HOUSE OF ASSEMBLY

Tuesday 14 November 2000

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

FIRST HOME OWNER GRANT (NEW ZEALAND CITIZENS) AMENDMENT BILL

His Excellency the Governor, by message, intimated his assent to the bill.

AMPLIFICATION EQUIPMENT

The SPEAKER: Before proceeding, there is clearly something very wrong with the amplification this afternoon. We are experimenting with one member's speaker, and we may get feedback during the course of question time. I ask that member to adjust it down; it may be the cause of the problem. If not, we will have to get some technicians in later during the day.

PROSTITUTION

A petition signed by 194 residents of South Australia, requesting that the House strengthen the law in relation to prostitution and ban prostitution related advertising, was presented by the Hon. D.C. Kotz.

Petition received.

HOSPITALS, FUNDING

A petition signed by 629 residents of South Australia, requesting that the House ensure greater funding for staff and equipment in hospitals and nursing homes, was presented by Mr Foley.

Petition received.

LIBRARY FUNDING

A petition signed by 3 488 residents of South Australia, requesting that the House ensure government funding of public libraries is maintained, was presented by Mr Foley.

Petition received.

NOARLUNGA HOSPITAL

A petition signed by 164 residents of South Australia, requesting that the House urge the government to fund intensive care facilities at Noarlunga Hospital, was presented by Ms Thompson.

Petition received.

PAPERS TABLED

The following papers were laid on the table:

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

Enfield General Cemetery Trust—Report, 1999-2000
South Australian Psychological Board—Report, 1999-2000
TransAdelaide—Report, 2000
West Beach Trust—Report, 1999-2000

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

South Australian Totalizator Agency Board—Report, 1999-2000

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

Department of Industry and Trade—Report, 1999-2000
Police Superannuation Board—Report, 1999-2000

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

Claims Against the Legal Practitioners Guarantee Fund—Report, 1999-2000
Commissioners for Consumer Affairs—Report, 1999-2000
Legal Practitioners Conduct Board—Report, 1999-2000
Legal Practitioners Disciplinary Tribunal—Report, 1999-2000
Legal Practitioners Education and Admission Council—Report, 1999-2000
Rules of Court—
Supreme Court Rules—Supreme Court Act—Cease to Act

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

Department for Correctional Services—Report, 1999-2000.

QUESTIONS

The SPEAKER: I direct that the written answers to questions, as detailed in the schedule I now table, be distributed and printed in *Hansard:* Nos 8, 19, 21 and 24.

PUBLIC WORKS COMMITTEE

Mr LEWIS (Hammond): I bring up the 140th report of the committee, on the police relocation from 1 Angas Street, Adelaide (final report), and move:

That the report be received.

Motion carried.

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

That the report be published.

Motion carried.

QUESTION TIME

WATER CONTRACT

Mr CONLON (Elder): Can the Minister for Government Enterprises explain the level of risk to the taxpayer of SA Water's venture in West Java? Today the Economic and Finance Committee was told by the former General Manager (Development) of SA Water and architect of the West Java master plan, Mr Richard Scott-Murphy, that he was concerned about three levels of risk involved with the deal. He told the committee that they were:

1. Sovereign risk, given the political instability within Indonesia.

2. Commercial risk and lack of recourse for recompense should the operation fail.

3. Currency exposure, given that all investment was in Australian dollars while all future promised revenue will be paid in Indonesian rupiah, and that extreme fluctuations made hedging against the risk impossible.

The Hon. M.H. ARMITAGE (Minister for Government Enterprises): That is a score of 100 per cent for predictability.

An honourable member interjecting:

The Hon. M.H. ARMITAGE: That is correct. There are a couple of things about which I would be pleased to inform

the House in relation to this matter, given that a number of these issues were discussed last week. There are a number of things which I presume the member for Elder will not bring to the notice of the House, so it is important that they are indeed put on the record.

First, Mr Scott-Murphy identified to the Economic and Finance Committee this morning that the member for Elder spoke with him by telephone before the committee meeting. He spoke with him before the committee meeting.

The Hon. G.A. Ingerson interjecting:

The Hon. M.H. ARMITAGE: As the member for Bragg says, that is exactly the sort of accusation that the member for Elder was making about the member for Bragg, and saying how terrible it was. I guess it would be too much to suspect that the member for Elder was actually suggesting to Mr Scott-Murphy what may be said. I guess it would be too much to expect that, because the member for Elder said, despite the fact that he has actually spoken with this person beforehand—

Members interjecting:

The SPEAKER: Order! The minister will resume his seat. I ask members to come back to order.

Mr Foley: He is lying.

The SPEAKER: Order! The minister will resume his seat. That was totally unparliamentary and I ask the member for Hart to withdraw it.

Mr FOLEY: I with—

The Hon. M.D. RANN: On a point of order, sir, the Minister for Government Enterprises just accused a member of suborning a witness. Is that unparliamentary?

The SPEAKER: We have to deal with one point of order at a time.

Mr FOLEY: I would withdraw the allegation that the minister is a liar.

The Hon. M.H. ARMITAGE: I thank the honourable member very much for withdrawing that accusation and, further, offer him the public steps outside on which to repeat it if he is concerned about it. I look forward to his getting outside. I look forward to the accusation outside.

Members interjecting:

The Hon. M.H. ARMITAGE: I would like the member to let me know—

The SPEAKER: Order!

Mr FOLEY: I am prepared to repeat that outside if the minister repeats the allegation that he made about the member for Elder.

Members interjecting:

The SPEAKER: Order! I ask the House to settle down: there is nothing to be achieved at this stage of question time by further inflaming the situation.

The Hon. M.H. ARMITAGE: I take issue with the member for Hart because, if he chooses to look at *Hansard*, although that would perhaps be too much to expect, what I suggested on the record is that it would be too much to expect that the member for Elder had done that. I did not accuse him of that.

Mr CONLON: I rise on a point of order. I do not want to waste more of question time, but the minister is clearly implying that I have suborned the witness, which would be a contempt of the parliament. If he wants to raise a privilege matter, let him do so: let him have the courage to do so.

Members interjecting:

The SPEAKER: Order! I ask the minister to come back to the substance of the question and stick to it.

The Hon. M.H. ARMITAGE: All I have said is that, on the admission of the witness, the member for Elder contacted the witness prior to the hearing. That is the essence of it. The witness also said that the government-to-government relationship between West Java and the South Australian government is a good idea. That is on the committee record. He actually indicated that that is the way Asian governments and countries like to do business, as I have stated before.

The ALP talks about risk. This is definitively a case of the pot calling the kettle black, because the risk that the ALP government was prepared to subject the taxpayer to includes a series of racehorses and buying insurance in a hurricane zone. Those are the sorts of things that caused the commercial disaster of the State Bank.

Our risk, if there is one, is that the World Bank—as opposed to some insurance company in the Bermuda Triangle—is backing our Pola Induk, the master plan. As I stated last week and am happy to continue to do, what happens then is that the SA Water people are able to assist in providing a short list of preferred contractors for the contracts to be achieved. When that occurs, the work will flow through to people in South Australia.

As I noted last week in questioning, that means that the people who are employed in South Australia, the families of those people and the small business people from whom those families shop, and so on, will be the major beneficiaries. I understand that this matter does not please the opposition, because it is a perfect example—

Mr Conlon interjecting:

The Hon. M.H. ARMITAGE: 'Spot on', as the member for Elder says. It does not please the opposition, because it is a perfect example of the success of the internationalisation of the South Australian water industry. Under the previous government there was no internationalisation whatsoever. It was inward looking and, as I indicated to the House last week, and I am happy to keep on repeating, that meant that there was—and I forget the exact figure—in the vicinity of $45 million to $50 million that South Australian taxpayers were paying in addition to their water bills to subsidise the inward looking water industry in South Australia through the then E&WS.

The then government was completely satisfied with that because it made not a single suggestion of change. It was prepared to fleece the people of South Australia twice: once for their water rates and then once to fund the debt. Did it make a single move to try to overcome that? No, sir. It certainly did not. The fact that we now have a water industry that is internationalised—which at least gets us on the world scene with a potential for the economy in South Australia to boost—clearly does not meet with the opposition's approval because it shows how flawed its previous plans were.

PRIVATE SECTOR INVESTMENT

Mr CONDOUS (Colton): Will the Premier detail to the House the success and importance of recent private sector investment in South Australia?

The Hon. J.W. OLSEN (Premier): I thank the member for Colton for his question, because it gives an opportunity to detail to the House what has been a very good week on the jobs front in South Australia. Not only did we see last Thursday unemployment levels drop to 7.1 per cent (as well as seeing Queensland go to a higher level of unemployment than South Australia) but, importantly, a number of companies indicated that they would further expand in our state.

The first company was one of the real success stories for the state and that is Motorola, which opened stage 3 of its undertaking at Technology Park, Mawson Lakes, yesterday.

There is a commitment by Motorola to increase its current work force of 330 to 400 employees within the next 18 months to two years. Over half that number will come from South Australian graduates, importantly creating opportunities for our young people to undertake work opportunities at Mawson Lakes, working alongside people from around the world in a highly specialised industry sector that will grow in the future. Our university graduates, those software engineers, will occupy, as I mentioned, half those positions that are on offer. To my surprise, yesterday, Mr Terry Heng, who was visiting from Chicago, announced during his speech that, as stage 3 is now two-thirds occupied, he had instructed his staff to start immediately drawing up plans for Motorola's stage 4 in South Australia.

I particularly welcomed that announcement because it is now recognised as a facility among the best in terms of research, development and outcome of Motorola facilities around the world. In fact, the microchip in the S series Mercedes Benz was designed here in Adelaide. The S series Mercedes Benz, as I understand it around the world, has a part manufactured by bright, young people in our state through this Motorola facility. For it now to proceed to its fourth stage is particularly welcome because, in the past, our Ph.D. graduates, software engineers, and the like, simply had to go interstate or overseas.

We are creating job opportunities for those kids now in South Australia and, importantly, they are able to work alongside some of the best brains in terms of software engineers from around the world. To have that sort of endorsement is really an outstanding result. Further to that, today we have seen an announcement relating to Sheridan Australia, which is one of the world's leading bed linen manufacturers—and, if I am not mistaken, about the only one now left in Australia, as most of the TCF industries have moved offshore but for this particular facility. Its Woodville North operation has now been secured. The new owner (a joint venture partnership between one of Australia's largest and oldest venture capital companies and a New York based equity firm), in a management buy-out, has now secured that investment.

Something like $59 million worth of infrastructure in the South Australian operation is now secured but, importantly, the 650 jobs at Sheridan at Woodville North are now secured for the long term. Not only did we see last year the shift out of New South Wales of the distribution centre to be collocated at the Woodville North facility but also it has been confirmed today that they have a facility in one other state of Australia which they will also be relocating to South Australia.

The state government's role in assisting Sheridan—Actil Sheets—was to introduce joint venture partners to the Sheridan management, knowing that the business was up for sale. There was a risk that, if the New York consortium that owned Sheridan sold down, there was the prospect of the label being purchased and going offshore for manufacturing, as has happened in many other textile industries in the country. However, to the credit of the work force and their attitude, and to the credit of the way in which the Department of Industry and Trade facilitated the consolidation, we now have an outcome that is in the interests of those 650 workers. Further to that, the Minister for Government Enterprises has announced on behalf of EDS that it is doubling the size of its national call centre and that 60 additional jobs will be created on North Terrace in Adelaide.

They are examples of the government's investment and job attraction program delivering dividends and benefits. I make this point: first, a lot of these things do not happen in a time frame of three months. We have been working on some of these issues for five years to get this outcome. I remember that, when we came to government in 1993, the Sheridan-Actil proposal had a debt level, signed off by the former administration, to a range of international bankers that was an absolute nightmare to work our way through. On two or three occasions during the past five to seven years we looked like losing that facility. There was a high risk to it. Over the past five or seven years we worked through those issues—with the company, with the support of management, and with some of the union people, I hasten to add, who were prepared to put in place a structure that meant securing the investment and the long-term jobs. Today's announcement is a culmination of several years' work.

Attracting targeted industries to the state—industries such as the electronic sector, which was embryonic seven years ago and which now employs something like 10 000 scientists, engineers, technicians, production and support personnel, electronic and information technology people—supporting strong and viable industries within the state—involves much effort. Despite popular belief to the contrary, more than 80 per cent of investment attraction goes to existing South Australian businesses.

I have noticed that in recent times members opposite, when we have made an announcement, always say, 'Yes, but', 'There is something wrong', or, 'It is too little, too late.' There has never been just an open welcome to the fact that we have new investment and jobs.

Mr Foley interjecting:

The Hon. J.W. OLSEN: It is. The member for Hart interjects. In relation to National Power it was said, 'Too little, too late.' Someone else on another issue said, 'That's fine, but'. The opposition is always trying, from a public relations point of view, to put a dampener on what is being achieved. Well, the opposition cannot put a dampener on the range of investments that is taking place in our state at the moment.

Several years ago we set out to start to rebuild and rejuvenate the economy. It was one of the key things that we put down as the achievements that we wanted to put in place. Three years down the track, I would argue, without qualification, that we are on the track to getting new investment, new jobs, a range of different firms and diversification of the economy, and in the country and regional areas as well as the city. You can see it and, as the Deputy Premier and others have mentioned, in a number of country towns we now have pleas for more infrastructure because they have outgrown their town limits and their infrastructure. This, in turn, delivers to us a different set of priorities and difficulties. However, I can tell members I would far sooner confront those difficulties than a contracting economic base.

I am disappointed that we cannot get at least an acknowledgment, begrudging or otherwise, from the opposition that we have achieved in a number of these areas, because what we are doing is absolute—

Mr Conlon interjecting:

The Hon. J.W. OLSEN: I understand why the member for Elder wants to wrap up: he does not want this sort of message. The member for Elder, amongst some of his colleagues, does his best to make sure there is no publicity

around this. I say to the member for Elder: we have had a couple of good weeks and months; it is a culmination of five years' work. And I have news for the member for Elder: there is more in the pipeline yet.

Mr Conlon interjecting:

The SPEAKER: Order, the member for Elder!

Members interjecting:

WATER CONTRACT

Mr CONLON (Elder): Someone give Ingo his medication! My question is to the Minister for Government Enterprises—

The Hon. G.A. Ingerson interjecting:

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

Mr CONLON: Will the minister explain why SA Water's international division made the decision last year to pull out of its activities in the Philippines and China, both of which were identified by SA Water as attractive water investment markets, and end the possibilities of moving into India and refocus almost all international operations in West Java? Today Mr—

Members interjecting:

The SPEAKER: Order!

Mr CONLON: Today Mr Richard Scott-Murphy told the Economic and Finance Committee that to focus all its international operations in West Java was 'like putting all your eggs in one basket case'. No explanation has ever been given as to why the SA Water international division pulled out of those countries.

Members interjecting:

The SPEAKER: Order! Members on my right will just cool it.

Mr Conlon: I did not say that.

The SPEAKER: Order!

The Hon. M.H. ARMITAGE (Minister for Government Enterprises): I find it an interesting accusation by the member for Elder, given—

Mr Conlon interjecting:

The Hon. M.H. ARMITAGE: Indeed, as the member for Elder says: 'It is Mr Richard Scott-Murphy.' I find it an interesting transmission of an accusation by the member for Elder from Mr Ric Scott-Murphy to whom the member for Elder referred in the most recent question as 'the architect of Pola Induk'. That is stretching things far too far, but that is another matter. I find that interesting because Mr Scott-Murphy was terminated from SA Water on 14 March 2000 and he was terminated by Mr Sean Sullivan, the former Chief Executive of SA Water. In coming to that conclusion, Mr Scott-Murphy made a number of overtures to the General Manager of Human Resources of SA Water.

I refer to a letter written by Mr Scott-Murphy to the General Manager of Human Resources, SA Water Corporation on 14 March 2000 where—

Members interjecting:

The SPEAKER: Order! I warn the member for Bragg and the member for Elder. The minister is entitled to be heard and I would like to hear the minister as well.

The Hon. M.H. ARMITAGE: Mr Scott-Murphy, in writing to the General Manager, Human Resources, SA Water Corporation, indicated:

> You will be aware that I have been advocating a strategy for the development of SA Water International that fully supports our involvement in West Java.

Mr Conlon interjecting:

The SPEAKER: Order!

DRUGS

Mr VENNING (Schubert): My question is directed to the Minister for Police, Correctional Services and Emergency Services. Will the minister explain to the House the new program launched last weekend that will significantly help the government's battle with the illicit drug trade?

The Hon. R.L. BROKENSHIRE (Minister for Police, Correctional Services and Emergency Services): I thank the member for Schubert for his question: as all members in this House would note, the honourable member has an absolute commitment to reducing illicit drugs, as indeed the government has. Many times in this House we have highlighted issues, initiatives and incentives where we can work with our community, police and other agencies to do whatever is possible within our capacity to reduce illicit drugs and also reduce the negative effects that our community, just like any other community in Australia and the world, suffers as a result of illicit drugs.

I was delighted to see that our South Australian Police Force as of last weekend is now directly involved in a campaign targeting both adult and juvenile cannabis users. The campaign is primarily about legal awareness and about health education and, because it is a joint initiative between the South Australian Police and the Minister for Human Services' department, again this is an example of an inter-agency commitment by our government to get on with the job of bringing in new initiatives to target illicit drug use. Research has shown that many users of cannabis are ill informed about both the legal consequences and also the health impact of using marijuana. When it comes to the legal consequences, many people are unaware, as we have discovered with some research, that they risk being convicted of cannabis offences if they fail to pay their expiation notice within 28 days.

As I have said in this chamber and right across the community of South Australia, cannabis is an illegal drug. Irrespective of whether it takes the penalty of an expiation notice or in fact goes through the courts system, let no-one be unaware of the fact that it is an illegal drug. If convicted, offenders face a criminal record—a criminal record that could affect job prospects for the people concerned. We know, of course, when we are travelling, that many countries will not accept people with a criminal record that involves illicit drug use.

Under the new campaign police will personally hand out this information. Brochures will be given out with every expiation notice in a bid to improve the awareness of both the legal issues around possession, trafficking of cannabis—marijuana—and the awareness around health and other effects of cannabis. The program involves three different brochures: one titled 'Cannabis—legal and health information'; a second titled 'Cannabis: a guide for young people'; and, finally, a brochure on cannabis titled 'Quitting cannabis'. The program will not provide an alternative to penalties under the law, and I want to reinforce that: in fact, our state government, as has been illustrated on many occasions, remains absolutely committed to its 'tough on drugs' approach.

The cabinet subcommittee headed up by the Premier is looking holistically at every issue with respect to illicit drug use: law enforcement, health, education, drug diversion, drug

courts, drug teams and special police operations. We will not leave any stone unturned in doing whatever we can as a government to reduce the harm caused by illicit drug use and to reduce the illegal activities and growth in crime that we see, unfortunately almost without exception, directly related to illicit drugs. I commend all people involved in the development of this campaign and trust that this initiative, in which the police are very active, will be another initiative to further assist the community to get away from drugs, to keep their bodies healthy and to ensure that they keep away from criminal activity.

WATER CONTRACT

Mr CONLON (Elder): Given the Premier's close involvement with the West Java/SA Water venture, is he aware of United Water's concerns about the risks involved in the project? According to the Economic and Finance Committee, the former SA Water Development Manager, Mr Richard Scott-Murphy, said that United Water was happy for SA Water to assume all the risks involved in the project. He also said that United Water International was reluctant to become involved in the project because of issues related to risks in currency exposure, and the risk of expanding Bandung's water operations without adequate bulk water supplies.

The Hon. M.H. ARMITAGE (Minister for Government Enterprises): This whole question revolves around Mr Scott-Murphy's view and, as I indicated in my answer to the last question, Mr Scott-Murphy indicated as follows:

> I have been advocating a strategy for the development of SA Water International that fully supports our involvement in West Java.

As I have said, that was in his letter to the General Manager of Human Resources offering his resignation so that the cessation clause in his contact would not be enacted and so that he would receive five months' salary rather than the three months' salary he would receive if the cessation clause was activated.

The nub of the matter is that Mr Scott-Murphy raised a number of issues with the board, which chose to take advice on those issues and then not to accept Mr Scott-Murphy's opinion. I am informed that Mr Scott-Murphy makes great claim of the fact that Keppress 7 prevents the flow down of work to South Australia because it is against the law.

I have never met Mr Scott-Murphy, but I understand that he is not a lawyer; he is indeed a layman. I have in my possession a fax dated 5 February from Hutabarat, Halim and Rekan, lawyers in Jakarta, which states:

> The concern of presidential decree 7/1998 [Keppress 7] is the actual construction of infrastructure where definable values are at stake. Consulting services appear to lie outside its ambit. Therefore, this proposed agreement does not offend.

I repeat the words 'this proposed agreement does not offend.' I know lots of things about lawyers, and I know that in a court of law they always win because they know the law and lay people lose. So, those were the sort of concerns that Mr Scott-Murphy took to the board; and the board analysed those concerns and took the appropriate view of the experts (not of the lay people) and decided to progress—as one would expect them to do. If the legal advice had been different, I would have expected the SA Water board to make a different decision. On all the evidence—

Members interjecting:

The SPEAKER: Order!

The Hon. M.H. ARMITAGE: SA Water made a completely appropriate decision, which will see water industry growth in Australia, and South Australia in particular.

INFORMATION ECONOMY

Mr HAMILTON-SMITH (Waite): Can the Minister for Government Enterprises and Information Economy say what foundations are necessary for the achievement of Information Economy 2002 'Delivering the future'?

The Hon. M.H. ARMITAGE (Minister for Government Enterprises): I acknowledge the member for Waite's continued interest in information economy matters and, as the parliament would know, he is progressing through further studies on that subject, and good luck to him for doing so. The right foundations are needed for IE 2002 'Delivering the future' to make sure that the government's objective of being the most connected society on earth is obtainable and, indeed, is delivered. Obviously, this means the right infrastructure and the right people. IE 2002 acknowledges what needs to be done to make us the most connected society on earth, and key initiatives include a business incubator which supports and provides mentoring services and other facilities for growing new enterprises and commercialising smart ideas so that we can reverse this trend of smart ideas being developed in South Australia in this case or Australia in general and seeing them commercialised offshore.

There are industry action plans based on a rigorous analysis of change within specific industry sectors so that those industries can be ready to cope with those changes, and the Microsoft Government Innovation Centre forms part of a Microsoft and SA government partnership worth $10.5 million over two years. It is aimed at improving the way government services are provided across the whole of government. The innovation centre will foster a cutting edge digital environment, improving our government systems, and it will be a centre for local developers, which is obviously of interest to them as they interrelate with the most clever people from Seattle and other places in Microsoft.

IE 2002 is ensuring that our recognition is being taken world-wide. Recently I was advised by Mr Paul Houghton, the Managing Director of Microsoft in Australia, that I and our plan have created quite a deal of work for him, because his boss, Bill Gates, requires regular updates on progress of this innovation centre. Frankly, that means that, despite the Leader of the Opposition's mirth, this government is capturing the positive attention of the world leaders. The ALP government of which the Leader of the Opposition was a minister certainly captured the attention of world leaders—we acknowledge that—but it was all negative.

With this state being recognised as a leader and as a leading environment for participants in the information economy, it is not surprising that key players in the information economy are very keen to make South Australia their base, and they are investing in South Australia. As part of building our foundations, literally today I announced that EDS is doubling the size of its national customer service centre in Adelaide. This means 60 more jobs by the end of this year. That is in the Adelaide request management centre, and that handles queries and problems of a very technical nature. EDS set up here, quite demonstrably, because we have highly skilled people and a lower cost of operation.

The centre will handle more than 50 000 queries a month from Australia, New Zealand and northern Asia. That is

really good news, and I am sure the member for Hart, who used to be the shadow minister for information economy, would acknowledge that. I was present in a quite large forum when he acknowledged in front of a number of senior EDS people that the opposition had a responsibility to question contracts such as this. But, to paraphrase him, he now agreed that the contract was a good deal for South Australia. That is interesting, because that is what the then shadow minister for information economy identified about the EDS contract, having said it was a good contract.

It was reported in yesterday's *Australian* that the opposition leader, Mike Rann, has pledged to set up a three minister panel to review the whole deal if he wins the next election—on one hand, and on the other hand. That means that there will be a panel to review something or other which the information economy shadow minister said was good. In other words, we can take it that this three minister panel—if, heaven forbid, they were to win government—will go ahead and investigate something that is good and give it further support. That is terrific; that is good to hear.

The investment is not only attracting major multinationals: we are also growing our own information economy players. Only yesterday, I was very pleased to open Hostworks Data Centre at Kidman Park. Hostworks is a South Australian firm which started in 1996 in the upstairs kitchen at Ngapartji, and it has gone on recently to raise $6 million from the private sector for expansion. It now employs 36 smart young South Australians. Yesterday, I was told by the CEO, Marty Gauvin, that he confidently predicts that he will expand his work force to 150 to 200 people by 2002. So, that is tangible evidence. Both those cases—a multinational and a small, smart South Australian company—are tangible evidence that the information economy is providing jobs in South Australia, and they are tangible examples of this government's delivering South Australia's future.

WATER CONTRACT

Mr CONLON (Elder): My question—

The Hon. M.K. Brindal interjecting:

Mr CONLON: How are you there, Mark? How are those people in Echuca? Can the Minister for Government Enterprises advise the House what qualifications relevant to international water operations are held by SA Water's commercial representative in West Java, Mr Peter von Stiegler, and why it is necessary for him to carry a hand gun in an ankle holster and to carry large sums of cash with him while representing the South Australian government?

Today the Economic and Finance Committee was told that Mr von Stiegler was appointed to his position by the head of SA Water International, John Caporn, after Mr Caporn's appointment in late 1997. Mr Scott-Murphy told the committee that he was not aware that Mr von Stiegler had any qualifications or experience in the water industry. The committee also heard that Mr von Stiegler, while representing SA Water in Indonesia, often carried a pistol in an ankle holster, together with large sums of cash, and had a long connection with the Golkar Party and strong connections with the Indonesian military.

The Hon. M.H. ARMITAGE (Minister for Government Enterprises): Sir—

Mr Conlon interjecting:

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

The Hon. M.H. ARMITAGE: —I am not sure why Mr von Stiegler did that. But I guess it would be for exactly the same reason that the former CEO of SA Water—who is, indeed, being championed by the member for Elder and the member for Hart—directed SA Water staff there to purchase an armoured car for when he was there. That evidence was presented in the Economic and Finance Committee last week. I do not hear any questions about that, surprisingly!

May I say that these are not matters that the former chief executive of SA Water raised with me in any of the briefings about West Java. All he was doing, when I spoke with him, was being absolutely praiseworthy of the initiative. In discussing the former CEO of SA Water, I note that a number of claims are still extant from the other side of the House that, in fact—

Mr Conlon interjecting:

The SPEAKER: Order! The member for Elder has had a fair go this afternoon. I suggest that he cool it.

The Hon. M.H. ARMITAGE: —there was no reason for the SA Water board terminating Mr Sullivan's employment. I will now identify some things which I perhaps should have done before in the hope that it may vaguely have stopped—

Mr FOLEY: Sir, I rise on a point of order. The question was about a person, paid for by the South Australian taxpayer, who wears a gun strapped to his ankle. It was not about the former CEO of SA Water.

The SPEAKER: Order! There is no point of order. I cannot put words into the minister's mouth.

Members interjecting:

The Hon. M.H. ARMITAGE: Hope for the grab tonight, guys! In the performance assessment that the SA Water board undertook on Mr Sullivan's performance, a number of—

Mr HANNA: On a point of order, I think the minister has his personnel mixed up. The question is about Mr von Stiegler, not Mr Sullivan.

The SPEAKER: Order! There is no point of order. The honourable member knows there is no point of order.

The Hon. M.H. ARMITAGE: Thank you, sir. One of these matters was 'Public relations and customer service: Achieve board agreement to a communication plan', etc. Mr Sullivan, who is being championed by the members for Elder and Hart as a much-wronged paragon of virtue, secured a mark out of 100—

Mr Conlon interjecting:

The Hon. M.H. ARMITAGE: I am sure the member for Elder will be interested to know that Mr Sullivan secured a mark of 25 out of 100. In relation to the next point of assessment, 'Work closely with the Chairman and board so as to provide assurance that the corporation is being managed in a vigorous—'

The SPEAKER: Order! The minister will resume his seat.

Mr CONLON: The minister must answer the substance of the question, which was about whether Mr von Stiegler has any qualifications in the water industry. I will come back and ask him a question about this later, if he likes, so that he can answer it. However, I want to know what Mr von Stiegler's qualifications were.

Mr Foley: Ninety-eight, sir; ninety-eight.

The SPEAKER: Order! The chair does not need any assistance from the member for Hart, because this point of order has been raised many times. There is no point of order. The minister, provided that he does not actually debate the question, can give his own response to the question. There will be opportunities later for members to ask further

questions.

An honourable member interjecting:

The SPEAKER: Order!

The Hon. M.H. ARMITAGE: As I was saying, in relation to the criterion, 'Work closely with the Chairman of the board so as to provide assurance that the corporation is being managed in a vigorous and visionary manner', again, out of a possible mark of 100 per cent Mr Sullivan scored 25 per cent. On the subject of 'Adopting a strong coaching and monitoring role with the executive, and imparting the acquired strategic knowledge and developing the team spirit', out of a mark of 100 per cent Mr Sullivan scored nought per cent.

So, the person of whom the member for Elder has become so enamoured, as has the member for Hart, was, as they have delighted in telling everyone, the highest paid public servant in South Australia. I think the people of South Australia have a right to expect that, if someone is getting over $300 000 a year, they are not going to get 25 per cent. The board is not going to be satisfied with a nought per cent mark. It will actually want a person to do better than that. That is certainly what I want. The simple fact of the matter is that, if members of the opposition continue to support Mr Sullivan, they are supporting an under-performer. It is as simple as that.

As to the simple answer to the question that the member for Elder has asked, my advice is that Mr von Stiegler has a postgraduate economics degree and was employed for commercial and political advice, not as an engineer. So, it is totally appropriate that he would have an economics degree if he was being employed for commercial advice.

MEMBERS, COMMUNICATION

Mr SCALZI (Hartley): Will the Minister for Youth outline to the House whether he believes there is merit in members of parliament communicating more effectively with youth through the media?

The Hon. M.K. BRINDAL (Minister for Youth): I thank the member for Hartley for his question—

Mr Lewis interjecting:

The Hon. M.K. BRINDAL: —and appreciate the support of the member for Hammond in the answer. There are certainly merits for all members of parliament making themselves and this parliament more accessible and relevant to the young people of our state—

Members interjecting:

The Hon. M.K. BRINDAL: —and I hope that the member for Norwood would back me in those remarks. Using mediums such as youth radio is one way that we can achieve that. As Minister for Youth, I have been proud to set up the Maze web site, which is an excellent way for young people to access news, information and resources that affect them.

Currently, the government is searching for young men and women who are interested in advising the government on issues of concern to apply to be members of Youth Plus. We have advertised through mainstream media outlets, as well as youth mags, such as *Db*, to encourage new nominations to Youth Plus. However, there is still much we can do as parliamentarians to encourage input from youth into issues of government through information technology, alternative media outlets and community radio—Fresh FM comes to mind as a popular community radio station. Indeed, it is pleasing to know that some of us are already out there.

Members of this House may be surprised, as I was, at the news item appearing in the *Advertiser* yesterday which stated that this Thursday the opposition leader would appear on the Triple M morning show to face the music and have his policies and promises put to a genuine lie detector test. I thought to myself—

The Hon. G.M. Gunn interjecting:

The Hon. M.K. BRINDAL: —as I am sure members on this side of the House did, such as the member for Stuart—'What!' The leader qualifies for an award in courage. This cannot be the same person who, back in 1991, delivered a 12 point jobs recovery plan. It cannot be the same opposition leader of 1998—that was the year we were going to improve Labor's youth profile and the leader was going to be out and about with youth forums around the state.' Those youth forums were such a success that they are still talking about them today. This man, who will submit to a test on Thursday, was the same person who set off—

Mr FOLEY: I rise on a point of order, sir. Given that we have had four questions today, standing order 98 states that the minister must answer the substance of the question: he may not debate it. The substance of the question was not about 1991. Can we at least have that standing order—

Members interjecting:

The SPEAKER: Order! The honourable member knows that, under standing order 98, I do not have the power to sit a minister down unless he is debating the subject. I do take the point of order that the honourable member has made in relation to four questions on either side. I draw that matter to the attention of ministers and ask them to shorten their replies.

The Hon. M.K. BRINDAL: As Minister for Employment, I can inform the House of one thing about which the leader was right, and it is simply this: he said in 1998, in the lead-up to the election, that this next election would be about future jobs—not the Premier's job, not the Leader of the Opposition's job, but jobs for all South Australians and—

The Hon. M.D. Rann: Loser of the century.

