you suppose that it might be a good idea to put this one on notice?

The SPEAKER: Order! I hope the honourable member, who understands standing orders very thoroughly, is not trying to impute anything to the chair on this one. I ask the member to examine the *Hansard* this evening and compare

the questions and the number of questions that were contained within his own question to the last question, and he will see how frivolous and out of order his point of order is.

The Hon. W.A. MATTHEW (Minister for Minerals and Energy): I thank the honourable member for his question. The member during his time in this place has ably represented the Cooper Basin area and has had a long-standing interest in the development of the area and many of his constituents are employed and continue to be employed through the activity that occurs in the Cooper Basin area. I am pleased to advise the House—and even the member for Elder might be interested if he listens for a change—

Mr Conlon: I doubt it.

The Hon. W.A. MATTHEW: He doubts it—that may well be the case. He is not interested in much.

Members interjecting:

The Hon. W.A. MATTHEW: In three years he has not been interested in all that much—that is also true. If the member for Elder is not interested in this other members would be interested to know that since February 1999 more than \$240 million has been pledged for investment in the Cooper Basin gas fields over the next five years. The member in his question asked about the most recent three exploration licences on offer for the third round acreage call and indeed those three licences have resulted in a further \$60 million, which includes part of that \$240 million in the region. This high level of interest and investment not only opens up significant new opportunities for oil and gas discoveries but clearly it means a whole range of new employment opportunities for South Australians in this region, potentially for hundreds of South Australians in this region. Further opening up the Cooper Basin for exploration at this level builds on the already existing energy extraction from the area and provides some exciting opportunities for our state in the future.

In all 27 new petroleum licences have been offered in the region since February 1999 and the \$240 million that has been pledged over the next five years will assist in the drilling of approximately 300 new exploration wells in the vicinity. The successful bidders for the last round—and there are three blocks involved, CO2000G and CO2000H—were successfully bid for by Santos Limited and block CO2000F by Stuart Petroleum, both companies being already active in the region. This latest round of bids represents the most aggressive and comprehensive of work programs that have been submitted over the course of the acreage release and, indeed, the competition and aggression involved indicates that there are exciting things about to occur in the vicinity, and we expect on the final call of acreage release that we will see similar competitive bidding activity.

The next step that has to be worked through in order for the exploration licences to be issued is the work that has to occur under the Native Title Act, indeed the right to negotiate process. Notices will now be issued to trigger that process and it must be completed before exploration licences will be issued. I know that the member for Stuart has been particularly concerned to ensure that native title negotiations are sensibly progressed. Indeed, the willingness by all parties, by both claimant groups and explorers, has been encouraging and we will see demonstrated in this area some fairly rapid conclusions in negotiations, certainly rapid compared to negotiations that have occurred in other areas of the minerals and petroleum industry in recent years. I am heartened by the fact that all explorers and native title claimants are keen to expedite negotiations in as short a period as possible. Today's announcement of successful bidders confirms the industry's

continuing confidence in petroleum prospectivity in the state and it is something of which all South Australians can be proud.

In the second part of his question the member for Stuart alluded to another issue that needs to be resolved, namely, the issue of access to Moomba facilities, notably the airstrip and other areas operated by Santos in the region so that new explorers in the area can have the opportunity to access appropriate facilities. As the member for Stuart would expect, those matters are being carefully negotiated through with Santos and both the Deputy Premier and I have been involved in those negotiations. I am confident that new explorers in the area will have access to all the facilities they need where they are not providing those facilities themselves so that we can ensure that we maximise the opportunities from that region. I am sure the member for Stuart will continue to have a close interest in the way in which those negotiations have progressed and in their final outcome.

ARMITAGE, Hon. M.H., SHAREHOLDING

Ms HURLEY (Deputy Leader of the Opposition): Does the Minister for Information Economy, or do members of his family, hold shares in any of the companies short listed for the government's telecommunications contract? On 13 October 2000 the minister told the Wired Up E-Marketplace Forum that a new telecommunications contract, which the opposition understands will exceed \$100 million, was 'at the short list stage, so we are not far from a result there'. Checks made on company share registers yesterday confirmed that the minister holds shares in Optus and Telstra and disposed of shares in One.Tel in August 1999, while Susan Armitage holds shares in Telstra and disposed of shares in AAPT on 29 September 2000.

The Hon. M.H. ARMITAGE (Minister for Information Economy): I am not aware of all of the short-listed companies at this stage. However, if there were to be any suggestion of a conflict of interest at the time of the matter coming to cabinet I would obviously handle that in accordance with cabinet guidelines, as I have done with all other interests. I have been cogitating on the questions the deputy leader asked before and I guess there was an implication that I was trading in shares with insider knowledge. To the best of my knowledge—and I intend to check this—I have made no investment decision whatsoever with information that was not publicly available.

INTERNATIONAL ROSE FESTIVAL

Mr CONDOUS (Colton): Will the Minister for Tourism share with the House the success of the International Rose Festival held in Adelaide last weekend?

The Hon. J. HALL (Minister for Tourism): I know that the member for Colton and his family went to the rose festival, and I think it is important to share with the House some information about its success. Over 43 000 people passed through the gates during the four days of the rose festival. The reason that is very significant is that, as we all know, Adelaide was struck by a freak storm on the Wednesday evening and an enormous amount of effort had to be put into—

Mr Conlon interjecting:

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

Mr Conlon interjecting:

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

The Hon. J. HALL: It is important to put on the record the incredible amount of work that was done following the freak storm on the Wednesday evening to make that festival such a success. Not only was the International Rose Garden opened on the Thursday morning by the Premier but he also launched the International Rose Festival. For those members who did not go, it truly was an extraordinary experience, with an area in Botanic Park covering more than 20 acres and more than 74 000 rose blooms. For those people who did go, the diversity of people who attended—

The Hon. D.C. KOTZ: Mr Speaker, I rise on a point of order. I cannot hear the answer being given by the minister.

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

Members interjecting:

The SPEAKER: Order! I give a general warning to members on my left: if you intend using the next four minutes to disrupt the House, it will be on your shoulders if you want to be here this afternoon—and I am not compelled to give three warnings beforehand.

The Hon. J. HALL: The reason that the success of this rose festival is important is that it involved huge numbers of people, including a great team of people working with Adrian Greenoak, who, for people not necessarily rose fanatics or garden enthusiasts, is an extraordinary creative director who is responsible for the establishment of the Hampton Court Palace Flower Show. He is internationally acclaimed for his work with gardening and rose enthusiasts and, without doubt, the team he managed to put together to put on such a brilliant show means that we have established an event for the future. The number of people who attended the festival was quite extraordinary and was beyond our expectations. We hoped that we would get 25 000 over the four days but, as I say, 43 000 people passed through the gates.

One of the aspects of the success of this event was the enormous success of the shuttle service. I would like to make special mention of the bus services that were shuttling people to and from the centre. People were parking in the city and making use of this great service, which is becoming an aspect of major events and is to be commended. For those members who do not know, the Hon. Leigh Davis has been promoting roses, Adelaide and South Australia for many years. I think we ought to put our thanks on record for his involvement in this event and for the Premier who supported it.

One aspect of the success of this festival was the number of regional events and other activities that were hooked into the festival to ensure that a great diversity of people were involved. The fact that you could not get a seat on many of the regional tours is important, and I am sure that the \$50 million gardening industry in our state is headed for great expansion. All the exhibitors are overwhelmed with the success they enjoyed over the weekend, and they have been very supportive, and indeed very vocal, in insisting that we make provisions for this to become a regular event, and at this stage we are certainly talking to the organisers.

A number of international people participated in the festival and the establishment of the rose garden, and they should all be absolutely delighted with the results they have achieved. We had visitors from the United States, New Zealand and Britain, and we had an extraordinary range of gardening media not only from the countries I have just mentioned but also from Hungary, Austria and Germany. We have decided to do a media audit of the event. I conclude my

remarks by saying what a great tribute it is to the volunteers and the organisers. I say thank you to Adrian Greenoak, and I put on record my enormous pleasure with the event we have created for South Australia.

GRIEVANCE DEBATE

Mr CONLON (Elder): Today the Minister for Government Enterprises came into this place and, after a week of hiding behind the board of SA Water, beating around the bush, slipping and sliding on radio interviews, he finally screwed his courage to the sticking point and gave some reasons for the dismissal of the former CEO of SA Water, Sean Sullivan. It is relevant to note that the minister has not had the courage to put those reasons into the public arena but waited for a week before coming in here and putting them on the coward's record. I would ask the House to consider the reasons we have been given today for the dismissal of the State's highest paid public servant. I will come to those, but suffice to say that no fair-minded person reading the ministerial statement given by the minister today could be persuaded by it; no fair-minded person dealing with this fairly could be persuaded by it.

I would like the House to consider a little of the chronology. What we know is that Sean Sullivan was headhunted around the world, was paid more than any public servant in Australia and, we were told, was the best person in the world to do this job. He has been there for about 14 months. He has turned out an increase in profit of about 9 per cent, with an increase in dividend to the government of 21 per cent: a pretty ordinary performance you would think in his first 14 months! Well, perhaps not. What we do know is that about a couple of months ago a number of quite baseless allegations emerged in the corridors about Mr Sullivan.

The minister today tried to suggest that they were allegations raised by the Australian Labor Party: that is completely wrong and he knows it is wrong. In fact, as we understand it, this smear campaign originated within SA Water and, in particular, within the international division of SA Water with people who were perhaps not happy with some of the decisions Mr Sullivan was going to take.

What we do know is this: the minister has a very strange dichotomy about how he has dealt with this matter. When he heard about the smear campaign, he instructed the Crown Solicitor to investigate the allegations. Apparently, he was interested in the performance of Sean Sullivan at this point. Sean Sullivan himself, wanting to protect his reputation, as I understand it, required the board to investigate those allegations. Both investigations completely exonerated Sean Sullivan and found the allegations unsubstantiated.

What do we see from there? Apparently, if we are to believe today's ministerial statement, on 29 September—17 days before Mr Sullivan was dismissed—the board suddenly discovered that there was something wrong with his performance.

An honourable member: But gave him a bonus.

Mr CONLON: It did give him a bonus as well, but it discovered that something was wrong. We have four vague allegations; apparently he failed in some things that cannot be nailed down, but we are not told how he failed. But they were so serious, apparently, that he had to be dismissed

within 17 days of these matters first coming to the board's attention. Members should look at the two processes: one is a smear campaign which the Crown Solicitor is instructed to investigate, so that is another inquiry. But there are also some baseless, vague allegations. The minister was advised on 9 October that the board was considering Mr Sullivan's future, and about five days later he got a telephone call from the board to say, 'We have sacked Sean Sullivan.' The minister's response is, 'Oh, well, there you go; that's a turn up.' That is just incredible.

I suggest to this House today that Sean Sullivan did upset a few people at SA Water and, in particular, he had criticisms about the operation of SA Water's international division in Indonesia. He raised questions about its accounting and auditing process, and he identified a number of under-performers in that group. In addition, he identified some characters who he thought may not have been employed properly and who were, at the very least, colourful. He wanted some better explanations about where the money was going in Indonesia. One of those of whom he was critical was Mr von Stiegler.

We do not know a lot about what happened, but we do know that there were a few supporters of SA Water, including the Premier and, oddly enough, the Hon. Terry Cameron in another place. We also know—

An honourable member interjecting:

Mr CONLON: Look, Terry Cameron is entitled to have his view on SA Water and he is entitled to have a view on who should run it. But I want to know from the Premier whether he had any discussions with Terry Cameron about the overall management of SA Water and the management of the international division?

Finally, will the government come clean on this issue? What has gone on? Members on this side cannot believe the ministerial statement that we have been given today. I am sorry to say it, but that is the truth. It is incredible. This parliament and the taxpayers of South Australia deserve to know what did go on in the sacking of the CEO.

Mr SCALZI (Hartley): Today, I talk on a positive issue, that is, the way in which the City of Campbelltown has contributed to the celebration of the year 2000. The City of Campbelltown in October celebrated the beginning of the new millennium by holding several events during October.

Last year, I spoke on the contribution of the City of Campbelltown in relation to Seniors Week and the concerts that are held yearly in my electorate for our elderly citizens, and of course the great work done in this respect by the service organisations and the local schools. That is always a great concert to attend—and I am sure the member for Coles would agree with me.

This year, there have been other celebrations which are important to bring to the attention of the House. For example, an ecumenical service was held on 15 October 2000 with the keynote address 'Celebrating the Journey' being delivered by His Excellency, Sir Eric Neal. The combined Christian churches of Campbelltown developed an order of service recognising the achievement of the past 100 years. A young person, Ms Jade Pfeiffer, delivered a prayer for a future where there would be communication between different generations and recognition of the diversity of the different age groups and cultures.

Last week, a school olympics was to be held and prominent athlete, Tania van Heer, was to have attended. Unfortunately, due to the weather that event was cancelled. Neverthe-

less, I understand that that event is being held today, so I thought it important to note the planning that has gone into it. The Olympics program was also planned for the under five year olds' coming from several child-care centres in the area. This event has been organised by the council with the assistance of Campbelltown Little Athletics and the Athelstone Kindergarten—yet another example of community groups at Campbelltown working together. Mayor Steve Woodcock will award medals to the first, second and third prize winners, with all the athletes receiving participation certificates. The council provided a lunch bag for all participating athletes, and these bags were sponsored by Adelaide Produce Markets, which provided \$500 worth of fresh fruit to be included therein. I have mentioned previously the support of the merchants at the Adelaide Produce Market and their contribution to the healthy eating lifestyle.

A culmination of the celebratory events was the Multicultural Extravaganza Carnival held at Thorndon Park on Sunday 22 October. The day commenced with a cavalcade of historical vehicles from the council carpark, led by the historical Barossa light horse infantry. The horses and historical vehicles remained on display at the park all day. The extravaganza commenced at 10 a.m. and consisted of international food (Greek, Lebanese, Italian—in other words, Australian—Persian, German and Scottish); entertainment (world folk music, Scottish piper, Indian dancers, German dancing and singing, Claymor Breacan Targe (sword tartan and shield), Latin and other dance, classic Arabian dancing, Irish dancing, Italian dancing, Polish dancing and Gypsy; and large bands and choirs such as Charles Campbell Concert Band, St Ignatius College Senior Band, Athelstone Primary School Band and Choir, Magill Primary School Band and Campbelltown City Band. There was also a fireworks display, and children's amusements such as a merry-go-round, jumping castle, laughing clowns and face painting.

Of course, most importantly, entry to the day of food, music and entertainment was free. This is a very important event which I believe demonstrates that multiculturalism is very much alive and well in the City of Campbelltown and I commend the council for the day.

Time expired.

Ms RANKINE (Wright): I want to tell the House this afternoon about an example of community strength—an example of where organised and focused residents who are committed to something can actually have a real impact on issues directly affecting their community. As members would know, I have been a strong advocate—long before being elected to this place—of communities' having a real say about the location of telephone towers in their community.

I have argued not about prohibition but about proper planning and due regard for environmental and health issues. I have also argued very strongly about proper and real community consultation. What we need, I believe, is much tighter controls and greater accountability. We need to have mechanisms in place to force collocation and we need the Australian Communications Authority to have some real teeth. I know these views are held by the federal Labor shadow communications minister, and the Australian Local Government Association has also expressed similar views.

While these mechanisms are still not in place, that did not stop the residents of Wynn Vale campaigning very strongly against a One.Tel proposal to put a telephone tower in the Rampart Reserve. These residents became aware of the One.Tel proposal to erect the tower in a very significant vista.

It would be viewed from miles, bear down onto the people of Salisbury, and would be within 40 metres of the nearest housing allotment. These residents did not accept this proposal, and they did not accept that there was nothing they could do. In fact, some detractors said to them at one stage that they were getting around with their fingers in their ears. They campaigned very strongly, and they developed a good strategy. They maintained their determination and their commitment.

On 31 July, I attended a public meeting that they arranged on-site, and that was also attended by One.Tel. One.Tel saw the strength of this community when over 100 people turned up on the Sunday morning. One.Tel also enraged the community by setting up a barbecue and trying to convince them to take their free sausages. I understand that last week One.Tel contacted my residents and told them verbally it was not going ahead with this tower. This was very good news for the residents of Wynnvale. Like I said, these residents are committed; they are committed to this issue—not just about themselves but about other communities. They believe very strongly that telephone towers have no place in close proximity to residential addresses. They undertook enormous research. They have collated that, and they are now proposing to share that with other community groups. They are preparing a document that would be a guide for other groups facing similar difficulties.

Of course, their major concern is about health issues. From an article in yesterday's *Advertiser*, I saw that those wonderful people who campaigned against the Vodafone tower at Grange when we at the same time were protesting another Vodafone tower at Cobbler Creek are now registering enormous health difficulties there, and the federal Labor candidate for Hindmarsh Steve Georganis is calling on the state government to commission a report. I am sure my residents would absolutely support that. Like me, they do not accept the line that is so often put that there is no substantial evidence that there is a health risk. That is actually code for 'There are some problems, but we actually don't like it.' The jury is well and truly out on the health issue.

My residents are also considering the proposition of a register, much like the asbestos register, where those people living within close proximity to telephone towers can register their addresses and the time that they are living there, so that governments, planning authorities—local, state and federal—and these telecommunication companies have some awareness that people are keeping an eye on the issue, and it is a declaration to them that they have a duty of care for the health of their communities. Let me offer my congratulations to this strong band of active residents who have had one small success and are prepared to continue to fight and assist other residents across South Australia.

Mr VENNING (Schubert): I would like to speak today about a couple of issues that have had and continue to have a significant impact on those communities in our regional and rural areas. I would first like to talk about fuel prices. In an article in the *Advertiser* of last Tuesday 17 October columnist Angela Goode gave some quite disturbing examples of the impact that high fuel prices are having on country communities. There were some quite graphic details of how fuel prices are adding to the isolation of country families, particularly women, and where community groups are being starved of volunteers. One lady interviewed who has a 30 kilometre drive to the local town said that she could not justify holding voluntary positions any more. She wanted to join the

kindergarten committee, but the townsfolk would have to do it in her stead. The lady went on to say that high petrol prices are the last straw, after a long series of poor seasons and low commodity prices. She even said that she had to justify taking her children to see their grandparents because it is a 200 kilometre round trip and her parents are in the same boat.

I do not think that people outside the regional areas really have any idea of the effect high fuel prices are having. I know that the federal government is tied to prices set by OPEC and, with the trouble in the Middle East as well as the low level of the Australian dollar, I doubt whether oil prices will drop in the near future. However, something has to give so that people in our rural communities are at least given an even chance to maintain a reasonable standard of living. They often have no alternative but to use their car. Most country folk do not have the option of catching a bus, a train or even a taxi; those services are not there because of the isolation of the areas. Many of these services have disappeared in recent years, particularly during the 1980s under the previous Labor government. I have noted that running costs have gone from approximately \$60 per week on average to \$100, with unleaded fuel reaching the \$1 a litre figure. Country people just cannot avoid it or afford it.

That brings me to another point concerning our rural areas. In the past four years this state has produced three record grain harvests—although in many parts of the state, this year does not look too good. A few weeks ago, beef prices across this country reached their highest prices ever, lamb prices have been quite good for the past few years, and wool seems to be emerging slowly from the doldrums. However, we see an every increasing number of farming people continue to find it difficult to remain viable. The costs of production have skyrocketed over the past few years, further exacerbated now by these high fuel prices, with the level of income—that is, commodity prices, particularly grain—being the same as it was 15 years ago.

Margins on the land are being continually squeezed and, unfortunately, some who have not been able to expand the operation, after a row of poor seasons are forced to place their properties on the market. You only have to look in the *Stock Journal* each week to see the properties for sale in areas that were only 10 years ago regarded as safe and sure farming areas. Unfortunately, now, with margins being so tight, some operators cannot sustain the big hits and are knocked out of the industry, and that distresses me greatly, because those folk then have to move away from the district to find work and they were often previously a pivotal part of those local communities. Their loss only compounds the problem and contributes to the downward spiral of those towns, services are cut, and the list goes on. You end up with a ghost town.

Our local rural councillor, Mrs Cathy Ottens, reported very similarly on these problems. Farmers Federation President Dale Perkins has said that the number of farmers struggling financially is a complex issue and says that the Mid North particularly has had it pretty bad over the past five other six years, with seasonal problems with not enough rain to get a decent crop in. He says that a number of factors have led farmers to struggle, especially those in the pastoral districts who rely on wool with its associated problems.