Members interjecting:

The SPEAKER: Order!

Members interjecting:

The SPEAKER: Order! The House will come back to order.

The Hon. M.K. BRINDAL: That is one thing—

The Hon. R.L. Brokenshire interjecting:

The SPEAKER: I warn the Minister for Police.

The Hon. M.K. BRINDAL: That is one thing he got exactly right because we have the lowest unemployment rate for 10 years.

WATER CONTRACT

Mr CONLON (Elder): My question is directed to the Minister for Government Enterprises. Given that the minister today has chosen to verbal Richard Scott-Murphy, and quote selectively from documents, will he table those documents, and will he publicly release the memo written by the former SA Water Development Manager, Mr Richard Scott-Murphy, to SA Water's international head in which he outlines the risk involved in the West Java agreement and the implications of Keppress 7's currency exposure? Last week the Economic and Finance Committee was told by Mr Caporn that no-one had raised issues of concern about the West Java operation risks, including the Keppress 7 decree. Today Mr Scott-Murphy told the committee that his warning was a matter of record and that it had been committed to writing. Will the minister release that document?

The Hon. M.H. ARMITAGE (Minister for Government Enterprises): As I have said, there was a legal opinion that Mr Scott-Murphy was advised of—

Mr Foley interjecting:

The SPEAKER: Order, the member for Hart!

The Hon. M.H. ARMITAGE: Mr Scott-Murphy knows full well the legal opinion. Mr Scott-Murphy, I am told, knows that that was taken to the board. Mr Scott-Murphy is actually aware that the board decided to take a legal view rather than the view of a lay person which, as I have indicated in a previous answer, seems quite reasonable to me. I would contemplate releasing what I am able to of this if the member for Elder releases the details of his discussion with Mr Scott-Murphy prior to the committee meeting.

The SPEAKER: The member for MacKillop.

Members interjecting:

The SPEAKER: Order! The member for MacKillop has the call. The member for Bragg will come to order.

GOVERNMENT RADIO NETWORK

Mr WILLIAMS (MacKillop): Will the Minister for Police, Correctional Services and Emergency Services outline to the House the progress of the implementation of the government radio network, particularly in relation to the upcoming fire season?

The Hon. R.L. BROKENSHIRE (Minister for Police, Correctional Services and Emergency Services): I thank the member for MacKillop for his question and I know, having been in the South-East in recent weeks, how keen his volunteers and paid staff are throughout the South-East to see the second stage of business region 2 rolled out. I am delighted, as Minister for Emergency Services, to see the positive results of what is happening with the new government radio network when it comes to emergency services and police operations in South Australia.

Business region 1—which incorporates an area north beyond the Barossa Valley, through the Fleurieu Peninsula, Kangaroo Island and also east to Murray Bridge—was completed in July 2000 of this year for the Country Fire Service. At this stage I record my appreciation of the work of the volunteers of the CFS who are being trained night after night in the new opportunities associated with the Government Radio Network. By agreement, however, through the GRN organisation, the Sleepshill tunnel was not delivered, as was the rest of region 1, due to construction and maintenance work in the tunnel still to be completed. Of course, this had no operational impact on users around the whole issue of region 1. That is now in the process of being completed.

Referring to the member for MacKillop's question about business region 2, in which he has a particular interest involving the South-East area, I am pleased to say that that will be delivered on time in January 2001. There are currently over 6 500 users on the government radio network, with 3 500 CFS personnel having taken over the use of the new network in business region 1. South Australian Police used the GRN very successfully during our extremely successful soccer games in Adelaide during the Olympics. The SES is currently rolling out voice terminal equipment to units throughout the whole of region 1. In fact, as late as last night, when I was visiting the SES unit at Noarlunga in connection with SES Week, one particular gentleman who has been responsible for the SES rolling this out told me that he is well ahead of schedule and, indeed, has only a few units left to roll out in the whole of the metropolitan area.

The GRN has been extremely well received. I place on record some third party endorsements by people from the South-East and the Mount Gambier area who, at the invitation of the GRN organisation, came to my region, working through the hills—particularly the Kuitpo Forest, which is a classic example of what happens with forestry in the South-East—and then working with CFS units in my electorate and that of the member for Finniss. The *Kingston Leader*, referring to the visit by two volunteers, Oliver Madex and Rodney Hancock, quoted them on their return as saying:

> This visit was very worth while and a great experience to see the quality of the installed equipment.

The article in question went on to talk about some of the other issues involving equipment, which was borrowed from Telstra, Telstra being the organisation responsible for rolling out the whole of the GRN—not Motorola, by the way, but Telstra, and I will talk more about that in a moment. They said that following the success of this system in South Australia—the Government Radio Network system, the system rolled out by Telstra—other states are considering the possibility of using the same.

Last night I had the pleasure of joining a couple of my colleagues, including the member for Kaurna and the member for Reynell, at the Noarlunga SES, where St John, the Metropolitan Fire Service, the police, the CFS and the SES Noarlunga unit, the busiest unit in the state, were celebrating its 21st birthday. I was delighted to see the two Labor members there, but I had to smile to myself when it came to the member for Reynell, because the honourable member was very happy to move amongst all the volunteers and the paid staff and to rub shoulders with them as the rest of us do as members of parliament. However, the member for Reynell failed to remind all the volunteers about all the wrong information that she peddled around her electorate on the GRN, the Emergency Services Fund and the government's commitment to the volunteers and the emergency services.

This is not the only example of how the Labor Party has misrepresented the facts on the Emergency Services Fund and Motorola when it suits it, because the classic example of the fabricator leading his party occurred only two days ago when the Premier made an announcement about Motorola, an additional 400 jobs and the additional stages of investment and development for South Australians so that we can continue to grow the smart state image that we as a government are getting on the record books. What happened? I bet it was probably the shadow spokesperson for emergency services, because I have heard that person misrepresent the facts about GRN and Motorola whenever it suits him.

I bet that, if I am at a public meeting in the near future with the shadow spokesperson for emergency services, when the facts are put forward about the increase in police numbers by our government, the commitment to capital works, or whatever it will be, the member for Elder will start to say that the costs have blown out on the GRN, that there is some deal with Motorola, and that this is wrong and that is wrong—because that is the what the Labor Party tried to peddle around two days ago to try to stop the media from presenting the good news story, the facts and the positive opportunities of companies such as Motorola coming to South Australia and creating jobs. That is all that the opposition ever does.

In conclusion, we will continue to roll out opportunities for South Australia, create jobs, fix the economic mess which

the Labor Party left us and, importantly, to roll out the GRN, because it is in the best interests of the volunteers and protecting the community of South Australia.

GRIEVANCE DEBATE

Mr CONLON (Elder): Today we saw both a parliamentary committee and a minister in this House sink to new levels. What we saw today in a committee of the parliament was a witness—

The Hon. G.A. Ingerson interjecting:

Mr CONLON: Sir, could the member for Bragg just keep it a little quieter, as I am trying to impress people?

The SPEAKER: Order! The member for Elder has the call, and I ask for some silence.

Mr CONLON: What we saw today in a parliamentary committee was a witness who, having been invited by the committee to give evidence, was warned by a secretary of the board of SA Water before his appearance not to say too much, and when he did appear was immediately and unfairly attacked by the Chairman of the committee. He was called a grub and he was told that he was down there to tip buckets on the government because he was a disenchanted employee. It was a disgrace. Then we saw prior to that the fellow I had some regard for, Martin Homer Simpson, smear him without even asking a question about the smear. Then we got in here today—

Mr HAMILTON-SMITH: On a point of order, sir, I ask you to bring the member for Elder back to standing orders with respect to addressing other members by their electorate rather than by fabricated names—

The SPEAKER Order! I uphold your point of order.

Mr HAMILTON-SMITH: —that shows a lack of intelligence.

The SPEAKER: Order! I have heard your point of order and uphold it. The honourable member knows to refer to members opposite by their electorates.

Mr CONLON: The member for Waite did a grubby job for the government today. Then we got in here and saw what the minister was prepared to do. No-one who saw the witness could characterise him as a man coming down to tip buckets on the government: he is the Chief Executive Officer of an authority in the ACT and reports to the Chief Minister of the ACT who, for the information of the ill-informed member for Waite, is a Liberal. His political affiliations cannot be that bad, one would think.

But what did we see from the minister today? The minister selectively quoted from documents and verballed Mr Richard Scott-Murphy. There is a fundamental law of the courts, called the rule in Brown and Dunn, that if you have something that might embarrass, discredit or bring the witness's evidence into ill-repute, it must be put to the witness. We sat there for an hour and a half while the government representatives on the committee engaged in a little smear, but the matters raised by the minister in this parliament were never put to the witness. Instead, poor old Mr Richard Scott-Murphy flies back to Canberra and finds that the minister, in a cowardly attack, verbals him inside the parliament with material that he was not prepared to put to him. It is a fundamental rule of the court because it is a fundamental rule of justice.

This government has been acting in grubby ways about this SA Water matter from the outset. This government, the minister's staff and the Premier's staff are still out there backgrounding journalists on allegations about Mr Sullivan, the sacked CEO, of which he was cleared emphatically two weeks ago. They are still out there in their black 'ops' blackening his name with members. This House has sunk to a new low. The public performance of this government in the committee and here today has sunk to new low levels.

Today we saw a person who was courageous. I am sure it will not go well for him here in South Australia and I am sure that it is not necessarily the best thing for his career path as a chief executive officer under a Liberal Government to be down here telling the truth, but he had the courage to come down and tell the truth and say that some time ago he raised grievous concerns about the use of taxpayers' money in Indonesia and in the processes there. His reward was to have snide innuendoes made about him in the committee and to have the basic rules of justice breached about him in this House. The minister has a great deal to explain on this. I have no doubt about this one thing: the minister is ignoring all the warnings about this venture and defending the indefensible. We know what happened last time that happened. This will come home to the roost for the minister and my only regret is that he will not be here to face it because his place will be taken by Jane Lomax-Smith.

Mr VENNING (Schubert): Further to my question to the Minister for Police, Correctional Services and Emergency Services today during question time, I wish to inform the House of my concerns and desires in relation to the drugs issue in South Australia and, in particular, the expiable offences for personal use and growing of cannabis. On Tuesday 24 October, I raised this issue with my colleagues and my concern about the confusing message we were sending to the community on this very controversial issue. Being able to grow an illegal substance, cannabis, even if it is only three plants, and attracting only a $145 fine is totally unacceptable in my opinion. I am told that if I grow a legal drug, namely, tobacco, I could face a fine as high as $50 000. Apparently there is even a move afoot to revert this back to 10 plants, as was originally the case when first brought in by the Labor minister back in 1978.

On the afternoon of 24 October, after I raised this issue in the morning, the Police Commissioner Mal Hyde, came out with a strong public statement about the confusing message and a schizophrenic attitude to the issue of the minor expiable offence of growing cannabis. The following day—25 October—I asked the minister a question about this matter, particularly in relation to Commissioner Hyde's comments, followed by a question to the Premier the very next question. I then followed up the matter on the same day with a contribution in the grievance debate which was picked up by the media, particularly the *Herald* and the *Leader*, the local newspapers in my electorate, and the *Herald* is conducting a poll on the matter.

Since then the *Advertiser* has also conducted a poll which indicates overwhelming support for the expiable offence to be replaced with a criminal offence with steeper fines. Every day we hear and read more about this controversial issue. Criminal experts say that this soft option has started a cottage industry in South Australia, with most of the cannabis being exported mainly to Sydney and paid for by much harder drugs, including heroin. I am told that that is a well-known fact in the drug trade. I believe it is the main reason for the

rapid increase in the incidence of breaking and entering and home invasions. We must be seen to be tougher on law and order involving these issues. There is no doubt that cannabis affects a person's health with long-term permanent effects, particularly involving mental and nervous disorders.

I am further motivated by a constituent—a mother of five sons who are all on drugs. The total despair and frustration of this person would affect anyone reading the case study. Since publicity of this matter in the local media, I have heard of more and more families who are in this very serious situation.

I am in this place to make laws for the families out there—ordinary people fighting the modern day ills that have been foisted on them. I am not here for the 'new age', casual or serious drug user, the grass parties, etc. In the strongest possible terms I state that I am here to make laws for family people.

Last Thursday, I handed to the Clerk notice of a private member's bill to abolish section 45A of the Controlled Substances Act 1984 and to upgrade the two levels of fines for serious offences. The bill would have amended section 31, relating to the 'prohibition of possession or consumption of drug of dependence and prohibited substances' and section 32, 'prohibition of manufacture, sale, etc., of drug of dependence or prohibited substance'; and it would have completely abolished section 45A. I took this course of action with every good intention that it would achieve the aim I am seeking. The above sections appear on pages 18, 20, 21 and 28 of the Controlled Substances Act. However, I did not proceed with my motion today after discussions with the Minister for Police and the Minister for Human Services who advised me that it would probably be unwise to proceed with my bill at this time, particularly because this matter is currently before the upper house and if I proceeded with my measure it could affect the motion being debated there.

I appreciate having the opportunity to discuss this matter with the Minister for Police, who agrees that the situation needs to be addressed but who has indicated that, because certain things are in the pipeline that will go a long way towards addressing this serious problem, we should wait a little while in this respect. I note that the member for Hammond has moved a motion today on this issue: is it just pure coincidence? I will be interested to see what happens.

The SPEAKER: Order! There are too many audible conversations going on around the chamber.

Mr KOUTSANTONIS (Peake): Today I raise the grave issue of crime in my electorate. I have been approached by police officers patrolling my electorate who have told me that there has been a dramatic increase in crime in the western suburbs—so much so that they are too under-resourced to control it. Being concerned about this, I asked the Police Department for some figures on this matter and was told by a police officer to contact the statistics division of SAPOL. I contacted SAPOL and was told, 'We have the statistics here but I cannot give them to you; you have to go through the ministerial liaison officer.'

When I asked why I had to do that, I was told that only the minister can approve the release of crime statistics. I thought to myself, 'Why would that be? Why would the government not want me as the local member to know of the crime statistics in my area?' SAPOL publishes a list of crimes on the internet. However, they are from the past financial year and are not current. SAPOL does keep up-to-date accurate figures per month, but these are available not to members of the public, members of parliament or Neighbourhood Watch groups but only to government members and the minister. I have to put a question on notice or write a letter to the minister and wait for a response. I know from past experience that the response takes nearly four to six weeks—sometimes three months.

Mr Atkinson: Or never!

Mr KOUTSANTONIS: Yes, because this government just hides the facts. It does not release the figures. My constituents and those of the member for Hanson deserve better than this. I was told by officers who are not afraid of the minister or the government that they are doing their best to increase the police presence in the western suburbs. However, because resources are so thin on the ground, whenever there is an event such as the Olympics and they have to move out of the area to major events, the criminals come back. Apparently in Mile End, Torrensville and Thebarton the crime rate is increasing and the police are doing what they can. The local community can help as well. The government should not leave us behind. The local community wants to help the Police Department, and we will do our best. However, the government must make the figures available, let us know where the hot spots are and help us organise Neighbourhood Watch meetings.

The government should let us do what we can. It should not try to play political games with crime, because it is not fair on the residents. The government should let local members know what the crime rates are in their areas. That makes sense to me. I expect that I might never get an answer from the minister of police about the crime rates in the electorate of Peake and in the suburbs to which I have referred. I bet that if I do it will not be until next year. However, if one rings up the crime statistics department at SAPOL one finds that those figures are at their fingertips, but the officer there cannot release them to me because I am a member of parliament in the opposition. I wonder what would have happened if the member for Colton had rang up and asked for those figures; I bet he would have got them straightaway. However, when a Labor member rings up, we must wait. That is completely unfair.

Members opposite might think that it suits them now, but they will not be in government forever. They should be setting up these systems and protocols so that every member has equal access to information related to their electorate. I am not asking for government secrets or for confidential ministerial briefings. I want merely to know the crime statistics in my electorate so that I can help my Neighbourhood Watch areas. However, for some reason the government will not give them to me.

The government has something to hide on this, and it is unfair. It is not right. It is time that the government got its priorities right and started doing the right things by local residents no matter where they live, in whose electorate they are or who represents them. The government, whether it be Labor or Liberal, is there for all South Australians and not just those happy few who happen to be Liberals. This is completely unfair, and I would ask the minister to telephone SAPOL and give me an answer today about the crime rates in the electorates of Labor members, and specifically the crime rates in those areas specified in my question on notice. However, I know it will not happen.

Mr McEWEN (Gordon): I rise to grieve briefly on the water situation. As the House is aware, last autumn, while we were dealing with amendments to the Water Resources Act,

there were some difficulties over amendments from another place. In a deadlock conference the minister gave an undertaking that he would bring legislation back into the House in the spring session to resolve a number of significant unanswered questions. To date we have not seen that legislation, and I am alarmed that a number of matters still remain unresolved. I would like to put them on the record.

The first of these matters is the opportunity to double dip. As it stands at present, companies purchasing land to plant forestry—in particular, blue gums—and in so doing purchasing the right to water, have the opportunity to sell the water licence and still plant the land to forestry; in other words, to double dip. This is causing considerable concern in the community.

The second issue that remains unresolved is changing land use in fully allocated hundreds. Until a decision is made, through land use it is still possible to reduce the water available in fully allocated hundreds—in other words, to take back from water users an existing right. The matter has not been resolved, is causing much concern and, of course, is slowing down any development. In the case of dairy farmers, it is causing alarm over the fact that they have restructuring packages to make them more efficient and effective, yet they cannot improve irrigation to this end.

The next matter is the conversion of irrigation equivalents to volumetric allocations, and we were told at a meeting last evening that the data to enable that to be done is at least three years away. So, we will not know within the next three years how to convert present allocations that are in irrigation equivalents to volumetric allocations, as is required. Of course, before we have a water market, that needs to be resolved.

Other matters causing concern are the fact that it seems that many states will not embrace COAG water policy in relation to the separation of water from land. Certainly, Tasmania, Queensland and the Northern Territory have all indicated that they will not be legislating to separate water from land and, if one wishes to trade water in those states, one will have to do it through trading land title and not water allocation.

All these matters remain unresolved, and many of them are beyond the scope of the catchment board. Without having answers to these questions, it is really impossible for the catchment board actually to bring in a final water allocation plan. They have had legal advice that they cannot deal with these first order issues. They are political issues and are beyond the purview of the water catchment board. So, in effect it could be argued that the board is wasting its time until the minister legislates to solve these significant matters.

Certainly, economic development in the South-East is on hold until such time as these matters are resolved. Along with these matters, the minister has not indicated what he intends to do with unallocated water. Again, without a clear direction as to what happens with unallocated water, we cannot create a water market, because all the water is not available; therefore, you have a submarket—an artificial market—and, in an environment where water holding licences presently do not attract the levy, you have again distorted the market.

So, serious concerns and questions remain unresolved. We have not seen the legislation yet and, as we have now been advised that it is the government's wish for parliament not to convene until 13 March next year, that is far too late. I indicate that I will be seeking the support of the House to reconvene on 13 February next year so that we can continue the debate that we have already been promised.

Mr WRIGHT (Lee): I have spoken in this House a number of times during the past three years about the Queen Elizabeth Hospital. I have done so for a number of reasons, first, because health is critical to what we can and should provide and resource properly as a government. Also, of course, it is in the western suburbs—although it is not in the electorate that I am fortunate enough to represent—and it services the electorate for which I am the member. The member for Spence is the local member, and he certainly services the QEH assiduously. However, it also picks up other electorates, for example, the electorates of the members for Hart and Price, and the list goes on.

The hospital really is an icon in the western suburbs. It is a public hospital in which we in the western suburbs have taken much pride. I think that it has been operating since about 1952, and it services a very large area in the north-western suburbs and metropolitan Adelaide; and also, of course, some people come from country and regional South Australia to use the QEH.

There has been some tinkering at the edges by the minister in the last couple of weeks. Initially, he announced that 20 more beds would be made available for some nursing home care people. Of course, these were beds that were not quarantined for the accident and emergency load. Then there was a subsequent announcement by the minister of another 15 beds as part of a package (I think that might be the one that he did without cabinet approval), and we do not know the detail of that.

Help as it may in a small way, it is really tinkering at the edges, because what we know, and what we hear consistently, both in and out of our electorate offices and also at meetings that we attend, is that this is one of the most critical issues in the community, and certainly it is an issue which is brought to our attention on a regular basis. It is hugely frustrating that almost every day, one way or another, one either comes into direct contact, or indirect contact as a result of our being out of our offices and our staff members handling difficulties which people bring to them, with a whole range of very important issues which are brought to our attention about the Queen Elizabeth Hospital. These issues include such things as understaffing; there being no modern equipment; cancer patients being cared for in the maternity ward; and people having babies in non-maternity areas. These are real things that are happening.

The waiting times are just draconian and quite ridiculous—and, unfortunately, there was a recent very sad example, which members may have read about in the *Advertiser*. It was a very sad situation, to say the least. There are staffing shortages—and we do not blame the staff for this, of course—the consequence of which is a lack of care. This is not the fault of the staff but is a result of the lack of the appropriate funding being made available so that we can have the number of staff required.

Regularly the point is made to us that, in fact, we have an icon such as this in the western suburbs, with which people right across the north-western area have identified, a public hospital in an area which picks up a fairly big proportion of, one could say, low income earners, and people continue to ask the fundamental questions: why is it not funded properly; will it, in fact, be closed down; or will it be privatised?

There are some big decisions that this government has not been prepared to take on board. The opposition has regularly expressed its support for the Queen Elizabeth Hospital and what we will do in government. We believe that it is a priority, and one of the critical areas that we will address in

government is health. We will be a government for health but we will also be a government for the Queen Elizabeth Hospital. Sadly, this government is not prepared to take on these issues and address the real issues. It only tinkers at the edges, and, of course, that will not solve the problems. This is a major problem, and one about which I have spoken time and again, as have my colleagues in this chamber.

Mr MEIER (Goyder): Last week, I identified to this House many of the positive projects that were occurring in the electorate of Goyder. With a time limit of five minutes it is always disappointing not to be able to get through a complete list and, whilst I want to continue on with that list, I apologise at the outset to any companies or groups that I fail to mention.

Whilst I have mentioned such developments as the Copper Cove Marina, the Dry Land Farming Museum, the various hay producers and the aquaculture projects that are taking place, I have failed to mention some of the things such as our wonderful museums. For example, the coin museum at Kadina is, I believe, the biggest coin museum in the southern hemisphere—certainly in Australia—and anyone who is travelling to Kadina should put aside the better part of two hours; you cannot do it justice in one hour—and the admission rate is so low for what you get. It is a truly magnificent museum.

We also have the military museum at Bublacowie. In fact, I spoke to the proprietors on Friday. They told me how they are progressing from strength to strength, and this coming weekend they have another special day for the military museum. Bublacowie is half way between Minlaton and Yorketown and is off the main road. It is probably the biggest private enterprise military museum in Australia, and we have it right on Yorke Peninsula.

We certainly have a wonderful maritime museum at Wallaroo and, likewise, at Port Victoria and Edithburgh. We have Maitland museum which, again, is very much concerned with dry land farming. A well known museum is the Moonta Mines museum, which particularly highlights many of the features of the Cornish people and the early mining of the area.

We also have the tourist train which currently runs from Wallaroo to Kadina, and which has recently received approval from the Minister for Transport to run through to Bute—and the plan is to run through to Snowtown. So, the tourist train will run from Wallaroo to Kadina, Bute and Snowtown, and I believe that it will not be long before tourist buses will travel up on Highway 1 and drop the tourists off. They can take the tourist train through to the copper triangle area and they can come back by train or the tourist bus can pick them up. It is a wonderful fact that there is sufficient extra track on that train line, so they will have enough to relay the line from Wallaroo to Moonta. So, hopefully, one day there will be a train running from Moonta through to Snowtown again.

I also mention the Yorke Peninsula bird rescue facility at Maitland, which I attended on Sunday, when it held its second gala day. The number of birds that the proprietors have rescued is absolutely incredible. Whilst they seek to release as many as possible back into the wild, those with serious injuries cannot be released. The proprietors, Marcia Kemp and Tony Sutcliffe, showed me some of the highlights. Marcia has just raised a little swallow that was the size of her thumb nail when it arrived there.

We have Gulf FM, which is 90.3 on the FM dial. We also have two new schools in my electorate: the new harvest school at Kadina and, from the beginning of next year, a new SYP Christian college is to start. I mentioned the proposed motels. We had a $7 million Woolworths redevelopment a couple of years ago. Of course, we have Harry Butler's museum at Minlaton. We also have our festivals: the Cornish Festival, the Prawnfest, the Stansbury Speed Boat Regatta, the Copper Coast Fishing Competition and the fishing competition at Point Turton, and many other festivities take place on Yorke Peninsula on either a regular or an irregular basis. So, it really is go, go, go in every sense of the word. Yorke Peninsula is booming. In fact, over the weekend I received the first report that one of our towns will be very short of accommodation because of an expansion of one of the major industries.

Time expired.

SHOP THEFT (ALTERNATIVE ENFORCEMENT) BILL

Second reading.

The Hon. I.F. EVANS (Minister for Environment and Heritage): I move:

That this bill be now read a second time.

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

The SPEAKER: Is leave granted?

Ms Hurley: No.

The SPEAKER: Leave is not granted.

The Hon. I.F. EVANS: I thank the opposition for the opportunity to present the second reading explanation to the House. From a brief look at my notes, I think that there might be 11 or 12 pages. So, I do not mind holding up the House for a short time. 'Shoplifting' is 'shop-stealing'. 'Shop-stealing' is straight-forwardly larceny or theft. It is a potentially serious offence. The correct charge is simple larceny under section 131 of the Criminal Law Consolidation Act. It provides:

> Simple larceny
>
> 131. Any person convicted of simple larceny, or of any offence by this act made punishable like simple larceny, shall (except in the cases hereinafter otherwise provided for) be liable to be imprisoned for a term not exceeding five years.

Allegations of shop-stealing must now be prosecuted in the normal way. The matter is reported to the police, who attend and make the decision whether to report, arrest, or take no action based on the evidence presented to them. The person, if charged, is brought before a court and given a chance to plead guilty or not guilty. If the plea is guilty, the process of sentencing will take place. If the plea is not guilty, a trial will be necessary and then, if found guilty, sentence.

While a maximum penalty of imprisonment for five years may seem quite serious, the offence covers stealing $1 to stealing $1 million (or more) and so it can readily be seen that stealing goods worth, for example, $5 to $10 from a shop is very low on the scale indeed. An analysis of crime statistics from 1991 to 1998 shows that most people who end up in front of the court plead guilty and either receive no penalty at all or are fined a small amount.

This suggests, although it is not known for certain, that most people are prosecuted for small amounts and/or very minor offences, plead guilty at once and are first offenders. It is not known, however, how many never come before a court at all. Anecdotal evidence suggests that this category

constitutes a majority of cases. This state of affairs—the traditional state of affairs—is unsatisfactory from any point of view.

Everyone acknowledges that shop theft is under-reported. Many retailers do not think it worth their while to go to the trouble of reporting minor shop theft to the police and following through with the prosecution. There are good reasons for this opinion. The shop owner may have to attend court. If he or she is a small business, this can be an expensive and inconvenient thing to do. The police must take custody of the goods alleged to have been stolen as evidence against the accused.

So, the shop owner cannot sell them (and they may be perishable). Worse, even if these hurdles are surmounted, in many cases, the person is a first offender and the value of the goods involved is relatively small. If guilt is proven, the usual result is either the imposition of no penalty, a small fine or a good behaviour bond. In other cases, the need to prove that the accused intended to steal the goods concerned may result in a dismissal of charges or a failure to prosecute in the first place.

From the point of view of the criminal justice system, these facts also make such prosecutions very frustrating for all concerned. For many first time offenders, it is argued, the simple fact of having been caught by the police is sufficient to deter them from reoffending, and the subsequent court appearance badly utilises court time and resources.

In particular, it is argued by those who think that the current system requires change that a high proportion of minor first offence shop-stealers are elderly people, women and/or people of non-English speaking background or are, in general, from disadvantaged backgrounds and, further, that the rate of reoffending is low after the first apprehension. It is said that many such 'thefts' are committed by people suffering from stress, dementia, neurosis, illness and absentmindedness.

It is argued that two-thirds of offenders appearing before courts of summary jurisdiction are first offenders and that this shows that most people apprehended for shop theft do not offend again. It is argued that the full impact of the criminal justice system in such cases is an unwarrantedly heavy hammer with which to crack a very small nut at the cost of unduly great personal embarrassment, humiliation and/or trauma as well as great financial cost to the criminal justice system and the victim. The inhumanity of going through the whole process for such thefts as $2.67 for two felt pens and $4.51 for food items has been cited by proponents of change.

Put more specifically, there are four fundamental arguments for change. The first is the argument of 'wrong classification'. The essence of the argument is that a large percentage of the people who are being processed through the court system for shop-stealing do not belong there. They are the forgetful, the elderly and the confused. Worse, these accused are unlikely to be legally represented—legal aid is available only if there is a real chance of imprisonment and the statistics show that such cases are few.

The result is the real possibility of wrongful conviction on plea of guilty or (see below) the need to allocate court resources to make up for the lack of legal representation. The second argument for change is based on deterrence. The court process is providing minimal deterrent effect in the sense that a large number of those who face the courts are not acquitted but receive no court penalty at all.

If there is a deterrent effect (and that may be so if the hypothesis about the number of first offenders is correct), it appears to derive from police intervention in the first place rather than court penalties. This accords with deterrence research which suggests that apprehension and immediate action is more liable to deter than a possible court appearance some considerable time in the future.

The third argument for change is based on police resources. The prosecution of a large number of minor shoplifting offences, even by the most cost-effective mechanism of the court of summary jurisdiction, is said to be a poor use of scarce court resources. Given that the statistics on court outcomes for all offenders—not just first offenders—this is said to represent a gross misallocation of funds.

In addition, police patrols are said to average 61 minutes per attendance at these reports, plus unquantified but substantial police time and resources devoted to the actual prosecution of these offences for the kind of result achieved. Police would then have more resources to devote to the detection and prosecution of more serious crime.

The fourth argument is based on benefit to the victim. If the court processes were removed from the system of dealing with minor shop-stealers, victims would benefit in the following ways:

- there would be minimal disruption and accrual of time savings for the retailer because victims would not have to attend court and spend time in court processes;
- the property concerned would not have to be held by police pending the court hearing; and
- as a result of both of the above, victims should be more willing to report these matters to police rather than deal with the matters themselves, thus enhancing respect for the law which is supposed to protect them.

These are powerful arguments. It will therefore come as no surprise that there have been a number of proposals for change to the legal method for dealing with minor instances of shop-stealing from a variety of sources in the past. But it is more important to turn to the history of this particular proposal.

In 1995, the government established the Retail Industry Crime Prevention Committee to develop and implement strategies to reduce the incidence of crime against the retail industry in South Australia. The committee brought together representatives of the retail industry and relevant government agencies and was chaired initially by Mr David Shetliffe, Executive Director, Retail Traders Association of SA Inc. The committee identified minor shop theft as a priority issue to be addressed and, following extensive consideration, put forward a proposal for a formal police cautioning system, similar to that currently operating for juveniles in South Australia, as an alternative to court processes for selected adults apprehended by police for shop theft.

Although this proposal was not adopted by government at this early stage, it was decided to circulate the proposal widely with a view to determining community attitudes generally and also the opinions of those more directly affected by the proposal. The proposal was circulated in the period of May-June 1997. Responses were collated and considered by the committee. These responses were largely supportive, although a number of submissions made suggestions about the detail of such a scheme or how it might operate in practice. Although none was directly opposed to the proposal, a number of submissions was concerned with the extent to which such a scheme could be seen to be a 'soft option'.

By late 1997, the committee had taken the results of the consultation into account and it presented its revised recom-

mendations to the Attorney-General in March 1998. The revised proposal has been under consideration since then, but the lapse in time is largely due to the overriding urgency of other issues. On 19 November 1999, the Executive Director of what is now the South Australian Branch of the Australian Retailers Association notified the Director of the Crime Prevention Unit that the scheme described below had been endorsed at its last council meeting and ended by congratulating the government, and the Attorney-General's Department in particular, on the proposed program.

That resolution was a result of acceptance of the proposal by the Retail Industry Crime Prevention Advisory Committee, which currently consists of representatives of David Jones Ltd, the Motor Trade Association of SA Inc, Coles Myer Ltd, Woolworths, Knight Frank, SAPOL, the Insurance Council of Australia and the Chief Executive of the Department of Education, Training and Employment.

In June 2000, the Attorney-General released a draft bill and a discussion paper to a selected group of leaders of the retail industry immediately prior to a general release to the public. The results of the consultation process were reported as follows. In fact, I will elaborate on them.

The essence of the scheme is the provision of an alternative legal system, based on police discretion, for dealing with minor shop stealing with the consent of the victim, the police and the accused. It is based on the successful model employed in dealing with minor juvenile offences under the Young Offenders Act 1993. The procedure depends on the value of the goods stolen, the value being set on the retail price of the goods at the time. The procedure to be followed depends on whether the goods are valued at or below $30 or at or below $150. In each case, with the consent of the victim and the accused, the police officer may issue a shop theft infringement notice.

With the $30 or less situation, there are two possible courses of action. In the first, if the accused apologises to the victim in the presence of the police officer (unless the victim does not want an apology), returns the goods or, if they are damaged, pays the value of them, admits to the offence and undertakes to submit to a formal police caution, the matter can be dealt with on the spot. Alternatively, if the accused so desires, he or she may take the notice away for 48 hours, perhaps to consider his or her position, take the advice of friends or family, or of a lawyer and then may attend personally at the police station specified in the notice and admit the commission of the offence, pay for any goods that are damaged, submit to a formal police caution, and undertake to apologise to the victim (unless the victim does not want an apology) in the presence of a police officer at a time and place fixed in the notice.

Where the case involves goods valued at more than $30 but at or below $150, the scheme is slightly different. In this situation, the matter is not dealt with on the spot, but the police officer, again with the consent of the victim and the accused, may issue a shop theft infringement notice which obliges the accused to attend a specified police station within 48 hours. When the accused attends, the requirements are similar—admit the commission of the offence, pay for any goods that are damaged, submit to a formal police caution, and undertake to apologise to the victim (unless the victim does not want an apology) in the presence of a police officer at a time and place fixed in the notice—but in this case, the accused is liable to serve a period of community service calculated at one hour for every $5 value of the goods the subject of the notice. That means that the minimum amount of community service that can be imposed is seven hours and the maximum is 30 hours.

That is a brief outline of the scheme proposed. There is, of course, more detail to be absorbed. In general terms, however, the proposed system has the following advantages for the police:

- The time consuming tasks and major decisions (such as those about community service) are done at the station level rather than the patrol level.
- There is an option in simple cases to dispose of the matter on the spot.
- It will be very much easier for the community service scheme to be made available and administered at the station level rather than the patrol level.
- There is also likely to be much more consistency in decision making.
- The caution in more serious cases is more 'official' because it is more deliberate and formal and administered at a higher level.
- If police are of the opinion that the patrol erred in issuing the infringement notice (either because there is no case or, at the other extreme, because the offence is serious as the person concerned gave incorrect information to the patrol), the notice can be withdrawn and the appropriate action (if any) taken.

The proposed system has the following advantages for the victim:

- The victim has a controlling voice on the question whether or not the proposed scheme will operate in any given case.
- There is an option in simple cases to dispose of the matter at the time.
- Simplification of the procedure in minor cases will encourage victims to report offences to police and have them dealt with by operation of law, thus exposing offenders to official notice.
- Victims will not have to participate in formal court processes.
- Victims are likely to have their goods returned on the spot or, at least, within 48 hours of the offence having been committed.
- Offenders will be likely to receive more effective, timely and consistent punishment for the offence than they do now.
- Victims are to be kept informed of the progress of the matter whenever they wish.

The proposed system has the following advantages for the offender or alleged offender:

- There is an option in simple cases to dispose of the matter at the time.
- There is the option for the alleged offender to obtain legal advice and have the matter dealt with in court if he or she so wishes.
- The resolution of minor cases is less formal, traumatic and delayed than the traditional court system.
- The consequences of minor shop stealing are now such as to warn the offender, or alleged offender, of the legal consequences of possibly impulsive or ill thought through behaviour.

It must be emphasised that the proposed system is not and is not intended to be 'soft on crime'. Rather, it is seen by almost all those who have responded to it in any way as a simply more appropriate, just and effective way of dealing with a particular kind of crime. It should be noted that:

- The proposal was formulated for and has the approval of the Retail Industry Crime Prevention Advisory Commit-

tee, which currently consists of representatives of the South Australian Branch of the Australian Retailers Association, David Jones Ltd, the Motor Trade Association of SA Inc, Coles Myer Ltd, Woolworths, Knight Frank, SAPOL, the Insurance Council of Australia and the Chief Executive of the Department of Education, Training and Employment. The media has also reported the support of the Victims of Crime Service. None of these organisations are 'soft on crime', let alone shop theft.

- The proposal is based on existing schemes which are not 'soft on crime'. The general idea behind such schemes is what is called 'restorative justice', which emphasises the role of the victim, speedy informal resolution of minor matters and swift confrontation of the offender with the effects of his or her crime. The general scheme is the basis of the current legislation dealing with minor offences by young offenders and current and proposed methods of dealing with minor drug offences.
- The proposal itself is confined to cases in which the retail price of the article(s) in question is less than $150 and cases in which the victim agrees that the system should be used. Use of the system will minimise the time for which the victim will lose possession of the goods in question for evidentiary purposes and will eliminate the costs to victims incurred through having to appear in court. These advantages are significant, especially to small retailers.
- Analysis of court figures shows that the proposed system, far from being 'soft on crime', actually delivers more certain and direct punishment. About 40 per cent of cases (or four in 10 for the member for Spence) in which the defendant was found guilty of larceny from a shop receive no penalty at all. By targeting the very minor cases of shop stealing, it is almost certain that the scheme will be dealing with those 40 per cent of cases in which no penalty will be imposed in any event. The scheme is not being 'soft' in those cases—it is actually doing something about them.

In response to consultation on the discussion paper and the draft bill, Coles Myer, the Victim Support Service and the Australian Retailers Association wrote letters of general support. The Australian Retailers Association wrote to 'offer its full support' for the proposed changes in legislation, stating:

> These changes have been favourably received by our members in the hope that the scheme will encourage greater reporting of shop theft, especially by small retailers.

The Hardware Association also supported but added:

> The implementation and the consequential publicity must be handled so that the public gets the message that the Government is getting tougher on shop stealing by providing an act that can be administered and deals with the offending person.

The Victim Support Service said:

> We are encouraged that this minor shop theft diversion scheme is a small step toward greater implementation of restorative justice processes with a less reliance upon the adversarial processes of the traditional criminal justice system.

As the Victim Support Service notes, an essential principle underlying this scheme is the notion of restorative justice. In general terms, restorative justice attempts to reintegrate offenders, victims, their respective supporters and the community instead of using an adversarial system to isolate offenders. The idea is, of course, far more complex than that, and it is not one that can be used indiscriminately. But if it is used carefully and correctly, it offers viable alternative enforcement methods where the traditional criminal justice system has, for any number of reasons, failed to cope adequately.

I commend the bill to the House and seek leave to insert the remainder of the second reading explanation inserted in *Hansard* without my reading it.

The SPEAKER: Is leave granted?

Mr Atkinson: No.

The SPEAKER: Leave is not granted.

The Hon. I.F. EVANS: Do I understand that I have to read all the clauses?

The SPEAKER: The minister, in explanation, does not have to do so but, if he does not, the explanation for all the clauses will not be inserted in *Hansard*. So if the minister wishes to have it in *Hansard*, he has no option but to read it.

The Hon. I.F. EVANS: I have never been in this position: I seek clarification from the chair. Does that then prevent the House from debating the bill in any way?

The SPEAKER: No.

The Hon. I.F. EVANS: So there is no requirement for the clauses to be in *Hansard* for the bill to be debated?

The SPEAKER: I would imagine it would assist the committee stage of the bill in providing information, but the short answer to your question is: no.

The Hon. I.F. EVANS: The explanation of the clauses is as follows:

Clause 1: Short title

Clause 2: Commencement

These clauses are formal.

Clause 3: Interpretation

This clause defines certain terms used in the measure. In particular 'minor shop theft' is defined as a larceny of goods valued at or below the prescribed upper limit from a shop. The prescribed upper limit is initially set at $150, but provision is made for future CPI adjustment of that figure by regulation.

Clause 4: Issue of shop theft infringement notice

This clause deals with the issue of a shop theft infringement notice. A police officer may issue a notice, rather than charge an alleged offender with larceny, if satisfied that—

- the allegation constitutes an allegation of minor shop theft; and
- the alleged offender is 18 or over and is not an employee of the victim; and
- the victim has consented to the alleged offender's being dealt with under the measure; and
- there is no reason to suspect that the alleged larceny is part of a pattern of behaviour on the part of the alleged offender or an organised scheme involving the alleged offender; and
- there is sufficient evidence on which a court could reasonably find the alleged offender guilty of the larceny.

There are, then, two different types of notice—one dealing with larceny of goods valued at or below the prescribed amount and one dealing with larceny of goods valued at more than the prescribed amount. The prescribed amount is initially set at $30, but provision is made (in clause 3) for future CPI adjustment of that figure by regulation.

When a police officer issues a notice to an alleged offender, the police officer must read to the alleged offender the information contained in Part B of the notice.

Clause 5: Consent to being dealt with under Act—goods valued at or below the prescribed amount

An alleged offender who has been issued with a notice relating to goods valued at or below the prescribed amount may effectively consent to being dealt with under the measure

either immediately following the issue of the notice or within 48 hours of the issue of the notice.

If consent is given immediately following the issue of the notice, the alleged offender—

- must apologise to the victim (unless the victim doesn't want an apology); and
- if it will not be possible to return the goods to the victim in saleable condition (because they have been consumed, destroyed or damaged by the alleged offender)—must pay the victim the value of the goods; and
- must complete and sign the statement in Part C of the notice admitting the commission of the offence and undertaking to submit to a caution against further offending.

If consent is to be given within 48 hours of the issue of the notice, the alleged offender must attend at a specified police station and—

- if the goods have been consumed, destroyed or damaged—must pay the police, on behalf of the victim, the value of the goods; and
- must complete and sign the statement in Part C of the notice admitting the commission of the offence and undertaking to submit to a caution against further offending and to apologise to the victim (if required).

In addition, in both cases, a police officer must confirm that it is appropriate that the alleged offender be dealt with under the measure by completing and signing Part D of the notice.

Clause 6: Consent to being dealt with under Act—goods valued at more than the prescribed amount

Where an alleged offender has been issued with a notice relating to goods valued at more than the prescribed amount, effective consent cannot be given straight away but must be given at a police station within 48 hours after the issue of the notice. On attending at the police station the alleged offender must—

- if the goods have been consumed, destroyed or damaged—pay the police, on behalf of the victim, the value of the goods; and
- complete and sign the statement in Part C of the notice admitting the commission of the offence and undertaking to submit to a caution against further offending, to apologise to the victim (if required), to complete a specified number of hours of community service and, for the purpose of completing that community service, to report to a community corrections officer and obey the lawful directions of the community corrections officer to whom he or she is assigned.

Again, a police officer must confirm that it is appropriate that the alleged offender be dealt with under the measure by completing and signing Part D of the notice.

Clause 7: Failure to effectively consent

If an alleged offender issued with a notice does not effectively consent to being dealt with under the measure, the alleged offender may be charged with larceny in relation to the allegation the subject of the notice.

Clause 8: Withdrawal of consent

An alleged offender who effectively consents to being dealt with under the measure immediately following the issue of a notice may withdraw that consent at any time within 48 hours of the issue of the notice. If consent is withdrawn, the alleged offender will be treated as if he or she had never effectively consented to being dealt with under the measure and may therefore be charged with the alleged larceny. Consent cannot, however, be withdrawn if an alleged offender has paid the victim the value of the goods.

Clause 9: Alleged offender to be provided with copy of notice and caution

An alleged offender who has effectively consented to being dealt with under the measure must be given a copy of the duly completed and signed shop theft infringement notice and a notice setting out the words of the caution administered.

Clause 10: Information to be provided to victim

When a police officer issues a shop theft infringement notice, the officer must ask the victim whether he or she wishes to be provided with information in relation to the manner in which the alleged offence has been dealt with and, if so, must ensure that the victim is provided with it.

Clause 11: Community service

This clause provides for the application of the provisions set out in Schedule 3 to the performance of community service under the measure.

Clause 12: Breach of undertaking specified in notice

This clause makes it an offence for a person who has effectively consented to being dealt with under the measure to breach, without reasonable excuse (proof of which lies on the person), an undertaking specified in the notice. The maximum penalty for this offence is a fine of $1 250.

Clause 13: No prosecution if effective consent given

This clause specifies that a person who has effectively consented to being dealt with under the measure is not liable to prosecution for an offence of larceny in relation to the allegation the subject of the notice.

Clause 14: Failure to issue notice or allow effective consent not to be raised in proceedings

This clause provides that no argument may be put in larceny proceedings that a shop theft infringement notice should have been issued to the defendant, or that the defendant should have been allowed to effectively consent to being dealt with under the measure.

Clause 15: Inadmissibility of evidence of consent, etc.

This clause provides that the fact that a person admits committing the offence the subject of a notice by, or for the purposes of, effectively consenting to being dealt with under the measure may not be adduced in evidence or cited or referred to in any proceedings other than by or with the consent of the person.

However, that provision does not apply in relation to proceedings for breach of an undertaking or disciplinary proceedings against a police officer relating to conduct in connection with the notice or the issue of the notice.

Clause 16: Commissioner to keep records

The Commissioner of Police is required to keep certain records relating to the measure.

Clause 17: Confidentiality

This clause provides for confidentiality of information relating to shop theft infringement notices.

Clause 18: Commissioner's annual report to contain information relating to notices

An annual report on the operation and administration of the measure must be incorporated in the annual report of the Commissioner of Police required under the Police Act 1998.

SCHEDULE 1

Shop Theft Infringement Notice—goods valued at or below the prescribed amount

This schedule sets out the form of the notice to be issued in relation to goods valued at or below the prescribed amount.

SCHEDULE 2

Shop Theft Infringement Notice—goods valued at more than the prescribed amount

This schedule sets out the form of the notice to be issued in relation to goods valued at more than the prescribed amount.

SCHEDULE 3

Provisions Relating to Community Service

This schedule sets out the provisions applicable to community service performed pursuant to a shop theft infringement notice.

Mr ATKINSON secured the adjournment of the debate.

STATUTES AMENDMENT (FEDERAL COURTS—STATE JURISDICTION) BILL

Second reading.

The Hon. I.F. EVANS (Minister for Environment and Heritage): I move:

That this bill be now read a second time.

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

The ACTING SPEAKER (Mr Hamilton-Smith): Is leave granted?

Mr Atkinson: No.

The ACTING SPEAKER: Leave is not granted.

The Hon. I.F. EVANS: I am pleased to have the opportunity to speak to this bill.

In its decision in the matter of Re Wakim; Ex parte McNally, the majority of the High Court held that the exercise of state jurisdiction by federal courts is not permitted by Chapter III of the commonwealth constitution, as you would be aware Mr Acting Speaker.

The effect of the decision was to invalidate cross-vesting arrangements in so far as they purport to confer state jurisdiction on federal courts.

The cross-vesting arrangements, established by the Jurisdiction of Courts (Cross Vesting) legislation of the commonwealth, the states and the territories, form an important part of the administration and enforcement of joint commonwealth, state and territory schemes relating to agricultural and veterinary chemicals, competition policy reform, gas pipeline access, the National Crime Authority and the monitoring of price exploitation associated with the commonwealth's goods and services tax.

In addition to the general cross-vesting arrangements, a separate cross-vesting scheme was established under the Corporations legislation. This too has been ruled invalid to the extent that jurisdiction was conferred on the Federal Court in relation to matters arising under the state Corporations Laws.

Members will recall the Federal Courts (State Jurisdiction) Act 1999 which was passed by this parliament in July 1999. That legislation, which represented the first legislative response of the state government to the Wakim decision:

- confirmed the enforceability of judgements and rulings of federal courts declared invalid by the Re Wakim decision;
- facilitated the transfer of matters from federal courts into state courts; and
- confirmed the jurisdiction of the Supreme Court to hear matters arising under relevant legislation.

For its part the commonwealth has enacted the Jurisdiction of Courts Legislation Amendment Act 1999 or 'JOCLA Act', as it is well known to you, Mr Acting Speaker. This legislation made a number of amendments to commonwealth legislation, much of which supported the commonwealth's role in the cooperative schemes referred to above. The JOCLA Act removed invalid provisions from the relevant commonwealth legislation which conferred state jurisdiction on federal courts and amended the commonwealth's administrative laws to enable the Federal Court to continue to review the actions and decisions of commonwealth officers and agencies acting under the relevant state legislation.

The Statutes Amendment (Federal Courts—State Jurisdiction) Bill 2000 represents the second part of the state's legislative response to the High Court's decision in Re Wakim. Its provisions complement those of the commonwealth's JOCLA Act.

The bill amends the state legislation which supports the cooperative schemes referred to above, being:

- the Agricultural and Veterinary Chemicals (South Australia) Act 1994;
- the Competition Policy Reform (South Australia) Act 1996;
- the Corporations (South Australia) Act 1990;
- the Gas Pipelines Access (South Australia) Act 1997;
- the Jurisdiction of Courts (Cross-Vesting) Act 1987;
- the National Crime Authority (State Provisions) Act 1984; and
- the New Tax System Price Exploitation Code (South Australia) Act 1999.

In the case of each, the bill makes the following amendments. First, provisions which purport to confer state jurisdiction on federal courts are removed. These provisions were declared invalid by the Wakim decision. Since the commencement of the Federal Courts (State Jurisdiction) Act in August last year, all state matters arising under the cooperative schemes have been heard in the state supreme courts. Secondly, the bill repeals those provisions purporting to apply the commonwealth administrative legislation as a law of the state.

Thirdly, the bill brings the cross-vesting provisions, (both generally and in relation to the cross-vesting scheme established under the Corporations Law), into line with the revision of the schemes by the JOCLA Act. In particular, the amendments allow the judicial review of the actions and decisions of commonwealth officers and agencies to continue to be dealt with by the Federal Court. In some limited circumstances, the state Supreme Court is given equivalent jurisdiction.

Unrelated to the High Court's decision in Wakim, the JOCLA Act also amended commonwealth legislation to restrict the right of defendants in criminal matters to seek judicial review of the actions and decisions of commonwealth officers conducting prosecutions in state courts. These unmeritorious 'collateral challenges' were used by well funded defendants to delay and frustrate prosecutions, often at great expense to the taxpayer.

The state bill makes a number of amendments to the Corporations (South Australia) Act 1990 to complement these measures. The amendments to the state legislation contained in the bill are identical in substance to amendments to equivalent legislation which have been enacted, or are to be enacted, by all state parliaments. The amendments complement, and are consequential upon, the commonwealth amendments contained in the JOCLA Act.

I commend the bill to the House and in so doing seek leave to insert the remainder of the second reading explanation in *Hansard* without my reading it.

Leave granted.

Explanation of Clauses

PART 1

PRELIMINARY

Clause 1: Short title

This clause is formal.

Clause 2: Commencement

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

Clause 3: Interpretation

This clause is the standard interpretation provision included in Statutes Amendment measures.

PART 2

AMENDMENT OF AGRICULTURAL AND VETERINARY CHEMICALS (SOUTH AUSTRALIA) ACT 1994

Clause 4: Amendment of s. 3—Definitions

This clause amends the definition of 'Commonwealth administrative laws' to exclude Part IVA of the Commonwealth *Administrative Appeals Tribunal Act 1975* (AAT Act) and also the Commonwealth *Administrative Decisions (Judicial Review) Act 1977* (ADJR Act), which deal with appeals to the Federal Court and reviews by the Federal Court, respectively.

Clause 5: Amendment of s. 8—Ancillary offences (aiding, abetting, accessories, attempts, incitement or conspiracy)

This clause makes a minor correction by way of statute law revision to remove an obsolete reference to a paragraph of section 86 of the Commonwealth *Crimes Act 1914*.

Clause 6: Amendment of s. 16—Application of Commonwealth administrative laws in relation to applicable provisions

This clause removes the reference to the ADJR Act.

Clause 7: Insertion of s. 18A

This clause inserts proposed new section 18A, which makes it clear that, in the application of the AAT Act, references to the appeal provisions have effect as references to those provisions as they apply as Commonwealth law.

Clause 8: Repeal of Part 6

This clause repeals the Part of the Act that purports to confer jurisdiction on the Federal Court.

PART 3

AMENDMENT OF COMPETITION POLICY REFORM (SOUTH AUSTRALIA) ACT 1996

Clause 9: Repeal of Division 3 of Part 5

This clause repeals the Part of the Act that purports to confer jurisdiction on the Federal Court.

Clause 10: Amendment of s. 29—Definition

This clause amends the definition of 'Commonwealth administrative laws' in the same way as clause 4.

Clause 11: Insertion of s. 33A

This clause inserts proposed new section 33A, which is the same as the proposed new section inserted by clause 7.

PART 4

AMENDMENT OF CORPORATIONS (SOUTH AUSTRALIA) ACT 1990

Clause 12: Amendment of s. 3—Definitions

This clause amends the definition of 'Commonwealth administrative laws' in the same way as clause 4 and strikes out the definition of 'Family Court'. It also inserts definitions of 'Commonwealth authority' and 'officer of the Commonwealth' because these phrases are used in proposed new sections 40*(c)* and *(d)*.

Clause 13: Insertion of s. 36A

This clause inserts proposed new section 36A, which is the same as the proposed new section inserted by clause 7.

Clause 14: Amendment of s. 40—Operation of Division

This clause inserts two proposed new paragraphs that describe additional matters to which Division 1 of Part 9 relates, namely jurisdiction of courts in respect of decisions by Commonwealth authorities and officers.

Clause 15: Amendment of s. 41—Interpretation

This clause substitutes a new definition of 'superior court' to remove inappropriate references to federal courts, and deletes subsection (2)*(a)*(viii) for the same reason.

Clause 16: Amendment of s. 42—Jurisdiction of Federal Court and State and Territory Supreme Court

Paragraph *(a)* of this clause removes a provision applying the ADJR Act as a law of South Australia.

Paragraph *(b)* of this clause inserts two proposed new paragraphs. Proposed new paragraph *(1a)* confers jurisdiction on the Supreme Court with respect to matters arising under the ADJR Act involving decisions made by a Commonwealth authority or officer under the principal Act. This enables the Commonwealth administrative law regime to apply to the relevant decisions without challenges having to be dealt with by the Federal Court. The jurisdiction may only be exercised by the Supreme Court in the limited circumstances referred to in proposed new section 42AA.

Clause 17: Amendment of s. 42A—Jurisdiction of Family Court and State Family Courts

This clause removes inappropriate reference to the Family Court of Australia and removes the reference to the ADJR Act applying as a law of South Australia. Jurisdiction exercised by each State Family Court under the principal Act is limited to the circumstances referred to in proposed new section 42AA.

Clause 18: Insertion of s. 42AA

This clause inserts proposed new section 42AA, which gives the Supreme Court jurisdiction with respect to particular forms of action against Commonwealth officers.

Clause 19: Amendment of s. 42B—Jurisdiction of lower courts

This clause removes the reference to the ADJR Act applying as a law of South Australia.

Clause 20: Amendment of s. 43—Appeals

This clause removes inappropriate references to federal courts.

Clause 21: Amendment of s. 44—Transfer of proceedings by the Federal Court and State and Territory Supreme Courts

This clause strikes out subsection (1), and inserts proposed new subsections (1) and (3) to (7) inclusive, which enables judicial review of decisions of Commonwealth officers and authorities to be dealt with by a State court if there are proceedings in that court under the State *Corporations Law*. Without these amendments, all judicial review of those decisions would have to be dealt with by the Federal Court.

Clause 22: Amendment of s. 44A—Transfer of proceedings by Family Court and State Family Courts

This clause removes inappropriate references to federal courts, and clarifies the fact that the section does not confer jurisdiction on a court that it would not otherwise have.

Clause 23: Amendment of s. 44AA—Transfer of proceedings in lower courts

This clause clarifies the fact that the section does not confer jurisdiction on a court that it would not otherwise have.

Clause 24: Amendment of s. 45—Conduct of proceedings

This clause amends the definition of 'relevant jurisdiction' in order to remove inappropriate references to federal courts.

Clause 25: Amendment of s. 46—Courts to act in aid of each other

This clause brings within the operation of section 46 courts that have jurisdiction with respect to decisions made by Commonwealth authorities or officers.

Clause 26: Amendment of s. 50—Enforcement of judgements

This clause removes inappropriate references to federal courts.

Clause 27: Repeal of s. 52

This clause repeals section 52 because it refers to the Federal Court exercising State jurisdiction.

Clause 28: Amendment of s. 52A—Rules of the Family Court or State Family Court

This clause strikes out subsection (1) because it refers to the Family Court of Australia exercising State jurisdiction.

Clause 29: Amendment of s. 54—Interpretation

This clause removes an inappropriate reference to the Federal Court.

Clause 30: Amendment of Sched.—Savings and Transitional Provisions

This clause inserts proposed new clause 5 in the Schedule, which clarifies the application of proposed new section 42AA. This has the effect that proposed new section 42AA will apply to actions or decisions taken in the criminal justice process after the commencement of the amendments and also to challenges to actions or decisions taken before that commencement, whether or not any Federal Court review proceedings are on foot.

PART 5

AMENDMENT OF GAS PIPELINES ACCESS (SOUTH AUSTRALIA) ACT 1997

Clause 31: Amendment of s. 9—Interpretation of some expressions in the Gas Pipelines Access (South Australia) Law and Gas Pipelines Access (South Australia) Regulations

This clause removes an inappropriate reference to the Federal Court.

Clause 32: Repeal of Divisions 2 and 3 of Part 4

This clause repeals the Divisions that purport to confer State jurisdiction on the Federal Court and also repeals the Division that purports to apply the ADJR Act.

Clause 33: Amendment of s. 23—Actions in relation to cross-boundary pipelines

This clause removes inappropriate references to the Federal Court. It also inserts proposed new subsection (1a), which provides that the Supreme Court does not have jurisdiction to make orders about the validity of decisions about cross-boundary pipelines if the State is not declared to be the scheme participant most closely connected to the pipeline.

Clause 34: Amendment of Sched. 1—Third Party Access to Natural Gas Pipelines

This clause removes reference to the Federal Court and reference to the ADJR Act applying as a law of the State. It also inserts proposed new paragraph *(c)* in clause 32(4), which clarifies the fact that clause 32 does not effect the right of a person to apply for judicial review of the decision of the local appeals body, Minister, Regulator or arbitrator.

PART 6
AMENDMENT OF JURISDICTION OF COURTS (CROSS-VESTING) ACT 1987

Clause 35: Amendment of s. 4—Vesting of additional jurisdiction in certain courts

This clause removes inappropriate references to federal courts.

Clause 36: Amendment of s. 5—Transfer of proceedings

This clause removes inappropriate references to federal courts, and substitutes subsection 4*(b)*(ii), which sets out the circumstances in which a federal court must transfer a proceeding to the Supreme Court.

Clause 37: Amendment of s. 6—Special federal matters

This clause clarifies the circumstances in which the Supreme Court must transfer a proceeding or a part of the proceeding to the Federal Court.

Clause 38: Insertion of s. 6A

This clause inserts proposed new section 6A, which relates to special federal matters. These include matters within the original jurisdiction of the Federal Court and matters arising under the ADJR Act. Generally if a special federal matter is pending in the Supreme Court, the court must transfer the matter to the Federal Court. Proposed new section 6A allows the Supreme Court to exercise jurisdiction over matters arising under the ADJR Act or the original jurisdiction of the Federal Court in matters of a type described in paragraphs *(a)*, *(b)* and *(c)* of proposed new section 6A(1).

Clause 39: Amendment of s. 10—Transfer of matters arising under Division 1 of 1A of Part V of the Trade Practices Act (Cwth.)

This clause removes inappropriate references to federal courts.

Clause 40: Amendment of s. 11—Conduct of proceedings

This clause removes inappropriate references to federal courts.

Clause 41: Amendment of s. 14—Enforcement and effect of judgements

This clause removes inappropriate references to federal courts.

PART 7
AMENDMENT OF NATIONAL CRIME AUTHORITY (STATE PROVISIONS) ACT 1984

Clause 42: Amendment of s. 12—Search warrant

This clause removes inappropriate references to federal courts.

Clause 43: Repeal of s. 15

This clause repeals section 15 because it purports to confer State jurisdiction on the Federal Court.

Clause 44: Amendment of s. 20—Warrant for arrest of witness

This clause removes inappropriate references to federal courts.

Clause 45: Amendment of s. 21—Applications to Federal Court of Australia

This clause strikes out the subsections in section 21 that purport to confer state jurisdiction on the Federal Court, and also removes inappropriate references to the Federal Courts.

Clause 46: Repeal of s. 22

This clause repeals section 22 because it relates to the provisions of section 21 that are to be struck out.

PART 8
AMENDMENT OF NEW TAX SYSTEM PRICE EXPLOITATION CODE (SOUTH AUSTRALIA) ACT 1999

Clause 47: Repeal of Division 3 of Part 5

This clause repeals the part of the Act that purports to confer State jurisdiction on the Federal Court.

Clause 48: Amendment of s. 28—Definition

This clause amends the definition of 'Commonwealth administrative laws' to exclude Part IVA of the AAT Act and also the ADJR Act, which deal with appeals to the Federal Court and review by the Federal Court, respectively.

Clause 49: Insertion of s. 32A

This clause inserts proposed new section 32A, which makes it clear that, in the application of the AAT Act, references to the appeal provisions have effect as references to those provisions as they apply as Commonwealth law.

Mr ATKINSON secured the adjournment of the debate.

EDUCATION (COUNCILS AND CHARGES) AMENDMENT BILL

Adjourned debate on second reading.

(Continued from 12 October. Page 181.)

Ms WHITE (Taylor): Before I begin to debate in detail the content of this bill, it is crucially important to set in context the manner in which this legislation has been introduced into parliament, the significance of the changes proposed and Labor's intentions with regard to its passage through this House. In relation to the last aspect, members would be aware that I gave notice last Tuesday of a contingent motion that, if supported, would see the clauses of this bill referred to the select committee on DETE funded schools.

Labor's purpose in embarking on this course of action should become obvious as I outline the many inadequacies, and indeed dangers, of the bill in the form in which it has been introduced into this House without consultation with the education community.

I will refer to some of the concerns coming from schools, school councils and principals, as well as from peak education organisations which have asked us to oppose this legislation if the government insists on pushing ahead with it in its present form. That is the strength of the angst that this bill has caused in school communities. There is angst in schools but also annoyance that school communities have not been consulted on these changes, which are so fundamental in nature that this House saw fit to establish a select committee last week to investigate some of these very same matters.

Yet no-one in the education community whom I have contacted since the introduction of the bill by Minister Joan Hall to this House—neither school principals, school councils nor parents—has told me that they were consulted before the bill was introduced. Still, the minister seems intent on rushing through these amendments without listening to the many and valid concerns of the school communities that he is placing in such a difficult position.

I am personally disappointed with the minister in his manipulation of a situation such that principals and school councils have become aware of the changes to next year's school fees arrangements only after the deadline to sign up to Partnerships 21 for next year has passed and after most schools have had set their budgets for next year. Many schools have already set their school fees for next year and have notified parents of these charges on that basis. Those schools now face the very embarrassing and complicated process of retracting.

This whole episode points to a lack of understanding on the minister's behalf about the way in which the school budget operates on the ground. Perhaps it is just that this does not concern the minister, as he will not have to deal with angry parents in the school bursar's office.

Without significant amendment to this bill, first, Partnerships 21 cannot work in the way the minister has promised it will. Secondly, protections under present legislation that currently exist for schools in the interests of students and parents will disappear under these amendments and, thirdly, both Partnerships 21 schools and non-Partnerships 21 schools will face significant threat to their school budgets. However,

Partnerships 21 schools will be bound to make up these shortfalls from within the three year global budgets on which they have already signed off with the government.

This last dilemma places the P-21 schools in poorer areas at a special disadvantage and no doubt will lead to a larger divide between rich and poor schools. However, I do not want to give the impression that the problems with this bill impact negatively on Partnerships 21 schools only. All schools face significant problems arising from this ill-conceived bill.

Before I go on to explain why this would be the outcome of agreeing to the minister's wish to rush these changes through parliament, I will explain to the House the significance of the manner in which the minister has brought these changes before us. Two years ago the government made a decision that it would take South Australian public education down a track of local school management. Despite all that is written about the pay-offs and pitfalls of various implementations of local school management, of itself local school management is neither the cause of bad education or administrative practises in schools, nor is it a panacea for optimal teaching and learning of students. It is the model of local school management that determines whether this tool is desirable, and in South Australia we have had a long and successful history of elements of local management in our public schools.

Labor was supportive of the government's investigation of the possibilities presented by more local decision making in our schools, and that this was indeed the case is borne out by our support in April 1999 for the findings of the Cox report on the matter. However, we were at the same time suspicious and cautious about the government's real agenda for public education, arising out of the fact that this move to shift responsibility for school management to a local level happened to coincide exactly with a three year budget strategy to remove over $180 million from South Australian education.