The season had so much promise this year. We had a bumper crop but now, with that very dry month in August and very warm three days, we have seen crop yields cut dramatically, and now we hear today of frosts. We also have to worry about locusts, and we hope that the damage and the impact will be minimal.

Ms BEDFORD (Florey): Today I rise to mourn the passing of a great Australian, Charles Perkins. I would like to put on record in this House the sentiments of the National Sorry Day committee who paid tribute to Charles Perkins, as follows:

... for all he did for the dignity and wellbeing of Aboriginal Australians, not least for the needs of the stolen generations. He undertook the feelings both of those who were taken away and of those who remained. 'How many Aboriginal parents have cried their way to their graves?' he once asked. 'The crime of ignorance will haunt the nation until Australia pays its dues.'

Millions of non-Aboriginal Australians now recognise the harm done by the forced removal policies. Many have said sorry and are working to heal the continuing consequences of those policies. Charles' dedicated work through the decades has played an integral role in shaping these new attitudes.

I had the opportunity to meet Charles Perkins only once at an art exhibition opening at Tandanya. Of course, I knew of his reputation—although not in as much detail as his friends. I quote from Katrina Power's letter to the *Advertiser* of 19 October. Katrina is the chairperson of Tandanya which is the National Aboriginal Cultural Institute in Adelaide. Under the banner of 'Gutsy warrior for equality,' Katrina writes:

Charles Perkins' passing is a loss for all Australians, black and white. The historic freedom rides of the 1960s proved him a gutsy warrior for equality. Thankfully, these days, Aboriginal kids in Moree and any other outback country town can jump into the pool alongside their white friends and only imagine what all the fuss was about. Charles trod new ground for our people, earning a university degree, playing professional soccer, heading a federal government department and surviving a kidney transplant.

Ever present on the political and art scenes, he has worked tirelessly to increase indigenous involvement in sports. It is no accident that a record 12 Aboriginal Olympians and Paralympians have taken part in these games.

Yes, Charles could get a bit cranky at times, but it's hard to keep smiling when your country seems so frustratingly incapable of coming to grips with itself and its history. Fortunately for all of us, his passion for a better Australia never waned. Charles Perkins was a legend in his lifetime, and our legends live forever.

I also would like to quote from the obituary by Mr Brian Butler, who is the South Australian Zone Commissioner for ATASIC and who was a good friend of Charles Perkins. He states:

The death of Charles Perkins provides us all with an opportunity to reflect on the life of a great Australian and all that he fought for as a campaigner for this nation's indigenous people. Mr Perkins rose from humble beginnings in Alice Springs to become a champion international soccer player, a leading Aboriginal rights activist, Chairman of the Aboriginal Development Commission, Secretary of the Commonwealth Department of Aboriginal Affairs, a media figure and social commentator. As a university student, he instigated the now famous 'freedom rides' through country towns in outback New South Wales in 1963, which highlighted the plight of Australia's original inhabitants—they had become refugees in their own land. He spoke about the lack of housing and poor health which resulted in high infant mortality rates, disease, blindness and low life expectancy. He spoke about unequal opportunities in education, employment and training. He spoke about the legal system, policing, constitutional change, customary law and how indigenous cultures and languages were being destroyed. Three decades later, his words still ring true and our great nation is still to effectively address so many of the issues that Mr Perkins spent his whole life talking about. Many people will only remember Mr Perkins as an angry man, a radical, and an activist who had a natural instinct for making challenging statements which grabbed headlines across the country and even the world. He was certainly all those things.

He was also a tremendously caring man with a great sense of humour, equally at ease talking to someone on the banks of the Todd River as he was to heads of state. He was a husband and a father who was immensely proud of the achievements of his children. Few people saw this side of his life.

Charles Perkins was a man of courage with a burning conviction that injustice must be tackled head-on. He committed his life and

considerable energy to fighting against racism, ignorance and paternalism and had the knack of pricking Australia's collective conscience over many years about the way Aboriginal and Torres Strait Islander people were being treated in the 'lucky country'.

Every nation needs a Charles Perkins. He was to Australia what Nelson Mandela is to South Africa. He was a great Australian who fought to try to make Australia a fairer and better country for us all. In his last few months, I know he was heartened by the way the push for reconciliation in Australia was developing through people power.

I know that we in this House would like to pass on our condolences to Mr Perkins' family and friends and to the indigenous people of Australia for the loss of this great man.

Mr MEIER (Goyder): I suppose it was several months ago that the Minister for Minerals and Energy pointed out to me an area of the sea in Spencer Gulf and said that it was interesting that a mineral licence had been taken over that area. I think the indication was that there obviously must be some anomaly there and that it could well be the site of exploration.

On 17 October, the *Yorke Peninsula Country Times* ran a front page story on that mining lease and indicated that BHP Minerals had confirmed a joint venture agreement with Quantum Resources Ltd to explore the King George Prospect, which is a gravity-magnetic anomaly located in Spencer Gulf on the seabed 20 kilometres offshore from Moonta.

The drilling is still to occur, and we do not know what may arise. In fact, it is hoped that drilling will be under way later this year. The exciting thing is—and I will quote from the article in the *Country Times*:

The find has been likened in geological character to that of Roxby Downs' Olympic Dam uranium/copper/gold/silver deposit—the largest uranium deposit and the fifth largest copper deposit in the world—

Would it not be phenomenal if the equivalent of another Roxby Downs were found just off the coast of Yorke Peninsula! I will be watching with great interest what happens with the exploration in this area. Certainly, we know how a complete new town has been built as a result of Roxby Downs and we know that the exports from this state have been phenomenal—and this was at one stage a mirage in the desert!

The terms of the agreement with BHP Minerals is that Quantum Resources will be required to drill three cored holes into the complex, and it will be at Quantum Resources' cost. If anything interesting turns up, both parties can continue to fund further exploration expenditure on a 50:50 basis. It is not cheap to drill these holes—in fact, the Chairman and Managing Director of Quantum Resources, Mr Joseph Gutnick, indicated that it would cost some \$100 000 per hole. So, we are looking at a \$300 000 drilling program here. One obviously would not spend that sort of money unless one was likely to find some valuable mineral. In fact, Mr Gutnick said:

We believe there is a strong possibility that drilling will confirm mineralisation.

Most members would be aware that the Moonta-Kadina area was renowned for its copper mines during the 1800s and early 1900s. We also have had a couple of open cut mines in the 1980s-1990s. In fact, one has gone underground. The Wheal Hughes mine is now a tourist mine. So, it would not surprise me if large quantities of copper were to be found offshore. I am sure that members will watch this drilling operation with interest. It could create a huge new industry for South Australia, and certainly for the electorate of Goyder. 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 and remain so far suspended as to enable the report of the Auditor-General 1999-2000 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 (45 minutes);

Deputy Premier, Minister for Primary Industries and Resources, Minister for Regional Development, Minister for Minerals and Energy, Minister assisting the Deputy Premier (45 minutes);

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

Minister for Human Services (30 minutes);

Minister for Environment and Heritage, Minister for Recreation, Sport and Racing (30 minutes);

Minister for Water Resources (30 minutes);

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

Minister for Police, Correctional Services and Emergency Services (30 minutes);

Minister for Local Government, Minister for Aboriginal Affairs (30 minutes);

and to allow an adviser to be seated in a chair adjacent to the minister.

Motion carried.

In committee.

The CHAIRMAN: Are there any questions of the Premier, Minister for State Development, Minister for Multicultural Affairs and Minister for Tourism?

The Hon. M.D. RANN: I appreciate this opportunity. Given the Premier's comments this afternoon that he had written to the Wine Centre Board and its Chairman Rick Allert, and given the Auditor-General's criticisms of the Wine Centre's failure to re-tender for two extended consultancies for the Wine Centre, does the Premier now accept the Auditor's findings that the Wine Centre Board acted inappropriately in its method of employment of the consultants Mal Hemmerling and Price Waterhouse?

Does the Premier agree with the Auditor-General that the Wine Centre Board, chaired by Mr Allert, acted inappropriately in its method of employment of the consultants Mal Hemmerling and Price Waterhouse?

The Hon. J.W. OLSEN: From my discussions with Mr Allert in recent times, I am clearly of the view that he thought that they were acting appropriately. They had had previous discussions with the Auditor-General, and they were somewhat surprised at the reference in the report this year. As I have indicated, Mr Allert has made very clear to me that he has no difficulty in meeting the prudential probity and ensuring that the appropriate processes be put in place.

He did raise the act with me, and I think that section of the act provides that they must act with best commercial practice. He says that at all times that has been foremost in the mind of the board and, he considers, in accordance with how a private sector board would operate; and that they have in fact met that requirement of the act. If we want them to meet that requirement of the National Wine Centre Act as well as the guidelines of the Department of the Premier and Cabinet, he is more than willing and happy to comply with them without question on his part and, I am advised, that of the board, and that they will take those steps in the future. However, I think that they acted in good faith and that they will ensure that the

processes which I now have communicated to them in writing will be followed through in the future.

The CHAIRMAN: I suggest to the leader that it would be helpful for all concerned if reference were made to the appropriate document in the Auditor-General's Report.

The Hon. M.D. RANN: What was the consultancy awarded by the Department of the Premier and Cabinet that cost as much as a quarter of a million dollars (Part B, volume 2, page 610), and what were the other two consultancies awarded for between \$150 000 and \$200 000?

The Hon. J.W. OLSEN: A consultancy, the total cost of which, I understand, was about \$202 588, was awarded to Monash Mount Eliza Business School. The purpose was for the Office of the Commissioner for Public Employment getting it right, making it happen and leading to an executive program within the broader Public Service up to an executive level.

There was one other, for \$185 000, to A.T. Kearney Australia Pty Limited for a strategic review of the future of the Australian automotive industry. The purpose of that was for us, in our discussions with Mitsubishi/Daimler Chrysler/General Motors to look at the forward international trend lines of the automotive industry; to develop a longer-term strategy for the protection of the automotive manufacturing base in the state; how we might facilitate with Teal 1-2 suppliers; how we would identify changed processes internationally; and how we needed to assist with putting those in place in South Australia so that we remained internationally competitive over the longer term.

The Hon. M.D. RANN: Getting back to the Wine Centre, will the Premier table the letter he sent to Mr Allert in the House so that we can be assured that he clearly indicated to Mr Allert and the Wine Centre board that any repetition of the past standard of conduct for employment of expensive consultants will not be tolerated?

Quite frankly, on this issue Rick Allert should have known better. I know he is quick to defend Ann Ruston. Does the Premier have complete confidence in Ann Ruston's management of the Wine Centre project? I can say that we have been strong supporters of the Wine Centre, as I know the Premier would be very keen to acknowledge, and I hope Rick Allert would be, although last year Rick Allert said some untruthful things to the *Advertiser* about my meetings with Halliburton in America, which I had not actually done. I had not met them. He then said he had been set up by the Premier's office or something.

What I would like to know is: do you and Mr Allert have total confidence in Ms Ruston's management of the National Wine Centre? This opposition has had, quite frankly over the last couple of years, just about more calls about her management practices than any other issue, including airfares around the country and so on. Do you have confidence in her; is she going to stay in the job?

The Hon. J.W. OLSEN: That is a matter for the chairman of the board. My understanding of the circumstances are—and I will check the veracity of my comments post; so I just preface my remarks—that Ms Ruston's contract did expire. The board sought an extension and arranged for, I think, a one year extension of Ms Ruston's contract. That will take it through until—

Mr Foley: The next election.

The Hon. J.W. OLSEN: No, it will not. It will take it through to, I think, August or September next year upon which a new team will be put in place at the National Wine Centre. My understanding is that Ms Ruston has been advised

that she will not be continuing as the Chief Executive of the National Wine Centre once the infrastructure is in place and it is established as an operating entity. My understanding is that her expertise is not in operating entities such as that.

The board took the view (and this is my understanding also from my discussion with Mr Allert) that the process of Ann Ruston's short term contract extension was in consultation with the Commissioner for Public Employment and met all the guidelines for appointment as per the Office of the Commissioner for Public Employment. That was the decision of the board.

The Hon. M.D. RANN: I hope that, given that her skills are not in running things but apparently in setting things up, Rick Allert will not be silly enough to appoint her to a senior position on the Alice Springs to Darwin railway.

Has the chair of the National Wine Centre Board provided a clear written assurance that there will be no repetition of previous inappropriate methods for appointment of consultants and can that letter be tabled? After all the Premier said to the House on 5 October:

I have written to the Chairman of the National Wine Centre board, Mr Rick Allert, asking for an explanation from the Chief Executive Officer. I look forward to that explanation and I will be more than happy to pass that on to the House when I receive that explanation.

So, can you table his letter?

The Hon. J.W. OLSEN: I have made a detailed ministerial statement today on the issue. As the Leader wants me to table the correspondence to establish the veracity of my statements to the House I am happy to do that. I would not have thought that was necessary but I do not have a difficulty in tabling my initial letter to Mr Allert and the subsequent letter I have written to him which, in effect, seeks a concurrence of the board to follow these processes in the future.

The Hon. M.D. RANN: We just hope that Mr Allert's veracity is stronger on this one than it was on the Halliburton matter. The SA Water Chief Executive Officer was recently sacked on the grounds of poor performance on the same day as he was also given a bonus, presumably for good performance—that is a bit odd, I have to say. He is sacked because, according to Minister Armitage today, he apparently failed to do all the appropriate things, but he was actually given a bonus. I think most people would find that very strange. Most people would find that very strange, but given that he was given a bonus for his good performance, even though he was sacked later in the day for his poor performance, and given also the large number of expensive payouts to other executive-level public sector employees, will the government immediately develop performance criteria for inclusion in the contracts of chief executive officers? The Premier will be aware that audit called for this in last year's report and this year says, in Part A, at page 26:

The continuing absence of contractual provisions relating to performance in chief executives' contracts is a matter of concern. No action has been taken by the government during 1999-2000 to address this matter.

Here we have the Auditor-General basically saying that there is no action whatsoever on the things he called for, despite the government's saying that it would take immediate action.

The Hon. J.W. OLSEN: In May, the Office of the Commissioner for Public Employment developed a comprehensive proposal for chief executive performance reviews. That proposal was the basis of a discussion at the senior management council in June. The senior management council has resolved to take up that generic performance review

document with individual ministers, and that work is currently under way. The Auditor-General has noted that fact and will be further reporting next year, and this matter will be followed through.

The Hon. M.D. RANN: The Auditor-General, in Part A, pages 35 to 38, points out that we are now in the third year of a four year budget program. He said that we need to look at new targets and new ways of presenting budget information. The following question has been asked of the Treasurer but he was not forthcoming:

Is the government considering changed reporting formats for the budget, together with any revised targets, and how will these be presented for the out years projections in the next budget?

The Hon. J.W. OLSEN: I will take up that matter with the Treasurer. I am not aware of any specifics in relation to changed reporting processes that the leader refers to. However, I will seek some advice from the Treasurer. I am unaware of whether Treasury itself is doing alternative work on it, for example.

The Hon. M.D. RANN: We are simply asking that if there are presentational changes—and I understand that obviously the Premier would want to talk to the Treasurer about it—the Premier give an assurance that any such presentational changes will allow for full and transparent comparisons with previous years to at least 1997-98. I also seek the Premier's assurance that the Auditor-General himself will be consulted in making these changes. Given that the Auditor-General has raised these concerns, rather than just consulting with the Treasurer it would be good to see the Auditor-General in the loop, as that is what he is there for.

The Hon. J.W. OLSEN: These matters are principally the responsibility of the Treasurer. I am happy to take up the matter with the Treasurer and to refer that component of the leader's question to him.

The Hon. M.D. RANN: The Auditor-General says that the government's asset sales program contains risks by reducing the state's financial flexibility (Part A, page 46), and states:

To the extent that further asset sales are contemplated, there would need to be very clear evidence that the state's financial position would be improved.

What discussions has the Premier had with the Auditor-General concerning this remark, and what mechanisms are in place to make sure that any future asset sales—the TAB, Lotteries and Ports Corporation—are of actual financial benefit to the taxpayer?

The Hon. J.W. OLSEN: I have not had discussions with the Auditor-General specifically on that issue. If the only sales to which the leader is referring are those currently before the House, that is the extent of any such sales other than what would ordinarily be the case with land or property sales from time to time by government which all governments conduct. By 'sales' I presume the leader is talking about major assets of government and not blocks of land and so on. If that is the case, the government has no intention of pursuing any other initiatives beyond those currently before the parliament. That is the sum total of any assets that we have considered. Some two or three years ago I put down the range of assets we would consider for sale, and the composition of that list has not changed. It will depend on the processes of the parliament in relation to what sales are given authority to proceed, and one would assume that that will be determined this year.

With the government's position in relation to asset sales, several key criteria have been identified previously by the

Auditor-General: for example, the elimination of risk on behalf of taxpayers of commercial trading enterprises in the future: that has been a key area. How do we ensure that we can eliminate the risk of taxpayers' funds being used to subsidise, underwrite or pick up losses of commercial enterprises? Secondly, and importantly, if there is to be a sale, is the return on the asset more than any receipts that might be received over the period, or is the net present value such that it is warranted that you proceed?

Those were the issues that the Auditor-General presented to us in 1997 which triggered the change of policy and which I knew at the time would be an extraordinarily difficult thing to do, but sought to do because I considered at the time that it was the right thing to do. I accept that in the political sense that has been painful, but I continue to argue that in retrospect it has been the right policy decision for the state. We have also sought to get maximum debt retirement as a result of the policy. As I indicated in question time today, the level of debt per person has gone from \$6 416 dollars down to \$2 006. The Auditor-General clearly indicates that the budget is in underlying balance.

Mr Foley: In deficit.

The Hon. J.W. OLSEN: I quote: 'underlying balance'. I am sure the member for Hart will see it as he wishes to see it.

Mr Foley interjecting:

The Hon. J.W. OLSEN: From where?

Mr Foley: The South Australian Centre for Economic Studies.

The Hon. J.W. OLSEN: What about trying Standard and Poor's? Standard and Poor's, in increasing and improving our credit rating, gave credit to the government on the basis that not only had it set a strategy but it had delivered on the strategy. That was released by Standard and Poor's recently, and I am happy to table the letter.

The CHAIRMAN: It will be necessary to table the letter during the sittings of the House.

The Hon. M.D. RANN: Does the Premier accept the finding of the Auditor-General that government outlays have risen in real terms and will continue to rise by nearly 20 per cent or over \$500 million in real terms between 1997-98 and 2003-4? I refer to page 64, for the benefit of the Premier. Does the Premier accept the findings of the Auditor-General that government outlays have risen in real terms and will continue to rise by nearly 20 per cent (or over \$500 million in real terms) between 1997-98 and 2003-04; that the budget will continue to be in deficit until 2003-04 and will therefore have added to the debt; and, if not, will the Premier explain why debt remains between \$2.5 and \$3 billion, even after the sale of \$7.5 billion worth of assets, given that when the government came to office debt was around \$8.3 billion in nominal terms?

The Hon. J.W. OLSEN: I will get a considered reply from the Treasurer for the leader. However, I must say that I find this the height of hypocrisy—

Mr Foley: You find everything the height of hypocrisy.

The Hon. J.W. OLSEN: No; on this particular issue, on debt, I do, because this is the Leader of the Opposition questioning our credentials on bringing the debt from \$9 billion—

The Hon. M.D. Rann interjecting:

The Hon. J.W. OLSEN: Now with the wave of the hands the member for Hart says, 'The world has moved on'—

Mr Foley: It has.

The Hon. J.W. OLSEN: Yes, we have, but we will remind you as we move on about whence we have come—

Members interjecting:

The CHAIRMAN: Order!

The Hon. J.W. OLSEN: Indeed.

Mr Foley interjecting:

The CHAIRMAN: Order!

The Hon. J.W. OLSEN: Are you posing other questions: do you want me to answer them; do you want me to answer the prime question of the leader; or do you just want to fill in the time? We have 22 minutes to go and I could talk out the 22 minutes if you want.

Mr Foley: We know you could.

The Hon. J.W. OLSEN: I haven't been to date. I have been attempting to let you have—

The CHAIRMAN: I think the Premier is answering a specific question from the Leader of the Opposition.