Members would be aware that there is a critical link between success or otherwise of models of local school management and the dedication of necessary resources. Those models that have proved most successful have been accompanied by significant injections of resources. Those that have not worked so well are the ones that have been accompanied by inadequate injections of funding to schools. The fact that this government's implementation of local school management was to coincide with the largest budget cuts to education we have seen certainly raised Labor's concern.

Yet the Government promised the education community full consultation and embarked on an extensive review of the entire Education Act and Children's Services Act, promising to look not only at local school management issues but also at issues such as compulsory school leaving age, home schooling, attendance at schools, pre-compulsory schooling or care, staffing and a whole lot more.

Premier Olsen promised that a new bill would be introduced into parliament in time for the 2000 school year. That time line crept out to June 2000, and then in July Minister Buckby told parliament that he would release a draft bill in August and give schools, school councils, parents and teachers six weeks to respond to the draft before introducing a final version in October. Well, October came and went, and now we are told that it will be March 2001—an election year, I remind members. By the government's own figures, thousands and thousands of submissions have been lodged by the South Australian education community (the minister's figure is over 5 000, I believe), with many hours of work and attendance at meetings by both the public and departmental employees, costing a huge amount in public resources.

Members should not hold their breath. Liberal members have told me privately that there is no intention whatsoever to introduce a new education bill before the next election. The only amendments we will see are the ones before us today, which were introduced on 12 October with no prior opportunity for the education community to examine a draft bill. Not even peak associations which, through their membership, have crucial interests in the amendments were given the opportunity to examine these changes before they were quietly introduced into this House.

These are the most fundamental changes to our Education Act in decades. They deal with the operation of schools under Partnerships 21, and the collection of school fees in an GST environment. Indeed, these new sections of the Education Act are the only changes the government is interested in. The public should be rightly annoyed to have been conned into participating in a two-year public consultation process that can now be seen for what it really is: a smoke screen for a much narrower agenda—Partnerships 21 and a problematic version of compulsory school fees.

On radio this morning, the minister said that he had consulted enough on these changes. Well, the minister promised a six-week consultation on any draft bill and, judging by the strength of the opposition in schools to these amendments, I think it would have been a much wiser course to have listened to those concerns and had the opportunity to consider the concerns that are now belatedly being raised as school communities realise the impact of these changes.

The bill sets up a framework for school councils to become Partnerships 21 governing councils or non-Partnerships 21 school councils, as well as setting up a range of compulsory and voluntary components of school fees. Given the significance of these changes to public education in this state and the lack of opportunity for proper public scrutiny of the measures of this bill, and as I gave notice last Tuesday, contingent on the second reading it is my intention to move on behalf of the opposition that the bill be referred to the select committee set up last week to investigate among other things the very items that are the subject of these amendments—Partnerships 21 and school fees.

Given what is at stake, surely it would be remiss of this parliament to rush this bill through this place without proper scrutiny. Indeed, the peak bodies to which I have signalled my intentions over recent days have reacted with enthusiasm to the prospect of being given the opportunity to consult their respective memberships more fully and to have input into our deliberations through the mechanism of a select committee. Similarly, not one of the many principals and school council chairpersons I consulted after the bill was introduced into this House had prior knowledge of its introduction and many were extremely angry about its consequences for their schools, especially in relation to the government's response to GST treatment on school fees, an aspect I will address shortly.

I fully expect that the minister will argue his usual line about the urgency for the passage of this bill for the necessary operation of schools. I will debunk that nonsense straight away—under the present legislation, school councils in South Australia have been operating under the Partnerships 21 scheme since January this year. As a sideline, on 23 June last year during the estimates committee the minister said:

> School councils may change in size, composition and even name but they will remain incorporated bodies and continue to be

indemnified under our current legislation, so there will be no changes.

Given the extent of the changes proposed, surely parliamentary scrutiny is justified.

Secondly, in relation to the other matter which forms a large portion of this bill—the school fees issue—on each of the last four occasions the regulations governing collection of compulsory school fees have been disallowed by the Legislative Council (which is around August of successive years) the minister has chosen not to re-gazette the regulations for the following school year until May, except in 1999 when he gazetted them in March. This year he gazetted the regulations governing the collection of school fees for the 2000 school year in May 2000—a full nine months after the disallowance in the Legislative Council.

Members should not be swayed by vacuous arguments that we should risk passing inadequate legislation in order to satisfy some fictitious urgency. The real reason for the introduction of the amendments before a new considered rewrite of the act is that it is all you can expect to see before the next election. As I have said, members have privately confirmed to me that the government has no intention to introduce a new education bill before the next election. Despite the thousands of submissions, and despite all the effort by the education community in good faith that their views would be taken into consideration, we find this bill lumped into parliament without that consultation back in schools.

Let me now share with members the significance of some of the concerns about this bill that have been raised with the opposition by principals, school councils, teachers and school parents across the state. These concerns come from a large cross-section of school communities. The first concern is the reaction from principals. Peak associations of both primary and secondary principals of public schools have expressed to me their support for Labor's move to see these amendments of the bill go before the select committee for DETE funded schools which was set up by this House last week so that, first, they have proper opportunity to canvass their membership thoroughly on the changes; and, secondly, they have an opportunity for some say on these amendments that fundamentally alter the way in which they operate their schools—a fair call I would think in anyone's language.

The second concern is the reaction from parent groups. Members would have received correspondence from both peak parent organisations: an early letter from SAASSO recommending support for the bill and a more recent letter from SASSPC urging rejection of the amendments. In addition, Labor members have received a number of appeals from parents and school councils in their own electorates, urging us to oppose a significant number of—or, in some cases, all—clauses of this bill. Later in the debate, I will outline specifics of the concerns raised by parents to members of the Labor opposition.

Effectively, today the minister is asking us to relinquish our role in determining the rules governing the management and administration of our public schools, and to delegate these to the minister and his department, but to do so without even seeing such constitution documents and without any reference apart from in the broadest terms to legislative controls. Even if we are to see suggested model constitutions, that is no guarantee of what this minister let alone any future minister will administer, given the wide reaching powers afforded in this legislation. The composition of school councils, what role they play, and their procedures and practices are left entirely beyond the reach of legislation. This is a significant change in the current powers of parliament, and we must not blindly take on trust that all ministers present and future will uphold the best interests of our public schools once the protections in the current act are changed.

The government's second reading explanation states that, under this system of constitutions, government schools will teach programs consistent with the department's broad curriculum goals and that the department will remain the employing authority for teachers. Members must remember that this is the promise the minister made in rejecting the form of local school management previously implemented by Mr Geoff Spring under the Kennett administration. However, what assurance should that statement be to this parliament when there is nothing in this new bill to prevent such an outcome by a minister approving a constitution aimed at giving schools those very powers? Again, the minister says that we must take him on trust. Why should we? What of the taking on trust of future ministers of education? Our role is to act as protectors of the public education system; let us not forget that.

Another important question which is fundamental to the changes in this bill and which must be asked is: exactly what is the legal meaning of clause 84(1)(e)(i), which provides that a governing council is jointly responsible with the head teacher of the school for the governance of the school? At clause 100, individual immunity provisions are granted to school council members who act in good faith. I mention here that Labor strongly supports that protection. However, it is not clear what implications this part of clause 84 has for councils. In what legal sense will councils be responsible, especially when read in conjunction with clause 84(1)(c) which talks about the delegation of functions or powers by councils to committees of non-members of the council or to other school councils? The question of responsibility and liability becomes an extremely important one. It is certainly something the parliament needs to scrutinise very carefully.

Further, what about the employment of staff and workers in the educational sphere within schools? It is clear that councils have the power to employ staff. In what way is a council responsible for that employment for insurance and liability matters, for disputes or legal action between staff and the head teacher, and a whole range of other related issues? This matter of joint responsibility with the head teacher is not a trivial one. Under this bill and specified in the constitutions to which governing councils must be party, Partnerships 21 school councils will be responsible for the strategic planning of the school, for determining policies for the school, determining the total application of all finances available to the school, and presenting optional plans and reports on its performance to the school community and to the minister. Of course, this is the increased responsibility of which the minister talks when he hails the handing of responsibilities for the education of our young to the local level, and with it the responsibility for funding decisions at a local level.

I raise this point not to argue against local management but to draw attention back to the question of councils being 'jointly responsible' with the head teacher for these matters—and members should remember that the head teacher is an employee of the minister, whereas the governing council is not. In an era where an increased tendency for students and parents to feel the need to sue over the provision of education services exists, this point should not be overlooked; indeed, so much about how constitutions will operate is beyond this

legislation. Even the manner in which constitutions are amended is left up to the constitution itself. Surely, some guarantees need to be put in place in this regard.

Whereas the composition of councils under current legislation is proscriptive and includes representatives elected at an annual general meeting, staff representatives, representatives of affiliated committees, representatives of local and state government—that is, the local MP or their representative—and an SRC representation, the new bill does not include any requirements for elected representation, general meetings or even AGMs. In the current legislation only parents of the school can elect the school council. This raises an important aspect in relation to the divisiveness with which the minister has allowed the Partnerships 21 debate to proceed. I remind members of an instance that my colleague the member for Giles and I raised a little earlier at another time in relation to the role of the minister in the debate at Mintabie Primary School over the decision to join Partnerships 21. I will not waste the time of the House, other than to say that that was an instance whereby my colleague the member for Giles and I raised serious concerns about the various manipulations in that small community, and the way the current legislation was being followed or not followed in terms of who has a say in these matters.

Members might recall that we wrote to the minister about our concerns and received a fairly unsatisfactory response. I understand that the Ombudsman is still looking at, or has recently looked at, this issue. I ask for the indulgence of the House to have inserted in *Hansard* the letter that my colleague the member for Giles and I wrote to the minister and his response, rather than reading it, so that some of the details will be on the record.

The ACTING SPEAKER (Mr Hamilton-Smith): No, the member cannot do that unless the letters contain purely statistical information.

Ms WHITE: Then I will read the letters, because I think that they are worth putting on the record. First, I refer members to a speech which was made by the member for Giles during the grievance debate on 11 November last year and which outlines some of the concerns that were the subject of these letters. The letter dated 16 November, from the member for Giles and me to the minister, states:

Dear Minister,

My colleague Lyn Breuer, member for Giles, and I write with concern about the divisive nature of the progress of the Partnerships 21 debate within the Mintabie community in the Far North of South Australia.

As you will be aware, at a meeting on 6 November 1999 there was an attempt to remove the duly elected school council of the Mintabie Area School. Such was our concern about the reports of friction in the wider Mintabie community in the week leading up to that meeting that both Lyn and I had contacted Mr John Behenna in your ministerial office to communicate our concerns. I also contacted Mr John Halsey in the department about these concerns and communicated to him that I had been informed that division in the community had reached the point of threatened violence.

When asked about who was entitled to vote at the 6 November meeting, Mr Behenna got back to me and advised that only parents of children enrolled at the school would be given a vote on any motion moved at the meeting. Mr Behenna gave assurances that there would be departmental representatives present to ensure that the meeting was conducted in accordance with the legislation and in an appropriate manner. However, we now believe that there was no record taken of those who attended the meeting and that some of those who voted to express no confidence in the school council were not parents of the school.

We enclose a copy of the *Hansard* transcript of the speech that Lyn gave in parliament on Thursday and request your urgent response to the concerns raised. In particular, we want to know to what extent actions taken in Mintabie have your approval.

You have constantly stressed that Partnerships 21 is aimed at enhancing partnerships and links in a community. While Lyn and I make no comment on whether the decision to opt into P21 would be the right choice for Mintabie or not, we are concerned about what is happening in that community as it is a reflection of divisiveness that is occurring to various extents elsewhere.

The minister's reply, dated 18 November, states:

Dear Trish and Lyn,

Thank you for your letter in which you express concerns about the Mintabie Area School community. I believe the central issue is about parent representation on the school council, not Partnerships 21. The following series of events that have occurred at Mintabie over the past few weeks will help to explain the situation.

The AGM of Mintabie Area School was held on 18 October. A new council was elected, but there was widespread concern immediately after the meeting that the new members would not represent the views of the community on a range of issues, Partnerships 21 being one. As a result, a special meeting of the school council was held on 6 November. Parents of the school and members of the local community were informed of this meeting and notices of motion were placed in local stores and the hotel five days before the meeting. Approximately 70 members of the community attended. It should be noted that any adult community member or parent of the school is eligible to vote at an AGM or special meeting of school council.

At the request of the school, the meeting was convened by Mark Woollacott, President of SAASSO. Also in attendance were the Executive Director (Schools and Children's Services—Country), John Halsey, the District Superintendent, Graham Davis and AEU representatives Janet Giles and Bill Hignett.

The motions put at the meeting related to the community's lack of confidence in the council. The motions were:

> That this meeting does not have the confidence in the present school council's ability to effectively represent the interests of the majority of parents. Nor does this meeting have the confidence of the present council's ability to manage the affairs of Mintabie Area School in a way which ensures the best educational outcomes for our children.

It should be noted that Partnerships 21 was not mentioned in either of these motions. The motions were put and were carried by a two-thirds majority. Following the meeting, it was further decided that there would be regular meetings between the Chairperson of the school council, the President of the Progress Association and the principal to encourage a coordinated and collaborative approach to the resolution of problems.

I was informed that on Saturday 13 November the school council Chairperson, Mr Al Lad, signed an agreement that Mintabie Area School would become a Partnerships 21 school in the first round. I am also advised that in the interests of the school and to appease the local community, Mr Lad has resigned from the school council and his position as Chairperson. I understand that a new Acting Chairperson, Mr Peter Wilson, was elected at a school council meeting on November 15. A new Chairperson will be elected in the new year.

I trust that these recent changes to the composition and leadership of the school council will assist the school and community to move forward in a positive manner.

Yours sincerely, Malcolm Buckby.

I raise that issue because I want to return to that example of what happened in the Mintabie community in relation to some of the changes that are apparent in this bill. However, I will do so during the committee stage rather than the second reading stage, if this bill progresses to that point.

It must be said that there are also matters on which the current legislation is silent but which raise questions in the context of this bill. For example, the bill states that the presiding member of a school council or governing council should be appointed from its membership. Appointed by whom—the minister? Given the reliance of the legislation on this appointment, I think it is important that we clarify this situation.

Two aspects of this feature need to be explored. I refer here to two powers that, if misused by any Minister of Education under this act in conjunction with the minister's

power to appoint the school council chairperson, would undermine the proper functioning of the schools. The first matter relates to the process by which a school becomes a Partnerships 21 site under this bill. There are problems with the provisions of this bill in that regard, and I refer members to schedule 1, transitional provisions, to be read in conjunction with clause 88(6).

The schedule states that a school is a Partnerships 21 site only if it is so designated by a services agreement to which the presiding member of the school council, the head teacher of the school and the Director-General are signatories. The obvious question is: is a school a Partnerships 21 site if during this transition any of the three signatories to a services agreement change? This is a pretty common and feasible scenario, given the mobility of principals and of school chairpersons. What are the implications in a legal sense for those schools if a new services agreement is not signed by the new parties either by conscious decision on behalf of the council or through neglect?

Under this provision, the school is no longer a Partnerships 21 site. This may or may not please the school council and school community, but it does raise the point that if, under this bill, either by design or circumstance, a school under this legislation is no longer classified as a Partnerships 21 site, does the council remain responsible under the terms of its constitution stipulating joint responsibility with the head teacher? And what is the status of any contractual or any other arrangements previously entered into by the council, especially if these are in direct conflict with the legislative provisions set out in the bill for a non-Partnerships 21 school council (if it is not a Partnerships 21 school, then it is a non-Partnerships 21 school)?

The second power to which I wish to draw members' attention is the minister's power to amalgamate school councils to establish a new single school council, dictate the constitution under which the new council must operate, and decide whether the new council's members are elected or appointed. The minister will say that he cannot manipulate a school or group of schools into becoming Partnerships 21 sites, because there is specific provision in this bill to prevent him from directing that a school council operate under the constitution of the governing council. That is technically true. Of course, what the minister can do under this bill is cluster the councils of several schools, appoint all the members, including the chairperson (so long as that person comes from that new membership of the council) and get any outcome that he or she wants at all by effectively stacking these councils. At risk is not only manipulation of whether or not sites join Partnerships 21 but also important decisions such as whether to recommend closure of one of the schools or, indeed, any decision affecting the governance of the odd school out, the minority school.

Another group of concerns that was raised with the opposition with reference to this first set of clauses in the bill, in the first half of the bill, came from the peak parent body SAASPC (the South Australian Association of School Parents' Clubs), and these were to do with the clauses affecting affiliated committees. The government's second reading explanation states that the status of affiliated committees will be enhanced through a provision for them to also operate under a constitution approved by the minister.

Unfortunately, concerns have been raised and, for the record, I would like to indicate some of those concerns. I refer to correspondence from that peak organisation to me, which states:

> Affiliated committees (at present) are not subcommittees of the school council but are independent bodies which are entitled to have a representative on the school council, have school council indemnity, can maintain their own bank accounts, are regulated by the AIGs and are responsible to the principal (not to the school council). For their own protection we encourage them to work under a constitution. We are also insistent that there must be good communication between the council and the affiliated committee because both are working to do the best for the children in the school.
>
> We are concerned that matters affecting affiliated committees have been included in the bill without any consultation with us and that we have had no time in which to either consult our affiliates or even for our executive to be involved in a proper analysis of the issues.
>
> We are also concerned that the bureaucratic processes that will be involved in submitting constitutions to the minister, and having changes approved by him, will result in a number of committees putting it into the 'too hard basket' and the committees themselves will not bother meeting.
>
> At this stage, given the haste with which the bill has been introduced and the lack of consultation, we would prefer the status quo, that is, section 89 in the current act with the current regulations. As affiliated committees are bound by regulations and the AIGs, and apart from providing a representative to the school council they are not directly involved in the governance of the school, then we believe they should be able to develop their own constitutions as they do now.
>
> Other specific concerns we have about the bill in relation to affiliated committees are: While the affiliated committee's constitution is required to state its relationship with the school council (section 87), there is nothing in the section on council constitutions about stating their relationship with affiliated committees—only about committees generally, and we feel that unless the relationship with affiliated committees is spelt out, the school council will see it as another of its committees (section 84(c)(i)). If this occurs we know that, in some schools at least, it would be the demise of the committee and also the loss of an additional opportunity to involve parents in the life of the school.
>
> As indicated above, quite a number (we estimate about 100) affiliated committees have chosen to maintain their own bank accounts and, in consultation with the principal and the school council, decide on their own funding priorities. In schools where the affiliated committee's funds are part of the consolidated account, the school council is the body which makes the decisions about the finances (although in most schools the affiliated committee is very involved in the decision making process about priorities for spending the funds they have raised.
>
> Under section 84(1)(e)(ii)(c), we believe that this may give the school council the right to control the affiliated committee's funds, no matter what account is used. Unfortunately, attempted control of the finances of affiliated committees by school councils is one area about which we receive many complaints, and one which causes much tension in schools. If affiliated committees do not have the ability to maintain their own accounts then, again, we believe this could lead to the demise of a number of the committees.

SAASPC has sent a letter to Labor members and, possibly, to other members as well about this bill specifically. I would like to indicate a couple of points raised in that letter, which states:

> The South Australian Association of School Parents' Clubs (SAASPC) is the umbrella organisation for parent organisations (e.g. parents and friends committees) and parents in South Australian government schools. Our affiliates cover the whole range of schools and preschools in South Australia—rural, metropolitan, large, small, kindergarten, primary and secondary.
>
> We have a number of concerns about the Education (Councils and Charges) Amendment Bill 2000 which has been brought into parliament recently. These concerns cover not only the content but also the manner in which the bill has been presented to parliament.
>
> The major concerns are:
>
> · Despite earlier reassurances by the minister that the draft bill would be in the public arena for public discussion for six weeks this has not happened. A number of the clauses deal with the way affiliated committees should operate and these have been included without any consultation with our association (the peak body). No time is available for us to consult with our affiliates on the amendments and to assess how they may affect our affiliates, or even for our Executive to give them proper consideration

· Despite the assertion of the minister that the Education and Children's Services Act would be reviewed all that is proposed is further amendments of the current act—amendments which it apparently suits the government to introduce at this time. If the minister had no intention of making a proper attempt to review the whole act it would have been better if he had not wasted resources and the time not only of his government employees but also of the large number of parents who are concerned enough to make submissions and to attend meetings. We supported the review of the whole act but do not support this piecemeal attempt to only amend the current act.

· The minister is ignoring the United Nations Convention on the Rights of the Child which Australia ratified in 1990. This states in Article 28 that primary education should be compulsory and free to all and that secondary education should be available and accessible to every child. The introduction of the amendment to cover compulsory fees (which can still be increased at any time through regulation) and which covers course materials such as stationery, books, equipment and the costs directly related to an educational course. . . quite clearly contravenes Article 28—it would be impossible for students not to require the items listed in the bill for most, if not all, of any course they undertake at school. Parents are required by law to send their children, aged six to 15, to school, yet once enrolled they will be legally required to pay a fee. This is taxation by stealth. The community pays taxes which it expects the government to use to provide a high quality, secular public education system—it does not expect those parents who use the public system to be further taxed. By attempting to introduce a user-pays system and thus begin the privatisation of public education the government is not only abrogating its responsibility but is undermining a core guarantee of government schools to provide equitable access to education.

· Some of the language of the proposed bill is ambiguous and it should be made clearer to avoid any possibility the minister, or subsequent ministers, interpreting it in whatever way suits, for example, section 84(1)(a)(iii) that a presiding member is to be appointed from amongst the members. If interpretation is left until new regulations are put in place no opportunity will exist for changes to be made.

Another related concern is the recent distribution by the Department of Education, Training and Employment of information to principals on how to structure both the compulsory and voluntary parts of the 2001 school fees in relation to the GST, even though the bill has not yet been through the due parliamentary processes. We would ask that you give serious consideration to these concerns when the bill comes before parliament again.

I want also to refer to a portion of the minister's second reading explanation, which states:

The functions and responsibilities of head teachers who work with the governing council will change, commensurate with the strengthened role and functions of the governing council from an advisory to a decision-making body. The roles of both will be articulated, they will jointly exercise authority and control, and will therefore have responsibility for the successful integration of leadership, governance and management.

The intention is there and the mechanisms by which this will be done certainly do need further explanation. Before I move to the second section of the bill, which deals with school councils, I want to raise a number of points on this section of the bill: first, the absolute discretion that the minister has under this bill over constitutions for school councils and affiliated committees. Although clause 84 does set out a number of requirements for a school council constitution, there is a procedure by which the minister can have total control over the wording of the constitutions of all school councils and affiliated committees, which may be a good thing if the minister's intentions are for the betterment of public education. Again, that absolute discretion is something that is left fairly open for future ministers. Also, proposed clause 85 states:

The minister may. . .

(a) establish a school council for a government school. . .

(b) dissolve the school councils [under certain conditions].

The minister is again granted the broadest possible power to dictate the membership and the rules that govern any school council, and that also needs to be considered. Parliament is really being asked to give the minister complete discretion as to the basis on which he will establish and run school councils, whereas previously that control was somewhat in the hands of parliament whereby, if the constitution were properly set out in the act, any changes would have to come before the parliament.

One of the broad powers vested in the minister by these proposed changes is also highlighted in clause 96, which would provide for the minister's having power to issue administrative instructions to schools or affiliated committees. School councils and affiliated committees are bound under this legislation by these administrative instructions, which may be of general or rather more limited application. It is possible that the minister could give separate directions to any school council on discrete issues at any time. Interestingly, clause 93 provides:

A school council or an affiliated committee must not interfere, or take any action that interferes, with—

(a) the provision, or day-to-day management of the provision, of instruction in the school in accordance with the curriculum. . .

(b) the administration of discipline within the school.

(2) A school council or affiliated committee must not give directions to the head teacher, or any other member of the staff. . . in relation to the manner in which that person carries out his or her duties.

However, putting that clause in context with clause 84, there seems to be some conflict between the perceived role of a governing council, as may be provided for in a constitution, and that limitation contained in proposed clause 93. This bill has also caused a bit of angst in the community in relation to the remaining amendments dealing with school fees.

An information pack about how the 2001 school fee will be charged has recently been distributed to schools. Principals and school communities have been advised that, instead of the current single materials and services charge, there will now be tax invoices for a fee made up of the compulsory materials and services charge, plus a voluntary contribution, as well as a GST on voluntary contribution. The compulsory fees are to be capped at an indexed $161 for primary schools and $215 for secondary schools, or any amount prescribed by the regulations.

The bill includes a list of the things that can and cannot be included in the charge. However, it is not conclusive and a number of things do not fall into either definition. Under this bill, different charges can be set for different students according to any criteria. One obvious criterion that the minister would have in mind is different fees for different age levels, and that, of course, is currently in our system. This bill allows for different charges to be set up for any criteria whatsoever. That certainly raises a lot of questions. There is an assurance that students cannot be refused access to materials and services for non-payment of school fees, but there is no definition of materials and services. There is a number of holes.

The concern that has been expressed by schools and school councils since this bill has been introduced has been significant. Last weekend the peak organisation, the South Australian Secondary Principals Association (SASPA), wrote to a number of MPs, including me, raising concerns and issuing a statement requesting that this bill be rejected until further investigation has been undertaken. For the record, I will read the statement from the South Australian Secondary

Principals Association. The correspondence addressed to me states:

> The executive of the South Australian Secondary Principals Association (SASPA) met last Friday. Considerable concern was expressed from members across the state regarding a number of provisions of the bill designed to amend the ways in which school councils can set and express charges to be paid by parents. Members reported overwhelming concern from many school councils both about the nature of the proposed changes and the timing of the changes. It should be noted that secondary school councils have already set budgets for at least the next 12 months, and in many cases invoices have already been sent home to parents detailing the financial arrangements for 2001.
>
> SASPA executive directed that the attached statement be forwarded for your consideration.

That statement was signed by SASPA President, Mr Nick Hardie. The attachment, again signed by the President of SASPA, states:

> The executive of the South Australian Secondary Principals Association ask that the Education (Councils and Charges) Amendment Bill be rejected until further investigation has been undertaken.
>
> The changes proposed in the bill have caused a great deal of angst and concern amongst our members and their school communities.
>
> Issues that have been identified include:
>
> · The current level of school card payment in recognition of the levels of disadvantaged present in school communities.
> · The timing of the bill and the required changes that would need to be made immediately to the financial management of schools.
> · The compulsory/voluntary aspects which include:
> · the level of fees
> · the GST component of voluntary contributions
> · included categories and specified charges in the voluntary contributions.
>
> We are seeking representation on any review which is established to investigate this bill.

My office and the offices of many of my colleagues have been swamped with protests from schools and school communities over the impact that these changes that have been forced upon them will have for their schools and their school budgets.

I do not wish to identify those who have raised concerns with me, other than to say that they are principals of major high schools from both metropolitan and country regions. However, I will refer to a little of what has been put to me or put in written correspondence. For example, one principal of a fairly significant high school in country South Australia had this to say:

> I am extremely worried about the implications for our school's plans and the budgets for 2001. But the part that staggers me most is that this pack, which has been issued to assist principals and school councils to affix and approve school charges for 2001, was signed by the Chief Executive Officer on 26 October. It simply confirms again that no-one in central office has the slightest notion of the planning and lead time for schools, and maybe that lead time and the effective planning it allows is why we still manage to function and serve our clients and so many of their groups don't.

The principal of another country high school said that at that particular school, in 2001, only one-third of students will be fee payers: the other two-thirds are on school card, and it takes all year to have them sign up. Approvals were still being made last month. It is unfair to spread the burden across so few. The indication in the rest of this message is that the way that this government has manipulated the 2001 school fee will indeed mean that the proportion of parents willing to pay school fees will diminish, leading to the impetus to increase the compulsory component of the 2001 school fee, thereby leading to an increase in the overall school fee charge which will be paid by a smaller group of parents. The principal goes on to talk about the unfairness of that.

Another principal expressed concern over the information pack that had been distributed and also raised the issue that, when that person had contacted the global budget union (and I am referring to a principal of a significant high school), which apparently is the further information contact number listed in that pack, the people who answered the telephone knew nothing about the information that they were to provide.

Another principal asked, 'Does this information in this pack mean that I must provide a different invoice for each of our classes, because each class provides different GST taxable items?' That certainly is a good question. I have a large amount of correspondence from a large number of high school principals around the state. Some even go as far as to talk about their willingness to take strike action and others certainly talk about taking strong action on this issue which is causing their school communities a lot of angst, given that they have set their budgets for next year and have now had landed on them an information pack that makes things extremely difficult for them.

I would like to raise a number of other issues in terms of the school fees part of this bill, but I will do that at the committee stage. Again, I signal the intention of the Labor opposition on second reading of this bill to have these very wide ranging changes to the way in which schools operate and charge school fees referred to the select committee that was set up last week to inquire into matters such as these.

Mr McEWEN (Gordon): I share some of the reservations that the member for Taylor has outlined in her contribution, but to do credit to the shadow minister I need to go through her speech and I will do that between now and the committee stage. Briefly, my understanding is that these amendments are trying to do two things: first, resolve some anomalies in relation to fees for next year; and, secondly, to bring the structure of governing councils in particular in line with initiatives under Partnerships 21. It is unfortunate that at this time we are further amending the present Education Act when really we should be debating the new education act. It is also unfortunate that, it would seem, the earliest we will see the new act is March or April next year.

Again I will be seeking at the committee stage or in the minister's concluding remarks a time line for concluding the debate and introducing the legislation on a new education act incorporating both the present Education Act and Childhood Services Act. In relation to the two amendments we are dealing with tonight, obviously the first of them deals with fees and the notion now that we need both a compulsory and voluntary component to fees. I understand the minister's reluctance for a fifth time to charge fees through regulation and then have the regulation disallowed.

Unfortunately, I have not heard an alternative from the opposition and I did ask the shadow minister whether there was an alternative. I note that the AEU is arguing that there should not be any fees. That is not a sustainable debate. Obviously, a significant component of education funding at a school level and a very large part of the discretionary funding available to schools comes through the process of charging fees. Therefore, I acknowledge that it is not practical to have the philosophical debate at this stage about fees or no fees. So I was seeking from the opposition an alternative to the amendments being put forward by the minister, and obviously, to date, I have not received them.

Again at the committee stage I want to explore further the other options, but in the absence of other options I cannot see how we can do anything but proceed with the amendments that the minister is wishing successfully to pass the two houses at this time, keeping in mind that some of the dilemmas are not of the minister's making. The GST, which does compound the problem in relation to collecting fees in South Australia, was an initiative of the federal government and now the minister must find a way to deal with GST within a fee structure. There are some issues generally about the need to collect fees and have a structure for it, and I do sympathise with the minister when he says he does not wish for the fifth time to use regulation to collect fees and for the fifth time then have those fees disallowed in another place because his government does not have control of another place. On balance, I cannot see an alternative to what the minister is doing should we wish to collect fees and, as I have indicated, I cannot see that the government has an alternative—we do need the money.

The second matter which I wish to explore in some depth in committee is the matter of new governance arrangements, particularly for P21 schools. I do have some concerns about the changes, but again, on balance, I acknowledge that the present arrangements are not satisfactory in terms of achieving all the objectives of P21: more local autonomy for greater degrees of delegated authority to governance at a school level and a different relationship between the senior educational manager at a school level (the head teacher) and the governing body. However, I do acknowledge the shadow minister's point that in so doing there is the opportunity for divided loyalties and that we need to establish exactly what the lines of accountability are from the head teacher in terms of responsibility to the department and responsibility to the governing body, the concept of the governing council.

Not only do I need some assurances about the constitutions but also about how those constitutions will be amended and how we can ensure the democratic processes prevail and that we do not achieve some unintended outcomes, particularly for small country schools, through combining councils and using constitutions to force some undesirable outcomes on communities which may be seen to be financially beneficial but not necessarily educationally sound in small communities, particularly where a number of the small schools believe that their educational quality comes through the significant participation of parents. Parents, particularly in rural communities, are far more likely to contribute in a significant way to the curriculum and the educational delivery in small schools. They find larger schools overwhelming, larger bureaucracies uninviting and tend not to offer the same level of support. There is certainly some downside and I am looking to ensure that there are not some unintended consequences of further empowerment of schools.

The other thing I will look at in the committee stage is further guarantees of transparency in relation to decision making and expenditure. I have already had these discussions with the minister and I must compliment the minister and his staff in terms of the open, honest and frank way that we have been able to look through these issues. Of course, as you give more responsibility, then you need greater levels of accountability and greater protection mechanisms and conflict of interest becomes a particularly difficult matter to manage, not only conflict amongst the decision making and governing council but also the propensity for there to be commercial conflict in the way in which recommendations are brought to governing councils, particularly through the schools. In small communities there are very complex relationships and it is sometimes difficult to distance yourself, in relation to a conflict of interest, from the recommendation because someone within the family is the local supplier or someone knows someone and so on.