The Hon. J.W. OLSEN: Yes, on debt; thank you, Mr Chairman. There was an interjection in question time today: 'What about the unfunded superannuation liabilities?' Let me remind the committee that the CFS had a \$13 million debt—that has gone; and WorkCover had a \$276 million debt—and that has gone. As a result of that, we are now reducing premiums for small and medium businesses by 7.5 per cent this year, their saving \$25 million in premiums, with a commitment that next year we will reduce it by another 7.5 per cent, with their saving another \$25 million. So, the annual saving for small and medium businesses in WorkCover levies will be \$50 million, in contrast to New South Wales, which, I understand, currently has an unfunded WorkCover liability of about \$2 billion; and, as a result of legislative changes in Victoria and other foreshadowed changes, WorkCover premiums are rising in Victoria. That does not worry me, because that gives us a competitive advantage to attract businesses here vis-a-vis Victoria.

In relation to the debt, as the leader knows, we inherited a position of about \$8 billion plus. There was an underlying deficit on an annual basis of \$300 million that could not be wound out in the first year, and in fact it took us a little over 2½ years, if my memory serves me correctly, to take the \$300 million annual recurrent debt effectively to a balanced position. That therefore meant that that debt grew for those two years towards \$9 billion, and then a range of sales programs were put in place. That meant the retirement of debt and, in addition to that, the targeted voluntary separation packages (a program commenced by the Arnold government and continued by us) to reduce the size and the cost of the public sector.

If my memory serves me correctly, that targeted voluntary separation package scheme across government is saving us about \$400 million in salary or recurrent cost a year. I stand to be corrected on that, but I think that is the figure. Had we not taken some of those funds and invested in the reduction of the size of the public service, clearly we would have been under significant strain and stress today. Therefore, the strategies that have been put in place over seven years have returned us to financial stability.

As I mentioned earlier today, we have about half the debt that Labor left us prior to its financial disaster. We have a lower level of debt in dollar terms than Victoria and a lower level of debt in percentage terms than New South Wales. That is an enviable position to be in compared to where we were only seven years ago—and I guess, behind the scenes, that would be quietly acknowledged, but I understand why it would not be acknowledged publicly.

The disadvantage we do have is against Queensland. For all Joh Bjelke-Petersen's idiosyncrasies, whilst he did not spend much money on health and education infrastructure, he left the place with substantial investments, and the Queensland government now receives an income on its investments.

Mr Foley: I think he left himself some substantial investments.

The Hon. J.W. OLSEN: I would have thought that, at his age, having to run bus tours through your property to get morning tea to try to pay legal bills—and he had no superannuation—that is not the case.

Mr Foley interjecting:

The Hon. J.W. OLSEN: No, I said: 'For all his idiosyncrasies, he left Queensland in a far better place than we found this in 1993.' Anyway, the point is that we have now moved down the path to stabilise that, and through some real effort we have now stabilised the financial base of South Australia and, compared with New South Wales and Victoria, we are in a solid position for the future.

The Hon. M.D. RANN: My next question relates to the Alice Springs to Darwin railway. The Premier during debate on legislation that basically provided for the \$150 million in straight cash acknowledged bipartisanship—as I know he is keen to do and will with the Holden's deal and everything else—and will probably want to reiterate to the House that, at each stage, Mr Allert will give regular reports to both the Public Works Committee and the Economic and Finance Committee of this parliament. This is vitally important in terms of this parliament's having a role of scrutiny of expenditure of that project and was certainly a condition upon which the opposition's bipartisanship was brokered.

The Hon. J.W. OLSEN: In response to the leader's question, I have given commitments in the House previously. I reiterate those commitments that Mr Allert is happy to report at key points of this construction of the Adelaide-Darwin rail link. My understanding is—and I have just been advised—that the first such report will be after financial close, which we hope would be some time in December. At that stage he can give a report to the respective committees, as I have agreed to, on the current status of the Adelaide-Darwin rail link and give appropriate reports during the construction phase of the Adelaide-Darwin railway.

I reiterate also for the leader and the House the fact that the South Australian Government's total lump sum commitment will be \$150 million in payments of \$25 million over a number of years. There are other costs—and I have referred to this previously—for example—

The Hon. M.D. Rann interjecting:

The Hon. J.W. OLSEN: Yes, administration, the Adelaide AARC administrative costs and those sorts of things. There are other costs, but as it relates to the contribution to the consortium, it is the quantum that I have previously indicated to the House.

The Hon. M.D. RANN: By way of follow-up, will the Premier advise us on what the South Australian government's share of the legal costs would be so far?

The Hon. J.W. OLSEN: No, I am sorry, I cannot. It would be in the millions of dollars—

The Hon. M.D. Rann: More than \$10 million?

The Hon. J.W. OLSEN: I am sorry. I would not have thought so, but I do not have an accurate figure. It was reported the week before last that my patience had run out—and it had on the basis that we seemed to have a bank of lawyers on both sides with meters ticking over. I might do a disservice and injustice to them. It has to be recognised,

however, that this is a 50 year project and that at completion the infrastructure is handed back to the governments. The governments will be owner of the infrastructure after 50 years. It was therefore appropriate for the legal teams to anticipate every conceivable extraneous matter that might impact during the life of 53 years, if you take into account the construction and operational life of the rail line itself—and that was a fairly testing exercise.

It has been reported that one act of Westminster was, in fact, an impediment at one stage in terms of getting to sign off. It has been quite a detailed, complicated issue. I know the Chairman, Rick Allert, was keen for us to move forward to the signing last week, which was then a positive step that concentrated the minds of the various financial institutions that had to give sign off—which they did on the Tuesday prior to the sign off on Wednesday. There will be some substantial costs related to that. I cannot give the figure to the Leader, but those figures would be available, I guess, in the not too distant future. I am more than happy to make available what the costs to date are in administration.

I go on to say that I understand that Mr Allert is not receiving substantial remuneration for this. He has put in an extraordinary amount of personal time with the CEO Paul Tyrrell in negotiations between the parties to draw it to a conclusion. I want to acknowledge that, because the amount of time that he has devoted to this project, at short notice on a number of occasions to try to move things along, has been quite exceptional.

Mr FOLEY: Thank you, and I look forward to the next 12 minutes of detailed questioning of the Premier and his minister. I bring the Premier's attention to the Auditor-General's Report. Mention is made of the recent campaign that was launched with much fanfare, 'Bring Them Back Home'—that stunningly successful program that the Premier launched. How many persons have so far responded to this campaign?

The Hon. J.W. OLSEN: If you look at the 'Bring Them Back Home' campaign, what we put in place was a consultancy. That was the first step, which was publicly announced.

Mr Foley interjecting:

The Hon. J.W. OLSEN: Professor Graham Hugo is recognised in Australia as an outstanding researcher and I would hope that his report would be available soon. On the basis of his report we will target the particular program. In terms of 'Bring Them Back Home', the inquiry rate was quite substantial initially.

Mr Foley: Thousands?

The Hon. J.W. OLSEN: It was not in the thousands.

Mr Foley: Was it 20?

The Hon. J.W. OLSEN: It was not in the thousands, but there was a level of interest. That level of interest, of course, has to be tempered with the fact that Professor Hugo's report will give us a strategic approach to the 'Bring Them Back Home' campaign. That will be followed through and momentum will develop.

For this reason, we have seen employment reach 681 000 in the past few months. Historically, that is a high for our state. We have never had so many people employed. With major companies such as BHP Shared Services coming into South Australia and with the employment of 508 people at BHP Shared Services, all BHP contract negotiations for Australia and the Asia Pacific will be done in Adelaide. It will not be a matter of a whole range of companies wanting to supply BHP going to Melbourne. They will now come to Adelaide to negotiate. In terms of air transportation and

accommodation, and our own legal and accounting firms based in South Australia, there will be quite substantial and spin-off benefits and work in our state.

It is bringing companies such as that to South Australia that gives us the opportunity to attract back a range of people. We had the flight of corporate headquarters in the 1980s to the eastern seaboard and with it their professional support services. By bringing companies such as BHP Shared Services, Westpac, Bankers Trust and others into South Australia you start the opportunity to bring back people. It is a matching of those opportunities as they emerge—and dare I mention, of course, that Motorola has opportunities available in terms of double graduates and the like with their software engineering division here in South Australia. It is a matter of marketing those skills. There is one other key point to this. Human resource availability is a key to where international investment will now go. What we have to do is not only have lifelong learning and higher education institutions but also have a strategy in place such as 'Bring Them Back Home' where we can match job availability with the skills of former South Australians who want to return here for lifestyle. While there was a tinge of cynicism in the question from the member for Hart—just a tinge—it is a strategy that we will be pursuing because, given the growth of investment and the growth of professional jobs, we need now to match it with the skills base.

Mr FOLEY: I have to hand it to the Premier: he is an experienced campaigner in this place and that was a very clever answer to the fact that nobody has yet come home.

The Hon. J.W. Olsen interjecting:

Mr FOLEY: Perhaps you from the Senate are one example, but I cannot think of any others. Could I use the remaining seven minutes to ask the minister the final cost of staging Olympic soccer in South Australia? A figure of \$9.5 million was indicated in the Auditor-General's Report and the Premier's annual report. Can the minister tell the House the final total cost of staging Olympic soccer here in South Australia?

The Hon. J. HALL: I will get you the absolute figure, but the budget for staging the tournament was set down three years ago. I think it was \$6.26 million or \$6.62 million. The accounts and the final numbers are being put together at the moment. Obviously, it will be reported. I am confident enough to tell the honourable member that it will come in on budget or under. The budget was set down three years ago and that is the budget we have been working with.

Mr FOLEY: Could the minister also provide the attendance figures at each of the Olympic soccer games?

An honourable member interjecting:

Mr FOLEY: No, I do not think they ever quite filled the stadium, from what I have been told.

An honourable member interjecting:

Mr FOLEY: If I am wrong, please tell me; it will be the first and only time. Can you provide me with the figures?

The Hon. J. HALL: I will be delighted to provide the honourable member with the figures. I know the member for Hart will be terribly disappointed when I tell him there were two evenings that were listed as 100 per cent attendance.

Mr Foley interjecting:

The Hon. J. HALL: Yes, we do get the odd one or two. I cannot believe that the honourable member is so negative about this, but the figures are: game 1, 73 per cent; game 2, 76.8 per cent; game 3, 100 per cent; game 4, 69.7 per cent; game 5, 100 per cent; game 6, 89 per cent; game 7, 100 per cent; average 87 per cent. I ask the honourable member to

compare those figures with the other states; the comparison of attendances is quite extraordinary. I am very happy to provide the member with all these figures if he chooses not to believe me. I think 100 per cent attendance on three nights is commendable because, as the member heard me say on a number of occasions, dealing with SOCOG was always challenging. On occasion we would have to knock back ticket sales when they would decide, for a range of reasons, that another 80 would be released on the morning or perhaps another 140 would be released the night before. To get three nights of 100 per cent attendance was fantastic, because at any point we were not too sure how many additional tickets SOCOG would put on the market.

Mr FOLEY: The minister has had such a rough time with the soccer stadium I will not be so petty as to suggest that she should not bask in the glory of two or three sellouts, and I congratulate the minister for doing that. The other night the attendance for Adelaide Force was 2 000 or 3 000, about 6 per cent capacity; would that be right? Indeed, for some of the Olympic soccer matches I was overseas, and I did see Olympic soccer televised from Hindmarsh. I have to say to the minister that nobody would have known it was televised from Adelaide, as it had 'Sydney 2000' all around it. I knew it was Adelaide because I could pick the Adelaide hills in the background. However, I did not pick the Adelaide bit. If it was in there, it was competing with a lot of 'Sydney 2000s'.

An honourable member interjecting:

Mr FOLEY: Exactly, and I do not want to be petty. What was the final payment to Sam Ciccarello for his contribution to the soccer, and has his contract now concluded?

The Hon. J. HALL: I am sure that the member for Hart would be really pleased for me to remind him of these figures, because I answered these this time last year.

Mr Foley: It's a year later.

The Hon. J. HALL: Just hang about!

Mr Foley: I wasn't the shadow then.

The Hon. J. HALL: Just a minute!

Mr Foley: I'm just learning.

The Hon. J. HALL: Yes, I know, but it was put on the record this time last year that his contract with the government was completed on 28 February 1999. From about that time on, he took up the position as event director on the payroll of SOCOG. I would like to take this opportunity to say what a fantastic job he did. The accolades that were given to the staging of the event in this state were very substantially due to the extraordinary capacity and great team of people he had working with him. Rather than some of the cynically based inferences and questions directed at Sam, he should be congratulated for his efforts.

Mr FOLEY: I understand that Sam has been quite critical of the Labor Party on Italian radio, but that is fair enough.

Members interjecting:

Mr FOLEY: If I picked up a \$350 000 contract prior to going to tender, I too would be pretty happy.

The CHAIRMAN: Order! The member's time is about to expire.

Mr FOLEY: In conclusion, with the very low crowd attendances at the Hindmarsh Soccer Stadium at present, what strategies is the government putting in place to deal with the future of the stadium and the need to improve attendances and the use of the stadium?

The Hon. J.W. OLSEN: A strategy is being worked through for the continuing use of the stadium. Those negotiations are being headed up on behalf of the government

and are close to finality. When it is in place I am sure the matter will be reported to the House.

Time expired.

The CHAIRMAN: I now call on the examination of the Deputy Premier and Minister for Regional Development and Minister for Minerals and Energy.

Ms HURLEY: On page 654, under 'Financial management framework', there is a reference to an external review initiated by the department which identified high level strategic risks and recommended the development of an overall risk management framework. The Auditor-General says that this task has not yet been undertaken, and a risk manager has not yet been appointed. Could the Deputy Premier explain what the high level strategic risks are?

The Hon. R.G. KERIN: The appointment of a risk manager has been made, and he will start on 20 November. High level risk basically refers to risk management throughout the department at the higher level, more so than higher risk: I just make that differentiation.

Ms HURLEY: I have to confess that I still do not understand the differentiation. If the Deputy Premier could explain what are the high level strategic risks or at least what category they fall into, I might better understand the differentiation.

The Hon. R.G. KERIN: It is across such a broad range of things. Nothing stands out as being an extraordinarily high risk. It is high level risk right across the department; for example, the Y2K issue would have fallen within this area. There is also all the accounting risks. There are some issues within the department where risk is obviously an issue; for example, the mine site at Brunkunga—and the deputy leader would be aware of that. That is the type of thing I am referring to, where there are risks that need to be managed. It could also involve some of the commercial things we do within the department. It involves a whole range of issues. Nothing absolutely stands out. Obviously, the Y2K issue would have stood out. However, thanks to the good management of my colleague here, that frittered away. There is also the bio-security risks we have to deal with such as fruit fly, and so on. There is nothing outstanding. It is just a matter of putting in a risk manager so that someone is keeping an eye on that whole range of issues across the department.

Ms HURLEY: The Deputy Premier referred to risks associated with commercial activities undertaken by the department: do any commercial functions incur a risk?

The Hon. R.G. KERIN: Nothing in particular. There is a whole range of issues across the department; for example, with the locust spraying program, where there are always side issues to deal with such as spray drift, health issues or whatever. So we enter into a whole range of issues that would carry some risk. Some of the others are in the employment of consultants or letting of contracts. There is always some risk in those areas, and this is really to pull that together at the highest level within the department.

Ms HURLEY: So, the commercial risks to which the Deputy Premier referred did not imply any trading activities, hedging risks or any such thing?

The Hon. R.G. KERIN: No, certainly nothing springs to mind in relation to trading or hedging. I cannot think of anything at the moment that would enter into that. The only one that comes to mind with respect to hedging is that we buy some insecticide based on overseas prices. However, that would be right at the minor end, because I could imagine that that is done on a spot price, anyway.

Ms HURLEY: I refer again to page 654, 'Significant features'. The Auditor cites the net costs of services, which increased by \$18 million to \$113.6 million, and the cost of supplies and services, which increased by \$9.3 million to \$72.5 million. On page 655, the principal increases in expenses were noted as employee costs of \$5.5 million, professional services of \$4.4 million and utility and property costs of \$2 million. Obviously, the employee costs and professional services, which totalled \$9.9 million, were the highest part of that. Can the Deputy Premier inform us whether there were any particular areas in which those employee costs and professional services were exceeded?

The Hon. R.G. KERIN: The information I have been given is that there was an impact to the whole-of-government wage parity, which was approximately \$1.8 million. Terminal leave increased by \$500 000, from \$790 000 in 1998-99 to \$1.29 million in 1999-2000. There was higher industry funded project activity, so there were some offsets there whereby industry, through the generic levy and other means, is funding work that it wants to department to do. So, that is included in employee costs, and there is the inclusion of FBT costs of \$500 000 which previously were included in supplies and services expenses. During 1999-2000, 17 TVSPs were taken, and they totalled \$1.6 million.

Ms HURLEY: My adding up has that at about \$4.5 million, and the increase was \$9.9 million. Was that all made up by the industry funded sources?

The Hon. R.G. KERIN: I am sorry; I talked about the industry funded projects without mentioning that \$3.5 million was included there.

Ms HURLEY: The budget paper shows that more than 1 400 full-time equivalents are currently employed by PIRSA. Can the minister provide a breakdown of that work force as between the regional and the central offices, and the number of executives, administrative staff, research and policy staff and those providing field-based extension services?

The Hon. R.G. KERIN: Yes, I will undertake to give the deputy leader a detailed answer on those breakdowns.

Ms HURLEY: Given a previous answer, industry contributions and levies obviously contribute a good deal to activity within PIRSA, and probably SARDI in particular. Can the minister inform the committee of the number of employees who are supported by these industry contributions separately in SARDI and the rest of PIRSA?

The Hon. R.G. KERIN: I undertake to obtain that information for the deputy leader. She is correct that the figure I mentioned is more the newer work that is done. Obviously, within SARDI there is a much higher figure for people who are receiving industry funds through the Grains Research and Development Council, the Fisheries Research and Development Council and the Horticultural Research and Development Council which, basically, have a whole range of funding. Some of those are partly government funded and some are partly industry funded. It is quite complex, but we can try to obtain a breakdown of those figures; they vary a lot from one person to another. The increase in industry funded people has probably been within PIRSA. The generic levy legislation that we introduced a couple of years ago provides the ability for industries to raise voluntary levies on produce. Some of the industries have decided that they will raise that levy to fund certain programs, and some of those programs have asked PIRSA to deliver for them.

I am quite happy to obtain those figures, but there are a lot of part-FTEs. Many people within SARDI and PIRSA are

involved in those programs, some from .1 through to full-time. We will endeavour to obtain some form of breakdown.

Ms HURLEY: Can the Deputy Premier confirm what appears to be the information given on page 673, that the PIRSA CEO's pay rose by up to \$30 000, from \$210 000-\$219 999 to \$230 000-\$239 999?

The Hon. R.G. KERIN: I do not have all the information, but my understanding is that the bottom figure in the bracket from \$230 000 to \$239 999 is not the CEO. That is there because one of the former directors left Waite in the financial year, and it includes the eligible termination payment. So, separation payments are included with the director's salary, and this has taken that person's remuneration for the year into that bracket. It is not a salary package: rather, it is a salary package as taken during the year plus the termination payments that were made.

Ms HURLEY: My guess would be that the director who left would probably be the fisheries director. In that case, has a new director been appointed, and is he or she on the same salary or at a different level?

The Hon. R.G. KERIN: The new director has not been appointed. At the moment, we have acting directors of fisheries. A review as to what the role of that position should be within the department is currently being carried out. Hopefully, by the new year we will have a clear direction as to what we want to do and put that decision into effect. At the moment, the two incumbents are doing a very efficient job.

Ms HURLEY: Why is a review of the position being conducted? Is it expected to involve a downgrading of the level at which the former director was employed?

The Hon. R.G. KERIN: That is a bit of a leading question. I do not know the answer, because that will depend on the outcome of the review. Obviously, the way in which fisheries is managed is extremely important. Where fisheries sits with aquaculture and what the expectations of industry are nowadays are all issues that we need to look at. We are also looking at a restructure of the marine scale fishery. We have the recreational review going and a whole range of issues need to be drawn together. It should not be inferred that there will be any downgrade of the position. What we want to work out through the review is the best way of looking after our fisheries resource into the future.