We need mechanisms whereby we know not only that the council body making the decision is squeaky clean in this regard but also that the senior teaching structure and the senior administrative structure within the school bringing forward the recommendations are squeaky clean. I have asked the minister to look at that and perhaps reflect on the Local Government Act in terms of how both staff and elected members in local councils are afforded protection under the act, and equally are required to disclose any interests.

Although I cannot see an alternative, I am not saying that I am totally satisfied with the way the minister is going in terms of compulsory and voluntary fees. I am not totally convinced but that this could achieve a negative outcome in that we collect less fees simply because more people choose only to pay the compulsory component. However, the minister has indicated a number of graphs which demonstrate that that will not be the case. Again, we can explore that at the committee stage or the minister might wish to comment on that in his closing remarks.

We would hate to have a situation now where people see a way to opt out of the voluntary category and schools suffer because of that. I am not prepared to go down the path of the AEU, which wants to argue philosophically under human rights treaties and other instruments that it is unconstitutional or illegal to collect school fees. I certainly do not want to go down that path at this stage. In relation to school councils generally and to governing councils, the new arrangements need to be put in place.

I will be seeking from the minister further clarification and further reassurances about the fact that the downsides are not significant. For the optimist the glass is half full and for the pessimist the glass is half empty. That is why we have seen this debate from the two sides tonight. The optimist says that on balance we are heading forward but there are some holes; the pessimist says that on balance there are holes and we could end up going backwards. That is always the philosophical difference between the two parties in debating any issue: the opposition tends to want to oppose rather than propose alternatives, but in fairness to the shadow minister I have said that I am looking for alternatives in her second reading speech and I will explore them between now and committee.

The Hon. M.D. RANN (Leader of the Opposition): This bill is divided into two categories, one of which relates to school governance, about which the shadow minister for education spoke with great clarity and eloquence. It is essentially about new models of governance for both Partnerships 21 schools and non-Partnerships 21 schools. In discussing this matter we have to be mindful of the fact that Labor did support the Cox report in 1994 but with conditions. We pointed out at the time that the devil was in the detail and it certainly has turned out to be that way. The pressure on the Olsen government to withdraw its controversial changes to the way school fees are collected has grown, with high school principals coming out against these amendments we are debating tonight.

Indeed, as the shadow minister said, the principals of the schools have identified major concerns with the bill over the changes it seeks to make in the way school fees are collected. That is why Labor wants to see this bill referred to the new

parliamentary inquiry into education to be headed by Bob Such for thorough consideration and consultation. It makes absolutely no sense to see changes in the bill made while a comprehensive review into school funding is under way. School fees are a specific reference currently before the Such committee. Essentially this piece of legislation is a rushed and ham-fisted attempt to minimise the GST on fees in state schools after the minister promised that there would be no GST on any part of school fees. We saw a series of statements made inside and outside parliament. The minister has been caught out by rulings from the ATO, and now this is a ham-fisted attempt to minimise the GST on fees in state schools.

The minister did get it wrong and the Liberals' GST falls on some parts of the materials and services charges that make up school fees in South Australia. Parents will remember that the government promised that the GST did not and would not apply to education, but in fact this bill sees the school fee divided into compulsory and non-compulsory components, with part of the non-compulsory elements attracting the GST. Certainly the opposition has received complaints from school principals and councils across the state about these proposals, and the high school principals peak body has now joined the fray. The principals are indicating that the changes proposed in this bill have caused a great deal of concern in school communities and will obviously end up being an administrative nightmare, which is why we believe it is incumbent on and important for the government to do the commonsense thing and accept Labor's plan to refer the bill to the Such committee.

It is interesting that, when you look at what has been happening in terms of school fees, a number of things have not been properly addressed by the government. Many people are asking why public schools need compulsory fees. The simplistic argument is that, because some parents refuse or fail to pay their voluntary fees, the fees should be made compulsory. The argument is that if one parent can pay they all should pay. The urban myth seems to say that those who do not pay are often the ones who can best afford to do so and have a four-wheel drive. The simplistic argument is that the School Card looks after the poor and that there should be no bludgers on the system. Many people, particularly those who do not have to pay the cost of educating children, may be tempted to say, 'Fair enough' and be convinced, but there are many other issues at stake and the answer is not so simplistic. You have to look at issues such as the case of a lone mother who lost the School Card allowance for her four children when the threshold was lowered and her weekly income was judged to fall outside the eligibility limit for School Card by $5.

Is it appropriate that school councils take fellow parents to court? If the minister wants parents to pay compulsory fees, why does not the minister impose them and then the minister could take to court parents who do not pay. These are questions that people are asking. What would courtroom conflicts do to enhance and encourage parental involvement in our schools and the important cooperative relationships between students, parents and teachers? The answer is probably, 'Not much.' Since 1997 there have been four attempts to introduce by regulation compulsory school fees and we have seen funds to schools frozen for three years.

Since the 1997 motion to disallow regulation 229A, none of the important issues raised in debate has yet been addressed by the education minister. The minister has not issued guidelines to ensure that parent contributions are related to enhancing educational outcomes rather than subsidising the government's responsibilities. That is the key point. What we are seeing is an ideologically driven campaign by this government to shift the burden of responsibility in terms of costs onto parents, so the government has been offering various bribes to try to get people into Partnerships 21 and to get schools to agree by up-front temptations, but then it is really designed to shift the burden of responsibility in terms of costs onto parents.

Shortly after the Cox report came down I telephoned a close friend of mine in New Zealand—the deputy principal of a high school—and asked him about the effects of a similar program in New Zealand. He said that it had been terrific for schools like the equivalent in Auckland of Unley High, where my son goes to school, but in terms of schools such as those in my district, in Salisbury or Elizabeth, and in the working-class areas of the western suburbs it had been a disaster in New Zealand.

The minister has not issued guidelines to ensure that parent contributions are related to enhancing educational outcomes rather than subsidising what should be the government's own clear responsibilities. The minister has not addressed the claim that school grants are no longer adequate to cover school operating costs. In fact, the opposite has happened and the minister has capped school grants for three years. The minister has not addressed the impact of new costs, such as information technology, on school fees. The minister has not addressed the inequity of individual schools charging fees that range from $40 up to $500; in fact the opposite has happened. The government has twice by regulation attempted to enshrine in law inequities between schools. There are a number of issues. The first and most obvious question is why a public high school charges parents fees and charges totalling at least $700 a year when, under the Education Act, the minister, in the opinion of the Crown Solicitor, is responsible for providing school premises, teachers, curriculum and other things necessary to deliver education to students.

The Labor Party's position is that it is vitally important that these matters are dealt with by the Such inquiry. The Labor Party is currently addressing the whole issue of Partnerships 21. We believe in greater parental involvement in our schools and that the education of our children is a shared responsibility between parents and schools. Our schools should be a community involving parents, students and, of course, teachers and ancillary staff, as well as building bridges to business in the community and other community organisations.

However, under Partnerships 21 we have seen an attempt to introduce apartheid into the system: two tiers and two different forms of public education which, in the Labor Party's view, is completely unsustainable. I do not understand why the government has been refusing this inquiry and why it did not want an inquiry into Partnerships 21. If it is so confident that the Partnerships 21 scheme is working, it should welcome an inquiry. The only basis upon which Labor agrees with the Olsen government on this issue is that Partnerships 21 is the most significant change to South Australia's school and preschool system yet undertaken; and this alone is sufficient to warrant the scrutiny of such changes by the parliament.

However, fundamental flaws and major problems are posed by the government's Partnerships 21 scheme. Its funding arrangements have become yet another state secret, and so far we have needed leaked documents to understand

exactly what has been happening. The only decent information about the real story behind Partnerships 21 has been leaked to the Labor Party by concerned people within the minister's own department, by individual schools, and by parents.

So far the documents leaked to this office have revealed that the government's budget strategy has seen a cut of $172 million from education over the three years from 1998-99 to 2000-01. School programs such as laptop computers for preschoolers, access to environment grants, and computer training for principals that would have previously gone to all schools are now exclusively for Partnership 21 schools.

We have learned that Victoria's General Manager of Education has been engaged as a consultant to develop a new index to determine which students are eligible for disability funding, and there are plans to cut from 6.9 per cent to 3 per cent the number of children with disabilities. These leaked documents are evidence the Premier's promise that no school would be disadvantaged is a complete nonsense, and that is why we believe it is essential that the community be given the opportunity that a parliamentary inquiry provides to investigate these issues.

The Labor Party is concerned about what has happened to education in this state. We have seen some of the worst figures in relation to the decline in the number of young people completing year 12. In the past, the rest of Australia lagged behind South Australia's achievements but, in recent times, the retention rate in South Australia fell from 92 per cent in 1993 to about 58 per cent last year; and that is an indictment of a government that does not care about education and that does not see public education as a priority. That is why we believe that education, and an investment in education, must be Labor's priority when we achieve government.

Parents tell us that they want high standards in our public schools and that they are sick and tired of teachers being diminished daily in this parliament with a tax on teachers and their professional organisation by the Minister for Education and Children's Services. No wonder morale is so low in many of our schools with the education minister day by day bashing teachers. Teachers deserve the strongest support not only from parents but also from the parliament and, of course, members of parliament.

Teaching is an honourable profession. Every one of us in this parliament was given assistance at crucial times to make decisions that have influenced our careers in a positive way. We owe an enormous amount to our teachers, and it sickens me to see them being bashed daily in this parliament and being undermined and ridiculed by a government that does not regard public education as its highest priority.

Parents are telling us that they want to see an investment in education to ensure that their kids' reading and writing age matches their chronological age as much as possible. The education priority zones that we have negotiated with Kym Beazley will provide for extra assistance for speech pathology and special teachers to assist kids in making the most of their potential. These education priority zones will target those areas where the retention rate is far less than the state average; and in this respect I think particularly of regional townships that, during recent 'Labor listens' meetings, have for the first time highlighted educational problems locally as their central concern. Previous visits have highlighted health as the No. 1 issue, law and order issues, and regional job opportunities. However, at recent meetings in Port Pirie and Port Augusta, the ringbarking of our public education system by this government was repeatedly highlighted.

I want to take this opportunity to strongly support our shadow minister's position. This should be referred to the Such inquiry. If the government has nothing to hide, then it should have nothing to fear. Quite frankly, if the government is so confident that these arrangements are in the best interests of the future of the children of this state, then it should have no fears of scrutiny by a parliamentary inquiry. The key point of which we have to convince this government is that education must be our economic as well as our social imperative, because the health of our schools now will largely determine the health of our economy in the future. That is why we urge the minister to rethink and consider referring these amendments to an inquiry so that there can be a decent public airing and debate, and so that submissions can be received, rather than this ham-fisted attempt to fix up a GST problem that the minister assured this parliament and the parents of the state would not happen.

The Hon. R.B. SUCH (Fisher): I will make a brief contribution. I regard this bill as an interim measure. With the establishment of the select committee, the issues in this bill relating to governance, and school charges and fees can be properly addressed through that mechanism. Some of the concerns I have with this bill relate to charges. I am not indicating that I will oppose this bill. On balance, I will probably support it, but I will listen to the rest of the debate. In my own area I am aware of the number of schools that have outstanding debts. Having attended many of those school council meetings, I have heard endless debate about the need to employ debt collectors, and so on. That issue needs to be resolved.

My wider concern is the issue the Leader of the Opposition touched on, that is, whether in this state we are creating a divided society in terms of access to education. I hope that that is not something anyone in this House would support. Education is a passport to a better life and to better employment opportunities, and I say that as someone who attended state schools. My three children also attended state schools, and I am strongly committed to state schools. We need some certainty in relation to school charges. However, as I indicated earlier, I do not believe this bill will necessarily deliver that. In any event, if it can be considered as an interim bandaid measure, then it can be fully examined as a result of the select committee.

I have been most perturbed at some of the developments at the federal government level, where there seems to be a desire to diminish resources going into state schools. If that is going to be the consequence, the federal government will have cause to regret that at the next federal election. The schools in my area are run by dedicated people. The staff at the two high schools—Reynella East and Aberfoyle Park—are outstanding. Parent contribution at all the schools is significant. But then I represent an area which in many ways is blessed with resources. It is not a rich area, but it is not a poor area, either. It has an above average level of occupation standard and in education, and has the lowest unemployment rate in South Australia. I am mindful of other parts, particularly in the metropolitan area, but also in the country, where many young people do not have those same opportunities and the same level of schooling that is afforded in an electorate such as my own. I make the point that education costs are rising through the system, right through to TAFE. If I support this measure, it will be only on the ground that it is a short-

term measure until we can get a proper resolution of the issues of governance, and school fees and charges.

Mr MEIER (Goyder): I support this bill, and I have come to expect the types of negative comments that have come from members opposite. Surely, they should be able to appreciate that this issue has been going on for more than four years; therefore, it is time this went into legislation and was not dealt with through regulation.

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

Mr HANNA (Mitchell): The initial point that I would like to make in this debate—because the bill concerns school councils and school fees in particular—is that the state has a responsibility to ensure that in every public school in this state a decent standard of public education is available to children and young people. The issue of fees and charges must always be considered in that context—and, indeed, under the Education Act there is a duty on the part of the Minister for Education to provide education to school-aged children. This bill considers only a fraction of the contentious issues in the field of education, and is really a very disappointing response after the much touted review of education matters by the government. After promises to extensively review the Education Act, we have a bill that deals with only two relatively confined aspects—that is to say, councils and school fees or charges. And, indeed, in respect of school councils, the reform measure is not particularly radical—although there are a few comments that I will make about that. The issue of school fees seems to be the main purpose of the bill, and I suppose that that has been one of the most contentious issues that we have dealt with in this parliament over the last few years.

At this stage, I should say that I am a member of the Hamilton Secondary College council and also the Seaview High School council. In addition, from time to time I visit primary schools in my electorate and, if I do not attend school council meetings, I have conversations with members of the school councils or the principals of the schools in my area. So, I make the following comments in light of what I have heard from one or more of the schools in my area, whether it be from staff or parents.

In relation to the school council, it is remarkable that the government has made so much of the principle of decentralised government in terms of schools. The principle that the government has put forward is that schools will, essentially, govern themselves. It is remarkable that the government has made so much of this, when in the bill there are so many restrictions on what school councils can and cannot do. Let me just run through those briefly.

First, I note that proposed new section 84(1)(g) of the Education Act deals with the minister's power to incorporate mandatory provisions in school council constitutions. In other words, apart from the various stipulations set out in this amending bill, there is a catch-all provision, a reserve powers provision, which allows the minister to say, 'I didn't think of this when the bill was going through parliament,' or, 'I didn't want to tell you when the bill was going through parliament but I now insist that your school council constitution [or all school council constitutions] must have this provision,' whatever it might be. The challenge is for the minister to come clean about that and to let the parliament know whether, in fact, the minister has any preconceived ideas about requirements which will be imposed upon school councils and which could have been set out in the bill.

Secondly, proposed section 89 stipulates that there will be model school council constitutions and, of course, if school councils are to deviate at all from the model constitution, approval must be sought from the minister. Again, the minister has a very tight control on what can appear in the school council constitution. But if the minister is completely unhappy with a proposal for a constitution put forward by a particular school—perhaps a proposal that very clearly takes up the principle of local school management—the minister can, under section 89(3), refuse to approve the constitution. So, there is a lot of talk about local school management but it does not appear in this bill. The minister wants to keep a very tight constraint on what school councils are and how they can operate.

My third point is that, even if a constitution is passed by a relevant school council and approved by the minister, the minister can still step in under proposed section 96 and give administrative instructions to school councils or the affiliated committees, which might be parents and friends groups, finance committees or canteen committees of schools. In other words, the minister can issue a decree that whatever is in a school's constitution, whatever powers it has allowed itself and the minister has approved, he can insist that it behaves in a certain way or that it does not use its powers in a certain way. So, there is all this talk of local school management but it is very clear from this bill that the minister wants to keep a very tight control over how that local school management is put into practice.

I will make another point about school councils generally. There is a requirement in the bill that a majority of members of a school council be parents. From the point of view of community involvement and parent representation, that approach is commendable. However, I point out that there are a number of other people who, arguably, ought to be on school councils, and if all of them were to be accommodated we could have the situation where a school council is too big to operate effectively. I have been on school councils with as many as, I think, 23 members. Not all of them turn up at the same time but, in my experience of managing groups, boards and committees generally, 23 members is too many—just as, arguably, 47 members is too many for this chamber. But in the context of a monthly council meeting to discuss the affairs of the school, if everyone is to have their say, when you get beyond 12 or 15 members it becomes unwieldy. For example, there are schools that have one or more of the following types of people on the school council: someone from the nearest university; someone from the nearest TAFE; the local MP; a representative from local government; a representative from a major employer in the area, such as Mitsubishi; and a representative from the community who might represent either small business or the provision of social services in the community. All these people may have special experiences and skills relevant to the operation of a school council. In addition, you would expect the principal or, to use the terminology of this bill, the head teacher, to be on the school council. You would also expect a staff representative and, I suggest, a student representative to be on the school council.

If a school council felt that there was good reason to have all those types of people represented on it, you would come up with about nine positions taken and would therefore need 10 parents. If a school then had 19 members on its council, that would be unwieldy. It is unfortunate if a school is in a position where it must scratch to find parents to be on a

school council simply to satisfy the government's requirement that there be a majority of parents.

In relation to this whole debate, I want to make special mention of SAASSO, the organisation that purports to be representative of a certain section of the school community. I must say that I have completely discounted any representations from SAASSO that have gone to the schools or been published generally, because it has been well and truly exposed as merely the mouthpiece of government policy.

We must check the funding of SAASSO, because I would not like to think that taxpayer money is spent on furthering the aims of that organisation if all it does is repeat government policy. There is enough of that going on through the minister's direction to public servants as it is.

In relation to school fees, I want to raise one very serious problem, and I hope that the minister will address this in his reply or during the committee stage of the bill. It is a problem in relation to some schools that have courses which are very expensive to run, and I can use Hamilton Secondary College as an excellent example. Hamilton has a number of courses that are heavily technology based or mechanically based. Some of these courses consume literally hundreds of dollars of resources to run. So, when the bill stipulates that there is a maximum in respect of the materials and services charge of $215 per student enrolled at secondary level, I suspect that these types of courses have not been considered by the government at all.

I note that in proposed section 106C there are certain exceptions to the limit of $215 at secondary level. Those exceptions include courses where activities or courses of instruction are undertaken by adults other than those enrolled in a course of secondary education, and also include purely voluntary payments from parents, students or others for the purposes of the school. I am talking about secondary level courses which may contribute towards SACE or PES and which involve heavy expenditure in technology or mechanical areas or, even, in terms of chemistry, for example, where a lot of chemicals are used.

Some of the courses have fees over the $1 000 mark, and that is purely because of the amount of resources involved in presenting the course. I consider that they are perfectly legitimate fees. Is the government saying to a school such as that (if an adult comes along for adult education but it is part of a secondary level education) that the school must charge under what it costs to present that course? I do not think that is the government's intention but, on the face of the bill, that appears to be the effect of what the government is doing. That is a serious issue that needs to be addressed, because I feel that it will affect adult re-entry schools particularly harshly.

The question of an exemption to the $215 limit in respect of purely voluntary payments raises a special consideration. Will there be a government regulation that stipulates the form in which schools must bill the $215 (again I am using the secondary level example)? It would be very unfortunate if the government were to regulate a form that said, 'You must pay $215: it is legally recoverable, but anything above that is purely voluntary.'

I am speaking in the most general terms to make the point that great care must be taken by schools in the way in which they present accounts to parents, because the point needs to be conveyed to parents who can afford to pay school fees that it is for the good of the school and their child's education or, in the case of an adult, it is for the good of the person receiving the education that school fees be paid.

If there is some kind of form that makes clear that only $215 is compulsory and that the rest is purely voluntary, great care needs to be taken not to discourage parents from paying the additional amount over and above $215. At the same time, I must return to the point that I raised at the beginning, namely, that the problems here would not arise if the state took up its responsibility of providing a decent education in every public school.

In conclusion, I suggest that there are enough questions about this bill to warrant its being considered by the select committee approved by this parliament last week, initiated by the member for Fisher, along with a lot of other issues concerning education and our public schools, in particular. The issue of fees and of school governance should be considered in the context of a whole lot of other issues such as retention rates, the full financial implications of Partnerships 21, and so on.

While the second reading stage of this bill hangs in the balance, let me suggest that the best course for this bill would be a full consideration by the select committee that was set up last week.

Ms HURLEY (Deputy Leader of the Opposition): Like the member for Mitchell and many other members of this House, I have served a certain amount of time on school councils and observed, during the review of the Education Act, what a great deal of effort staff and parents put into that review, how seriously they took it, how much time they spent on briefings and meetings and how seriously they considered proper changes that should be made to the Education Act.

Certainly, parents in my area put in a very considered response and expected to be taken seriously. So, after staff and parents have put in a great deal of work, what happens to that response? Apparently, nothing: nothing has happened as a result of that review. The deadline has been put off again and again, and now we have before the parliament an interim bill that meets the minister's immediate needs.

This bill orders the world as the minister wishes to have it ordered and does not take into account the consultation that was done with staff and parents of various schools around the state. Like so much of the Partnerships 21 proposal under this government, this bill involves a considerable amount of taking the minister on trust in his management of schools. As the leader and shadow minister has said, the opposition does not disagree with the greater degree of local management of schools. We have all seen how efficient and competent our school councils and staff have been in managing their own affairs, particularly those of us who have seen the Peachey belt manage their own schools and affairs very efficiently, indeed.

The trouble with taking this minister on trust is the record of state and federal Liberal governments on education. That record has been very poor. The Labor Party has said over and over again that education is opportunity, both for the individual and for society. The Labor Party has stated its firm commitment to increasing and expanding educational opportunities. When one looks at some of the problems which are regularly raised in my electorate office and which were identified in the review of the Education Act one can see where the priorities of parents lie. Those priorities are broadly in the area of special education and, under 'special education', I include speech therapy, behavioural problems and specific learning difficulties, in addition to the availability of school counsellors across a range of schools.

Have the state and federal Liberal governments devoted their priorities to these issues? No. The federal Liberal government has spent its money in providing additional assistance to wealthy private schools. It has not put additional money into special education. It has not put additional money into public education where the overwhelming majority of parents would have it. No, it has spent its money in propping up schools that are so well resourced in comparison to schools in my electorate that it is almost unbelievable. It was very pleasing to see that the Principal of Trinity College in my area, Michael Hewitson, spoke out against the new formula of the federal government and providing so much money to these wealthiest of private schools.

Michael Hewitson said that open enrolment, low-fee schools, such as he is running, provide opportunity for educational choice for the parents of his district. I would certainly agree with that but, even more, I would agree with providing public schools in the area with the educational opportunities that are basic to educational necessity. Some schools in my electorate could not even dream about some of the facilities available in some of the wealthier private schools that will get a huge injection of funds.

We have also seen the state Liberal government respond no better to the educational needs of our community. The state Liberal government has cut back dramatically on funding for education and has presided over a plummeting retention rate in our schools. We have just heard the Premier in this place today talk about highly skilled South Australians working alongside similarly, or better, skilled overseas people in areas such as software engineering. That is a very pleasant scenario, but my information from many companies is that the educational standard of South Australians has dropped quite dramatically recently. One must ask from where these highly skilled South Australians come.

Are the overwhelming majority of those students, as we have seen in the past, who go on to tertiary education and who acquire those skills the sons and daughters of wealthy, or relatively wealthy, middle class people from Adelaide—not even from the country areas, just from Adelaide? That is certainly the pattern of students who currently go on to tertiary education. What has the state Liberal government's response been to that? Has it encouraged a range of students from all sorts of areas and all sorts of walks of life into tertiary education? No. It has cut back on special education after being elected on the promise of improving it. It has cut back on education generally. It has cut back on programs that might assist families to encourage their children into further education.

That is the record of this state Liberal government and also the record of the federal Liberal government. Why should we trust this minister with our education system by passing this bill that is before us tonight? The overwhelming answer (as we have seen from the shadow minister) from educational groups is that we cannot trust the minister. Therefore, we should support the proposal that this bill go to a select committee so that it can look at the best system available to us given the cuts in education that we have seen in this state.

Mr LEWIS (Hammond): Many of the remarks that have been made about the measure before us tonight were, I am sure, made by other members with great sincerity. However, during the course of the time that I have been here I, too, have spent a considerable time talking to representatives on school councils. Indeed, when I was first elected I had a representative on 18 school councils because of the very large area which was covered by the then electorate of Mallee. I have respected those people and the time they put into the schools and the community served by those schools. Many of them, indeed almost all of them, still remain friends today.

They have expressed their personal views to me over the years about the direction in which education has been going. I have valued their commentary, though the views expressed are at least as diverse as the views that have been expressed in this debate. I nonetheless find a common thread amongst the concern which they and most parents have today, that is, that too much of what happens in education is driven by experts who have too little empathy with the community at large. Too many decisions have more to do with the way in which teachers have been institutionalised within the Education Department, and the roles and identity they have for themselves, rather than seeing themselves as part of the institution of the school and the community in which it is situated.

It is for that reason I find that I have a common bond in basic philosophical terms with the current minister, in the desire that he has expressed to see policy direction take a turn that will deliver to the community a greater measure of say, a greater measure of responsibility and a greater measure, through that responsibility, of risk in the process of achieving the kind of outcomes it is believed schools ought to be able to achieve for the students who are educated in those schools at public expense and the community that is thus formed for tomorrow.

I have the conscious view—and have held this view for a long time—that, too often, too much social engineering has been attempted by the approach that has been taken in schools to the kind of choices—or the lack of them—that have been offered and in many instances, when subject matter options are put on the curriculum, especially at secondary level, there is only really available material to support the one which the manipulators want the school or the teacher to choose. To choose any one of the others makes the work of the teacher so much more difficult, as well as more time-consuming in their need to prepare the course work themselves.

In consequence, whilst the written record of what can happen in schools appears to be satisfied by the range of options that is offered, the reality is that that does not happen: that has not happened. In consequence, I know, from talking to a good many young people who are approaching their 30s who are now parents themselves and who were students in secondary school when I was first a member, that they think that their communities were disenfranchised. They think, now, that Partnerships 21 takes them in the direction that they want to see their school go.

I have one other observation to make about that. About 10 years ago, whilst I was still living at Tailem Bend, I would frequently take calls at home at night from distressed young people who felt that not only had the school system failed them—and I am not paraphrasing their words: I am describing to the House my assessment of what they meant and what they felt—but that the resulting society in which they found themselves rejected the values of the community in which they had lived, making them feel in some measure inadequate, if not guilty, that they had their views. I am talking about, in the main, mostly young men who were searching their lives for real meaning. They felt uncertain about why the values they had picked up from their parents, who had set them a good example, were unlikely to deliver a future with any capacity for them to make a living and attract a woman whom they could marry and with whom they could raise a

family. They were suicidal. I know that many of their problems had their origins in the attempts that were made to inculcate attitudes different from those which were learned not just through the school system but, further, after they had left school. The sorts of jobs to which they thought they might aspire did not exist or did not exist in sufficient numbers and were not well paid any longer.

When I have attempted to discuss these matters at some length with professional educators, I have found that they are either quite indifferent to what I have attempted to relate or they have been utterly empathetic. Always—and this is the reason why I make these points—it has come back to a decision about whether people who are parents of children and who have given communities their identity and provided—through the work they have done otherwise in the course of their vocations, with a great deal of prosperity that the rest of the country has enjoyed—have, nonetheless, been made to feel less than adequate. They did not like it, and they do not like it. Their values were largely ignored, as they saw it.

I do not think that that is an appropriate way for society to grow and evolve. The rate of change, as a consequence, has been too great and gone in the wrong direction, to the extent that it now needs to be handed back to communities. The place to start doing this is through the institution of schools. I think this bill takes education more in the direction that I would like to see it heading than the direction in which it has been going. It is for that reason that I will be supporting the measure.

Whilst some people may think that I am both eccentric and misguided in my beliefs, inasmuch as it was possible to experiment, beginning in the late 1960s and with greater intensity and more through the 1970s, I now say, 'Enough is enough: let us see if we cannot rediscover the level of commitment that there used to be.' On that note I point out that there are no longer the levels of commitment by parents to raise funds for schools through more than just sending donations—activities such as fetes and other activities of that kind throughout the year. We no longer have that level of commitment and support. The amount of money which schools raise is proportionately less when compared to the average income of an adult on full employment these days than was the case 20 years ago. That can only mean that parents feel as though their efforts are not valued as much as previously.

There is also an increasing level of disenchantment in parents to the extent that they will seek out, if they can, means by which they can avoid accepting some measure of financial responsibility for what happens at a school. Greater numbers are disinclined to make donations and even greater numbers deliberately avoid paying school fees. It is not good enough for us to say that it is the job of the government, because the government is, in fact, the people—the taxpayer—and if you compel people to pay more taxes and allocate those taxes according to your inclinations as a government it is not appropriate to expect that other people will share that view and, with the same ardour, support the institutions that depend upon those taxes to a greater extent. There comes a time, as we find now, when people resent the tax and the cost.

In my own experience as a student, in spite of the fact that I regarded—and I still regard—the family of which I was a member as poor, nonetheless, we worked hard and raised funds for our school. I do not see that happening to the same extent. There was not one family or one child who did not do something. In the first instance, before there was a separate classroom, there was one headmaster teaching all seven grades in one room, with 67 students in that room. Of the nine students who were in my grade at that time, seven of us went to university. I do not feel that we were depraved or deprived of anything. By using the term 'depraved', I mean that we were not fanatical: we were inspired. We did not have as much as is offered in schools today, but we felt that we were well cared for and well catered for.

At Urrbrae, in secondary school, it was better. I found families and students at that school to have a spirit and to be more strongly committed to the school as an institution, supporting its extra-curricula activities in whatever way they could, and to a greater extent than happens today.

I see a difference between country and city schools where the level of support for schools from people from rural backgrounds is stronger than it is in urban settings. Teachers feel more a part of the community. Students and parents are not anonymous when the school is out after the students go home. They remain part of the community, knowing each other in their extra curricula activities or, if you like, the other spheres of their life, recreation, sport and even worship. They worship in different churches and may be different then in their sectarian views about what religion is, but they are still committed to it. Altogether, the kinds of discretionary freedoms which I think education should provide through the schools in the communities in which they are located is more likely to be satisfied by the direction in which this bill takes education than the direction in which the law has taken education over this last quarter of a century, and I therefore have some glimmer of hope that the values which I have spoken about and think important will again be recovered in consequence.

I do not support the notion of being mean about anything or mealy-mouthed: if you believe it, you will say it, and you should listen to others. To a greater extent, over the last 20 years in school council meetings, I have found the opposite to be occurring: if a parent comes to a meeting and wishes to express a view which differs from the conventional wisdom that seems to be held and articulated by a majority of younger teachers not long in that community or the school, perhaps led by some of the vociferous older ones who are more imbued with the notion of where I started out in this speech that the notions come from the institution of teachers rather than the community that the school is meant to be serving, they feel embarrassed, put down and alienated. They are discouraged, they do not support and they are not there to work because it is not an education of the type which they think ought to be provided to their children.

I will return to the point where I began and say that teachers who place too much store in the kind of sophistry that I hear in the arguments used by their union, the Australian Education Union, to get an increase in teacher numbers and an increase in prospective membership of that union by arguing for smaller class sizes and giving reasons for that which I am unable to accept in all sincerity, it is about time they stopped and took a look at the way in which their personal and professional reputations are now also falling in the community's esteem because of their inability to understand how the community at large feels.

No parent ought to be discouraged from expressing a view, and teachers who do that in meetings and are hostile to a view which does not comply with the conventional wisdom of the education union's outlook make it distressing to them and to me and, in some measure, as I have said, this has contributed to the fall in the levels of support in the community for the schools, a fall in the standing of teachers—not all but across the board, an average which is lower

now in esteem than it used to be—and also a fall in the self-esteem of the students coming out at the other end of the system whose needs have not been met.

The last thing I want to say is not addressed in this bill at all, but we now find that the education system favours the mentality of learning and the intellectual development of girls more than boys, and that is why we now have fewer boys succeeding as well as they could and did. That matter needs to be addressed as well. There has to be plurality. If education heads in the direction in which the Summerhill experiment took it, I will not be disappointed. I think people do learn at different rates and nonetheless will be better if they are encouraged to continue to develop their intellectual capacities at a rate which is appropriate for them and in the areas in which they seek those skills, where they have not otherwise been allowed through the straitjacketed system that we have had in the past to do that, dropping out or losing interest too early in the whole education process.

Whatever else there may be in the future, I want to see a greater measure of autonomy in decision making about what is done in schools and about who are employed and under what conditions they are employed in those schools than we have had in recent times.