Ms HURLEY: Who is doing the review and when do they expect to report?

The Hon. R.G. KERIN: The review into the position is being done by the chief executive and the Executive Director for Food and Fibre.

Ms HURLEY: I take it that those two executives of the department are consulting widely with industry bodies and with individuals?

The Hon. R.G. KERIN: Yes, that will certainly be the case. No doubt, the Deputy Leader applauds the fact that we are not using external consultants.

Ms HURLEY: I now refer to page 672, 'Consultants' costs'. It was noted that during the reporting period the department incurred expenses of \$2.2 million on consultants. What were the main consultancies involved in that total cost?

The Hon. R.G. KERIN: I will take that question on notice. Obviously, as far as the major ones are concerned, there are issues to do with Upper South-East drainage, the Loxton irrigation scheme and some of those construction-type projects where we need to appoint external consultants. I will endeavour to obtain the answer for the deputy leader.

Ms HURLEY: I refer now to page 663. Under 'Administered expenses' there is a note of a subsidy paid to SA Water

Corporation of roughly \$70.8 million, and I ask the minister, both in relation to that and in his capacity as Minister for Regional Development, a question about water provision to country areas.

Late in 1997 the opposition received a leaked document that showed that SA Water was giving serious consideration to further outsourcing and privatisation of non-metropolitan water services. On subsequent occasions there have been other indications that the government has been considering this move, including in the Deputy Premier's own electorate. As primary industries minister, will the minister tell us whether these moves are still under consideration, and does he in fact oppose the further outsourcing of SA Water functions in the non-metropolitan area?

The Hon. R.G. KERIN: I congratulate the deputy leader on a very good try. As far as the operations of SA Water go, my area of responsibility is initially, according to the books here, to do with community service obligation, which is a very good idea. As purchasing minister you get to look at what projects are put forward and at the costs and benefits of those. It is about making a contribution from the government to make sure that projects which, if it was left just to the market, would not be seen as viable and therefore would not occur, do go ahead.

It gives the government a mechanism for making sure that social aspects in regional South Australia are taken into account when SA Water looks at new projects. As Minister for Regional Development and as a local member, obviously, I have taken a strong interest in the operations of SA Water in country areas. While there has always been some outsourcing, in general the operations of SA Water in country South Australia remain largely as they used to be, although they are more efficient nowadays.

Obviously, they let short-term contracts, but there are still a lot of people employed by SA Water in regional communities, and that is important employment. Certain assurances have been given that employment levels in SA Water in regional areas will remain at a level reflective of the present levels.

Ms HURLEY: Therefore, I presume that the costs associated with employment by SA Water in country areas are covered in that subsidy arrangement. As the Minister for Primary Industries, the minister appears to be saying that he is content to continue to pay that \$70.8 million subsidy indefinitely, and perhaps even an increasing subsidy as we get hoped-for development further through the country areas of the state.

The Hon. R.G. KERIN: That is an important question because, while the cost of staffing is a feature taken into account in the \$70 million, the base figure and then figures for any new development are really based on a rate of return. It brings the rate of return for SA Water assets in country areas up to a level equivalent to the returns in the metropolitan area.

That reflects the state government's policy of having the water price for the metropolitan area mirrored in the water price for the rest of the SA Water network outside the city. But the CSO figure is based on a rate of return. When SA Water comes up with a new project, such as the new sewerage plant at Victor Harbor, it looks at the total cost that needs to be invested to put in that plant and then looks at the commercial return on that.

In quite a few instances, with country installations there is a shortfall on the rate of return. SA Water then puts in a submission for CSO funding to cover the shortfall on the rate

of return. Victor Harbor might not be a particularly good example, but we have infrastructure on Eyre Peninsula and in other parts of the state that have very low levels of usage, so the actual revenue generated by investment infrastructure in some of those areas is quite low. But to deliver on the promise of statewide water pricing, we need to ensure that SA Water continues to invest in those areas, and the CSO funding makes up the shortfall in the rate of return.

Ms HURLEY: Still on the subject of subsidies, I turn to page 656 and the Remote Areas Energy Scheme. The Auditor notes that the department assumed sole responsibility for electricity supply and service of customers in the areas covered by the Remote Areas Energy Scheme Electricity Distribution Systems.

The subsidy in 1999-2000 amounted to \$3 million, a slight increase over the previous year, and electricity sales generated just \$791 000, again up slightly on the previous year's \$784 000. Is that subsidy figure projected to increase steadily into the future?

The Hon. W.A. MATTHEW: As the deputy leader would understand, the price of diesel, particularly at this time, has gone up considerably during the current financial year, so over the next 12 months we would expect the amount of subsidy to grow more than it has in the previous year, principally because of that diesel cost. It is fair to say that the Remote Areas Energy Scheme has been heavily diesel generator-dependent in the past. I know that the deputy leader shares my interest in alternative energy opportunities.

The group responsible for the administration of the scheme through the Office of Energy Policy is presently examining other options for being able to provide power to remote communities. As the deputy leader would expect, we are seriously examining opportunities such as solar photovoltaic and also wind power energy, perhaps in combination with diesel as a back-up, to determine if we can make communities in remote areas a little more sufficient but at a lower cost. As the deputy leader would expect, the people who are being subsidised through this scheme are in remote areas of our state and are undertaking important activities that assist the state's well-being. Some of the areas that receive assistance are in tourism precincts and it is important that we continue the scheme so that those areas can have a viable power alternative into the future. However, we are actively examining better ways of providing power infrastructure in those remote areas for the future.

Ms HURLEY: Does the subsidy relate simply to the running costs or also to the capital costs and, apart from the electricity sales, does the private sector contribute any amount of money to the system?

The Hon. W.A. MATTHEW: The scheme is not definably consistent in the way in which subsidies are provided. Subsidies in the past have been negotiated on a case by case basis. So, in some cases a subsidy includes the cost of capital; in others it does not: it may be a subsidy for diesel, and other schemes also include assistance for diesel, such as the diesel rebate scheme. If the honourable member wants more detail I am happy to provide details as to how the subsidies are broken down and, case by case, how that is applied. I would need to take that on notice.

In relation to private sector involvement, a considerable amount of the infrastructure support across our state has been and continues to be undertaken by Cowell Electric. That company is certainly contributing through its labour and its company operations but obviously at a paid level to provide the service for those areas concerned.

Ms HURLEY: So, for example, a small town or a business that is set up in a remote area is not asked to contribute to the capital cost of providing their electrical energy?

The Hon. W.A. MATTHEW: I misunderstood the deputy leader's question: I thought she was asking whether electricity providers and companies were contributing. Yes, most certainly: if a business is operating we do expect them to contribute and as I indicated the assistance they have been given can be varied. It may be that the government has provided assistance through the scheme in the purchase of a power generator for a period of 10 years pay-back but then the community concerned has to pay the annual cost of diesel. As the member would appreciate, that can be fairly significant. It is not uncommon for diesel costs to be in the vicinity of \$100 000 plus.

Certainly, if he were here, the member for Stuart, who has an electorate that covers a considerable number of those remote communities, can quote chapter and verse the different circumstances, often very expensive ones, in which his constituents find themselves, and I am sure if the deputy leader consults with the member for Giles she could also doubtless give similar examples of the amount of personal cost incurred by her constituents in what can be a very expensive operation for them; their electricity and connection costs can be particularly expensive also. That is an area in which often people bear themselves sometimes. Assistance is asked for and can be provided but those cases are very much assessed on a case by case basis.

Ms HURLEY: Is that a case by case amount within a certain budget or is it a flexible amount of money?

The Hon. W.A. MATTHEW: As the deputy leader appreciates, it is a finite budget and it is programmed at the commencement of the financial year. The budget is framed in such a way that there is a continuation budget to honour those commitments that have already been given plus the flexibility to bring additional programs into the scheme. Obviously the better we are able to use that budget the more people we are able to cover through the scheme to greater advantage.

Ms HURLEY: If I could refer the minister now to page 675—'Contingent liabilities': the Deputy Premier mentioned the Brukunga mine earlier and the risks involved there. The Auditor-General notes:

The ongoing cost to operate the water treatment plant—
which is necessary to ameliorate the effects of the acid water generation there—
is in the order of \$750 000 per annum.

Can the Minister say how long this cost is anticipated to continue?

The Hon. W.A. MATTHEW: The deputy leader is fairly well briefed, as are some of her colleagues, on the difficulties concerning this particular mine site. She should be aware that the Brukunga mine is located some four kilometres north of Nairne, 40 kilometres east of Adelaide. It is a site in the 1950s on which Nairne Pyrites Pty Ltd secured supplies of sulphur during the world shortage and shortfalls in foreign exchange. The mine, which operated from 1955 to 1972, sent concentrate via rail to Port Adelaide for conversion into sulphuric acid and the manufacture of superphosphate fertiliser.

As the deputy leader would appreciate, superphosphate was essential to sustain agriculture at the time of the rapid land clearing following the end of the Second World War and

the Korean War. Quarrying actually ceased there in 1972 on the cancellation of the commonwealth pyrites subsidy, leaving behind a 1 800 metre quarry bench, which is 84 metres high, eight metres of broken rock and 4.3 million tonnes of sand tailings. In 1976 the government signed an agreement with Nairne Pyrites Pty Ltd accepting responsibility for the site.

In September 1980 the then E&WS commissioned a treatment plant to neutralise intercepted acid water using a lime waste product. After 19 years of operation the plants removed the acid lake from the sand tailings dam, and a cover of native trees has been established over some 28 hectare surface of the dam. In March 1998 the government transferred management of the site from SA Water to PIRSA's Office of Minerals and Energy Resources. In August 1998 the EPA ordered signs to be erected along Dawesley Creek warning that the water was polluted and unsuitable for irrigation and livestock use.

In August 1998 the Deputy Premier formed the Brukunga task force, which continues to this day. The role of the task force has been to identify and address issues. In March 1999 the task force was replaced with the Brukunga Mine Site Remediation Board, which continues to this day under that name.

Water in Dawesley Creek below the mine site is polluted with sulphate and heavy metals under the confluence with Mount Barker creek where the acid water is neutralised. The soluble metals precipitate and settle to the bed of the creek as heavy particles, and creek flats downstream of the mine to Mount Barker creek have been limed to suppress metal uptake by vegetation, and sections of Dawesley Creek have been fenced by the department in cooperation with land owners to restrict livestock access to the polluted water.

Importantly, in December 1999 the CSIRO land and water completed a desk-top study that failed to establish any cause of livestock infertility in the area which has been problematic but concluded that the probable cause was due to a combination of factors associated with water contamination. Issues are still being worked through in relation to that and, as the honourable member would be aware, at this time that report in its totality has not been able to be released, so I cannot give her any further details in relation to that other than to say that clearly this a problem that has existed for a long time. It is a problem that transgresses governments regardless of political persuasion. It is a problem that requires rectification.

Clearly, it is not an acceptable situation to be paying out in the order of \$750 000 per annum, as has been identified in the Auditor-General's Report, and that is likely to be an incrementally increasing amount if we allow the current situation to continue. A number of options are being investigated in consultation through the Brukunga Mine Site Remediation Board that will resolve the situation as permanently as is humanly possible. Those alternative solutions are not without their capital cost, as the member would expect. The capital cost is not inconsiderable, and at this time those options are being prepared and will need to be considered by cabinet for a final decision to be made. I would expect that the decision will be made well before the end of this calendar year, and at that time we will be in a position to reveal publicly and clearly to the parliament what options have been considered, what the selected option is, what will be the cost and what the ongoing cost will be.

Throughout all this is clearly a lesson to mankind that when this sort of pollution occurs in an area it costs a lot of

money to solve the problems. It is unfortunate that there is no company from which we can recover the money and effectively it is the government and therefore the taxpayer that must foot the bill. I appreciate the deputy leader's concern, and I am sure every other member of the House shares that concern, as indeed do I.

Ms HURLEY: I cannot let an opportunity go by, with the minister being present, to talk about biosecurity and locusts. I understand from a briefing that I was mostly at that the operation has begun to control locusts. Would the Deputy Premier advise of the progress of that task? The Deputy Premier previously promised that there would be sufficient money to fund this important area. Can he report on the progress of the funding?

The Hon. R.G. KERIN: I thank the deputy leader for the question. It was very open ended, and I appreciate that. The locust campaign is a very important one for all South Australians, particularly primary industries in general, in which a whole range of industries is included. The current update is that basically we have had large hatchings of locusts. The normal areas in the northern part of the state, particularly in the Flinders area around Hawker, Quorn, Orroroo, Carrieton and around that area, are thicker and bigger than in most years. We have had a large hatching over the north of Eyre Peninsula in the Glendambo, Woomera, Lake Everard area, which is unexpected. It is not an area in which we normally have a heavy hatching, but having had big layings in autumn they have behaved differently. We have a big problem there, which creates some risk for the Kimba, Wudinna and Eyre Peninsula areas.

North of the Riverland the reports are not as bad as we might have thought they were. Beyond that we have had scattered hatchings throughout the areas where we had infestation during the autumn. At the moment they are still at the hopper stage, but they are on the move and starting to band up. Significant areas have been sprayed—mainly large areas where they have hatched and started to move. In relation to the current conditions that we are experiencing up there, we are back-spraying at pretty well full steam now. We lost a couple of days last week because of the weather. The weather last week changed the situation to some extent in that there have been heavy rains in some areas in which they recently hatched, and that means that extra green feed will germinate up there and, although that is great for the pastoralists up there, in controlling hoppers it is a problem. We have extra feed for the young hoppers. We have lost some time in areas sprayed through losing a couple of days to wet weather.

One of the significant factors that needs to be kept in mind is that, where crops were nearly ripe, the rain quickens up the ripening, but in those areas it was still quite green. I was in the Clare Valley late last week, and it had had five inches of rain and the crops were still very green. That region will now stay green for a couple of weeks longer than it otherwise would have. Had it not been for that heavy rain, a lot of the crops would have dried off by the time the locusts hit the wing in the north. They now will remain green for longer, which means that crops there which would have ripened up before they were at risk will now ripen later, and that will leave a large area of cereal and legume crops at risk in that area. So, that is not a big help. The grape vines will stay green through that period of time, anyway.

We have carefully monitored our spending and the amount of insecticide used. I have signed off on the second lot of insecticide being purchased. We have sprayed large areas in the north, and that has been fairly efficient so far, in that we

are spraying large areas and killing large numbers. As time goes on and they hit the wing, particularly if we get large north winds, that spraying will have to move in a southerly direction. I must say that councils have been active and are playing their part in relation to controlling local hatchings.

Ms HURLEY: There are other serious biosecurity issues, another being branched broomrape. The auditor notes on page 669—

The Hon. M.K. Brindal interjecting:

Ms HURLEY: Especially the broomrape ones. There are grants from both the state and commonwealth governments for this. Is there any indication that the commonwealth government might continue to contribute, and will the state government continue to contribute to that program?

The Hon. R.G. KERIN: Broomrape is certainly a major problem for us. Enormous effort is going on down there at the moment. This is the time of year that we spot new infestations, and there have been significant spottings from the amount of examination that has been done. Regarding funding, governments at all levels are committed to this. We have been able to get money not only out of the commonwealth government but also out of the other states which are making contributions to this program.

The nature of the weed is such that the program will have to continue for quite a few years to come because of the life cycle of the plant. That will be a very expensive exercise. Some issues are still to be addressed on an ongoing basis at a national level. It has been significant for the taxpayers of South Australia. We have been able to get the federal government and the other states to recognise that this is a weed of national significance. If in fact we do not control it, the impact on trade will be at a national level, and perhaps if the spread got across the loss in production would also be at a national level. We appreciate that the federal government and the other states have identified that, and we certainly will continue to work hard on it.

The effort that is going in down there at the moment is intense. I have been getting weekly reports on the number of paddocks being checked. It is a major problem for the people down there, but the effort is going in to ensure that we keep in control.

The ACTING CHAIRMAN (Mr Venning): The minister's time has expired. I call on the examination of the Minister for Education and Children's Services and the Minister for Employment and Training and the Minister for Youth.

Ms WHITE: In looking at the Auditor-General's Report this year, first I want to concentrate on some of the comments he makes about the general financial controls, and he points to certain weaknesses in procedures and internal controls within your department. Just recently (10 October), the Minister confirmed to parliament that some internal auditing had uncovered some serious issues of concern and confirmed that the anticorruption branch of the police had been involved and that the department's offices had been raided and documents seized. I take it that the subject of that internal auditing extended over the period at which we are looking at the moment, that is, 1999-2000 financial year; is that correct?

The Hon. M.R. BUCKBY: Yes. We have a number of officers who continually audit a document flow that goes through the department. Yes, those officers who identified the issue that the member has raised work through documentation on a number of matters, including accounts, which pass through the department on a continual basis to ensure everything is accountable and that the correct procedures are

being followed. That is an ongoing process within the department.

Ms WHITE: It was over the 1999-2000 period.

The Hon. M.R. BUCKBY: Yes, over 1999-2000. That has been—

Ms WHITE: Prior to that?

The Hon. M.R. BUCKBY: I do not know how long.

Ms WHITE: For how long has the investigation been occurring?

The Hon. M.R. BUCKBY: The member is referring to the issue currently before the police.

Ms WHITE: The concerns that were raised that triggered this investigation by your internal audit process.

The Hon. M.R. BUCKBY: I am not sure how far back it has gone, but I will find out that information.

Ms WHITE: Certainly, it is caught within the 1999-2000.

The Hon. M.R. BUCKBY: Within the period, yes.

Ms WHITE: In the 1999 annual report a summary of fraud cases are listed: I take it that they have been dealt with by your audit process. In the summary 26 cases are listed and the nature of the cases ranges from misuse of government resources, suspected theft of program funds, some things at the school level to a misuse of corporate credit cards. Is it the case that the matters about which I am speaking and which are the subject of the anticorruption branch interest would appear amongst those fraud cases for 1999 that are reported in your annual report?

The Hon. M.R. BUCKBY: I am advised that the investigation in terms of the person to whom the member is referring commenced in about February 2000. That was when the first documentation which appeared to be irregular was noted and subsequent investigation has been conducted in relation to that person. I cannot give an answer in relation to the other fraud issues in the annual report to which the member has referred. I would have to get further information on that.

Ms WHITE: Is the minister saying that there were no irregularities on this particular set of instances that were reported to either the minister, the chief executive or executive of the department prior to February this year, and hence would not have appeared in the annual report for 1999?

The Hon. M.R. BUCKBY: I have just been advised that the investigation was recommended by the CEO. It was referred to Crown Law and any details of that investigation will not come out until next year because the investigation is ongoing.

Ms WHITE: When did it begin?

The Hon. M.R. BUCKBY: It began in February this year. It was February 2000 when the irregularities were first noticed by internal audit and documentation started to be investigated.

Ms WHITE: A number of fraud cases are mentioned in the annual report for 1999. It looks as though a few of them resulted in prosecution and pending recovery of funds is mentioned. What concerns me particularly is the misuse of corporate credit card matters. Will the minister give an indication of the extent of that? I am also interested in what has happened in respect of something that was reported in the media in March 1999, which, I assume, would have been caught up in the reporting period at which we are looking; that is, the dating agency—or some have suggested brothel allegations—being run from the Newton office of the minister's department and, according to reports, two public servants were involved. Could the minister give an update of what action has been taken; whether any disciplinary action

has been taken; whether they have been moved sideways; and whether there has been recovery of any of the resources that allegedly were used? What has happened?

The Hon. M.R. BUCKBY: In relation to that issue, two officers were involved, disciplinary action has been taken in respect of those two officers and we can provide the member with the full details.

Ms WHITE: I notice in the Auditor-General's Report that the number of staff in the minister's department who are on salaries exceeding \$100 000 has markedly increased over this year. According to the report, that figure has gone from 25 to 68 individuals and on my very conservative estimation that means a cost of over \$4 million. Given that in the minister's budget papers in previous years he has equated costs such as closing 30 schools to being an operating cost saving of \$3 million and chopping the week off the school year to a cost saving of about \$3 million, how does he justify that very large increase in executive salaries—if they are classified as executive—within his department at a time when those types of very large cost cutting measures are being made?

The Hon. M.R. BUCKBY: The member for Taylor overlooks the fact of pay increases which arise and which we are bound to pay by the award agreement. In 1998-99, 25 departmental employees were earning in excess of \$100 000. It increased to 68, as she says, and I can give a breakdown for that: 22 of the additional staff were district superintendents and other senior officers, who, because of automatic pay rises, end up being paid over \$100 000; 10 were employees in receipt of country incentive payments, which again is automatic and takes them over that level; and the other 11 were employees who retired or resigned.

The Hon. M.K. Brindal interjecting:

The CHAIRMAN: Order!

Ms WHITE: The public might have a different view on that sort of increase in expenditure. I notice in the report that contractual arrangements have been made with a consortium of three computing companies. The original contract was to conclude on 31 March 1998, but it was extended and then extended again. Can the minister say whether both those extensions went to tender or whether it was a straight extension to those three companies without a tender process?

The Hon. M.R. BUCKBY: The three companies which the member has identified were on the government list in terms of selecting firms to supply computers. I am not aware whether or not it has gone back to tender, but I will get that information for the member.

Ms WHITE: Has it been extended once or twice? I understand it has been extended twice. I am referring to page 69, under the heading 'Computer agreement'. The agreement was first signed in February 1997 and was planned to conclude on 31 March 1998. It has been extended, according to the Auditor-General, but I am not sure whether it has been extended once or twice.

The Hon. M.R. BUCKBY: It is a whole of government issue in terms of the panel of companies that make up the supply, so I will ascertain that information for the member.

Ms WHITE: I want to turn to some of the financial statements that the Auditor-General includes in his document and make a comparison of the budget papers and the estimated results for 1999-2000 in the budget papers. There seem to be a couple of anomalies—quite large anomalies—extending to tens of millions of dollars. The first is in the financial position statements. The particular item in which I am interested is 'cash and deposits at call'. In the budget papers tabled at the end of May this year, the estimated result for

1999-2000 for cash and deposits at call, under the heading of 'Current assets', was \$136 million. At the beginning of the financial year that was budgeted at \$144 million; the estimated result as at 25 May 2000, presumably, was \$136 million. When I look at the Auditor-General's statement, he lists a figure of \$88.5 million. Can the minister explain where that money went? On the surface, it appears that you have run down the cash to quite a large amount more than the estimated result for 30 June 2000.

The Hon. M.R. BUCKBY: If the member looks at the Auditor-General's Report, she will see that it went from \$128 million down to \$88 million, which is about \$40 million. It is made up of recoverable items accounting for about \$20 million, and I will go through those for the member as follows: commonwealth grants, which we will recover, of \$1.9 million; \$4 million recoverable from departmental sites; information technology capital costs and charges, \$2.9 million recoverable; WorkCover journey accidents, \$0.5 million; excess payment of FBT, which has now been recovered, \$1 million; GST implementation costs, now recovered, \$2.8 million; long service leave costs associated with TVSPs \$2 million; and 27 superannuation payments, recoverable from Treasury, \$4 million. That adds up to \$19.1 million. In addition to that, the significant program of traineeships and apprenticeships which the government has undertaken—and the member would be well aware of the enormous uptake of traineeships which has occurred through this government's programs—has led to additional expenditure of user choice of \$14 million. The success of that program meant that we spent \$14 million more on traineeships and apprenticeships than we had budgeted for. As I say, the participation in this program has been enormous.

From memory, I think we have gone from something like 13 000 trainees and apprentices up to 27 000. That is good news for the state because it means that our young people are taking up those traineeships. Companies are taking on people in terms of training and apprenticeships, but it was taken up at a far greater rate than the government had budgeted for and than we had expected. For the beneficiaries of the program, for the employers, and also for the trainees and apprentices, that is a good thing in terms of their outcomes.

Also, there was pressure in the budget in such areas as utilities, maintenance and demand driven activities. One of the issues that we decided not to go ahead with in the original three year plan, of which the member has a copy, was means testing on school bus transport. The sum of \$3.4 million was to be saved, but I decided not to go ahead with it and, as a result of that, that increased some pressure on the budget as well. We are talking about \$40 million, some \$20 million of which is recoverable. Some \$14 million was spent on additional funding of user choice and just under \$11 million involved additional pressures on the budget.

Ms WHITE: There is another figure in the budget that did not quite add up.

The Hon. M.K. Brindal interjecting:

Ms WHITE: Well, I do suspect, unlike you, junior minister—Minister Brindal—that I know where the money went, whereas you do not. I want to see what the minister will say.

Ms Key: He's being defensive.

Ms WHITE: He is being defensive and he has put me off what I was going to ask. I will return to that question because the minister put me off. Does the capital works assistance scheme relate to loans to non-government schools?

The Hon. M.R. BUCKBY: No, it does not.

Ms WHITE: So, it is to public schools?

The Hon. M.R. BUCKBY: That is correct.

Ms WHITE: I noted the figure of \$3.5 million. In relation to the administration of that scheme, the Auditor-General says:

There are inefficient and incomplete repayment procedures and documents for repayment of loans.

He also goes on to say that there is inadequate evidence of loan repayments and invoicing of a number of school loans, and he pointed to the department's own acknowledgment that it was aware that it needed to identify the status of all loans and to follow up outstanding issues with schools. He mentions the need for better loans records, and it, surprisingly, seems to indicate that there is no database for every active loan. I hope this is not a whiteboard sort of a system. Will the minister comment on the way this scheme has been administered and monitored? The impression given in the Auditor-General's Report is that the department has not adequately been monitoring the records of how much money is outstanding and whether repayments are being made by schools.

The Hon. M.R. BUCKBY: The department acknowledged the importance of implementing internal controls to address the weaknesses that the Auditor-General identified. In addition, the department has advised that it has appointed a full-time finance officer for a period of three months to review the entire processes of the capital works assistance scheme and school loans, and to address issues already identified by the department requiring attention. Some of those include: identifying the status of all loans approved; following up outstanding issues with schools; collating all information to ensure as far as possible full and complete loan records for each loan; establishing a database to record every active loan and provide a basis for regular reconciliations of loans; and to verify that all outstanding principal and interest payments have been made.

I can report further on progress that has been made by departmental officers. Communication between the respective units has been approved through the implementation of a new application form for a commonwealth capital works assistance scheme loan. This requires certification from the project officer from Site Property Services prior to the loan being processed and finalised. As at term four, 2000, documentation relating to all school loans—for example, loan approvals under \$35 000 and approvals by me for loans over \$35 000—will be presented to the School Loans Advisory Committee.

In relation to repayment of loans from SASIF's accounts, the recommendation that a direct deduction of the repayment from the school's respective SASIF account has been implemented, therefore creating a much more efficient process in the repayment of loans.

Regarding the retention of documentation, documentation for all schools identified by audit has been located. Correspondence relating to school loans is presented to the School Loans Advisory Committee as correspondence of the committee to be minuted, thereby providing a permanent record of that correspondence and of the loan. The capital works assistance scheme policy and procedures are currently in the process of being reviewed to ensure that they reflect the current management practices and establish procedures, and the School Loans Advisory Committee records the status of loans applications in order to provide a permanent record in support of individual loan records. That includes the acceptance or rejection of a loan by me and the minuting of all correspondence from loan applicants. So, a formal process

now has been put in place to ensure that, when an application for a loan is made, that is recorded by the committee.

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

Ms WHITE: There is mention in the Auditor-General's Report that the department is identifying 'under-utilised space' at school, preschool and the like sites. I am interested to know what the minister will do with that information. I understand that he is using that information in the allocation of maintenance grants to schools and sites. Can the minister explain how he intends to use that information in terms of the grants of full maintenance to schools?

The Hon. M.R. BUCKBY: This issue was raised by the Auditor-General in terms of the capital valuations of school sites with respect to accrual accounting and the BLAMS report to be able to correctly identify the value of a school. We are inundated with schools wanting us to identify this because, as the member would realise, many schools have lower enrolments than the school was originally designed for and, of course, under Partnerships 21 they receive a per student allocation through their budget. So, with respect to the extra area that they might have, they can make the choice as to whether they decide to maintain and clean it—or, if they are transportables, for instance, they might decide that they do not want the extra space and, therefore, ask the department to dispose of it and take it to another site that needs it.

A formula has been operational for many years that identifies the number of students in a school and, as a result of that, the space requirement for each school. From memory, I think we allow a 10 per cent over allowance of space over that formula for schools and Partnerships 21 schools, in particular, make the decision whether they want to keep the extra space. If they do, that is fine: they maintain it, but it is outside their global budget. If they do not wish to maintain it, it is up to the department, if it is a transportable building, for instance (which in many cases it is) to see that the building is removed, so it is not a responsibility of the school. The Auditor-General in his report was looking at the valuation of that space in terms of the accrual accounting of the state and how that might be valued and that space identified.

Ms WHITE: I understand the context in which the Auditor-General mentions the fact that under-utilised space is being identified. I guess my concern is that not all schools start with a level playing field in terms of the age of their properties and the amount of, as it is termed here, under-utilised space that they have.

The Hon. M.K. Brindal interjecting:

Ms WHITE: What is that supposed to mean, minister?

The CHAIRMAN: Order!

Ms WHITE: I want to ask about the comments that are made in the report with respect to the review of TAFE institutes and lack of compliance with the Treasurer's instructions with regard to credit cards in particular. The Auditor-General stated in the report that the policies and procedures were outdated for costing, pricing, approving, accounting for and monitoring fee-for-service activities. There was also mention of lack of compliance in terms of the use of credit cards. What exactly is the Auditor-General talking about and to what extent is this a factor in the TAFE institutes' administration and accounting procedures?

The Hon. M.R. BUCKBY: The recommendation is to ensure that the department's internal instructions are complied with. The audit recommends that the director of the

Adelaide institute update the local credit card register and provide written authority formally appointing those persons currently acting as authorised officers. So, those officers are authorised to approve of credit cards being distributed to or accessed by Adelaide institute members.

Ms WHITE: On the issue of credit cards, since it features both in the Auditor-General's comments and in the annual report for 1999, how many staff within the minister's department have corporate credit cards?

The Hon. M.R. BUCKBY: I do not have that detail here but, if the honourable member recalls, that question was asked during the estimates committees earlier in the year and the honourable member would have that information from the answer we provided after the estimates.

Ms White: You didn't answer it.

The Hon. M.R. BUCKBY: You asked how many credit cards—

Ms White: Yes, but you didn't answer it.

The CHAIRMAN: Does the member for Taylor have another question?

Ms White: What order of magnitude are we talking?

The Hon. M.R. BUCKBY: I do not have the number with me now. I will supply the number for the honourable member, but what I am saying is that we have already supplied that number to the honourable member. She is talking about the number of corporate credit cards: we gave that information after the estimates, because that was one of the opposition's blanket questions. We gave that information. I am happy to supply it again, but the honourable member already has it.

Ms WHITE: The fraud case listed in the annual report, of misuse of corporate credit card, where disciplinary administrative measures were taken: what does that refer to?

The Hon. M.R. BUCKBY: I do not have that in front of me, so I will need to take that on notice. Does the honourable member have a specific reference?

Ms WHITE: It is listed in the annual report.

The Hon. M.R. BUCKBY: I do not have the annual report in front of me.

The CHAIRMAN: Would the member for Taylor like to refer to the actual report page?

Ms WHITE: Page 74.

The Hon. M.R. BUCKBY: I will have officers look at that and undertake to obtain the information to which the honourable member is referring.

Ms KEY: My questions are directed to the Minister for Employment and Youth. Will the minister provide the following information, if necessary taking these questions on notice: how many traineeships were funded by the state government in 1999-2000 and how many are planned for 2000-01 and 2001-02 (pages 182 and 172, volume 1, of the Auditor-General's Report)?

The Hon. M.K. BRINDAL: I can take those on notice and will supply those answers, save for a couple of things. In relation to 2001-02, the shadow minister would know that budgets are worked on an annualised basis and, even if I provide projected figures, the budget for next year is yet to be worked out and any figures that I might provide that are projected figures are just that.

I will get back with the exact detail. I remember looking at this in a briefing the other night and can tell the shadow minister that, in the case of last year, the figure, off the top of my head, was 1 200, which came in at least on target or perhaps slightly over target. I can remember that the city placements were very slightly down and the country place-

ments were up. So, it came in exactly. Importantly, however, I will provide the shadow minister with all the detail, because while one or two of our employment programs did not quite work, most were spectacularly successful, with achievement rates of 130 per cent of target and more; often, over 100 per cent. That is easily explained by the fact that some people start and find a job quickly. We can then put another person into the job. So, they were very successful and government money was well spent.

Ms KEY: Referring to the same references in the Auditor-General's Report, I would also like to know what were the total costs of the scheme for the three financial years; what the minister would expect to forecast into the future; and what the average unit cost is for a single trainee, including on-costs. I would like a breakdown of that so I can get some sort of picture of the mean or average for a trainee.

The Hon. M.K. BRINDAL: Again, we will be most pleased to provide the detail. Perhaps the shadow minister could see me afterwards or enlighten the committee as to whether she is questioning that it was not money well spent or whether it was well spent because we achieved—

Ms Key interjecting:

The Hon. M.K. BRINDAL: Well, that is fine, and I will ask you a couple of questions in return so that I can give you a fulsome answer. We more than achieved our target. As the shadow minister knows, this year we have put money from employing fewer trainees (and she knows that from the budget) into more training placements. The minister explained in an earlier question to your colleague that, in fact, I think, something like \$14 million was spent over and above projected expenditure for user choice. User choice has been spectacularly successful, and this year in the budget there is an additional \$15 million ask. That is not to pay for last year: that is to pay for this year.

The emphasis this year is slightly less on buying traineeships in which there is training and buying training and skilling for people. The shadow minister may not be aware of this, but the member of Taylor would be well aware of this: if there is a problem in the northern suburbs, in her own electorate, it involves not the lack of growth in employment opportunities, because there have been a number of big opportunities announced but the fact that those big opportunities are not necessarily going especially to young people in the northern areas. And why is that so? Often it is because the job will come in the northern areas but the people with the skills to fill the job are travelling out from the eastern, western and southern suburbs. In other words, the people in the local vicinity, those whom we would like to get the jobs, are not demonstrating a level of skill sufficient enough to get them. That is why we are very keen on NASTEC and other employment solutions out there. I will get a full and detailed answer for the shadow minister.

Ms KEY: Minister, with regard to the traineeships and the training agreements in the past year, I wonder whether you could provide me with a breakdown of how many of those traineeships have been used for retraining for people who have had jobs or positions within an enterprise and the traineeships and training agreements are used to retrain those workers.

The Hon. M.K. BRINDAL: Again, that is a question that I will take on notice. However, I will say again that the shadow minister knows that this government, and I think with her support, is absolutely committed to life-long learning. We are committed to an increasing skills base for all our workers, and we actually do not believe in age discrimination. So, if

someone comes in at 27 and has had seven years in a career and needs retraining and reskilling, we believe we should supply it. That is difficult. It is difficult to achieve overnight and difficult to achieve in a climate of youth unemployment such as we have seen in the past few years.

In order to achieve that balance, in the last budget, taking on board what I think are some of the inherent problems in arriving at a solution that suits everyone, we made certain adjustments to ensure that our primary focus in upskilling and training was going to young people. However, I will provide a full answer to the shadow minister.

Ms KEY: In a letter to the Hon. Mike Elliott dated 13 August the Treasurer—

The CHAIRMAN: Order! I remind the member that we are discussing the Auditor-General's Report; this is not estimates.

Ms KEY: Thank you, sir. My reason for raising this letter relates to the new apprenticeship places. The Treasurer stated that the state government would provide additional funding to support significant increases in new apprenticeship places. I refer the minister to volume 1, page 182. How much additional funding is the Treasurer referring to? Presumably the Minister's office would have put together this reply for the Hon. Mike Elliott. How much additional money will come from tightening the previous new apprenticeship scheme guidelines?

The Hon. M.K. BRINDAL: It is an absolutely straight increase for increase numbers, but if the shadow minister wants more detail I will provide it.

Ms KEY: My question is about the additional funding. I am clarifying what my question is and also what the significant increases will be. Taking the question on notice would be more than acceptable.

The Hon. M.K. BRINDAL: The increase in the user choice money, which is apprentices and trainees, is \$15 million. Do you want apprentices separated from trainees? I will undertake to try to provide those figures, but it is not that easy to separate the two. Increasingly, some of the newer job opportunities are seen as traineeships. Everyone in this house might say that under old parlance they would have been expressed fully by the word 'apprenticeships'. I will give the detail I can and probably even try to give detail about trainees that look like apprenticeships, smell like apprenticeships, taste like apprenticeships but are called traineeships.

Ms KEY: In relation to Kickstart for Youth, I note, not from the Auditor-General's Report but from research I have done to get some of my own information from the Department of Education, Training and Employment annual report 1999, that by December 1999 there were 1 067 participants and 683 gained employment. Can the minister provide a breakdown of the type of occupations that were provided through the participation of Kickstart and, secondly, whether the employment gained (obviously it is positive news to see that there were employment outcomes for the program) had any correlation with the actual Kickstart program itself and the occupation in which they were undertaking the training?

The Hon. M.K. BRINDAL: I am absolutely positive that it did. We do not give out money, have people get jobs and not take the credit, in case you had not noticed. If we gave out the money and they have a job, we will take the credit. As to type of jobs, if I have that information I will provide it. I have seen all the statistical figures collected. We are strict on the accountability in statistical form. Once you are asking for job categories you are going into a statistical level of detail that I am not sure we collect. I do not know, since it is now

historic, how we would go back and revisit it, but if we can I will.

Ms KEY: I have a number of other questions, but I do not think I can get through them in the time.

Time expired.

The CHAIRMAN: I declare open the investigation of the Auditor-General's Report in relation to the Minister for Human Services.

Ms KEY: My first question relates to the paying out of \$20 million, as I understand it, prior to June 2000 for medical equipment and information systems in advance of the receipt of these goods and services and, as I understand it, this has the potential to misrepresent the outcomes for the capital program. In asking this question I refer to page 186 and also note that in November 1999 the Premier criticised the Department of Human Services for underspending the capital program by \$76 million and there was also quite a prominent *Advertiser* article on this issue in which the Premier got stuck into a number of his ministers for under spending in this area. Did the Department of Human Services deliberately attempt to boost up the level of capital expenditure for 1999-2000, despite the fact that, as I understand it, these goods and services had not been received?

The Hon. DEAN BROWN: The answer is, 'No, we did not.' In fact, I indicate to the honourable member that money that was not appropriated or spent by individual health units was not accounted as expenditure and the Auditor-General acknowledges that in his report, but we spent \$216 million and our budget was \$202 million. So, we have over spent by the equivalent of \$14 million in the capital area. We certainly were not underspending and the honourable member can see that we were not attempting to mask under expenditure because we were well and truly over it anyway, and we would have spent more than that, about \$221 million, if, in fact, all that expenditure had taken place.

I think there is some misunderstanding and, as the Auditor-General acknowledges, he has written to the CEO of the Department of Human Services and the chief executive will write back and respond in detail. About \$7 million of that money was paid on equipment being brought into the country from overseas and in prepaying we asked for full guarantees. The full value of the money that we prepaid was absolutely guaranteed with an unconditional guarantee. There was no risk involved at all to the government because we held their unconditional guarantee; they held our money. However, the important thing was that we had prepaid on a falling market in terms of the value of the Australian dollar, and what the Auditor-General's Report does not say is that, if we had not prepaid, today the taxpayers would be paying a half a million dollars more for that equipment than otherwise would have been paid.

If ever there was some wise management, this was it—and I might add that I know this area reasonably well. I have worked in a company where we had significant foreign exchange dealings going on and everything was being traded overseas or received in overseas dollars, US dollars, so I understand the importance of minimising your risk in that area. I will give some detail of the sort of machines for which we prepaid: two PET scanners, two angiograph units, two MRI units, a dental van, two ultrasounds, two fluoroscope machines, another piece of equipment—and I am not quite sure what it means, but medical equipment—and some air-conditioning plant as well, but a very small amount—only \$3 000 on that.

The total value of that was \$6.927 million. In fact, if we had not prepaid for that, on the present exchange rate, as at 5 October, we would have paid \$7.419 million, which is \$491 000 more than we actually paid. Members can see that by prepaying we have overcome the risk of a fall in the value of the Australian dollar (which, in fact, has occurred) and saved the taxpayers of South Australia almost \$500 000.