Ms RANKINE (Wright): This bill has come like a bolt out of the blue for our schools, our principals, our school councils and governing councils, professional teaching bodies and parent organisations. However, it is very typical of the operations of this government. Remember the great changes and the great improvements that the government promised as a result of the adoption of Partnerships 21: greater choice, greater flexibility, greater involvement of parents and, let us not forget, the additional one-off payments promised to those schools that joined Partnerships 21. Remember, too, that it was all up to the schools. There was no coercion or compulsion; it was all about choice.

Indeed, in his address to this House last Thursday in support of the motion by the member for Fisher to establish a select committee to look into a range of education issues, including Partnerships 21, the minister told us that 60 per cent of schools in South Australia have signed up to Partnerships 21. He applauded them for doing so. He also told us that an additional 93 schools have asked for an extension of time so that they can also get into Partnerships 21 at the beginning of the next school year. What he did not tell us about is the meeting that his department called in early October—a meeting, which I am reliably informed, was compulsory for district superintendents and district coordinators to attend. These officers who, whether or not on leave, were told to attend and were addressed by John Halsey and Geoff Spring.

They were left in no doubt about the expectations that the department and the minister have about Partnerships 21. They were told that their schools will join Partnerships 21 and it was expected that they would be signed up by Christmas. So much for choice. So much for the minister's claim about the wonderful take-up of Partnerships 21. They are bulldozing their way through our education system, and let us not kid ourselves: this is not for one instant about improved educational outcomes for our children. This is about divesting responsibility. This is about passing the cost, the burden and the buck onto parents. This is about a government that does not have a commitment to public education.

It is not about giving our children access to a high standard of education and a real opportunity to achieve. Indeed its aim, if I remember correctly, was to drop down to the average standard across Australia. The government is committed to user pays, in whatever area one likes to look at, and that includes the core fundamental government responsibility of public education. This is a government that stands for nothing, is committed to nothing and cares for no-one in our general community.

The minister made mention on Thursday of the Cox report and delighted in telling the House that Janet Giles of the AEU supported the findings of the committee. What the minister did not say, however, was that the Cox report states quite clearly that all research into similar programs, both interstate and overseas, has shown no evidence that local school management enhances student academic learning outcomes. The Cox report, if I remember correctly, made recommendations that local school management proceed only if there were proven academic outcomes. So, why would not Janet Giles support the report? It is the twist that this government and minister have put on the Cox report and Partnerships 21 that has not received support.

No-one argues against greater parent participation. It is my strong belief, however, that parents do not want the responsibility of managing the budgets for their schools—in some cases we are talking millions of dollars. That is an enormous burden to place on them. I can understand in some instances principals being attracted to it. Basically the governing councils agree with the proposals put up by the principals. They have autonomy, so why would they not like it? These are the people whom parents trust with the education of their children, but this act has put a real spanner in their works. While the minister was telling us about the evolution of this model and of the continuing consultation and modification taking place, he was at the same time letting off a bombshell for many principals throughout the state. I do not believe there has been any consultation with the principals about this bill.

But the minister said that there is nothing clandestine and nothing hidden. 'We are open in everything we are doing with this and that is the way I want it to be and will be,' the minister said as the 2001 school charges packs were hitting the principals desks throughout our state. Let me read to the House the response I received from one large high school in my electorate. This school embraced Partnerships 21 and, at the last meeting of the governing council I attended, the Principal took the time to tell me of the advantages he believed had been delivered to the school as a result of joining Partnerships 21. Let me tell the House what he is saying now. He said:

> I find the 2001 school charges information package based on this legislation attached abhorrent and against the whole interest of public education. Our school council of governors planned its three year budget based on its business plan [which they were required to lodge] and arrived at a figure of $335 per student.

All schools I point out had to lodge a three year budget plan—they are tied into that. He goes on to say:

> My objections are as follows:
>
> 1. As a P21 school we have systematically planned for our future, only to have the rug pulled from beneath our feet. Why ask communities to manage and then take away their resourcefulness (and resources)?
>
> 2. The net effect will be the loss of income (possibly $100 000 plus in our case). It will affect the curriculum and restrict our passage into a planned future.

He concludes:

> This instruction is a severe body blow to our school, which has worked tirelessly to establish a budget which is realistic but

conservative. Slashing the curriculum and denying access to technology will never create a clever state within a clever country.

His P.S. I have to say is probably the understatement of the year:

The GST situation doesn't help much either.

Like he said, he feels like he has had the rug pulled out from underneath him. This unfortunately has been a sad lesson for many people in how this government works. Honesty is not one of its core values, nor is openness, nor is having any idea what they are doing.

Let me relay a series of events from last week. Last Wednesday evening the Golden Grove High School held its AGM. According to the minister, Partnerships 21 will encourage parental involvement. Approximately 15 parents attended—15 out of a campus of over 1 300 students. It does not sound like too many have been encouraged along to me! The issue of this legislation arose and was discussed. The impact on the school was discussed. One parent advised, however, it was not a matter of concern because she had it on good authority from the minister's own office that as of next year Partnerships 21 schools would be able to charge whatever they like. That claim was followed up the next day. Let me tell you what happened.

First, the Minister's office was contacted. This proposition was put to them and the advice received was that they could not help or advise on that situation and suggested contact with Superintendent Helen Tumbridge. Helen Tumbridge could not shed any light on this claim either and suggested that contact be made with the financial services section. We phoned the financial services section but they could not help and suggested contacting someone from the global budget unit, the unit that prepared the information packs for schools. That unit could not help and suggested contact with the manager of resources and training. In the end the final recommendation received was that we contact the minister's office for clarification. Talk about a sad episode of *Yes, Minister* and *Mr Magoo* wrapped up into one!

Let us look at the detail in the information pack sent out to some of these schools. Page 8 of the information booklet provides an example of a proposed schedule for school charges. The first item is course materials, that is, text books for class use, printed booklets, subject supplies, etc. They are GST free and part of the compulsory component. An example fee of $90 is set, yet in the voluntary component on the same line is listed a calculator for $10, which attracts the GST. This, according to the government's formula, is voluntary. I wonder how many students doing maths at high school can choose whether or not they have a calculator.

On page 5, according to the government's formula, rulers would be voluntary as would protractors and compasses, but graph pads would be compulsory. What a nonsense! This 2001 school charges information pack is about enshrining school fees, not for items used by students but to pick up the costs which should be borne by the government. Let us go back to the government's own example of $90 for course materials. Will that vary depending on the subject choices undertaken by students? I do not think so. Parents do not mind paying, and have never argued that they should not pay, for their children's consumables. They should not, however, be expected to pay for facilities such as buildings, libraries, computers and science laboratories. Yet these are the very things listed in the government's information booklet under the listing of GST free items. It was one of the points of contention raised by my local high school Principal. He had made the point that the school has a large capital works assistance loan to repay and significant issues around the provision of technology. Where was this money going to come from from this school? It should come from the government, but clearly parents were the target.

In my discussions with the Principal (and I make the point that I am not breaching a confidence in quoting from his correspondence because, apart from sending it to me, it was accessed on the Internet), I made clear that I and the Labor Party have a clear commitment to quality public education, that we believe it is a fundamental responsibility of government. Public education should not become quasi private education with the ever increasing divide between the haves and have-nots further increasing.

I express my disappointment that during the two terms of this government many school communities have allowed the government to proceed with massive cuts to education without protest. This legislation goes to the very core of the debate about publicly funded education. I make the point: this is the only state in Australia that has legislated to make its schools materials and services fee compulsory. What another great achievement for Mr Olsen and his government! The argument that, because some parents do not pay their school fees, they should be made compulsory is a nonsense. I cannot tell the House how many times—and I am sure members can relay the same story—we are told that those who do not pay fees are often the ones who can best afford it; the School Card looks after the poor and we need to cut the bludgers out of the system. The issue quite simply is not that simplistic. There are many issues at stake.

Take the case of a lone mother who has lost the School Card allowance for her four children when the threshold was lowered and her weekly income was judged to fall outside the eligibility limit for School Card by maybe $5. Is it appropriate that school councils take fellow parents to court? If the minister wants parents to pay compulsory fees, why does not the minister impose them and then the minister could take the parents who do not pay to court instead of putting that burden on parents, one parent against another. What would court-room conflicts do to enhance and encourage parental involvement in our schools and the important cooperative relationships between students, parents and teachers? What would compulsory fees in largely unregulated circumstances actually mean for the future of public education and the notions of access and equity?

What if schools are encouraged to increase compulsory fees so that the government can withdraw financial support? Surely such fees would challenge what most of us believe is the right of every child to be educated in a public school. Since the 1997 motion to disallow regulation 229A, none of the important issues raised in debate have been addressed by the Minister for Education. The minister has not issued guidelines to ensure that parent contributions are related to enhancing educational outcomes rather than subsidising the government's responsibilities. The minister has not addressed the claim that school grants are no longer adequate to cover school operating costs; in fact, the opposite has happened. The minister has capped school grants for three years. The minister has not addressed the impact of new costs, such as information technology, on school fees and, as I said, that is a real concern of one of my local schools. The minister has not addressed the inequity of individual schools charging fees that range from $40 up to $500 and $600; in fact, the opposite has happened. The government has continued to try to enshrine the inequities between schools in law by regulation.

Let me quote from the South Australian Association of School Parent Clubs. In February 1996, the association said:

> We believe that the government's move to make school fees compulsory, now to be called a charge for materials and services, is tacit recognition that it has failed to meet its obligation to South Australian parents under the Education Act to establish and maintain public schools.

As far as I am concerned, there is no argument that the minister is responsible for providing school premises, teachers, curriculum and other things necessary to deliver curriculum to students. We need to consider carefully the level and purpose of fees that parents should pay, whether guidelines should be established and whether schools should be made accountable for spending funds for the purpose for which they were collected.

Why are publicly funded government schools asking parents to pay towards the cost of facility maintenance and contribute towards the cost of new buildings? It is because the government is not doing it; it is reneging on its responsibility. Most schools would admit that they are having difficulty in coping with new demands such as the introduction of information technology. In November 1995, the South Australian government announced a new program called DECS*tech* 2001 for the introduction of information technology to South Australia's 650 public schools. It committed $5 million each year for five years for the purchase of computers, cabling between schools, teacher training and curriculum development. The announced target was to achieve a ratio of one computer for every five children by 2001. The government predicted that, for an expenditure of $8 million, schools could purchase an additional 10 700 computers by accepting subsidies of up to $875 for each unit. That left the school to pay $1 125 for each unit. For a large school, say, with 1 000 students, this meant an investment of $225 000 from school funds to attract the subsidy for 200 computers.

In addition, schools are now paying other significant costs including ergonomic furniture, software, safety lighting, security, CD-ROM burners, software and hardware maintenance, connectivity, printing and modems. As these computers are forecast to have an average life of three years, parents are facing ongoing replacement costs, and it has been calculated that this will mean ever-increasing school fees for each child. At the same time as handballing a lion's share of the cost of computers to parents, the Olsen government has put a squeeze on school funding. On 28 May 1998, the Treasurer announced that school operating grants would be frozen for three years. The Treasurer announced that School Card payments would also be frozen for three years.

Documents leaked to the opposition showed that the government's 1998 budget strategy cut $69.3 million from education over three years. This included corporate savings of $19.5 million over a period by absorbing inflation on goods and services, including school grants. Obviously, the government believed that the cost of running schools would increase over the next three years. That is its savings target. It is little wonder the government was so keen to introduce compulsory fees and pass the buck to parents.

The minister's agenda was to establish a framework to pass ever-increasing levels of responsibility for funding public education from the Olsen government to parents. In a nutshell, the Olsen government has been concocting a recipe for higher school fees. Since 1998, the government has passed a lion's share of the cost of technology to parents, frozen school grants for three years, has five times now attempted to make fees compulsory, has embarked on a program to cut the education budget by a total of about $173 million, and is wooing school councils through Partnerships 21 to take on more responsibility through a process of devolution. This is the Olsen government's recipe for user pays in education.

Mrs MAYWALD (Chaffey): I rise to support the bill, with some reservations however. There has been a lot of talk tonight about the amendments that refer to governing councils and school councils, and I do not intend to go over all those again. However, I would like to put on the record that I concur with the views and the concerns that were raised by the member for Gordon earlier in his contribution tonight. I have a number of areas of concern, and I agree with a number of contributions from members opposite: they need to be addressed. The select committee being established by the member for Fisher will be the appropriate vehicle to examine in depth the issues of concern that have been raised tonight. The Minister for Education has given me an undertaking that it is his intention to introduce the new Education Act as soon as possible when parliament resumes next year, and I will hold him to that because it is an important part of why I am supporting these amendments tonight.

One of the reasons why the amendments have been brought forward before the Education Act has been introduced involves compulsory school fees. I would like to go back in history and talk about school fees, in particular materials and services. I remember when I first went to school back in the 1960s and the early 1970s. In the week before school started I would go out with my mother and buy all that was needed: calculators, books, rulers, protractors—whatever materials I would need to undertake the study that I was embarking upon in that year. The day before school resumed, it was always a tradition in our family that the covering of the books would occur. Those fees were always borne by the parents. Unfortunately, it meant that some of the school students and my colleagues at school perhaps did not have all the equipment they needed.

Given that schools did not provide that equipment, it was decided some time ago that there was some merit in schools providing it and that State Supply contracts could provide a certain critical mass of customers which would see that prices would be reduced to the individual parents. That was a good decision. I also understand that back in 1995 Solicitor-General Doyle gave some advice to the government which talked about the minister and the school providing materials to children in return for payment. I understand that the education union has put forward a case that it believes that it is unconstitutional or against the thrust of the act for there to be any fees in school. Materials and services are an exception to that, and the act is silent upon that matter. It is important that each and every student have the opportunity not only to receive free education but to have the same materials and equipment necessary to undertake their studies. I believe that the decision to allow an arrangement whereby parents could buy from the school suppliers was a good one.

I think also that the suggestion that those contributions should be compulsory is a good one. We have provision within the current school system to cater for those in the community who are less fortunate and who are unable to pay. But whilst we have compulsory fee payment with respect to materials and services, excursions and the like, we have those who can afford to pay abrogating their responsibility back to the state, and I believe that is unfair. I do not think that we,

as a community, should expect the government to pay for everything that is our responsibility as good citizens. I think that there is a philosophical difference and divide on both sides of the House here, and also with respect to some of the representation that has been made to me in relation to school fees, and I accept that. However, my position is that, if you can afford to pay for the materials and services, you should do so.

I support this amendment at this stage, and I understand that that issue is on the select committee's agenda. We have been collecting those school fees on a compulsory basis over the past five years through regulations that have been introduced and then subsequently disallowed. I think it is now time that we bit the bullet and made it legislation, and then the case would need to be proved that it was incorrect to do so—because, in fact, we have been doing so for the past five years.

It is timely that the select committee has been established, and I think that it will do some good work. I am confident that we are moving forward in education in this state, because I believe that we are in an environment of constant change and that, unless we grasp that change and move forward, we will be left behind as a state. It is all right for us to talk about our ability to meet the demands of the new millennium, but we now have to live it, and I think that Partnerships 21 has been a part of providing a new opportunity for schools. I think that the amendments in this bill that provide the appropriate framework for governing councils are an important part of Partnerships 21. I have some reservations with respect to the concerns raised by the member for Gordon. However, I am prepared to support this measure at this stage, given that the select committee has been established.

Mr HILL (Kaurna): I stand to talk about this bill as a strong supporter of the public school system and as someone who has been involved in public education for most of my adult life and, indeed, for most of my pre-adult life, because I attended only public schools. The fact that I am involved in politics now is as a result of my activities within education over a long period of time. I am currently a registered teacher, and have been since 1974 or 1975, whenever the registration act was introduced. I was a unionist in the education system for a long time—a union activist in SAIT, as it was then known—sometimes on the same side of the argument as the current President of the AEU, sometimes on the other side—probably more often on the other side, as it happens: he obviously has become more radical since those days. I was also a ministerial adviser to the former Minister for Education, Greg Crafter, between 1985 and 1989. During that time, great reforms took place in the education system, and I wish to put a few of them on the record.

The main reform which I think really transformed the public education system was the introduction—controversial at the time but totally without controversy now—of a merit-based promotion system that made sure that the very best people were chosen as principals and for leadership positions. Greg Crafter also introduced a very strong anti-poverty program and reviewed substantially the curriculum, both at a primary and a secondary level and, at the time, the retention rate started rising and kept rising until it reached the 90 per cent level. I am also a member of Seaford 6 to 12 school council, and I am a parent of two children who went through the state school system. Both of them have now left, and both have achieved university placements as a result of their public education.

As I say, I am a strong defender of the public education system, and I am very proud of the job that public schools do in our state. I think that we have the best education system in Australia, and it has been like that since the 1970s, when the Hudson-Dunstan partnership in education really transformed schools in South Australia.

I believe that the schools in my electorate will continue to do a good job educating their children, regardless of whether or not they decide to become P21 schools. They will still have the same kind of teachers who will be committed to doing the job, and they will work very hard with the children in their care. I think that P21 has some positive aspects to which some schools are attracted. The promise of extra resources is appealing to schools; the promise of flexibility and the actuality of flexibility, I believe, in some cases, will be attractive to schools; and the promise of autonomy also will be attractive to them. On the other side, of course, there are some fears about some of those issues to do with autonomy: do we have the skills, the resources and the time to deal with the management problems that come with autonomy and flexibility?

One of the things that P21 may deliver to our public system is the ability to compete more equally with the private school sector, which has those kinds of capacities and those facilities now. So, from that point of view, I think there is some merit in the system. But—and here comes the big 'but'—there are many concerns with respect to the arrangements that are being put in place by this government. I think that the first of those concerns, and the one that is the most annoying and most worrying to those of us on this side of the House, is the introduction of, really, two systems of education, where the P21 schools receive more resources than the non-P21 schools, which seem to receive fewer resources: a hierarchical system where there are good schools, which are P21, and the lesser schools, which choose not to be, and the harassment, and in some cases, of those which choose not to be involved in the P21 system.

Of course, the other great concern is that, once a school accepts that it is a P21 school and takes on the responsibilities for the management, the staffing, and so on, to a certain level, will it be guaranteed that it has long-term funding committed to it? That is a concern of people in the education system; that it is okay, because they will receive extra money to get into the system, but two or three or however many years down the track ministers will withdraw funding and then say to the schools, 'It is your problem. You are there to manage. You can decide how much money is cut from these programs that are important to you.'

I must also say that the system has been set up on the basis of a redistribution of funding to education which has substantially improved funding to schools in Liberal electorates to the detriment of schools in Labor electorates—and that is a matter of fact; it is not a matter of opinion. I am also concerned that special education programs, for example, will get lost in the P21 situation. Less funding may end up going to programs that deal with special sectors in the education system, and there will be a shifting of blame from the Minister for Education onto the principal or the school management when these decisions occur.

I also have another concern about the variety of schools that we have in our system. Diversity has been one of the strengths of the South Australian system. We have had schools that have been set up to operate in slightly different

ways to appeal to different groups in the community. We have had some schools which have had very tight discipline and uniform arrangements, and we have had other schools which have had a more flexible, or looser, kind of system, and that has appealed to different groups in the community. I am concerned about this more highly competitive set of arrangements, as there will be, because if the numbers start to drop the funding will go, and there will be more pressure on to keep up the numbers—which, in one way, is not a bad thing. But, as a result of that, we may get less diversity, because there will be more schools looking like each other as they compete to attract the swinging voters, if you like, of the school population. They will all be trying to do the same things, and there may well be a reduction in diversity.

The final point that I make is the most worrying. I am not suggesting at the moment that the minister or the government is, in fact, suggesting this, but what is happening in South Australia with P21 is very similar to what Margaret Thatcher did in the school system in Britain prior to trying to establish a privatisation of public schools in that country. She changed the funding arrangements and the management structure; she gave autonomy and flexibility to the school system; she gave them all the kinds of things that we are talking about here; and that was a precursor to allowing the schools to opt out of the public system and to become, effectively, private schools.

I would see that, if this P21 is allowed to continue in the way in which it has been developing, it may well be that, down the track, a number of schools may decide that they have been doing all these things for themselves, they are really the same as a private school, so why not cut the strings and let them go off and become a private school and operate in the same way as some of the private schools do in our society. If that is the government's intention—and I sincerely hope that it is not—it is truly an insidious one. But, certainly, it makes it easier for that to happen, and I think that is of great concern.

The Hon. M.R. BUCKBY (Minister for Education and Children's Services): I thank members for their contributions. I will not spend long on summarising this, because I am aware of the program of the House and also that we will be moving into the committee stage later, but I would like to pick up a couple of matters that have been raised by the opposition, in particular.

This bill picks up exactly what has come out of the discussion groups and the large number of submissions that we have had with the review of the Education Act. It is no more and no less than that. What the parents and principals associations and school communities have told us in the review of that act is what is being reflected in this bill.

Furthermore, on the issue of the materials and services charge, for the past four years we have had the opposition and the Democrats in another place call on me to bring the materials and services charge into the act, saying that I should not be bringing it forward in a regulation each year. That is exactly what I am doing here. I am doing it so that schools have certainty next year in knowing what materials and services charge they will be able to collect, because the GST has changed a number of issues in terms of the materials and services charge.

As the member for Taylor and others have rightly identified, there are now areas within the materials and services charge that do not attract GST (and they are those areas related directly to the curriculum), and there are areas that do. As a result of that, regardless of this bill, if we put through a regulation next year we would still need to have divided the charge to show what attracted GST and what did not.

Earlier in the year, I gave an undertaking in estimates that the compulsory section of this materials and services charge would not attract GST, and I have stuck to that. That is what is related directly to the curriculum, and what is shown in the handbook given out relates directly to that. Nothing changes in terms of the maximum amount that a school can charge a parent. This year, under the regulation a school could charge $161 maximum for a parent in a primary school, and anything above that was voluntary. For a secondary school it was $215 and anything above that, again, was voluntary.

Nothing changes in this bill with that set-up. The parent need not pay more than $161 or $215. In fact, 80 per cent of our primary and secondary schools in South Australia charge less than that maximum chargeable amount. For 80 per cent of the schools the amount above that level is not an issue. It has been stated that no other state has a compulsory charge.

The Western Australian and Tasmanian governments have a compulsory materials and services charge, and the Victorian government is currently considering its options in this area because of its voluntary charge. It is collecting only about 40 per cent of the amount in its voluntary charge. I will pick up a couple of matters that the member for Kaurna has raised. It is not true to say that Partnerships 21 favours Liberal electorates. What has been done in this is to ensure that those schools in lower socioeconomic areas and in regional areas, recognising the disadvantage of distance that those schools have to face, actually end up with more resources under the P21 system.

I suggest that the honourable member have a look at his own schools in the southern suburbs and the additional resources that go in there. Certainly, in Elizabeth, Smithfield Plains and those areas, principals are taking hold of P21 with great vigour because of the extra amount of resources they can get. I would add that, of those resources, the average school is spending about 75 per cent on additional teachers and additional school service officers to do exactly the things that have been asked of me; that is, to reduce class sizes and be able to give more one on one in terms of literacy and reading.

The member for Kaurna also raised the question of special education. The flexible initiative resource funding in the award is directed towards that special education. The new agreement that has just been signed off in the Arbitration Commission ensures that that increases, so I can assure the honourable member that that special education funding will continue.

In terms of privatisation, it has never been this government's intention to privatise state schools. In fact, when the P21 model was set up I said that we would not be going down the line of Victoria, where the schools were able to have complete control of staffing. In fact, I have retained control over curriculum in schools and also retained control of placement of staff to ensure that those country schools, in particular, and schools that might not be quite as popular to teach in still get a very good share of the best quality teachers that we have in our system.

So, the review of the Education Act has consulted both the matter of the materials and services charge and the issue of the governing councils. The review committee made recommendations to me, and what is in this bill reflects exactly what has come out of the consultation on the Education Act

and what parents and the different groups that make up the education community in South Australia have asked us to put into an education bill.

Bill read a second time.

Ms WHITE (Taylor): I move:

That the bill be referred to the Select Committee on DETE Funded Schools.

I will not delay the House any further. I made a fairly long second reading contribution on this and outlined the reasons why the opposition has moved to refer this bill to the select committee set up last week. The changes in this amendment bill are the most fundamental we have seen to public education in decades. They change the whole way in which schools and school councils operate and charge school fees.

Last week, this House decided that these two particular issues—Partnerships 21 and school fees—warranted enough attention to be specific references to the Select Committee on DETE Funded Schools set up by this chamber last week, yet we have people arguing in this House that, somehow, we have the luxury, given the importance of these changes, to allow to be put into law the very inadequate amendments contained within this bill.

Member after member has given examples of the inadequacy of these amendments. Why rush to implement these changes on the say-so of a minister who says 'Trust me'? These changes, once they pass through this parliament, become law—law that will probably outlive not only this minister but several future ministers, and all on the basis of some vacuous argument about the need to rush these through. Let me spend a moment talking about that argument.

The minister says that we need to get these changes through quickly, otherwise Partnerships 21 cannot operate. Partnerships 21 has been operating in our public schools for the past 12 months under the current legislation. Indeed, last year the minister told parliament that there were no necessary legislative changes. Perhaps that was not a correct statement, but I did not hear him come back to parliament to correct that. So, let us get rid of that argument. These are fundamental changes and they deserve the full scrutiny of this parliament.

As far as the necessity for legislation governing school fees is concerned, progressively, around August each year the Legislative Council has disallowed regulations on the collection of compulsory school fees. As the minister has waited a good nine months to reintroduce new regulations on school fees, any created urgency on that account is not justified. The level of concern raised by schools and school principals about the impact of the implementation of this government's school charge for 2001 should be raising alarm bells with every member of this chamber who, supposedly, represent the interests of their local public schools.

This bill is the Olsen government's attempt to minimise the impact of the GST on fees in state schools, despite the guarantees and repeated promises only a few months ago that there would be no GST on any aspect of school fees. The government's cure in this bill is worse than the original dilemma—schools are telling us that. Schools are indicating that the impact on their budgets of this particular government measure will leave them significantly short of funds and under pressure to provide the same educational services, given that many schools have already set their budgets for next year. They are very angry about the timing of these changes.

The information pack issued to principals recently was signed by the chief executive on 26 October. It landed in schools after that date—indeed, after 27 October. For those members who are not familiar with the significance of that date, that was the deadline for schools to sign up to Partnerships 21 for next year. The government landed on school communities these changes after many schools had committed to the fixed budgets that are part of the Partnerships 21 scheme and without giving them the knowledge that this would be the regime for next year. Without significant amendment this bill will not achieve the stated goals, even of the minister.

Agree or not with this government's particular implementation of local school management or Partnerships 21, this bill does not even get it right as intended by the minister. Without significant amendment this bill cannot work. It gives greater flexibility and greater responsibility to schools but they will have to shoulder the blame. In fact, the reality of the amendments contained in this bill is that the minister will take greater control over the activities of schools. Schools will have to shoulder the blame for budget cuts; they will have to shoulder the responsibilities for funding decisions at the local level, but the minister will be controlling that shift of budget cuts onto local schools.

Secondly, the protections of the current legislation completely disappear under these changes to the act. It is our responsibility to protect the public education system and to ensure that the controls which are put in place and which are part of the Education Act outlive this and future ministers. The minister instead says, 'Take it on trust for a few months. Put it through the parliament and all will be well, I promise.' It will be too late because we are the law-makers and it is our responsibility to get it right for these schools at the time that these amendments go through parliament.

The implications for schools of the changes to the school fees will be, schools say, to force up school fees. The minister makes good play of saying that he has not changed anything—the compulsory component of school fees is exactly the same as last year. That is simply not true. The minister has something called 'a compulsory component' and he assigns to it the same dollar figure as that for last year ($161 for primary schools and $215 for secondary schools indexed as time passes), but they do not have the same items attached to them. Some of what is in the single compulsory school fee under the present arrangements now will be in the voluntary component of the fee.

The impact of issuing parents with the tax invoice that the government has said must be used for the 2001 school year is that—and this information comes directly from school principals and school councils (the people who know)—a number of parents (far more than those who do not currently pay fees) will see the GST, in addition to the voluntary contribution, and refuse to pay it. School principals are saying to me that they will be forced to bulk up that compulsory portion thereby leading to an overall increase on present school fees but it will be paid by fewer parents. We will see higher fees shared between fewer parents. Hardly fair and hardly an improvement on the current regime; yet, with the importance of school budgets and the negative impact these changes will have, is this House really saying that we do not have the time to deal with these amendments properly? This is a very poor attempt; it is a rush job. After two years of public consultation and promises of a draft bill that would be available for consultation in the schools for six weeks, what we get are changes rushed through the parliament. The least we owe the people of South Australia is proper scrutiny of these amendments, and the way to do that is to support my

motion to send this bill to a committee to look at these very issues. I urge members to support my motion.

The Hon. M.R. BUCKBY (Minister for Education and Children's Services): I indicate that I will not be supporting this motion for many of the reasons already stated in my second reading explanation. I am interested to hear the member for Taylor speak about the importance of school budgets, the importance of schools knowing where they are going with those budgets and what they would receive in the way of a materials and services charge, because the Labor Party policy on this is that the charge is voluntary. It has been over the past four years when each year we have put up the regulation.

Let me tell members that that system operates in Victoria and schools collect about 40 per cent of their materials and services charge. In fact, if we revert to that voluntary system schools will have no idea how to budget in terms of what level of income they might receive. The whole charge is then purely in the hands of the parents as to how much the schools would receive. All they would know is that they will receive a certain amount from their School Card students. Above that they would then have to make some sort of guesstimate as to what parents might be willing to pay.

I refer to 1997 when a couple challenged in court the materials and services charge. During that time and when that case was completed in the court a number of schools reported to me that they then believed that the materials and services charge was voluntary. The number of schools that reported to me that they had about 40 per cent of parents paying that charge was extremely high. In that brief time frame when, through a technicality, the case was withdrawn, it was shown what the payment of that charge might be.

The member for Taylor says, on the one hand, that the opposition wants certainty in terms of the amount of money coming into schools so that they know what their budget is going to be and, on the other hand, Labor Party policy for the last four years, when it has gone through the regulation, has been that the whole thing should be voluntary. In that situation, as I said, schools would have no idea as to what they would be receiving.

As I said in my second reading explanation, the review of the Education Act has thoroughly dealt with these aspects. I see no reason for the bill to be held up and go through to the Such committee. I am supportive of the Such committee looking into education and looking at the positive aspects of it, and I am sure that it will show that education is in very good health in South Australia.

In terms of the governing councils, the member for Taylor asks why we need to take this through. As of today, we have 64 per cent of public schools in South Australia in Partnerships 21. However, governing councils are not recognised in the act, and there is a number of issues as to why they need to be in terms of indemnity and a number of other areas. We now have nearly two-thirds of our schools in that system, so they need to be recognised in the act. I reiterate that I do not support this motion, and I urge the rest of the House not to do so.

The House divided on the motion:

AYES (20)

Atkinson, M. J.	Bedford, F. E.
Breuer, L. R.	Ciccarello, V.
Clarke, R. D. t.)	Conlon, P. F.
De Laine, M. R.	Foley, K. O.
Geraghty, R. K.	Hanna, K.
Hill, J. D.	Hurley, A. K.
Key, S. W.	Koutsantonis, T.
Rankine, J. M.	Rann, M. D.
Stevens, L.	Thompson, M. G.
White, P. L. (teller)	Wright, M. J.

NOES (24)

Armitage, M. H.	Brindal, M. K.
Brokenshire, R. L.	Brown, D. C.
Buckby, M. R. (teller)	Condous, S. G.
Evans, I. F.	Gunn, G. M.
Hall, J. L.	Hamilton-Smith, M. L.
Ingerson, G. A.	Kerin, R. G.
Kotz, D. C.	Lewis, I. P.
Matthew, W. A.	Maywald, K. A.
McEwen, R. J.	Meier, E. J.
Olsen, J. W.	Penfold, E. M.
Scalzi, G.	Such, R. B.
Venning, I. H.	Williams, M. R.

PAIR(S)

Snelling, J. J.	Wotton, D. C.

Majority of 4 for the Noes.

Motion thus negatived.

In committee.

Clauses 1 and 2 passed.

Progress reported; committee to sit again.

TAB (DISPOSAL) BILL

Adjourned debate on second reading.

(Continued from 26 October. Page 296.)

Mr WRIGHT (Lee): The TAB (Disposal) Bill continues the government's strategy to privatise whatever it can get its hands on and to divorce itself from the racing industry. The government has a belligerent, hell-bent right-wing ideology to sell, privatise and rid the state of its assets. Its record in this area is shameful. Its Thatcher-like asset sale process—selling the silverware as it has often been described to me by the Hon. Trevor Crothers—is bad for South Australia. There are many examples of selling and/or long-term leases or outsourcing, but some of the more infamous include ETSA, SA Water, Transport SA, State Print, and now of course the SA Ports Corporation and SA TAB—and we are promised by the Minister for Government Enterprises that the Lotteries Commission is still to come. On most occasions privatisation has seen these major assets lost to the state never to be returned again.

The state will never be in a position to buy back these great assets that have been so important to South Australia, important income earners and symbolic, significant institutions, institutions that South Australians have identified with and been proud to own and, critically, they have been major employers of South Australians. On all occasions, as a result of selling and/or leasing the asset, there have been at least significant and very negative outcomes such as job losses, price increases, loss of services and loss of control—and it will be no different with the sale of the South Australian TAB. Sadly, there will be job losses. Invariably the price will increase and you only have to look at New South Wales TAB Limited, which increased its tax on punters by an extra $11 million this year. It did this by increasing by 1 per cent its share from the trifecta, which makes up 20 per cent of its turnover pool, and by 0.5 per cent from place pools which makes up 16 per cent of its turnover.

This increase was unrelated to the GST and it took this action in its third year of operation as a private owner. When this announcement was made we had the Australian Racing Board Chairman, Mr Bob Charley, saying how he was appalled at the timing of the New South Wales TAB Limited announcement that would tax customers an extra $11 million this year. He went on to say:

> The added take-out from the trifecta pool will amount to $8 million, the added place take-out $3 million, for a total TAB Limited 'windfall' of $11 million. Punters nationwide may feel comforted that their betting activities will be unaffected by GST, but customers of [New South Wales] TAB Limited cannot help but view the latest hikes as a form of taxation. Charley expressed horror at the timing of the announcement and disappointment that any increase of commission rates was necessary.

We can also look at the service delivery which will go down and, if you compare what service you now get from ETSA and SA Water with what it was before they were privatised, that is about where you will be with a privatised South Australian TAB.

We also have loss of control. How do we know and how can we be confident about what a new TAB owner will bet on when for them it is all about the bottom line? What will happen to those marginal meetings in some country areas? I will tell you what will happen; if they do not make a profit, they will not have a TAB meeting. Further, the government's severing of its relationship with the racing industry has a twin policy: first, corporatisation of the racing industry and, secondly, privatisation of the South Australian TAB. This is all about getting the racing industry as far away from government as is possible. This is Liberal government policy.

Any privatisation begs the question: what will we get for the South Australian TAB and who will be the buyer? Some suggest it is not worth selling unless you get $100 million. If you take account of money spent on consultancies, time and effort and what impact this sale would have on reducing state debt, maybe that $100 million is around the mark. But what is it worth? SATRA (as it was then called) has said $75 million, but that it could be between $25 million and $75 million. So it does not sound too confident about the price. The original scoping study said $20 million and a common figure in the racing industry is somewhere between $40 million and $50 million, depending on whom you speak to. Any potential buyer will look at what they have to pay other parties: the racing industry and the government. Currently, all the profit—some $56.1 million for the last financial year—goes to those two parties.

How do you value it because there is no residual profit? The profit it has already made goes to the racing industry—and some of them say they will get more with a sale—and the rest goes to the government which says it will be no worse off as a result of the sale. Where is the profit residual? Does that mean the TAB is worth nothing? Hopefully not, but someone's take has to give and/or the new owners cut costs, which means jobs, and/or the new owner will have to grow the product. Some profit will come from cutting costs. How much we do not know, but we do know that a new owner will still have big ticket costs such as Sky channel, agent fees, probably negative settlement fees and also maintenance of effort being maintained, which means that the cost of TAB radio, TABForm and the *Advertiser* form guide must be maintained by the new owner. These are all big expenditure items for a new owner.

The potential savings will be in labour and they may franchise the agencies. However, the TAB annual report of this year tabled today says that the growth operating cost was controlled by significant expense reductions designed to protect the profit contribution of the TAB to its shareholders, that is, the SA government and the South Australian racing industry. So maybe the costs have already been cut. Whatever that profit the new owners may be able to find, you then work on a multiple of between five and eight. These are not my figures but established business practices for working out the worth of a business. Using this formula, the TAB could be worth as little as $25 million, but it may also be more. It is to be hoped that the state gets much more; otherwise why would you sell it?

Working out where the buyer will come from is far easier. The probability of an existing TAB buying it would be very high because of the synergies it would achieve. You can make a strong case for TABCorp in Victoria, New South Wales TAB Limited and/or the Queensland TAB, which also includes the Northern Territory TAB. TABCorp currently has about $2.8 billion turnover, so another $600 million from the South Australian TAB gives it an increase in business share of 22 per cent. New South Wales TAB Limited is about $3.6 billion and the $600 million increases it by about 16 per cent in business, and clearly this would make it the number one TAB in Australia with no real challenges to that mantle.

In Queensland, which has about $1.4 billion turnover, another $600 million from the South Australian TAB gives it an increase in business share of 45 per cent, a very attractive proposal indeed for Queensland. Western Australia has a turnover of about $800 million and Tasmania, a turnover of $250 million, which has been going backwards for the past five years. Both will not be bidders for the South Australian TAB. Ladbrokes or someone else may be interested, but the odds are long.

So, you can make a case for any of the big three—New South Wales, TABCorp or Queensland—but the good money is on Queensland or New South Wales. Notwithstanding all of this, if the TAB in South Australia is worth only $25 million, why sell; but if we do we should see what the racing industry can do here, give it an opportunity to make a formal bid and let it have a real run at it. The Government's history and strategy on privatisation has been a disaster, and this case is no different. It has limped along aimlessly for the past three years or more. Indeed, in July of this year it withdrew its own bill: it could not even get the support it needed on its side of the House.

But one must go back further than that, because the South Australian TAB has been strangled over the past few years by a minister who has not allowed the TAB board, the management and the organisation to operate the way any good TAB should and must operate. It has been ham-strung by the minister and the government, and its frustrations have boiled over on a number of occasions. The loser through all of this has been the TAB, the staff, the taxpayer and the racing industry.

The South Australian TAB is no shrinking violet. The TAB has been operating since 1967. There are some 76 staffed outlets, comprising 36 per cent of the corporate TAB turnover. There are some 305 pub TABs, made up of 173 in the metropolitan area and 132 in the country, comprising 49 per cent of the corporate TAB turnover. Telephone betting, with some 59 000 telephone betting accounts, comprises about 15 per cent of the corporate turnover. There are some 550 people employed with turnover in the vicinity of $620 million and some 4 632 TAB meetings last financial year. Its operating profit for the past financial year was

$56.1 million, of which 55 per cent goes to the racing industry, 45 per cent to the government and, as I said yesterday on TAB Radio, you, sir, were responsible for changing the most recent percentages, increasing the share to the racing industry from 50 to 55 per cent, something of which I am sure you are proud and for which you deserve acknowledgment.

So, we have this situation that I have explained of how the TAB is made up. It is a significant employer, a significant income earner, a service provider to the public and a generator of income for the racing industry. The 1990s were a period that saw TABCorp, New South Wales TAB Limited, Queensland and the Northern Territory all privatised. During this period Labor argued very strongly that we should be looking at our options, forming alliances and getting a critical mass. We have said all along that we would look at the TAB in the best interests of its employees and in the medium to long-term interest of the racing industry. Instead this Government has now wasted three or four golden years with scoping studies, consultancies and more consultancies but no decisions.

There has been no interface between the minister and the racing industry and great confusion on why the government had one minister for racing and a different minister for the TAB. Why on earth you would have different ministers for racing and the TAB is indeed staggering. This has created great confusion in the industry and enormous frustration. As John Cameron, CEO of SATRA (as it was then called) correctly said, 'The real minister for racing is the one that controls the finances, that is, the TAB.' Why you would want to be minister for racing without the TAB is beyond me. Maybe it is an old power play in the Liberal Party—you cannot do this because of that—nothing to do with what is best for racing. Make no mistake: under Labor the minister for racing will also be the minister for the TAB.

As I have already mentioned, John Cameron in October 1999 also commented on the government and the TAB. The problem according to Cameron is not the quality of racing's personnel but the quality of service the industry is receiving and his quote is this:

> It's a disgrace that the government has allowed the industry to get into this situation. It appears a major lack of communication between the minister for the TAB (Dr Michael Armitage) and the racing minister (Iain Evans) has created the problem.

Cameron was highly critical that more than four months into the new financial year the South Australian TAB annual report had not been provided to the public. He described as pathetic the fact that the best way to receive information on TAB turnover was by downloading information from the Auditor-General's Report. He said:

> Somebody might turn the lights on in the minister's offices. I think they should be asked a simple question: Is your heart in South Australian racing?

He was dead right. I spoke earlier about the frustrations of the TAB board. This, of course, came to a head in a public sense in September 1998, when we had the resignation of TAB chairman, Phillip Pledge, and board member, Neil Sarah. Their reasons? The government's failure to consult the board during the planned TAB sale process. Both gentlemen—well known with strong business credentials, well respected business people, refusing to do business with the minister; eminent people, government appointments—were basically saying to the government, 'Go and get stuffed. We're not putting up with this.' It clearly highlighted the TAB board not being allowed to operate properly. This has also been a period where turnover has increased but profits decreased.

The government has used smoke and mirrors to top up the distribution to the codes. There have been several quarters where the profit shares have been down, but the government has found the money from somewhere. The government should have been addressing the core problem to overcome the shortfall, making sure the business was right, that their costs and business plan was working properly. Minister Armitage can have no excuse for not knowing because in 1996 then racing minister, Graham Ingerson, said that our TAB was the worst in Australia and that its costs are 6.5 per cent. All through this period there is a hiatus, division and anarchy.

Finally, on 8 February 2000, the government announces its proposal to sell the TAB and the South Australian Lotteries via parallel trade sales. Irrespective of your philosophical position, they even made a mess of this. In his announcement the minister talked about a comprehensive review having taken place. That is code for three or four years of scoping reviews and millions and millions of dollars of consultancies. But his announcement of the sale occurred before he had received a report titled 'Proposal to South Australian government—impact of South Australian TAB privatisation'. This was a report commissioned by the three chairmen of the racing codes, known as the Racing Codes Chairmen's Group.

Mr Lewis: Makes you wonder why he asked for it, doesn't it?

Mr WRIGHT: It does indeed—different from what I was told. This report had been suggested by the racing minister and the TAB minister. The report was in part paid for by the government. The government put in $200 000 and the report was undertaken by Ernst and Young, in which, incidentally, Mr Phillip Pledge is a major player. He at least knows about the TAB because it is the same Phillip Pledge who resigned as TAB board chairman back in 1998. The Racing Codes Chairmen's Group was told to report back no later than 29 February 2000, leap year you would understand. As it turned out, the Racing Codes Chairmen's Group rushed the report to the minister's office at the eleventh hour when they heard that an announcement was about to be made, but it was too late: the minister was all set to go. He had made up his mind before he had received or read the report. What does this report say? The very first line in the report states:

> The South Australian racing industry will not support the privatisation of the South Australian TAB by way of a trade sale.

The key words are 'by way of a trade sale'. Of course, on that very same day the minister, without receiving and reading the report, announces a parallel trade sale with the Lotteries Commission. How do I know all this? I know it because I have the report. Is it not amazing what falls off the back of a truck when a government is at death's door? It goes on to say:

> The current level of funding to the South Australian racing industry is totally inadequate. . . the minimum level of funding initially required for the three racing codes to be financially competitive is approximately $50 million per annum. The government's offer is $41 million. The South Australian racing industry proposes that it should receive a capital payment of $40 million as its share of the proceeds of the sale of the TAB. The government's offer is $18.5 million. These are important figures which we shall return to.

The decision of a trade sale was made in isolation from the industry. What does a trade sale mean for South Australia?

As I have already said, it means that a like business that has existing facilities will be the buyer—New South Wales TAB Limited, TABCorp in Victoria, or Queensland TAB—take your pick. Another asset will be lost out of South Australia. It will want to downsize the work force as soon as possible in order reduce costs and get the perceived benefit of its investment.

It will downsize the technical and administration part of the business and do it interstate. The TAB would consolidate all the computer functions and make them common with its own to save on staff. Software maintenance and upgrades, and hardware replacement all mean the loss of jobs. If another TAB is the new owner—which is almost a certainty, despite the minister's denials that this may not be the outcome—it is almost certain, as I have outlined to members from a business point of view, that they will move to rationalise the functions of the South Australian TAB within their own activities, and that means a loss of jobs. There would be no need for the South Australian TAB head office. It could be just closed down or operated with a skeleton staff and its functions could be absorbed interstate. That means a loss of jobs.

Why would it want to operate a large call centre interstate and a call centre here? It simply would not, and that also means a loss of jobs. A new buyer buys only to improve the bottom line, by shedding costs. It will want to stave off costs, and we will also lose control of the product. The first jobs to go would be the 160 in the South Australian TAB phone betting operation, and the next in line would be the 80 jobs at TAB headquarters—massive job losses. And what about TAB outlets throughout South Australia?

On the one hand, this mob buys jobs—and we had another illustration of that today—and on the other hand it sells jobs straight out of South Australia. Schedule 2, clause 3(5) acknowledges all I have said about the likelihood of an interstate buyer. It provides:

> A person whose employment is terminated in circumstances where the person has rejected or failed to respond to a proposal of the employer. . . that the person take up a position outside the state will be taken to be retrenched.

This suggests to me that jobs will be lost to interstate. Perhaps there is nothing new about this. However, retrenchment payments do not go very far if you cannot find another job. In this case, it is your own government that has put you out of work. This is hardly the industry where people will be heading interstate to work for an interstate TAB. As I already said, there are some 550 employees, approximately 90 per cent of whom women, many long serving in the TAB. The majority are so-called casuals but really are permanents in the true sense of what takes place. They work between 12 and 25 hours in the main, and their average wage is about $25 000. These are real people, people with mortgages, people with children and people with tight budgets. Minister, you are putting these people out of work.

With respect to the racing industry, on 22 June this year the minister announced a heads of agreement with the Racing Codes Chairmen's Group. This announcement cut a deal with the group made up of Michael Birchall from SATRA, as it was then called; Graham Inns from SAGRA, as it was then called; and Ian McEwen from SAHRA, as it was then called—one representing thoroughbred racing, one representing greyhound racing and one representing harness racing. That deal provides for a one-off $18.25 million payment to the South Australian racing industry when the TAB sale is completed. However, we must remember what the Ernst and Young report recommended: that the industry needed to receive a one-off capital payment of $40 million. So we are $21.75 million short of that recommendation that was made in the Ernst and Young report. Secondly, it recommended a guaranteed annual income for the first three years, indexed to CPI, of $41 million. Ernst and Young recommended $50 million. Thirdly, it recommended from year three to year 10 a fixed payment of $20 million, plus a variable payment based on net wagering revenue, and that would be 19 per cent of net wagering revenue. After 10 years, the South Australian racing industry will receive a fixed percentage—39 per cent—of that net wagering revenue.

Before we analyse these figures more closely, let us also make some assessment of the Racing Code Chairmen's Group. As I said, there was one from SATRA, representing thoroughbred racing; one from SAHRA, a Victorian who has now gone; and one from SAGRA, representing greyhounds, who has also gone. Two of these three were government appointments. So, let us not delude ourselves. The agreement that the government reached with the Racing Codes Chairmen's Group was reached with a group of people, two of whom were government appointments at the time and the third was chairman of SATRA.

The Hon. M.H. ARMITAGE (Minister for Government Enterprises): I move:

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

Motion carried.

Mr WRIGHT: The government announced a position with the Racing Codes Chairmen's Group. In coming to that decision, the group expressed the view that this was on behalf of the racing industry. It never had the right to do that because, put simply, it did not represent the racing industry. The racing industry is made up of a very broad cross-section of people—owners, breeders, trainers, jockeys, reinspersons, punters, and club committee people, and so the list goes on. They are the people who should have been consulted before an announcement of this magnitude was made or agreed to.

The imprimatur that was given to this announcement—regardless of whether the Racing Code Chairmen's Group was right or wrong about the figures—should never have been put forward as a package of information with which the racing industry was in agreement, because it simply was not. Those people who negotiated with the government previously had a report from Ernst and Young which had completely different figures. In its first line, the report said that we should not be having a trade sale. It deviated completely from that position in the figures it put forward and the imprimatur it gave. However, it did not have the right to represent the racing industry.

The make-up of those three individuals should never be forgotten: Michael Birchall from SATRA, who represents thoroughbred; Ian McEwen, a Victorian, from harness, who is now no longer in that position; and Graham Inns from greyhound, who is now no longer in that position, either. Two of those three people were government appointments who struck up an agreement with the government: it simply was not a representation of the racing industry. So, that is the first thing that certainly needs to be stripped bare with respect to the announcement that was made by the government, I think, in June this year, in cahoots with the Racing Codes Chairmen's Group.

However, we also need to analyse these figures more closely, because there is a feeling—maybe it is correct, maybe it is not—that these figures will be good for the racing industry. The racing industry needs to be mature enough to make sure that it is right on top of these figures, and that it knows full well what it is going into. It already has signed off on corporatisation: it already has come to some arrangement with the government with respect to corporatisation whereby the umbilical cord that previously existed between the racing industry and the government no longer exists. So, the racing industry should be under no illusion whatsoever: in the future, it may or may not go to government seeking additional funds but, if it does, they will be there no longer. There will be no moral expectation by government to hand out funds as it has previously, because of the corporatisation of the racing industry. The government, as a result of corporatisation and its second position of privatising the TAB, has the racing industry exactly where it wants it: off its back and with no moral responsibility.

So, when some people in the racing industry who are meant to be representing the broad umbrella of the racing industry speak about these figures and make demands on members of parliament that this bill must go through—if not, stake money will decrease and it will be the end of the racing industry—they had better be sure of what they are talking about. If they are wrong—and I hope they are not, for their sake—they will receive no assistance from government because, with the corporatisation of the racing industry, it now no longer has that moral obligation. It will be the responsibility of the racing industry to start looking at other sources of funding. I hope that the government will take note of that: it is something that Labor has already announced. We believe very strongly that the racing industry should be able to apply for industry assistance, just like any other industry. We will hear members of the government talking about that in the weeks or months ahead, because it has no policy on racing. So, we can rest assured that, in the weeks and months ahead, we will hear government members saying that the racing industry can now apply for industry funding. We should not forget where it came from and where it was first suggested.

If we look closely at these figures, we see that there is an increase from $33.5 million to $41 million. That sounds good; it is about a $7.5 million increase. What we need to remember and what we need to be aware of—what we need to be mature enough to assess—is that these figures come off a very low base. The people in the racing industry know that; they have been telling me that for years. When they talk about the increase, they should make sure they realise that the increase comes off a very low base, and that the increase will have to be spread over three codes. So, the $7.5 million increase will be spread between thoroughbred, harness and greyhound. That gives the thoroughbred section of the industry about $5 million of that part of the funding arrangement.

Everyone in this chamber, and beyond, should know the difficulties that all codes are experiencing. However, with respect to thoroughbreds we are in no doubt, because of what happened this year and because of what we have been warning of for some years. Unfortunately, it happened this year. We now know that, as a first priority, a big bag of money needs to be spent in fixing Morphettville, because we just cannot guarantee the track. Last Saturday I attended the track and I was advised by trainers and jockeys that it just was not suitable; it was not in a good enough condition. They wanted to move the rail farther out, and they were told that they just simply could not do it. So, we clearly know that Morphettville is not in a good enough condition for racing—not just with respect to the Adelaide Cup carnival, but even at last Saturday's meeting trainers, jockeys and punters said that the track was not up to standard to host a meeting of the quality we had last Saturday.

So, the increase is with nothing else in the system. The racing industry now no longer has government to prop it up; it now no longer has spending from RIDA; it now no longer has capital funding coming from government, coming from RIDA. It will have to find it all now, with these new figures. It will have to find the money for all those areas. There is not too much depth to these figures, and I hope that, when the racing industry comes out in strong support, as certain people are currently doing, they bear all that in mind and that they can explain that to the racing industry.

There is a guarantee for the first three years, and that is a good thing. But beyond that there are no guarantees. With fixed percentage of net wagering revenue, the racing industry is entering into a new concept. The racing industry will be asked to take a percentage of net wagering revenue from years three to 10; it will be 19 per cent plus a fixed figure of $20 million. However, after year 10, it will be a percentage of the net wagering revenue, which is a totally new concept for the racing industry. So, if the product is not grown, the racing industry will not get the growth that it hopes for as a result of this new formula that this government is imposing upon it. The truth of all this is that we simply do not know whether or not we will be better off.

With the figures put forward by the government (because they are conditions that will be put upon the new buyer), we do not even know whether we have a buyer. What happens when a potential buyer comes up with different figures altogether—figures that are less for the racing industry—or if the new buyer does not grow the product from $620 million to $850 million, as we have been told by the government? There are a lot of unknown factors here. We are really going into a world where we are not sure what the outcomes will be. We are not sure whether, in fact, if the figures that are being put forward by the government with the Racing Codes Chairmen's Group are figures that potential buyers out there will accept. If they do not accept them and they put in their figures, which are less for the racing industry, what happens then? Does the government top it up? Does the racing industry take less? We do not know that detail. What happens if we are not able to grow the product from $620 million to $850 million (which I will speak about a little later), which, I suggest, is a very big prediction, to say the least. It is an enormous prediction that those figures will increase to that extent in the time that the government has suggested.

Senior people in TAB Limited from New South Wales and TABCorp from Victoria believe that the figures that have been put forward by the government with regard to the projected growth—$620 million to $850 million—are completely farcical. If they are saying that, I hope that the racing industry, those people who are meant to be representing us, those making statements about how good this is for the racing industry—people like Michael Birchall, who came out today and said how we needed to have this sale or there would be a $1 million reduction in stake money—are also talking to New South Wales Tab Limited and TABCorp in Victoria and getting the same information that I am getting. If they are not, they are not doing their job.

They make two critical points: first, that TAB figures are stagnant and struggling to stay where they are Australia-wide; and, secondly, that New South Wales and Victoria are renowned wagering states, more so than South Australia. They are renowned traditional wagering states. If this does eventuate, the revenue promised to the racing industry will simply not be there. It will not be there if any of that projection is incorrect, if those figures put forward by the government with the support of the Racing Codes Chairmen's Group are not figures that a new buyer is prepared to accept.

We also need to have a closer look at the TAB (Disposal) Bill and the Racing (Proprietary Business Licensing) Bill, because everyone knows of the close relationship between those bills. In reality they need not be as close as they have been, but in political reality for this government they are like mother and sibling—you cannot have one without the other. The government has brought in a bill that it knows is wrong. Proprietary racing is a scandalous, treacherous piece of legislation to give the government the support it requires for its sale of the South Australian TAB.

The Racing (Proprietary Business Licensing) Bill is so bad that it is now being defined as the worst piece of racing legislation not only in South Australia but Australia-wide, and that will become its hallmark. History will judge it for being the worst piece of racing legislation ever introduced anywhere in Australia. We know that these two bills are linked. It is known that Cyber Raceways has contracted the South Australian TAB to be the service provider for wagering operations and there is therefore an obvious explanation that the government is trying to indicate to prospective buyers that there are increasing wagering opportunities.

Here is the proof that Cyber Raceways is all about seeking to extend the wagering market—and this is a revolutionary market. Make no mistake: this is a totally new market, a revolutionary market, to target people at home on the internet to gamble and watch this product on the same medium. Therefore, it is clearly more compulsive than traditional gambling. Make no mistake, this is a new form of gambling, a new form of wagering. This is an extension to what we currently have. It is a revolutionary type of wagering on the internet, enticing people who are at home both to gamble and to watch this product on the same medium.

Mr Foley: And it's silly, too.

Mr WRIGHT: It's silly, as well. But there will be another close examination made of how certain people vote on the privatisation of the South Australian TAB and how that relates to the Racing (Proprietary Business Licensing) Bill. History will be made tonight: maybe tomorrow now.

Members interjecting:

Mr WRIGHT: It depends on the Independents. We are happy to stay all night. We will stay tomorrow morning. We will sit all the way through. It just depends on the Independents. So, history will be made tonight or tomorrow. More than that, the mother/sibling political connection of these two bills will be fully explained to everyone in the racing industry and everyone who has an interest in the sale of government assets.

There will also be a very close examination of how Thoroughbred Racing SA Pty Limited conducts its business. If, for example, there were to be over $1 million suddenly spent on the Glenburnie racecourse at Mount Gambier, that would stun people in and out of the racing industry.

The Hon. G.A. Ingerson: It sure will!

Mr WRIGHT: If we learn in the not too distant future that there is a big ticket item spent down at Mount Gambier for capital infrastructure on the Glenburnie racecourse, that will stun people in and out of the racing industry, and the member for Bragg correctly says, 'It sure will', because he knows exactly, as does the member for Gordon. We will be watching very closely to see where Thoroughbred Racing SA Pty Limited directs its moneys. If there is a big ticket item spent down at Mount Gambier at the Glenburnie racecourse, somewhere in the vicinity of $1 million or more, the racing industry and people not directly associated with racing will look very carefully at that and at how people have voted.

Mr McEwen: Garbage!

Mr WRIGHT: You have just said more than you said on the Racing (Proprietary Business Licensing) Bill. It is not because people did not deserve it; not because they did not need it; and not because they had not asked for it—and that is one of the key points. They have been asking for a long time, but it has not been judged to be a big enough priority in the past. Thoroughbred Racing SA Pty Limited—which is the old SATRA, by the way—will not be able to say that out of the blue it is awash with money, because it is always crying the opposite.

Of course, everyone knows that, if there is any capital money available for thoroughbreds, that money must go first to rebuilding the Morphettville race track. We acknowledge that Thoroughbred Racing SA Pty Limited has a view on the sale of the South Australian TAB, because we read about it yesterday in the *Advertiser*. It thinks that it will solve all its financial problems, just as it thought that snapping the umbilical cord with the government through corporatisation would be good for racing. Mr Birchall said yesterday that thoroughbred racing will be forced to cut stake money by more than $1 million by 1 December if the South Australian TAB is not sold, but John Cameron, his CEO, sent out an urgent memorandum on 29 June this year saying:

> If the TAB privatisation legislation is not passed next week—

that is the first week of July—

> stake money cuts of $1.5 million must occur from 1 August 2000.

So, here we have the CEO making one announcement back in June about cuts in August and another announcement from the chairman yesterday about cuts being made in December if the South Australian TAB is not sold. The cuts that John Cameron spoke about back in June, which were going to affect stake money on 1 August, never came. Those cuts were never made. What is going on here?

One says back in June that, if there is no TAB sale next week, from 1 August there will be stake money cuts of $1.5 million; but the chairman said yesterday that, if the TAB is now not sold, there will be cuts to stake money of $1 million from 1 December. Who is right? Certainly Mr Cameron was proven wrong. Will Mr Birchall also be proven wrong? They are, of course, entitled to their opinions, but I only hope that that is not why we have not heard boo from them about proprietary racing. We will be watching very closely where and how they direct their moneys. It is the common opinion throughout the thoroughbred sector of the industry in South Australia (both in the Adelaide metropolitan area and in country areas, about which I gave examples in my speech last week as a result of correspondence from the South Australian Racing Clubs Council), which comprises about 70 per cent to 73 per cent of the industry, that proprietary racing is bad for traditional racing, yet all through this debate we have not heard boo from those people who are meant to be leading in the thoroughbred area.

We have not heard boo from either Thoroughbred Racing SA Pty Ltd or the SAJC. It is astounding that, as it is

unanimously opposed Australia-wide to the concept of proprietary racing, we have not heard from the leaders of the thoroughbred sector of the industry with respect to this. Why have we not heard what has been happening from both those organisations? A web of intrigue has been woven here between the government and the Independents. It includes Thoroughbred Racing SA Pty Ltd as well as the South Australian Jockey Club. The situation deserves to be fully explained so that people have no doubt whatsoever about what is happening.

The government wants to sell the TAB and it is fully entitled to have that debate. We know that is the government's philosophical belief and position, because we have seen what it has done with ETSA, SA Water, Transport SA and Ports Corp, and the list goes on. The government is entitled, because it is its philosophical belief that these government assets should be sold, to put this matter up for debate. We do not have a problem with that. A debate about philosophy is always a good debate. However, the Independents throughout this process have been reluctant players but, of course, the member for Chaffey wants proprietary racing.

The government knows full well the frailties of proprietary racing but it gives ground and introduces a bill that it never wanted to introduce. The government gives even further ground by not insisting, as it correctly should have, on a licence fee. The government not only introduces a concept, to which traditional racing is opposed, but it also allows an organisation to go through the back door via a club and/or a controlling authority, and that means that it does not need a licence and does not need to pay a licence fee. Probity is out the window. And all this is added to the treacherous bill that the House debated last week.

Of course, the issue of proprietary racing must be dealt with first, there is no doubt about that. We must vote on proprietary racing and lock in the people before we go ahead and discuss this critical issue of the sale of the TAB—the issue about which, we said, back when corporatisation was being debated, should have been debated first so that we knew exactly where we stood. We should have known precisely whether the sale of the TAB had passed through the parliament so that we could then move on, after that debate had completed, to debate corporatisation. We could have then established the structures of corporatisation knowing full well whether or not the sale of the TAB had passed this parliament.

We would have known full well the potential parameters and the financial structures for the racing industry. But, no, not on your life will this government agree to that. It not only gets its policy formation wrong but also it deliberately puts it in an order that disadvantages the racing industry. The government deliberately puts it in an order for the purposes of its own manipulation to lock in people. This is a very seedy government indeed that does not care about the racing industry or about the 550 people who work at the TAB. This is a great charade which deserves to be exposed.

Thoroughbred Racing SA Pty Ltd and the SAJC are a part of this, and they should hang their heads in shame. At the very least they should have come forward and represented, for which purpose they have been appointed, the broad cross-section of the racing industry: the owners, breeders, trainers, punters, jockeys, reinspeople, the club committee people and all the volunteers who give so many hours to the racing industry. Those organisations should at least have had the decency before and during this debate last week to stand up and be counted because they know that proprietary racing is a crook, dud deal and they know how bad it will be for traditional racing.

The government, as part of this process, locks in the Independents, or that number of Independents that it needs, to get the TAB bill through. The government locks out Thoroughbred Racing SA Pty Ltd and the SAJC from the debate on proprietary racing because those two organisations want the sale of the TAB to proceed beyond all else and do not have the moral courage to stand up and say what impact proprietary racing will have on traditional racing. They go doggo. Thoroughbred Racing SA Pty Ltd and the SAJC go doggo on the discussion about proprietary racing. They know that they have gone doggo. Last Saturday I attended at Morphettville and I spoke to people on and off the committee, and everyone knows that they went doggo.

I just wonder what other possible deals may have been done because we know that this is a government of deals. Once upon a time the SAJC (South Australian Jockey Club) led the industry. It would lead the industry from the front and by example but, sadly, it has lost all relevance. This is a style of government that we last saw in Queensland. This is a Joh Bjelke-Petersen style of government. This government is dirty, seedy, immoral and rotten to its very core. The TAB is the lifeline of the racing industry, and this lifeline is being turned on its head.

The opposition remains opposed to the sale of the South Australian TAB for a range of reasons. It will mean that another valuable asset, which is a good income earner for South Australia, will be lost to the state. It will also mean a loss of jobs—it can mean nothing else. Do not be fooled when the minister says that the South Australian TAB does not have to go to an interstate TAB. Perhaps that is strictly correct, but look at it from a business, economic and rational point of view. We know, the minister knows and everyone else knows in their heart of hearts that, in all likelihood, the greatest probability is that the South Australian TAB, if the sale is agreed to by this parliament, will be bought by a like organisation because it can realise the synergies. It will be bought by one of the interstate TABs, either New South Wales TAB Limited, Queensland or TABCorp Victoria, and we know that there can be nothing but significant job losses as a result.

If there were not going to be job losses, they would not buy it—they simply would not buy it—because they will want economies as a result of the purchase. They will want to starve the costs; reduce the costs. That will be their priority. Sure, they will want to grow the business but, as a result of wanting to grow the business, they will want to increase the bottom line. The member for Bragg knows it and other members who have also been involved in business know it, because that is clearly the way business operates. That will, most likely—almost certainly, sadly—be the outcome of the sale of the South Australian TAB. Almost certainly, that will be the outcome.

Third, there will be effects upon the racing industry: have no doubt about that. We have already seen one effect, because this government has brought in proprietary racing, in part, to increase, broaden and change the dimension of its wagering product, to increase the prospectus for an investor. There are other reasons, we know. Everyone knows why the government has brought it in: it is simply to satisfy the member for Chaffey. Independents lock in behind it, otherwise there is no business. If the truth be known, most, if not all, Independents do not believe in it, anyway, but they are locked in.

So what do we have? We have the poor old racing industry missing out again. Do not worry about good policy formation: do not worry about good government. You might get the racing industry with some good decisions for a change. They are cast off: they are ignored. They are forgotten about, just as they have been forgotten about for the past five years by this government.

We also lose control of the product because, inevitably, as others follow, so we will lose control of the product. There is no way, with an interstate TAB, that we would have the same control that we currently have.