In relation to the payments to the health units, we do that all the time: we hand out the money to them and they spend. If they spend less than is anticipated we get back the unspent money. That is how the health units operate. I have a list here of the capital items which we put out and which totals about \$14 million. What is not said in the Auditor-General's Report is that part payments were being made by these health units; some of them were advance payments and some were progress payments. Therefore, although approximately \$13 million was out with the health units, first, it was not at risk because they are part of the government system, effectively; and, secondly, they had part paid in most cases.

In fact, there were advances of \$10.6 million; there was expenditure of \$4 million; and there was an unexpended amount of \$6.54 million. So, of the \$13 million odd out with the health units, part of the money about which the Auditor-General is talking had, in fact, been paid even though the equipment had not been received or capital items effected. For example, when you build a house you do not pay for the house when the house is finished: you make part payments or progress payments during construction of the house. That is exactly what was occurring in this case. If the costs were less than the money advanced to the units, then the money would have come back. In accounting terms any unspent money in health units was treated as 'non-spent money' and we overspent our budget by \$14 million dollars, as I said.

Ms KEY: I guess you are confirming that this was not a reaction to the Premier's outrage in the financial year before. Also, I must say that, although I have heard what you said, it is interesting the Auditor-General says that payment to health units with respect to information system projects were costs associated with the projects and were not due and payable at the time funds were advanced to those health units. There is also a comment about payments to suppliers in advance of receipt of goods or services where the supplier provided unconditional bank guarantees in exchange for payment from the department. Payments were, with respect to contracts, for the supply of medical equipment. I note what the minister is saying. I guess it is a relief that this money has been expended and that the question perhaps has been partly answered.

My second question relates to page 360 of the Auditor-General's Report, where he indicates that on 28 August cabinet approved deferral of Healthscope's contractual obligations to build a private hospital at Modbury. We have had quite a bit of discussion about Modbury Hospital today on a number of conditions. What are the conditions under which Healthscope has been allowed to defer its obligation to build a private hospital at Modbury; and will the minister table a summary of this agreement?

The Hon. DEAN BROWN: Before answering that question, the member touched on the previous question she had asked and my answer to it. I stress the fact that, of the prepayments to health units, some 40 per cent of the amount had been paid as a part payment or progress payment. So, it is not fair to say that there is \$20 million out there unspent. First, as I have said, we prepaid for the overseas equipment and saved the taxpayers half a million dollars (that was for

\$7 million); and for the other part, which was prepayment projects to individual hospital units, 40 per cent of that money was in fact spent by 30 June. We have to cash flow these units one way or another. We do it all the time on a recurrent basis. Otherwise, we would find that the supplies to government would not get paid if we waited until after they had delivered the service.

In terms of the conditions that apply to Healthscope and the building of the private hospital at Modbury, I am willing to come back with a detailed answer for the honourable member, because there were a series of conditions attached to that and, rather than rely on my memory (I remember some of those conditions), I think it is appropriate that the honourable member receives a full list of conditions, so I will answer that in writing.

Ms KEY: My understanding is that the Public Works Committee was told that the new private hospital would result in the following savings to the government: capital savings, step-down accommodation, strategic health plan, \$1.34 million; rehabilitation facilities, \$2.3 million; day surgery facilities, \$1.95 million, being a total of \$5.59 million. Then, with regard to recurrent savings, we had obstetrics of \$500 000 and then some additional revenue payment for services including rent, \$1.445 million. In terms of these savings, which are central to the original decision to contract out the management of the Modbury Public Hospital, will this now not be delivered, and what is the cost of the government's decision to allow Healthscope to defer its obligations in this area?

The Hon. DEAN BROWN: I will need also to get some detailed figures. I think the honourable member might have been quoting figures that were over a period of time, and not per year.

Ms Key: From the Public Works Committee.

The Hon. DEAN BROWN: Yes, but those figures do not sound right per year; indeed, they sound very wrong. I will get some details for the honourable member. The point is that Healthscope opened a 40-bed private hospital facility there in an existing ward that was not being used. They found that, on average, over about a six-month period, they were getting two to three people into that ward. There are some reasons behind that, and you have to appreciate that here in South Australia, for instance, the biggest health insurer is Mutual Community, which allocates beds out to hospitals on a contract basis and on a periodic basis—every three years, I think it is—and, if you do not have so-called allocated beds by Mutual Community, your chance of attracting private patients to your hospital is significantly reduced.

In the north-eastern suburbs, I think I am right in saying, Mutual Community has allocated its beds to the North Eastern Community Hospital. It has pretty strict conditions as a company as to which hospitals you can go into and which ones you cannot, so, if the Healthscope private hospital did not get Mutual Community beds, for instance, the chance of being able to make it a viable option is greatly reduced.

On top of that, you had a significant fall in private health insurance. Although the percentage of people insured has risen recently, up to about 40 per cent, the extent to which people are going back in and using the private hospital system is yet to be seen. I think there is significant evidence that a lot of people took out private health insurance with no intention of going into the private hospital system, unless they had elective surgery that they just could not get done in the public hospital system.

The reason for that is that they had to pay extra costs before they could claim from the insurance company. I understand that in some of those cases the claimant had to pay the first \$500, and then they could claim on their private health insurance. Under those sorts of conditions you can be sure that people are intending to use the public hospital system. I have been very critical of that—that those people should be allowed to take out such a private health insurance system, claim the rebate and not have to pay the 1 per cent penalty. They get the 30 per cent rebate from the federal government, but they do not have to pay the 1 per cent penalty if they are a high income earner. I know there are young couples—and I know some of them personally—who would have had to pay a rebate of \$1 200. However, with the rebate their insurance policy cost them about \$850, so they ended up approximately \$400 better off by taking out private health insurance. Under their policy they had to pay the first \$500. They are quite open about the fact that they have no intention of using the private health insurance system. This was a means of saving \$400 to \$500 a year.

That is one of the reasons why the whole economics of having a private hospital there changed. The other thing that you had to look at is what might have happened at the North Eastern Hospital if you could not justify both. We have seen what happened to the Vales hospital in the south which was forced to close. The last thing you wanted to do was to force existing hospitals to close. I will get the details in terms of some of those. The government lost some streams of income, and that is why we negotiated certain detailed conditions around the whole thing. It was not all a loss to the government.

Ms KEY: I will be seeking some further information about how the deferral impacted on the capital program at Modbury, where works were approved to facilitate the construction of the private hospital inside the existing building. Are these works proceeding?

The Hon. DEAN BROWN: Those works are proceeding. About four weeks ago I announced yet another major contract being let at Modbury—I think it was for the upgrade of the theatres. So that renovation work at Modbury is proceeding. I will get the details of each of the contracts there. I can assure the honourable member that we are continuing to spend the money there.

Ms KEY: Under the human services portfolio with regard to housing (page 341), the Auditor-General has looked at the South Australian Community Housing Authority. Both the minister and I were at a community housing meeting on the weekend. I have followed up a number of these issues with the community housing sector itself. The minister is probably aware of some of my concerns about voluntarism. Does the minister have access to a breakdown of the number of volunteer hours put into the community housing sector? He has quoted in the House before figures with regard to volunteerism within the community and the tremendous contribution that volunteers make. Is the minister aware of some of the concerns raised by the community housing sector about volunteers over the age of 65 years? I noted the minister's comments at the conference on the weekend. He told us that about 14 per cent of the population is over the age of 65 years. He said that that percentage would double—and I cannot remember the year in which that would happen—to at least 28 per cent of the population being considered in the older or more senior category of population. Are any steps being taken to make sure that local people not only participate in their community housing organisation but also do not miss

out on any of the entitlements and protection that younger people have just because they are over 65 years of age?

The Hon. DEAN BROWN: The honourable member and I attended a community housing association annual general meeting on Saturday morning and both of us spoke at that meeting. I outlined a number of initiatives that we are taking with community housing and housing associations. I do not know the figure in hours contributed on a voluntary basis by people who run the various community or cooperative housing projects. I think it would be massive, but I will ask SACHA whether it has any information. I suspect that it will be able to come up with a guesstimate, even though it might not be particularly accurate.

Several people spoke to me on Saturday morning about the fact that the volunteers, particularly older volunteers, find it increasingly difficult to make the sort of commitment that they may have made in the past, particularly with cooperative housing. To a certain extent that is why the work provided to housing associations by the churches has been very beneficial, because there is a new group of volunteers who are helping to look after the housing. The churches have taken on that responsibility under the agreement that we have signed with them, and they are not the only ones.

There are other groups working with community housing associations which take on that responsibility. In some cases it is local government and in other cases a broader group. I know, for instance, that at Strathalbyn the Rotary Club has taken on responsibility for community housing for people with disabilities, and they have regular working bees involving the broader community. With respect to older people, the figure I quoted was that 14 per cent of the population now is over 65 years of age and it is estimated that, in about 35 years, that figure will be something like 28 per cent of the population. By then, Mr Chairman, you will be in that category, too.

The CHAIRMAN: Yes, I am looking forward to that.

Ms Key: We will be in that group then, too.

The Hon. DEAN BROWN: That is part of the problem. An ever-increasing proportion of the population will be over 65 years of age and their expectations are very high. That is why, in a number of the projects, increasingly we are seeing a role for a church or a broader community group to take on some of the work that would otherwise have been done in a cooperative housing group by the residents themselves but, increasingly with ageing groups, they will not be able to take that on.

The honourable member rang my office and asked for a copy of the agreement with the churches, and I have agreed to that and we are preparing a letter to send her a copy immediately. As I said on Saturday morning, the big benefit is that, first, the land, some of it fairly valuable and in some cases closer to inner city areas, is being made available for community housing, and the church is taking on the obligation not only to maintain and run the housing but also to provide support—moral and social—for people within that housing.

Because the issue was raised on Saturday morning, I want to assure members that people who go into that housing have to comply with the eligibility criteria that the government puts down. It is not up to individual councils or churches to put down their own criteria, such that people have to be a member of the church. Some of the groups that I have seen include people off the public housing list. They advertise and take into those homes people who have probably applied for a Housing Trust home or other supported accommodation.

Ms KEY: Again, my question relates to the housing portfolio. We heard during estimates committees of the minister's plan to wind down the remaining state rent relief scheme, and I understand that the funding we are talking about with respect to that scheme is, on average, \$17.55 per week, I think, for about 11 800 mainly low income people—students and people on a social wage. I also understand that the scheme will not be open to new applicants.

I refer to page 382 of the Auditor-General's Report. A number of community organisations have contacted the member for Elder, my predecessor in this portfolio area, and me, with regard to the rent relief scheme. Certainly, in my case, I have had more complaints, letters and issues about that scheme than a lot of the other programs in the portfolio area. Can the minister reassure me, and certainly the different organisations that are concerned about this area, with respect to the comments that he is reported to have made to Shelter and a number of other organisations, that there will be a further investigation into people who are disadvantaged by not being able to continue on the scheme, and particularly those people who, as I understand it, have an opportunity to have casual work or part-time work and find themselves, by the very nature of having that occasional work, cut out of the scheme?

The Hon. DEAN BROWN: First, if they were disadvantaged and on rent relief and their income remained low, they would continue on rent relief.

Ms Key interjecting:

The Hon. DEAN BROWN: It was being grandfathered for those who were already on rent relief. Let me deal with a couple of the specific issues that have been raised with me. First, with respect to students who are currently on rent relief, if they go home for their vacation (therefore, losing their so-called entitlement) and come back to study again the next year, either during the Christmas break or during shorter term breaks, we have said that there will be continuity for those people. In country areas, a number of students will be thinking about going to the metropolitan area to study, or to Whyalla, for instance, and they will want to know whether they are eligible for some sort of help. Even though they are not currently recipients of rent relief, we have indicated that there will be new start-ups for students. Therefore, that overcomes the problem regarding that immediate group of people who would be looking for rent relief.

We put about \$10 million a year into rent relief. We expect that, by cutting it off in the way in which we have for this year, we will save about \$3 million—which is, as the Auditor-General has said, what we have to find as part of our commitment to overall government savings. As the other \$7 million becomes available, it will be used to go back to help people with a high need.

With respect to the rent relief scheme, our argument has been that it was not specifically targeted. Some people had higher needs than others—people, for example, with severe disabilities, mental health problems or other complex needs—and they were not receiving the help that they required; whereas other people who we believe had much lesser needs were receiving help under rent relief—it was about \$17 a week on average, I think. Incidentally, virtually every state in Australia, I think, had a rent relief program: we were the last remaining state. We think it is more appropriate to take that \$7 million and target it to those with the greatest need, and that is what we will be doing. That \$7 million will not become available, we expect, until next financial year, but as

it becomes available we will be able to use it to target those with complex needs.

Time expired.

The CHAIRMAN: I now call on the Minister for Environment and Heritage and Minister for Recreation, Sport and Racing. Are there any questions?

Mr WRIGHT: Could the minister give the House an update with respect to the Hindmarsh Soccer Stadium? I note that the Auditor-General makes reference not only to that but also some other stadium management that the government is involved in. As I understand it, for some time negotiations have been taking place with the Charles Sturt Council with regard to the purchase of the area by the government. Will the minister bring us up-to-date as to the state of those negotiations?

The Hon. I.F. EVANS: Negotiations are ongoing with the council in relation to either further lease of unleased land or the purchase of land outright. Obviously, they are complex negotiations, given that there are other parties and other agreements in place. I really cannot update the House other than to say that negotiations are ongoing.

Mr WRIGHT: With respect to the funding deed that has been in place between the government and the soccer federation, some time ago I understand that the government postponed or temporarily suspended funding, I think was the terminology used. Could the minister advise us of two things: first, is it still the case that payment is suspended; and, secondly, what sort of debt accrues while that suspension is in place over a 12 month period?

The Hon. I.F. EVANS: I am not quite sure what you mean by the second part of your question, but to my knowledge the suspension is still in place. Maybe you could explain the second part.

Mr WRIGHT: While that suspension is in place and the soccer federation is not making the commitment of, I think, \$3 for people going into the western stand and \$2 into the stadium, and that loan repayment is not going back to the government, what sort of cost is that to the government over a 12 month period?

The Hon. I.F. EVANS: The advice just given to me is that the debt servicing cost is around \$620 000 per annum.

Mr WRIGHT: With respect to discussions about the purchase that was referred to earlier, there have been similar discussions, as I understand, with respect to the management of the stadium. Is the minister able to advise the House of any more detail than that last received, which I think was something along the lines that negotiations are proceeding with respect to the ongoing management issue? Has that been progressed and, if so, what detail can you provide to the House?

The Hon. I.F. EVANS: Unfortunately, I cannot enlighten the House other than to say that the negotiations with regard to the management of the stadium are ongoing. They are tied up essentially in a three or four way negotiation between Adelaide Force, the federation, the government and the council. Each of those parties has its own outcome that it wishes to achieve. Thrown into that, of course, was the complexity of having an Olympic football tournament on top, which took a lot of energy on behalf of all those parties, in different respects. All I can say is that negotiations are progressing and we would hope to have the matter resolved sooner rather than later, but they are ongoing.

Mr WRIGHT: As a result of recent media comments it would appear that an arrangement has been struck between

the government and Adelaide Force and, perhaps, the Soccer Federation with respect to this season. Can the minister indicate whether an agreement exists between those three parties? Is it as a result of what we have read in the media, that Adelaide Force is now committed to playing this coming season, and is there any extension beyond that in existence at the moment?

The Hon. I.F. EVANS: Those negotiations have been handled by the Deputy Premier, so the honourable member's question might be better referred to him. He has taken an overarching role, given that negotiations with Rams Park are actually with Human Services. Tourism had the Olympic football tournament and Recreation and Sport had the agreement with the deeds, so there was a view that the Deputy Premier would have an oversighting role in the negotiations, given the three or four agencies involved. He has been involved in those more recent negotiations, so the honourable member will need to take it up with him.

Mr WRIGHT: Will the minister indicate how some of the other stadiums to which the Auditor-General referred are progressing, from the point of view of the ongoing payments by the sports involved and say what risk or lack of risk there may be from the point of view of the government, which has been a guarantor? In particular, I refer to the netball stadium.

There is also reference to the South Australian Cricket Association-Adelaide Oval Bowling Club. I was also interested in the basketball stadium, which comes under Treasury. I know that it is not the minister's direct responsibility, but can he also fill us in with any detail of that?

The Hon. I.F. EVANS: As to ETSA Park, essentially the loan is being fully serviced by the Netball Association. There are some brief periods of low cash flow and arrangements are made between the South Australian Netball Association and the Office of Recreation and Sport but over a 12 month period the stadium performs pretty well in covering the loan. It is, essentially, being fully serviced by the arrangements in place, so there are not too many issues with netball as far as the government is concerned.

In relation to the bowling club, that was a contingent liability, if I recall, and my understanding is that that has not been called upon. The government has agreed that it will meet 50 per cent of the cost of repairs to grass at the Adelaide Oval Bowling Club during a period of two years from February 1999. If damage occurs as a result of construction of the leisure development, the limit of the government exposure is \$125 000, and I am advised that there is no current indication that the undertaking will be called on as it expires early in 2001.

Mr WRIGHT: We are all delighted about the success of our athletes at the Sydney Olympics and about the role that we played. The Office of Recreation and Sport, obviously, had an important role with various programs, such as Prepared to Win. Can the minister share any available detail about what was spent from the area of the Office of Recreation and Sport in respect of the duration of the Sydney 2000 Olympics for matters such as travel to and from Sydney, accommodation, entertainment and ticketing—areas of that sort?

The Hon. I.F. EVANS: Those matters are outside the period about which we are having the discussion. Tonight's questions relate to the audited accounts to the end of the financial year. Matters pertaining to the Olympics relate to the next financial year.

Mr Foley interjecting:

The Hon. I.F. EVANS: I may well know—

The CHAIRMAN: Order! The investigation relates to the Auditor-General's Report, not what might happen next year.

Mr HILL: I refer to page 266, volume I, and the 'Expenses' section. The Auditor-General pulls out a few figures which indicate reasonable growth in expenditure and, in particular, mentions a couple to which I would like to refer: first, the contractor expenses that have increased by 41 per cent over the period of the audit, an increase of \$4.2 million to \$14.5 million. Will the minister expand on that reference and explain why there was an increase in contractor expenses of 41 per cent.

I make particular reference to a comment made by the Auditor-General at page 262 under 'Change Processes', where he talks about key personnel in the fixed asset area, with DEH setting up a process aimed at staff acquiring skills and knowledge rather than relying on contractors. In that text the Auditor-General says that many of the skills have not been passed on. The Auditor-General states:

... skills and knowledge acquired by the contractors did not appear to have been transferred to departmental officers.

There are two references there to contractors. Will the minister explain what value we have got out of those extra contractors?

The Hon. I.F. EVANS: The member for Kaurna points out that contractor expenditure increased by \$4.2 million, which can be attributed to large expenditure on projects such as the GST project. Contractors used in that instance cost approximately \$1.3 million; a masterpiece IT upgrade project, \$400 000; World Environment Day project, \$200 000; and some other general increases in projects expenditure. There was also an increase of non-project expenditure of \$2 million, of which approximately \$800 000 is a direct result of the restructure of the general reserves trust administration arrangements. That is where goods held for resale increased by \$800 000 as a direct result of the restructure of the general reserves trust administration arrangements. Basically, we brought its stock into our department. The general reserves trust was not being treated, so we brought the \$800 000 into the department to even that up. Some contractor work was involved in that.

The second part of the honourable member's question related to skills being retained in the department. The department has minimised risk by negotiating future information hand-overs between key contractors and the Manager of Strategic Assets and Budgets, and that is happening progressively over time.

A Manager of Strategic Assets and Budgets has recently been appointed, giving a further commitment to permanent appointments to reduce reliance on external contracts in the medium term. Of course, the honourable member might recall that during estimates it was mentioned that during the 1998-99 financial year the department recognised that it had 30 000 assets for the first time and, although staff were recruited during 1998-99 and early 1999-2000, it was still necessary to place a fairly significant reliance on contractors to complete the task of asset recognition within the portfolio statutory accounts.

Mr HILL: From that analysis, I take it that this is largely a one-off cost and, in subsequent years, you will go back to the more normal figure. Is that correct?

The Hon. I.F. EVANS: Certainly, the expenditure on contractors used on projects such as the GST, which was a one-off project, will obviously be reduced, yes.

Mr HILL: The next line is 'computing expenses', which have increased by \$2.1 million to \$7.3 million—an increase of 40 per cent according to the audit. An amount of \$7.3 million seems to be a large sum to spend on computing in your departmental budget. Am I correct in that assessment? Why has it increased by this amount? Is this just another one-off?

The Hon. I.F. EVANS: The member needs to realise that over the past 12 months there have been two significant IT issues, computing issues. Y2K, of course, is an obvious one.

Mr Hill: That was a great waste of public expenditure.

The Hon. I.F. EVANS: The member says that it was a great waste of public expenditure. Of course, if we had not spent the money and something had gone wrong he would have said that it was outrageous that we had not spent the money.

Mr Hill interjecting:

The Hon. I.F. EVANS: So you are not criticising the 'great waste of public expenditure'?

Mr Hill interjecting:

The Hon. I.F. EVANS: I see—just clarifying your position. The other issue, of course, is the GST. Both of these projects were essentially one-offs and have required a significant amount of work in the IT area to either check systems or bring systems into place for the new taxation regime.

Mr HILL: No, I was not criticising the government; it is correct that if it had not spent the money it could have been criticised. However, a large sum of money was spent on something which turned out to be a fairly negligible event. The third issue I refer to is on page 274 under 'Consultancies'. The audit indicates that consultancies have increased from \$1.4 million-odd to \$2.3 million—a staggering 58.53 per cent increase in consultancies. Can the minister explain that?

The Hon. I.F. EVANS: The government has announced a reduction in the amount of consultancies over the next 12 months.

Mr Hill interjecting:

The Hon. I.F. EVANS: No, I understand that; I am just clarifying it because that was the obvious question: will we reduce it next year? The pattern of your questioning tonight is: 'You've spent X amount this year, are you going to reduce it next year?', so I was just getting in early to say that, regardless of what we have spent this year, we have made a public commitment, of which I am sure you are aware, to reduce it next year.

Mr Hill interjecting:

The Hon. I.F. EVANS: It is, isn't it?

The CHAIRMAN: Order!

The Hon. I.F. EVANS: The increase in consultancy expenditure resulted from a combination of issues: a general increase in the Department for Environment and Heritage expenditure of around \$300 million and the inclusion of the 1999-2000 statements for the Office of Recreation and Sport. It must be remembered that there has been a departmental restructure, so when comparing this year's figure with last year's figure—

Mr Hill interjecting:

The Hon. I.F. EVANS: Well, we had the restructure of Recreation and Sport in the middle of February, and Aboriginal Affairs, from memory, went to Local Government under Minister Laidlaw and Minister Kotz. Recreation and Sport came in, therefore with comparisons we are not necessarily comparing apples to apples. For instance, there was a decrease of \$.02 million in the Division of State Aboriginal

Affairs expenditure, which attributed to only seven months of the expenditure captured in the 1999-2000 financial statements. As I mentioned earlier, there was a general increase in DEH of \$300 000 and a Recreation and Sport inclusion of \$600 000. So you would need to go through the figures more carefully to work out whether you are comparing apples to apples in that case because of the departmental restructures.

Mr HILL: My fourth question on goods and services expenses relates to the printing and publishing promotions line, which indicates that there has been about a 50.7 per cent increase in expenditure, from \$818 000 to \$1.233 million. Will the minister explain why this expenditure has blown out so significantly? Will this be corrected next year or is it part of a trend?

The Hon. I.F. EVANS: What is the reference?

Mr HILL: It is page 274, item 4, goods and services, the printing and publishing line.

The Hon. I.F. EVANS: I do not have that level of detail here, but I will obtain it for the honourable member and forward to him.

Mr HILL: I refer to some of the more general comments in the Auditor's report. Having read the report in some detail, my reading of it is that it is a 'could do better' report. It is the kind of report that I used to write for many students when I was a teacher: 'You've done so many things, but you could do better in a whole lot of areas.' I will briefly go through some of those areas.

The first relates to the financial management framework. The Auditor says that the department has not established a specific management process to implement and monitor the requirements of the financial management framework (FMF). The department has said that it has a management assurance officer to do the job. Will the minister comment on whether he is satisfied that he now has in place the system to do that job, and is it to be conducted through the management assurance officer or is that just an interim measure?

The Hon. I.F. EVANS: As minister, I have noted the general observations of the Auditor-General. The new chief executive of the department has indicated a strong commitment to the further development and implementation of a financial management framework in his response to audit comments. The Auditor-General also recognises that DEH has achieved or has in progress a large number of actions that address the prescribed elements of the financial management framework. It is simply the job of audit to raise these issues from time to time.

Mr Hill interjecting:

The Hon. I.F. EVANS: In fairness, if the honourable member reads the audit comments he will see that the Auditor-General mentions that some positive action is being taken. For instance, the Auditor-General observed that they had not mentioned establishing a specific management process. I am pleased to report that a revised financial management framework implementation plan is in the process of development. It sets out targeted time outcomes and milestones which are suggested generally in the Auditor-General's comments.

The plan will guide the implementation of any outstanding required elements of the financial management framework within DEH. During 1999-2000, DEH addressed a number of the aspects of the financial management framework which were considered to be of a higher risk nature. These elements were progressed within resource allocations and other

competing priorities, for example, preparing the agency for the implementation of the GST.

The Auditor-General also noted the agency's risk management audit committee. The risk management audit committee is in the process of refining its role and programs for this financial year. The role of the committee will include measures to address the concerns of the Auditor-General in relation to the risk management plan and internal audit functions within DEH for the financial year. Monitoring the progress of the financial management framework implementation against a financial management framework implementation plan is also a key role of the risk management audit committee.

A number of options for an internal audit function are also being considered, alternative models of internal resources and outsourcing activity, or a combination of both. A prudential management unit is also being created to service the committee and provide leadership on a range of other strategic governance issues within the agency. A senior officer is being recruited to manage this unit, service the agency's risk management audit committee and develop and oversee the implementation of risk management and the financial management framework within DEH. That summarises the strong commitment of the agency to address the issues that have been raised by audit.

Mr HILL: I appreciate that extensive answer, but it indicates, as I said, that this is really a qualified audit, that the Auditor has said, 'You can do a lot better.' He has gone through a range of areas including, in particular, the financial management framework and strategic planning. He says that there is no single strategic plan, and the department's response to that is that it is assessing the merits of publishing a suite of documents, which I think indicates that it has not cottoned on to the idea of having a single strategic plan.

The Hon. I.F. EVANS: In fairness to the department and the officers, you need to reflect on the fact that straight after Y2K, within six or eight weeks, they walked into a total departmental restructure. At the same time they had the GST preparations for the end of the financial year. So, within six months they had Y2K, departmental restructure and the GST. While I understand your view and audit's comments, it also needs to be understood that the department had three priorities that it simply had to get right: it had to deliver on Y2K to make sure it was not an issue; it had to deliver on GST to make sure it was operational as at the calendar year; and it had to deal with a change of departmental structure right in the middle that. To ask a department that is less than six months old (in effect, because of the new structure) to have a strategic plan in place some time between the middle of February and 30 June is not a totally realistic ask.

The senior executive group of the department has begun a process, now that things have settled, for setting the future directions of values of the agencies under the guidance of the new chief executive. A likely outcome of this process is the development of a single document which sets out the major strategies and objectives for the agencies to follow and achieve over the next three to five years, consistent with the principles of the financial management framework we have already talked about. There is a process in place with regard to consolidating the strategic planning. Assuming there are no Y2Ks, GSTs or restructures, it should be able to focus on that process.

Mr HILL: I am not attacking the minister's officers at all. It is the duty of the opposition to raise questions here: he need not get defensive about it. This is the third reconstruction of

the Department of the Environment in the past four years. We had one prior to the last election, and there was a new model that was changed again earlier this year. If the government decides to change the department in this way on a regular basis, no wonder it is not able to develop a strategic plan—that is obvious.

I refer now to the issue of property, plant and equipment. The Auditor is fairly critical of the department in this area and makes the point that the criticism goes back to 1998-99. It talks about incorrect data being provided or input, missing information on asset register, misclassification of assets, incorrect appreciation rates, lack of quality assurance, internal control and independent checking. In May 2000 it told the department that 'further attention to these issues is still required' and made the commitment that 'controls over asset recording were not adequate and the records maintained were such that an efficient audit could not be conducted'. It goes on and on. The department's response was a classic out of *Yes, Minister*, namely:

The investigation of a process of accounting for state controlled land has led to the development of a number of papers discussing issues that must be addressed in order for the process to be successful.

What is the department planning to do about this fairly severe criticism?

The Hon. I.F. EVANS: The land issue that the honourable member raised at the end of his question refers to crown land. The audit raises issues in relation to crown land. The Crown is the registered holder of some 27 titled land references and 2 800 parcels of reserve land. The advice to me is that the information system is housed in DAIS, another agency. There are some issues in relation to the information system about identification of parcels of land. Because previous labor administrations have consistently restructured departments year in and year out, there is some confusion about which department owns which block of land. Some are held under old ministries that simply do not exist, so the records are not as accurate as they could have been. The necessary verification of valuation of these lands is extraordinarily labour intensive. It is nigh on 30 000 pieces of crown land and as a consequence will require significant resources in time for completion. My understanding of the general position of where we are is that my officers have sought meetings with DAIS to talk through the down side of the land ownership tenure system, and there is a commitment to try to resolve the issue so that the comments by the audit are corrected in due course.

Time expired.

The ACTING CHAIRMAN (Mr Hamilton-Smith): I call on the Minister for Water Resources.

An honourable member: Ask him about his subbranch.

Mr HILL: No, I will not ask the minister about his subbranch; he might start using language which would be unparliamentary and I would not want to see that happen.

The ACTING CHAIRMAN: Order! I bring the member back to the substance of the examination.

Mr HILL: I refer the minister to the South-East Catchment Water Management Board (pages 1101-1102) and also the Murray River catchment (pages 1102-1103). I thought I might ask the most interesting question first: in relation to both these catchment boards, in addition to matters raised above audit, the Auditor-General has made observations relating to corporate credit card procedures and use of corporate credit cards. Will the minister expand on what

matters were raised in relation to those and whether they involved any criminality or any disciplinary action?

The Hon. M.K. BRINDAL: To the best—

Mr Koutsantonis interjecting:

The Hon. M.K. BRINDAL: Can we get this little matter out of the way first. In the matter of branch membership, I stand in awe of a gentleman that can sign up more than 1 000 in 24 hours, and that is all we need to say on that matter.

The ACTING CHAIRMAN: Order! I bring the minister back to the substance of the question.

Mr Koutsantonis interjecting:

The Hon. M.K. BRINDAL: I wish I was; I wish I was as good as you. In answer to the shadow minister's question, I do not know. I will find out and I will give a proper answer. I am reasonably sure that had there been any impropriety at all, certainly any criminality, I would have been aware of it: I am not. Therefore, I presume there was not, that they are minor matters, but I will get a proper check and let the member know.

Mr HILL: It was interesting reading through the auditor's report that, in relation to water catchment boards, he singles out two in particular—that is, the South-East catchment and the Murray River—for particular attention and makes very little reference to the others. That signifies to me that there may well be some problems with those catchment boards—

The Hon. M.K. Brindal interjecting:

Mr HILL: Yes, I understand; we are talking about the accounting procedures. Has the department looked at these two boards; are they requiring further assistance; and are there some problems, maybe teething problems, I do not know, but can the minister comment on that and what action he has taken to try to fix the problems?

The Hon. M.K. BRINDAL: In that regard, yes, I can, because we are helping not only those boards but all the boards to work through their financial accounting and reporting procedures. It is not that there has necessarily been anything wrong with them, but, as the shadow minister knows, they now collect significant amounts of money and the public probity and accountability matters required of any instrumentality which handles the public money have to be of the highest standard. The department is now working through all those matters to ensure that, while I believe nothing has been wrong in the past, certain procedures could be improved and we are seeing that as of now they are starting to meet the highest standards that we can get in probity and accounting.

Mr HILL: I refer to one of the issues that I note every time I look at one of these catchment management boards, that is, the amount of money spent on public relations. It has a title 'Community education and involvement'. Not all of it is public relations in the pure sense, but a lot of it possibly is. If members look through the list, they will see that the Auditor-General indicates that the Patawalonga board this financial year spent \$587 000 on community education and involvement; the Torrens board, \$1.151 million; North Adelaide-Barossa, \$643 000; and Onkaparinga, \$494 000. The South-East board does not have a figure specified for community education and involvement, but I imagine it would have spent some money. That is almost \$3 million spent on education. Would the minister agree with me that this money could be better spent if it was coordinated in a more centralised, systematic way?

The Hon. M.K. BRINDAL: I certainly could agree with the last statement; in fact, I agree absolutely with it.

Mr Hill: But?

The Hon. M.K. BRINDAL: No buts. I think the shadow minister will agree that an expenditure on education, properly spent and properly targeted, is actually a very good investment for the catchment management boards, as is the issue of water resource management or environmental management generally. Any money we can put towards educating either the community or, more particularly, our young people to understand these issues is money well spent.

Also, some of the money they spend is spent on necessary procedures. It is listed as 'PR and education' but some of it is the consultation required for plans. It is not all glossy brochures and things such as that. However, the essential premise the shadow minister raises is whether, if the money was coordinated among the catchment management boards and there was a statewide approach to education, we could achieve a better result: I think the answer is undoubtedly yes. We did not practise this question, as members know, but I can say I have been thinking about it.

I remember the shadow minister asking a set of questions about this earlier, and also, I am fairly sure, in questioning of the Economic and Finance Committee. The expenditure on education was obviously a matter on which the Economic and Finance Committee was, I will not say 'preoccupied' but very focused. It was critical in its comments about whether the money spent for education was or was not excessive in terms of the total grant; and, even if it was not excessive, whether it was money well spent. I think the Economic and Finance Committee has an absolute right to ask those sorts of questions. I think the shadow minister also, in pursuing the line of questioning, is actually asking what is in the best interests of the resource and what is the best use of public moneys: all I can say is that, when the shadow minister or when the Economic and Finance Committee asks something that is sensible, we have to think about it and respond to it. The answer to his question is that within a few weeks we will see a new structure on which he might like to get his hands—and might within the next 10 years or so.

Mr HILL: It may be that we get to the stage where we are spending \$5 million on education and public relations. I imagine each of the boards would need a little money to put out a publication, for example, but \$1 million would buy a hell of an education program through the education system and it could be built into the system of the schools, not just hit and miss as it is now. In addition, a couple of million dollars on television or radio advertising, promoting a common theme about catchment awareness, would be much more effective than tens of tonnes of—

The Hon. M.K. Brindal interjecting:

Mr HILL: Thank you very much; we will go there together. The EPA in New South Wales takes on the role of education in terms of water catchment and it runs TV ads on it. I think the message gets across more clearly. I will not belabour that point.

I refer to the issue of consultancies, particularly in relation to education and public relations consultancies. This is not a criticism of the consultants, because I have no idea who they are, but I note that several of the names appear under more than one heading. For example, Mascollo Mollan Advertising Pty Ltd provided consultancies worth \$35 000 to Patawalonga and provided a \$63 000 consultancy to Torrens for community education and public relations activities. Those boards may have done that collaboratively, and that may well have been the way that the money was allocated between the two. It seems to me that we do not necessarily get good value out of those consultancies when half a dozen boards go and visit

basically the same consultant and get them to do the same work, and then they are able to charge for part of the intellectual effort more than once. I ask the minister to comment on that.

The Hon. M.K. BRINDAL: Again, it is an area that the shadow minister has broached before, although perhaps not quite in this form. We have taken it on board, and we are actively looking at it. He is quite right: if a consultancy is employed to do a job with one board and most of that knowledge is transportable to the next board, it is silly for another board to employ them to reinvent the wheel and probably, for half as much work, get exactly the same fees. I have nothing against the employment of consultants—as I am sure the shadow minister does not—but it must be a good use of public money. Asking them to do the same thing twice may not be doing that, so we are having it looked at. As the member for Ross Smith is very good at a number of things, we are thinking that, if he is out of a job in the next parliamentary term, we may even employ him as a consultant!

Mr HILL: Of course, you may not be in a position to do that, minister. You may be able to go into partnership together!

An honourable member interjecting:

Mr HILL: You were being too nice to me, minister; I had to do something to change the tone. I refer to the Patawalonga Catchment Board. I note in the record that Mr Lynn Parnell resigned on 25 November 1999, and I made some comment at the time. I understand that it was because he objected to Mr John Phillips, who is the executive officer of KESAB. It was quoted at the time that Mr Parnell was unhappy with KESAB being on the board because he felt it was a conflict of interest. The then minister (the member for Newland) ignored his protest advice and appointed Mr Phillips notwithstanding that advice. Can the minister comment on whether or not there is a conflict of interest and say whether or not Mr Parnell has come back onto the board, and under what circumstances?

The Hon. M.K. BRINDAL: Mr Parnell has been reappointed to the board as the Presiding Member. I have no knowledge of, nor do I have any interest in, Mr Parnell's relationship with the previous minister or the circumstances under which Mr Parnell tendered his resignation. When I was looking for a new presiding officer for the board, I cast around and took as much advice as I could. It was my opinion that Mr Parnell was the most suitable person whom I could appoint. I asked him—

An honourable member interjecting:

The Hon. M.K. BRINDAL: The member for Peake interjects and asks why we sacked him. The shadow minister has said—and it is a matter of public record—that Mr Parnell was never sacked. Mr Parnell resigned for whatever reasons. I am honestly not aware. In his reappointment or in asking him to be reappointed, I did not canvass why he left. I simply put to him the proposition that I thought he would again make the best presiding member we could find for that board at that time, and he accepted that position. Frankly, the past history does not interest me. What interests me is the fact that I have every confidence that Mr Parnell will lead the board and do a very good job in leading the board to the benefit not only of this government but also most importantly of the Patawalonga catchment.

Mr HILL: I certainly did not want to suggest that Mr Parnell was not a suitable person for the job. On the contrary, I see Mr Parnell regularly in my own electorate, because he has some interests there, and I know he is a strong

advocate for water catchment. Is Mr Phillips still on the board?

The Hon. M.K. BRINDAL: I will check that; I honestly am not sure. But it would just strike me that, if the circumstances were as the honourable member outlined them, perhaps Mr Parnell would not have returned to the board if he was.

Mr HILL: I have had conversations with Mr Phillips, too, about it, and I certainly do not want to suggest anything untoward about him. I refer now to North Adelaide and Barossa Catchment Water Management Board. I have had some conversations with people living in that area who hold senior positions with council, and so on, and they have expressed concern about the boundaries that have been created for the North Adelaide and Barossa board. They have expressed the view to me that the boundaries do not form a natural catchment and that they have been put there in a particular way to ensure that the people who live in the northern Adelaide part, in a sense, cross-subsidise the Barossa Valley section, and I know that there is some anger in the community about that. Has the minister looked at the issue and does he have plans for reviewing those boundaries?

The Hon. M.K. BRINDAL: I have had some notional talks about the issue. One of the problems is more the mixture of people in the catchment, and in that catchment it seems to cause a bit of a problem. There are those in the Barossa Valley who see themselves very much as a rural sector with a rural focus. I think that those who live in Salisbury, on the northern plains, do not share the same opinion of their rural neighbours that some of their rural neighbours seem to have of them, and that makes it difficult. They see themselves as two distinct groups with two distinct interests.

From the board's point of view, the catchment is the catchment and the resource is the resource. It might flow from the hills of the Barossa Valley but, through some of the river systems, it then flows through the plains of Salisbury. It is the one catchment. Catchment management is not about whether people like being in the same catchment, such as being in the same group and have the same needs over the length of the catchment: it is about the best use of the resource. A similar board is Onkaparinga, which flows through the shadow minister's electorate, I think.

Mr Hill: Yes.

The Hon. M.K. BRINDAL: The Onkaparinga, as the honourable member knows, flows from a very rural part of the state, through a peri-urban, hobby farmer sort of area and down to quite densely urbanised suburbs as it flows to the sea. It is interesting that Onkaparinga somehow seems to avoid the almost inherent stratification that appears in some way to characterise the Barossa board. In answer to the shadow minister's question, I have looked and will continue to look at possibilities for variation if those possibilities are logical, but I have to say to the shadow minister that, at present, if a river system constitutes a catchment, I cannot see a compelling argument for splitting the river in two and saying that one half shall be this catchment and the other half shall be that catchment. Incidentally, and the shadow minister has probably caught up with this, in terms of the announcements from the commonwealth regarding the salinity strategy, and some of the supplementary remarks made by my good friend Senator Hill—

Mr Clarke: He's a good hater!

Mr Koutsantonis: He can hate!

Mr Clarke: He makes Quirke look like a minister of religion.

The ACTING CHAIRMAN: Order!

The Hon. M.K. BRINDAL: Those comments about one of the Australian Liberal Party's most senior people are not really called for. The remarks of Senator Hill, as an adjunct to the Prime Minister's comments on salinity, would seem to suggest that, unless catchments are whole of catchment and integrated, we will not attract salinity money. That in itself is an argument for making sure that some of our catchment boards do have geographical catchment areas that are completely logical in their conclusion.

Mr CLARKE: I have a question about the catchment management subsidy scheme. I notice that in this year's budget the allocation has been reduced from \$3.85 million for the previous financial year to \$1.95 million, allegedly due to the \$900 000 agency savings target across the whole of government and \$1 million being redirected from appropriation to higher priority areas in water resource management. The minister also indicated at the time that he believed that in the future the catchment water management boards may be able to be an additional source of funding for the CMSS scheme. That puts many of my constituents in flood prone areas at a grave disadvantage.

The Hon. M.K. Brindal interjecting:

Mr CLARKE: Easily. Around the Audrey Avenue, Blair Athol-Enfield section; Baker Street, Enfield. Unless this subsidy scheme is maintained at least—

The Hon. M.K. Brindal: Baker Street, Enfield, is on a hill.

Mr CLARKE: No, it's not.

The Hon. M.K. Brindal: It does not flood.

Mr CLARKE: You come down here—

The Hon. M.K. Brindal: I lived there.

Mr CLARKE: You're wrong. It's been a long time since you were there. It's on the flat, and—

An honourable member interjecting:

The ACTING CHAIRMAN: Order!

Mr CLARKE: What I want to know is this: the minister says that the water catchment boards will be a source of funding, yet they themselves over the past four years have sought funding and had it knocked back, except on two occasions. I am trying to ascertain from the minister whether the subsidy scheme for flood mitigation work will be maintained. It has been cut this year by \$2 million. I want to know the program over successive years. Otherwise, I would seek the minister's authority to release his home telephone and mobile phone numbers so that, when my constituents are flooded in one in five years (and it has happened twice in the past seven years, since I have been the member for that area), I would like them to be able to phone the minister and thank him personally for the elimination of the flood mitigation scheme and seeing their houses inundated with flood waters every five years.

The Hon. M.K. BRINDAL: First, I would invite the member for Ross Smith, if he has a passion for his electors (and I am sure that he has; he stands fearlessly for his electors and I am sure that, in the next parliament, he will stand equally fearlessly for the same electors), to say to the Corporation of Port Adelaide Enfield that, if there is a flood problem in that area, perhaps it should put in for the scheme.

Mr Clarke: It does.

The Hon. M.K. BRINDAL: Does it? That is very good. The schemes are ranked in priority order. So, we will check to see exactly how high, in terms of state priorities, that scheme ranks. Let me be absolutely frank about the scheme. It started probably 30 years ago with the south-west drainage

scheme. It was at that time, I think, reasonably critical to the city, because the Sturt Creek then meandered all through the south-western suburbs and flooded quite regularly: we had some really severe flooding problems.

I am not in any way denigrating what I think are the honest comments of the member for Ross Smith that there is some flooding in some parts of his area. But, compared to what we used to see 20 or 30 years ago, it is minuscule. The fact is that the scheme has gone on and on: a bucket of money has been there into which, traditionally, everyone has dipped, because it was there. Can you blame them? The basket was there, it had lots of little eggs in it, so everyone came to the basket every year and said, 'Give us some of your eggs.' But this is the point—

An honourable member: What have eggs got to do with it?

The Hon. M.K. BRINDAL: I don't like to talk about trotters and snouts, so I talk about eggs in baskets. Is the scheme still relevant? That is the point. This year—

Mr Clarke: It certainly is. You live in a flood plain area.

The Hon. M.K. BRINDAL: Let us just stop a minute and analyse who is responsible for the control of the flooding under the Local Government Act. It is local government, and it always has been local government. We have had a scheme for about 30 years in which we encouraged, through a subsidy scheme, a sharing arrangement with local government. Since that subsidy scheme has come into place for the control of catchments, for the control of water, we have introduced catchment management boards, which have significant moneys.

As the member for Ross Smith says, the catchment management boards have in some instances found this to be a convenient supplement to their own moneys. You have to question that they would use this scheme as a levy when they are already levying and getting substantial moneys. The fact was that this year, to achieve whole of government savings, \$900 000 from that scheme was offered up and to achieve other priorities.

The member for Ross Smith can answer the following question, because he represents part of the northern Adelaide plains: would the member for Ross Smith rather that we continued with that subsidy scheme or that we let people get away with a theft by one person the equivalent of 70 000 cubic metres of water a year from the northern Adelaide aquifer?

We have to make some hard decisions in water management and some of the hard decisions are whether we keep the money in this scheme or whether we start to look at some genuine policing. There are a lot of small scale irrigators out there. The member for Ross Smith knows that there are a lot of decent people trying to grow crops. The northern Adelaide aquifer is getting saltier and saltier because a few unscrupulous people not only use their water allocation but they also use \$70 000 worth of additional water valued at \$90 per cubic metre. Because we did not have the enforcement procedures to check those things, that has largely gone unnoticed and unpunished. We are starting to put in place fines, enforcement procedures and people to enforce them. Frankly, for the protection of the resource I think that is where the money goes.

I am not belittling the member's concern about localised flooding, but I go back to the point that it is and has been a local government issue. This government is developing other priorities for water, not the least of which is the rising salinity levels in the River Murray with which the shadow minister

is more than familiar and which will cost us tens of millions of dollars. If the member for Ross Smith is suggesting that we introduce a new and higher level of taxation so that we have a greater revenue stream and so that we can pay for everything the member for Ross Smith wants, let him stand up and announce how we should increase the taxation in this state and we will do so.

But if he does not think we should increase taxation, unfortunately I have to allocate the water budget in a manner that I think does the best by the resource, and that has meant cutting \$2 million out of that particular scheme this year. It also means that I will be indulging in discussions with the Local Government Association and with the catchment management boards about the future of that scheme. It may well mean, quite specifically for the member for Ross Smith, that that scheme has less money next year. But I will talk to the Local Government Association and I will be talking to the catchment management boards before a decision is made. We will spend the money on the government's priorities, not on what local government alone tells us we should be doing.

Mr HILL: I refer to pages 1135 and 1136 of the Auditor-General's Report which makes criticism of the department's control weaknesses. At the top of page 1136 the report states:

Audit noted that a number of control weaknesses remain in relation to the Water Licensing System and associated management processes.

Under 'Fixed Assets' it states:

... uncertainty exists over where control and ownership rests and the appropriate entity that should recognise them. [And that the department] advised that it has had insufficient opportunity to progress work on identifying these assets.

There are then qualifications in the audit which relate to those matters. We are running out of time, but can the minister indicate what action he has taken in the six or eight months that he has been the minister to overcome those deficiencies?

The Hon. M.K. BRINDAL: First, can I tell the shadow minister, so that we will not have to return to it, that John David Phillips was appointed to the board by the previous minister on 18 November 1999. His term expires on 17 April 2003, so one would presume that he is still a member of the board and that Mr Parnell is subsequently not unhappy that he is a member of the board. He certainly has not complained to me.

On the other matter, the shadow minister will be aware that the Department of Water Resources came out with a very good bill of health. He is correct that to the extent that he has quoted from the document the Auditor-General's Report is qualified. However, the Auditor clearly says that this was a matter that he raised last year; that the previous department, the Department of Environment and Heritage, had started to progress the matter; that he is satisfied that, in the time available to it since the creation of this department, this department has expedited the matter and is on target to complete it; and is, I believe, satisfied with the progress being made and the results.

It involves computer programs and a matching of records, but if the honourable member wants further detailed answers I am prepared to have an officer provide him with a detailed briefing.

Time expired.

Progress reported; committee to sit again.

NATIONAL WINE CENTRE

The Hon. M.K. BRINDAL (Minister for Water Resources): I lay on the table the letter tabled by the Premier concerning the National Wine Centre consultancy guidelines.

ELECTRONIC TRANSACTIONS BILL

Received from the Legislative Council and read a first time.

ADELAIDE FESTIVAL CENTRE TRUST (COMPOSITION OF TRUST) AMENDMENT BILL

Received from the Legislative Council and read a first time.

SOUTH AUSTRALIAN COUNTRY ARTS TRUST (APPOINTMENT TO TRUST AND BOARDS) AMENDMENT BILL

Received from the Legislative Council and read a first time.

HARBORS AND NAVIGATION (MISCELLANEOUS) AMENDMENT BILL

Received from the Legislative Council and read a first time.

ADJOURNMENT DEBATE

The Hon. M.K. BRINDAL (Minister for Water Resources): I move:

That the House do now adjourn.

Mr CLARKE (Ross Smith): I want to take issue with the minister's answer to my questions during the Auditor-General's Report cross-examination of the minister with respect to the catchment management subsidy scheme. As the minister said, this scheme has been in operation for some years and it has done valuable flood mitigation work around the state, particularly in the metropolitan area. All Adelaide metropolitan areas have benefited from this subsidy scheme to which local government and the state government have contributed on a 50-50 basis. Tonight the minister told us that not only has the government decided to cut \$2 million from this year's budget but it is highly likely that next year's budget (no doubt the last year of the Minister of Water Resources as a minister of the Crown) will be significantly less than it was the previous financial year.

Many places in my electorate are still prone to flooding once every five years. Baker Street, including the residents in the surrounding areas at the bottom of the hill, is subject to regular flooding, as is the area around Audrey Avenue, Blair Athol. Much of the flood mitigation work that needs to take place in my electorate relates to the fact that we need to deepen and widen the Kilburn stormwater channel into which all of the stormwater runs because, at the moment, if we upgrade all the stormwater drains in those areas that are prone to flooding too much water will flow into that main channel, which will not be able to absorb the stormwater and which will simply flood the houses in the Kilburn area that are immediately adjacent to that main channel.

I say that this government cannot walk away from its responsibility concerning these flood mitigation schemes. The

government is simply washing its hands of its state government responsibilities, imposing it on local government and demanding that local government raise their rates and taxes to take over work for which a state government should accept responsibility. The minister talked and expected us to weep for him over the cost of the salinity problem, the problems associated with the Murray-Darling Basin and what we need to do about the Northern Adelaide Plains, and he is quite right, except that this is the same government that wastes \$30 million on a Hindmarsh Soccer Stadium white elephant, which was only full to capacity with respect to the seven matches at the recent Olympic Games and at which barely more than 2 000 to 3 000 people are attending at the moment.

This government also wants to waste money with respect to the National Wine Centre; it spends \$90 million on ETSA consultants' fees; and it spends hundreds of thousands of dollars, in fact millions of dollars if one goes back over the past six to seven years, in dismissing chief executive officers of government departments and having to pay out significant sums of money, yet this minister wants us to believe him when he says, 'We don't have the money to maintain the catchment management subsidy scheme', which actually increases the wealth of the state.

If we can avoid the flooding that occurs in residential and commercial areas it is a significant saving to the taxpayers and the community generally in terms of the cost of insurance, quality of life and a range of other matters. It adds to the assets of the state. It is not simply paid, for example, on wages or recurrent expenditure: it actually enhances the assets of the state. I find it particularly objectionable that this minister has cut such a significant sum of money from this subsidy scheme, which will leave not only the homes of people living in my electorate but the homes of people living in other areas prone to flooding. The minister was not prepared to answer me earlier but, if he intends to cut the guts out of this scheme and make it harder for my people to avoid flooding once every five years, I want to be able to release the minister's telephone number.

When constituents telephone me and complain, 'Why haven't you done something about the flood mitigation program?' I want them to be able to telephone the minister direct on Christmas Day. Baker Street flooded on Christmas Day only two years ago. The minister is at Unley or visiting empty blocks, signing up people to join the Liberal Party with his good mate Robert Hill. I want the residents of Baker Street and Audrey Avenue, Blair Athol, to be able to telephone the minister during his Christmas lunch and say, 'Minister, my Christmas lunch was spoiled just like it was two years ago. I have just watched the turkey float out the front door because of this flood, and you've cut the funding that would have prevented that.' I want them to be able to telephone the minister direct and express their gratitude to him for cutting the guts out of this flood mitigation project. So, let us not have any crocodile tears from this minister about money.

The Hon. M.K. Brindal interjecting:

The DEPUTY SPEAKER: Order!

Mr CLARKE: He was quite happy to squander money on the Hindmarsh Soccer Stadium and the blow-out costs of the National Wine Centre. The litany of stuff-ups and financial mismanagement of this government goes on and on. It is rank hypocrisy for the minister now to cover up for this sort of appalling waste of public money while the people of my electorate continue to experience flooding once in every five years. The alternative is that the Port Adelaide Enfield

Council will have significantly to increase rates to pick up the shortfall in state government responsibilities.

That is the problem with this minister: he will not accept responsibility in these areas. He likes to grandstand on a national scale about the salinity problems of the Murray-Darling Basin, but what does he do about it? There is only one answer, and the minister knows it: we have to cede the states' sovereign powers to the commonwealth, because only the commonwealth government has the capacity to raise the necessary funds and rise against the parochialism of state governments, as it has in Queensland (with the National Party or Labor) and in New South Wales, and do the right thing to restore the health of the Murray-Darling Basin.

The Hon. M.K. Brindal interjecting:

Mr CLARKE: Well, I have said it at the national conference of the Labor Party. I might add that I did not get much support.

The Hon. M.K. Brindal interjecting:

Mr CLARKE: Well, you will have to ask the leader. I happen to believe that. The Queensland Premier did not support it, but I would have thought that this minister, whom I credit with some nous on this subject, would know—

Mr Koutsantonis interjecting:

Mr CLARKE: I know that it is a pretty long bow, but this minister would know that the only long-term solution with respect to the Murray-Darling Basin is a national one. National governments have the taxing powers, if necessary, to grab the problem by the throat and deal with it instead of a bunch of petty squabbling state premiers who cannot get their act together on this vital issue. I refer particularly to the three eastern states of Australia.

Returning to my original point, I believe that this minister has let down the people of my electorate very badly, particularly when I understand from him that he formerly lived in Enfield. I would have thought that he would have a far kinder heart and a greater sense of responsibility for the people who formerly were his neighbours than he has shown as a minister.

The Hon. G.M. GUNN (Stuart): After that interesting little interlude, we are aware that the member for Ross Smith is massaging the local constituents in an exemplary manner. I am sure that the member for Spence enjoyed that speech, and I am sure that the member for Ross Smith will make more speeches on behalf of his constituents.

Mr Koutsantonis interjecting:

The Hon. G.M. GUNN: The honourable member, who is interjecting out of his seat in the gallery—

Mr Koutsantonis interjecting:

The DEPUTY SPEAKER: Order!

The Hon. G.M. GUNN: The honourable member can come and participate any time he wants to on that subject and I will happily take him on. The first matter that I want to draw to the attention of the House is that I noted in Saturday's *Advertiser* in the obituaries a column headed 'Eminent plastic surgeon', and this related to the late Donald Neil Robinson, who passed away in August this year. Dr Robinson was a leader in his field of plastic surgery. I was most interested to read this column because I was aware of the outstanding contribution that he had made. I quote from the article as follows:

By the mid 1970s, he was one of Australia's pre-eminent plastic surgeons, occupying almost every high position within the profession, including examiner to the College of Surgeons, chairman of the Australasian Training Committee, chairman of the Division of Plastic

and Reconstructive Surgery of the College of Surgeons and president of the Australian Hand Club.

It was interesting to note:

He was born at Salisbury, brought up in Crystal Brook and Gawler, a Scotch College boarder. . .

I did likewise myself. He was a prominent sportsman. He retired from the Royal Adelaide Hospital in 1989, and stopped work in 1993. My reason for raising this is that I owe a great debt to the particular skills of this wonderful, mild mannered person. He was responsible for performing a considerable amount of surgery on me and gave me the ability to learn to walk for the second time. So, I am always personally indebted to him, and I wanted to place on the public record and recognise the outstanding contribution he made, particularly in the pioneering work of plastic surgery in this state. I was one of the few people in this place who would be aware of his contribution and I have personally a great deal to thank him for.

On another matter that I want to raise tonight, I was delighted that the minister and the government have seen fit to put the interests of the people of South Australia first in ensuring that the port of Outer Harbour will be upgraded to allow Panamax ships to berth and, hopefully, in the future, cape vessels. The people of South Australia whether in the grain industry or in the motor vehicle industry, or others, will benefit from this operation. I am delighted that the government has reached agreement with industry, as I believe that this is the right time, and it is only because the government had the political courage and wisdom in determining to sell the Ports Corporation that this exercise was able to take place. I believe that the decision that the government and the minister have made is in the long-term interests of all South Australians.

I want to make something quite clear so that there can be no misunderstanding. I, like approximately 18 000 other people in South Australia, have been a member of the South Australian Cooperative Bulk Handling Company, a company set up many years ago for the purpose of building and operating a grain receivable system in this state. That system was established by people joining the company and paying tolls, and those tolls were returned to the growers I think after 11 years. In the meantime they were used to build and maintain the public infrastructure. The cooperative has made considerable progress over the years. In the last few months the decision was made to demutualise the company. That will mean that every person who is currently a member of the company and who has been involved in the grain industry will get an allocation of shares based on the amount of grain they delivered. There is nothing unusual about that exercise, and I understand that probably next week the share certificates will be posted out to those who have qualified to receive shares.

I make quite clear that I have never bought a share in the company. These shares have been made available through a demutualisation process, which has been most extensively canvassed within the community. So there can be no misunderstanding about my relationship or my interest in the legislation currently before the House, I make quite clear and declare my interest, so that everyone is aware and people cannot engage in scuttlebutt and so that we do not have people such as Randall Ashbourne running around the corridors trying to make mischief when no mischief is involved.

Like nearly every other grain growing farmer in South Australia, I became a member of the South Australian Cooperative Bulk Handling Company so as to make a contribution to ensure that the system was expanded and developed. That has taken place to the benefit of the grain industry and the people of this state, and it is currently one of the most successful organisations in South Australia.

The step that the board of directors has taken to demutualise the organisation and to issue shares based on the amount of grain that has been delivered over the past 10 years is something that has the support of the industry. I and my family, like all other grain growers, will receive an allocation of shares in the new Oz Bulk company and the other company that has been established, based purely on the amount of grain delivered. I do not want anyone to indicate or try to impute any improper motive to me or anyone else in relation to this matter as this process is well known to all and sundry in South Australia who know anything about the grain industry.

Mr Foley: It will influence your decision making—it cannot do otherwise.

The Hon. G.M. GUNN: That is untrue and unworthy of the honourable member.

Mr Foley: You backed the Outer Harbor development without consulting the locals.

The Hon. G.M. GUNN: That is untrue and is a reflection, as the honourable member would know if he knew anything

about the subject or anything about that particular operation. I repeat that I, like approximately 18 000 other people in South Australia, have been a member of the company, and because we have been grain growers we will be issued shares in the next fortnight in relation to the amount we have delivered over the past 10 years. There is nothing unusual or extraordinary about that process. I have never delivered a bushel of grain to Port Adelaide or anywhere west of Port Augusta, and nor has anyone connected with me. This decision has no benefit to me in relation to the delivery of grain.

Mr Foley interjecting:

The Hon. G.M. GUNN: The shares have not been issued yet.

Mr Foley: But once they are—5, 10 or 15 per cent?

The Hon. G.M. GUNN: The member for Hart—

Members interjecting:

The Hon. G.M. GUNN: The honourable member is imputing improper motives. I have come here today because I am aware that they are trying to create some scuttlebutt. I wanted to put on the record clearly that all my working life I have been a member of the Cooperative Bulk Handling Company, as was the correct and proper thing to do, to support the industry. I am very proud to have had this small association with a wonderful organisation.

Motion carried.

At 9.45 p.m. the House adjourned until Wednesday 25 October at 2 p.m.