The Hon. G.A. Ingerson interjecting:

Mr WRIGHT: The member for Bragg I think is interjecting by saying that we have already done that, and he is right: but it will be worse. It can only be worse if an interstate TAB buys the South Australian TAB. We will lose control of the product. We will lose control of what meetings they will bet on. Sure, they will continue to bet on the metropolitan meetings because they make a profit. Some, if not all, of the provincial meetings, hopefully, make a profit, and some of the country meetings make a profit. But there are country meetings that will be put at risk, because there is a range of meetings in the country—and I hope country members are listening to this—that will be taken off the TAB betting list. It will be country meetings—

Mr McEwen: You are wrong.

Mr WRIGHT: I am not wrong. It will be some TAB meetings in the country—those marginal meetings that cannot make a profit—that will be removed from the list that is operated by the South Australian TAB. So that is the outcome.

Of course, other outcomes that will occur as a result of the South Australian TAB sale will be with respect to the product. We also do not know what we will be looking at with respect to TAB agencies; we do not know what we will be looking at with regard to pub TABs. It may well be that TAB agencies, which employ a large number of the 550 people of whom I have spoken, may be franchised out. That is going to change the dimensions of the product as well. We do not know what will happen to pub TABs. That is another area which I suspect will not be quite under the same threat, but certainly will be at risk with regard to what meetings are bet on—the marginal meetings. They will primarily be in country areas. Also, of course, as I said, staffed TAB outlets will be at risk as well.

So I say in summary: the TAB has served the interests of South Australia well. It has served the punters of the racing industry; it has served the racing industry itself; and it has served the taxpayer. Clearly, the South Australian community does not want the South Australian TAB sold, and there are plenty of good reasons why it should not be sold. As with ETSA, the government has no mandate from the people to sell the South Australian TAB and it will pay for its actions.

But if we want to strip this to its bare minimum, the most critical area is going to be what happens to existing employees and what happens to the racing industry. I have already set what, unfortunately, is a gloomy but realistic picture for existing employees, and I am very sympathetic towards those people. Despite the conditions that have been negotiated—which I understand have been agreed to—there is no substitute for having a job. There is no doubt about that: there is no substitute for having a job. It is one thing to have a retrenchment arrangement, but there is no substitute for having a job—a job that you have been involved in; a job that you have had pride in. The length of service that these people have given demonstrates that they obviously have a great love of their jobs. There is no substitute for that. The payments that will be made to these people are, at best, second best.

Another critical area, undoubtedly, is the racing industry: what will happen to the racing industry and where will this take the racing industry? What will the future of the racing industry, in fact, be? There will be a very close analysis of that through not only this bill and the debate in the Legislative Council, but beyond. The great challenge for the government is not to get this debate through parliament, because it has the numbers: the great challenge for the government is to make this bill stack up for the racing industry. That is the real challenge. I am delighted that the member for Bragg is nodding his approval: he understands how racing works and he has a thorough understanding of how the industry ticks and what makes it tick. That will be the great challenge of this bill.

So what we come out with will be judged not by the debates here, not by the vote here, because that is the easy part. The really difficult part, just like it was with corporatisation and just like it will be with proprietary racing, will be the other end. We will be monitoring that; we will be judging that; we will have discussions and work very closely with people in the racing industry in the country, with people in the racing industry in the metropolitan area as well as with the controlling authorities, and we will be good enough and big-hearted enough even to talk to the SAJC. We will talk to them, even if they do not want to talk to us. So that debate lies ahead and we will be going through day by day, week by week, analysing how the racing industry is being treated as a result of this bill and the figures that come out of this bill. We will be monitoring that on a day-by-day basis and working very closely with a broad cross-section of the racing industry—the coal face of the racing industry; the real people in the racing industry—to make sure that this is followed very closely.

If need be, I foreshadow that we will bring back private member's legislation to this parliament if those figures are not working out and stacking up for the racing industry. Beyond that, the racing industry can be confident that in 12 months' time it will have a party which will make racing a priority in this state and which will look after the racing industry. For a whole swag of reasons, we clearly oppose the bill.

Mr McEWEN (Gordon): When this bill was first mooted, in the autumn, I indicated to the government that I was not prepared to debate it at that time, because I believed that it was first important to restructure the industry and to allow the new, restructured industry to show leadership in relation to what its wishes were. At that time I supported the initiative of the member for Lee, who had a very imaginative proposal in place to restructure thoroughbreds. I complimented the member for Lee at that time and I think it was a further compliment that the government took his initiatives and took them further in term of harness racing and greyhounds. Then we had a position where we had a new corporatised entity which could show leadership in terms of where we wanted to go rather than where we had been.

Once that was in place, I then consulted locally with the three racing codes in relation to their wishes about the TAB, and I stand tonight to indicate that, based on four requirements, I will be supporting the TAB (Disposal) Bill and the other bills required to achieve the objective. The four conditions I then put on the record were: there needs to be a

satisfactory outcome in terms of present employees; agencies' staff need to be protected; moneys distributed for upgrades need to respect the priorities that have already been established—and I will come back to Glenburnie in a minute; and, finally, present arrangements, including the TAB being the back office for non-TAB meetings and oncourse totes for non-TAB meetings, would need to be guaranteed. I believe that I have gained that, but I certainly will not be voting on the third reading until such time as I have seen the minister sign off on those four issues.

Let me go through the four issues in some degree of detail. The first is the issue of a satisfactory outcome for the present TAB staff. My understanding is that that is close to fruition and the amendments that have been tabled in the minister's name reflect most of those outcomes. I will be seeking one further amendment; that is, to delete the reference to the hospital fund in those amendments because I do not agree that this is the first time that such a fund has been alluded to in legislation and therefore needs to be eliminated because it happened for the first time in the State Lotteries Act of 1996. I believe that we will have a debate at that time and that those references are no longer required. I simply foreshadow at this stage that, by removing those references, there will be a satisfactory outcome. It is certainly not the first wishes of those staff, but at least it is a satisfactory outcome and it reflects similar outcomes that have been achieved in other recent privatisations.

I understand that contractual arrangements at agency level will have to be respected through the sale process, so again I do not share the fears of the member for Lee in relation to pub TABs and other agencies providing a service. In relation to the third issue, I said that, if moneys are to be made available to track upgrades, they must respect the priorities that have already been established, because I was privy to the fact that on two previous occasions Glenburnie racecourse had risen to the top of the priority list and then, for reasons beyond its control, moneys needed to be distributed in a different way, and that another priority at Morphettville had taken a lot of money and some debt restructuring had again changed distribution agreements.

I met with the Mount Gambier Racing Club to tell them that that was the position I would be taking. The Hon. Angus Redford was with me at the time. However, we added another condition; that is, we said, even if it is within the priority list, we believe it would be desirable to have an independent business plan to doubly ensure that that is a reasonable investment and stacks up. I then took that proposal to the minister, who agreed and commenced an independent business plan to verify that. The minister came back to me and said, 'We are wasting our money, I can reassure you that the job has already been done and that I am completely satisfied'. So I was happy on the third point that a previous commitment in terms of upgrading that track would be achieved out of moneys that were made available for track upgrades.

The fourth issue was that I needed to be guaranteed that some present arrangements would be protected with the new private owner. One arrangement was in terms of the relationship between the racing codes and the TAB concerning who provided what gaming outlets and so on. I indicate that I will be seeking a very minor amendment to an allied bill, the Authorised Betting Operations Bill, to reflect truly that that arrangement is captured in formal words. I believe it was the minister's intention to do that anyway, but I have had some advice that clause 13(1) of the Authorised Betting Operations Bill will need a very minor amendment to achieve that. I am happy there.

The other thing I did though—and this is the other matter which the member for Lee raised and about which I said I felt he was wrong—was seek protection particularly for the back office which has been provided to non-TAB meetings and oncourse totes, which was really a loss operation, if you like, for the TAB but it underpinned the very basis of racing. It underpinned the race meetings which were the starting ground for so much that goes on in terms of elite racing. To that end, there is the requirement to add new clause 13(1) to the racing distribution agreement. Again I will be seeking a commitment from the minister in his closing remarks that he will be inserting in the racing distribution agreement a new clause which captures this continuity of effort in relation to the TAB providing those services.

I believe that all the conditions that I put in place to allow me to support this bill on behalf of the three racing codes in my area have been satisfactorily achieved, although, until the amendments are moved and the guarantees given, obviously I will not be voting in support of the third reading. At this stage I am confident that all that has been achieved and I believe that, through those negotiations, we have achieved a better outcome than that with which we started and, what is more, that we have moved on in terms of the initiative which was first brought to my attention by the member for Lee and whom I hosted in Mount Gambier at a public meeting at which he outlined his vision. I took that on board and I have supported that; and I have supported the government's initiative in relation to embracing the same philosophy in terms of the two other codes.

We have now moved on and I believe that it is consistent with his overall vision and my wish for the state government not to use public dollars to support racing, and that we now have a reasonable outcome in the TAB (Disposal) Bill and the associated bills to achieve this sale.

The Hon. M.D. RANN (Leader of the Opposition): I particularly wanted to speak on this bill because I have a great belief in the public sector. I happen to believe that the great success of South Australia is when the public sector and the private sector work in partnership, and that is certainly an example of what the racing industry has been about for many years. Let us face facts: the racing industry is a massive employer in this state. As the former speaker, the shadow minister for racing, just said, the TAB has been the lifeline of the racing industry. However, I want to talk about some basic principles. This government has only one policy, and that is to privatise.

Before the last election we saw a series of privatisations and then, of course, at the last election, we saw the government outlining its privatisation agenda for the next term. It denied, of course, that it was going to privatise ETSA. When I announced that the Olsen government, if elected, would privatise ETSA, the response from the government was to say that this was a lie, that it would never sell ETSA. We saw the Premier and the member for Stuart turn up at the Torrens Island Power Station. They were asked to look those workers in the eye. They said, 'Tell us now, will you or will you not sell ETSA?' The Premier and the member for Stuart stared them in eye and on their word and their honour told them that they would never sell their ETSA—and they are words that will come back to haunt the member for Stuart. However, there was no mention at the last election campaign about selling the TAB, the ports, or the lotteries.

The Hon. G.A. Ingerson interjecting:

The Hon. M.D. RANN: You announced it before the election: well, okay. The Premier did not mention it during the debate, did he, which he will not do again because he is too scared to face the consequences. We know what happened last time he debated with me: they lost 13 seats from their own side. There was no mandate from the people of this state to sell ETSA, the TAB, lotteries or our ports.

But the key point about this is that a sleazy little deal has been done. I will be talking later in the week about Labor Party preferences and the Independents because it is very interesting. I was told the other day that they think they can count on our preferences, that they are locked away and are guaranteed. I am not interested in guaranteeing anything—I am looking at performance. I am not interested in virtual Liberals who do a bit of sounding here and there to pretend they are Independents. We will look at real independence to see whether it is demonstrated over the next year or so.

We know what has happened. This has been an attempt to try to buy off support for the TAB disposal bill. We know what happened. One night in the last session a few months back there was a shambles in this parliament. It was the night when the minister was there to sell off ETSA, the TAB, the lotteries and the ports. Suddenly it was all closed down—something had gone on. Apparently some of the Independents said, 'No, you cannot rely on us to support the privatisation of the lotteries'—which was set up by a referendum in 1966. About 65 per cent of the people of this state, the voters, said they wanted the government to run the lotteries and that the proceeds from running the lotteries would in fact go to support the Hospitals Fund. Since then about $2 billion in real terms has been invested in our hospitals. We have a government that has the nerve to say that it is now too risky for the state to run our lotteries, and this government basically has admitted that it cannot run a raffle. An amount of $82 million a year goes into the Hospitals Fund, and it is yet to be explained how this will be sustained in terms of an earning income for the future.

But when it comes to the TAB, the shadow minister, despite my involvement in the racing industry when I was a student at Ellerslie racecourse and other racecourses in Auckland, knows a hell of a lot more about racing than I do and about the impact on the industry. The impact of these sales on workers concerns me: those people in the TAB and in the Lotteries Commission—the hundreds of public sector employees who have worked hard and loyally in support of this industry and in support of their customers. We have a government saying, 'Don't worry; we'll look after them; redundancy packages are being put in place as part of the restructuring.' These people want their jobs, to which they are committed. Of course, we will see another TAB, either Queensland or New South Wales, coming in to take over the running of the TAB in this state. We will see jobs go, and once again we will see not only a key asset sold but also the direction of things that are important to this state being decided elsewhere.

We have our water. We are told not only that the system is now being run from France and England but also that Germany is coming in on the deal. We have ETSA being run out of Hong Kong, and now we are to be told that our TAB will be run out of Queensland, New South Wales or somewhere, and the lotteries will be next. The next cab off the rank, if they succeed here, will be going back to what they would really like to do, namely, sell our public hospitals.

The Hon. M.K. Brindal interjecting:

The Hon. M.D. RANN: Oh, he laughs. The member for Unley and Echuca laughs! The simple fact is that you have already done it at Modbury. The people of this state can see what a stuff-up you have made. You spent several million dollars preparing the QEH for sale. I will tell the minister opposite that we will fight you tooth and nail on these privatisations, whether it be the TAB, the lotteries or our public hospitals, because you are trying to sell off everything that is left before you get thrown out yourselves. It is about looking after your mates.

When we talk about looking after mates, let us talk about the role of the Independents in this. The shadow minister, the member for Lee, pointed out how everyone went doggo last week over the TeleTrak deal—except for one member opposite, the member for Bragg, who, in his swan song days, had the guts and decency, because he knew about TeleTrak as he had been the minister, and knew it was baloney and fraudulent, to trot across to this side of the House and vote with Labor. He did that because he did not want on his record that he had supported, even though he is the cabinet secretary, something so sleazy.

We know what the deal was: the night when the whole back bench collapsed on them and the minister could not get his privatisation deals through, people bailed up from the Liberal backbench—the 'soon to be Liberal' backbench, the 'expelled from the Liberal' backbench, the 'also Liberals who once failed preselection and are now Independents but soon to be Liberals again' backbench—and bailed up on the minister. The whole of the parliamentary legislative session on privatisation collapsed one night between 10.15 p.m. and 10.30 p.m. But in the interim in these long breaks a few deals have been done: 'Let's go and see Karlene; we'll offer her TeleTrak and then she'll vote for us on the TAB.' We know TeleTrak is not worth the paper it is written on, and there is about as much chance of seeing cyber racing as we have of seeing the member for Adelaide being elected as a cyber MP.

It was a matter of buying off member's support. Bit by bit they went around the place and said, 'If you're prepared to support this we will give you that. We know that TeleTrak is a nonsense. Then we'll go and talk to the SAJC.' They would be fighting this tooth and nail in any other state to prevent cyber racing, the proprietary deal, going through. 'But, no, let us talk to the SAJC. There is a bit of a blue with the former Deputy Premier, but we still have a few mates up there. If you guys go quiet on the cyber racing, you know it will never happen, it will keep Karlene happy and we will get our TAB sale through,' they said. This is what it is really all about. It is about making sure you go around doing sleazy deals with each other to get this bill through—not about passing the bill on its merits but getting into some kind of Faustian pact with the member for Chaffey in order to get the TeleTrak bill through and then convincing all the people around who know it is a nonsense, including other Independents, to sit on their hands, have a quiet giggle, tell the SAJC and the thoroughbred proprietary company to go quiet, and all will be right on the night. She believes in it; none of you do and none of us do; but let it go through; it will never happen and we will get support for the TAB bill. That is what this sleazy government is doing in this sleazy deal and every member opposite knows that.

All I am saying is that the people who concern us are not the SAJC Board: they can go up there with their champagnes and their little pinkies out holding their glasses, sipping and pretending they are at Flemington. But the real people who concern me are those workers in the TAB and the Lotteries

Commission who put their hearts, souls and lives into their jobs. The government is treating them with contempt and that is why Labor is opposing this bill.

The Hon. G.A. INGERSON (Bragg): The old sleaze-bag has been at it again. He is an absolute ripper. He does it time and again. He comes into this place with actions and words but nothing ever happens. The only thing you have to ask yourself is why we had to privatise. Why did we have to do it? It was only for one reason: because we were $8.5 billion in debt, $5 billion of which was created in the last two years of the previous Labor government's term of office. That is the only reason we had to privatise. We did not have a choice.

I notice a quietness from the other side because they know that is the truth. That is the reason why it had to be done—there is no other reason. We could have had choices if we had not had the disaster of the last two years of the State Bank. We may or may not have sold it, but we had no choice. It is as simple as that. As far as the TAB is concerned, that is not the reason. Whilst the money we will get from the sale of the TAB will be used to retire debt, it will be a small amount relative to the amount of money we received from the ETSA sale, and we all know that. I want to put on record a few matters. The member for Lee went into a lot of detail and made a very long speech, and he was wrong in a couple of major areas. When members opposite get it fundamentally wrong it is important that they be corrected. When they get it right, they know where I stand, and they know that they will get commendation.

One of the most important issues the member for Lee brought up was the issue of industry support. His idea that the racing industry needs to have industry assistance is a very good one. That is why we implemented it three years ago. That is why three years ago the government, out of general revenue, as an industry grant made a $2.5 million grant to the racing industry, so that it would go into development specifically of the breeding industry as it relates to racing.

That is why the year after we put in another $2.5 million; the year after, another $2 million; and next year we will put in another $2 million. The industry grant is already in place. As I said, the only important issue the member for Lee brought up was the industry grant, and he was wrong. That is important. Interestingly enough, the whole racing industry knows that, of all the single things we have done in the racing industry since we have been in government, the setting up of the SABIS breeding scheme has probably been the single most important incentive that has been created by the industry with the support of the government through an industry grant. All the industry knows that.

In the past couple of months, I just happened to read a couple of articles in a race horse review, and there have been two major issues on that, and on both occasions the government was congratulated for doing it. It is important to say to the member for Lee, 'Well done! But I'm sorry you're three years late.' It was a damn good idea three years ago, and I thank you for at least in the future giving us some credit.

Mr Wright: Who was the minister then?

The Hon. G.A. INGERSON: It doesn't matter who the minister was. The government made the decision to make an industry grant. I just want to make sure that all this nonsense gets out in its fair position and everybody in the industry actually understands.

An honourable member interjecting:

The Hon. G.A. INGERSON: There was an interesting throw away from the member for Lee. There was an interference in that, and I object to any interference that I might get any gain out of that. I have not been good enough to breed a horse that can get an opportunity out of SABIS. For the past three years, I have paid into SABIS. Hopefully, one day I will get a horse that will give me some return because of the scheme, and I hope that that occurs. The sale of the TAB is necessary for two reasons. I know that one of the fundamental problems with members opposite is that, when it comes to running businesses, they have a basic problem of understanding what happens. The two major reasons why the TAB—

Members interjecting:

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

The Hon. G.A. INGERSON: —has to be sold are that, first—

Members interjecting:

The SPEAKER: Order! I ask members on my left to settle down. The member for Bragg has the call.

The Hon. G.A. INGERSON: It is very difficult to be heard, I have to say. There are two fundamental problems all businesses have: first, they have to be able to grow their top line. It is absolutely critical—

An honourable member interjecting:

The Hon. G.A. INGERSON: The top line is the income. I knew you wouldn't understand that, but that is actually income. I have to correct again the member for Lee in this whole equation of what the TAB is all about. The TAB is about turnover. Every single dollar of turnover that goes through the TAB returns 15.8¢ on average to the opportunity to go to the bottom line. This issue is all about making sure that the country members such as the member for Gordon and all our backbenchers in the country get those meetings held, because every single dollar returns an income to the TAB. It is set up so that whoever owns the TAB should minimise—and this is the next big issue—the expense operation of the TAB. There are a few areas you cannot do anything about.

Basically, you cannot do much about the costs involved in real estate if you are in a reasonably good area. You can do something about staffing costs, and in my view the TAB has been well managed and staffed, and the operation in our state is as good as any. My understanding with the minister is that, on this jobs front, there has been an agreement between the union, the employees and the government. It has been protracted; I accept that. However, any government that has ever wanted to sell anything has experienced a protracted process in relation to staffing, and so forth. It has now been agreed, and I understand it is a good agreement—much better than the agreements that used to be negotiated when I was Minister for Industrial Relations. I understand that it is a good agreement, and the previous deputy leader would understand what I mean when I say that.

It is important that costs be kept under control. One of the biggest single issues for the TAB in the past three years has been the cost of being part of the pools. It cannot do anything about that, because at present it happens to be dealing with a large corporation in Victoria—the TABCorps operation through the Super TAB generally—and there is an extra $3 million to $4 million cost. It is called negative settlement. I will explain what it is really all about. If you want to be in a pool and get the outcomes from that pool, you have to pay to be in it. The lotteries pay to get into it, and the TAB will have to pay to get into it. However, when you are small those are the growing issues you have to work your way through. That is another reason why this business has to be sold—

because it is small, it will not get any larger relative to the big operations in New South Wales, Victoria and Queensland, and there is a basic economy of scale which has to occur. That has to occur whether it is sold or whether the government decides to do it. A much better option is to sell it and reduce that risk to the consumer.

The other important issue in this exercise is: has the racing industry itself got a better deal than it had prior to the sale being put on-line, and is it a very good deal? My view is that it is the best deal I have seen negotiated by an industry since we have been in government. Any industry that can get a $5 million to $6 million increase in guaranteed revenue for the next three years, which in essence is between a 16 to 18 per cent increase in income in one year, guaranteed for three years, has done a damn good job in getting a fantastic outcome for the industry. That is the deal this government has entered into with the industry. The industry negotiators have done a damn good job on behalf of the industry in a strict relative sense. I will be interested to see what sort of result it has in terms of sale for the government, but it is a very good deal, indeed, for the industry. On top of getting this $5 million to $6 million on average increase per year, there is an $18.25 million capital grant, and that goes to the industry so that it can sit down and work out what the capital issues ought to be.

I note that the member for Lee made a specific issue of Mount Gambier. My understanding is that Mount Gambier was at the top of the list prior to this discussion under the old RIDA system and that it is nothing new that Mount Gambier, in fact, ought to be upgraded.

Overall, this is a very good deal as it relates to the racing industry. During the debate with respect to the racing industry I have listened to the member for Lee, and I would have to say that for 80 per cent of his speech he has been pretty much on the ball in what he has said. But there is one problem that picks up the 20 per cent and brings the whole thing down—

Mr Foley interjecting:

The Hon. G.A. INGERSON: I said 80 per cent—80 and 20.

Mr Foley interjecting:

The Hon. G.A. INGERSON: Yes, 80:20. It is pretty basic.

Mr Foley interjecting:

The Hon. G.A. INGERSON: And you want to be the Treasurer!

Mr Foley interjecting:

The Hon. G.A. INGERSON: Yes, that's right—on the wrong side. The problem is that the 20 per cent is the carping and the whingeing and whining. And the whole issue—

Mr Foley interjecting:

The Hon. G.A. INGERSON: Yes, okay, you can pick up the 80 per cent and get it right, but if you muck it up with the 20 per cent, that is where you get all your problems. The big challenge for the member for Lee and all members opposite is whether this works—and it is my view that it will. If it works, it will be interesting to see whether the member for Lee goes to the racing industry in 12 months' time and says, 'What the member for Bragg said and what the government said has worked, and we are happy with it. Congratulations, and well done.' If he does that, every single person in the industry will respect him. But I know the member for Lee: he will not do that at all. He will be out there carping and knocking anything that he can.

So, let us just wait and see. Let us get this bill through; let us get the industry to take the money on. The next big challenge is for the industry to stand up and spend the money in a profitable, logical way and not blow it out the window as, historically, it has done on many previous occasions. Now it is by itself, the challenge is there, and I believe that, with the right people in place in the majority of the positions, they will do a damn good job. I hope that they do. I wish them well, because this is the best deal that any industry group could possibly have negotiated. I have heard the shadow treasurer say on occasions in this place that it was a damn good deal—and it is a good deal. And I have heard the shadow treasurer say, 'I would not have agreed to this deal.' The reason for that is that it is, indeed, a damn good deal, and he would not agree to it because it is in the best interests of the racing industry. I think that is the issue that, in the end, will be very important.

I wish the industry well. I think that this is an opportunity to start a brand new direction for the industry. It is the first time, since I have been in government, that the industry will have new money. It will have between $5 million and $6 million of new money in the first three years and, on the current trend on turnover increases, it will receive benefits over those last six to seven years. None of us can predict that but, over the next three years, it is my view that it will have a wonderful challenge and an opportunity to really bring the racing industry from seventh, as it is currently listed in most industry ratings in the state, back up to where it used to be some 10 to 15 years ago, where it was the third biggest industry and employer in this state. I wish the industry well, and I know that this bill will be of significant advantage to it in our state.

Mr FOLEY (Hart): What we have heard from the government members tonight and in the government's second reading explanation is how good the sale of the TAB is for the racing industry; the benefits that will accrue to the racing industry. Of course, what we have not heard from the government is the impact that the sale of the TAB will have on two very important constituencies in South Australia. The first one is, clearly, the 550-plus workers employed by the TAB. We have heard nothing from the government about the impact on the lives of these people, their families, their incomes and their standard of living—Mark, do you mind? Mr Acting Speaker, will you deal with the member for Unley? If he wants to have a sideways discussion, can he do it outside the chamber?

The ACTING SPEAKER (Mr Williams): I did not hear the member for Unley at all.

Mr FOLEY: Mr Acting Speaker—very acting, I might add—we have not heard about the impact on the people employed by the TAB. I think that that is a very important point. We have not heard any compassion, any concern or any regard for what it means for those people.

The other area with respect to which we have not heard from this government is the impact on South Australia of losing a head office; of losing a major economic entity in the CBD of Adelaide. We hear much from this Liberal government about the need to keep head offices here in Adelaide. We hear government members bemoan the fact that, through the 1980s, the 1990s and during the time of this government, head offices have headed to the eastern states. Here we have a head office which employs many hundreds of people and which is an important part of our CBD community—as I am sure the former Lord Mayor of Adelaide would appreciate. There is no regard for all that.

Make no mistake about it: when the TAB is sold there will be one of three buyers, none of which will have an interest in maintaining a major infrastructure here in Adelaide, or here in South Australia. So, not only is there no regard for the work force of the TAB but there also is no regard for the corporate entity that the TAB has been in our state and throughout our community in the various ways in which it has promoted itself. I think that is a fact for which we should have some regard.

The opposition has never walked away from the fact that the TAB here in South Australia faces very serious competitive pressures: we acknowledged that many years ago. But, in dealing with those competitive pressures, the government has basically squandered the opportunity to consider what we can do to reinvigorate, reposition, restructure and put the TAB into a positive position to deal with that competitive pressure. Mr very Acting Speaker, here in South Australia we have a government incapable of dealing with big problems and dealing with issues that need resolution. This government, under this minister, has sat on its hands with respect to the TAB for three long years, Mr very Acting Speaker. I will be questioning the minister—

The ACTING SPEAKER: Order! I think the member for Hart is reflecting upon the chair, and I call on him to not do that.

Mr FOLEY: Thank you, Mr acting Acting Speaker. The government has sat on its hands for three years and done nothing. I intend to question the minister about how much has been spent in the past three years on consultants—how much we have chalked up in paying consultants for the past three years, how many consultants we have used and what value we have received from them. What have this government and this minister done for the past three years? The minister has done to the TAB what he has done to the Ports Corporation; he has done to the TAB what he has done to Modbury Hospital; he has done to the TAB what he has allowed to occur with respect to SA Water. This minister is incapable of providing the correct ministerial oversight to deal with the issues that confront him as a minister.

I believe that this government should have understood and recognised the competitive pressures of the TAB three years ago and done something about it. But what did the minister do? He tied up the board of the TAB, figuratively speaking. He issued a ministerial direction that basically rendered the board of the TAB and its senior management absolutely incapable of making any decision about the future of the TAB.

We must not lose sight of the fact that for three years this minister has had a ministerial direction hanging over the head of the board of the TAB that has not allowed that organisation to function. No wonder the TAB is in the position it is in today: this minister has not allowed it to operate. An example of that was the reaction we saw from a very senior businessman in South Australia, someone who both sides of politics, I believe, would acknowledge is an extremely well-respected, well-regarded, well-credentialled business person, Mr Phillip Pledge.

He resigned from the chairmanship of the TAB because he had lost confidence in this minister. He was not prepared to operate in a situation whereby this minister would not allow the TAB to operate effectively, commercially and responsibly. This minister, who sits for year after year attempting to resolve a problem, has created a position whereby they are now in panic mode. We saw an announcement that the government would try to sell the TAB and the Lotteries Commission: it may bundle them together and it may not.

The fact of the matter is that the minister has withdrawn the lotteries legislation but battled on with the TAB legislation. But does the minister realise what he is putting to market? Does he realise that his three years of inaction, incompetence and maladministration mean that today the TAB is likely to register a negative sale value? When we take into account the cost of consultancies, the cost of the package to the racing industry, the cost of redundancies and the loss of revenue to state, it will be a negative sale for the state.

It will lose us money and will lose our state value, and that is the result of the minister's incompetence, his maladministration, and his sitting on his hands and constraining that board from going about its proper business for three long years. I do not know what the minister does for a job, but I do know what he does not do: deal with the issues before him. A few of us in this place have been around for a while, and we know that this minister has had this problem at his desk for three years.

The minister is too busy worrying about how we will have some cyber MP—the SA global tribe. How about the minister's putting to one side a bit of that nonsense and frolicking that he goes on about and dealing with some of the core issues that he has before him as a minister? I must say that, as we saw with the Modbury Hospital, the minister's track record is not very good. He bungled the Modbury Hospital. That is a contract that is not only delivering poor health services to the north-eastern suburbs but also will require major surgery from an incoming Labor government to correct.

The Hon. M.K. Brindal: Like Scrimber.

Mr FOLEY: I am glad you raised Scrimber, because that will lead me to my next point. This is a minister for whom the work force of the TAB—

The Hon. M.K. Brindal interjecting:

Mr FOLEY: No, I am glad you raised Scrimber, because that leads very nicely to my next point. We have here a minister on whom the future and the wellbeing of the 550-plus staff of the TAB, the racing industry and all the other interested parties depend. This is a minister who is quite happy to see spent up to $10 million of our money, of taxpayers' money and of the racing industry's money on a cowboy outfit in Jakarta, under his responsibilities as the minister responsible for SA Water.

He is happy to stand here in parliament and defend a situation whereby we have a commercial representative who has a revolver strapped to his ankle, who walks around Jakarta with bags of rupiah, and who is investing in deals that can at best be called highly questionable. He is happy to see millions upon millions spent in Jakarta and West Java on frolics by the international division of the SA Water Corporation. He is quite oblivious of it. The guy has no idea—

The Hon. G.A. INGERSON: On a point of order, we do have a racing bill before us, and there is a point of relevance.

The ACTING SPEAKER: I call on the member to return to the subject of the debate.

Mr FOLEY: Thank you, Mr very Acting Speaker. The situation is quite simple: when one looks at the track record of this minister in whatever area of government he is responsible for, one see massive incompetence, maladministration and a minister incapable of making decisions to save the government.

One of the great lessons that the Labor Party learnt from the late 1980s and early 1990s is that mistakes are made by governments. But, as I have said here before, one party in this place has learnt from the mistakes of the State Bank and one party has not. The government is the party that has failed to learn from those errors, as evidenced by the minister's handling of the SA Water debacle in Jakarta. But, Mr very Acting Speaker, let me turn to the racing industry.

I am on the public record as saying that the deal that the government has struck with the racing industry is a very good deal for the racing industry. I am pleased that the gallery tonight is full of the SAJC and its board—although they must be out having a coffee. They would be very satisfied and happy with the deal that the SAJC has struck with their partisan friends in the Liberal Party. We know that the SAJC are so good at backing a winning horse that they have thrown in their lot with the government and reckon they have got themselves a good bet. I hope that they are a bit better at administering racing than they are at trying to pick a winner.

Nonetheless, this is a very good deal for the racing industry, but it comes at the expense of the taxpayer. It comes at the expense of the 550 people working at the TAB. Make no mistake—and drongos opposite have not worked this out—there can be only three buyers, and none of them will be from South Australia, because to make this financial deal work, to ensure that the large income streams are delivered to the racing industry, the owner of the TAB in South Australia will need to make a dramatic and rapid reduction in costs.

They will need to strip out of the organisation a large proportion of their operating expenses. That is the only way a new owner can deliver to the racing industry what has been negotiated by this incompetent minister. To strip out those costs, Mr very Acting Speaker, will mean this—

The ACTING SPEAKER: Order! I have already asked the member for Hart not to reflect like that on the Chair. The correct term is 'Acting Speaker', and I ask him to use that.

Mr FOLEY: I do apologise humbly for calling you very Acting Speaker, sir, because I know how important being the Acting Speaker is to you. I do recall reading about it in your local newspaper, where you made—

The ACTING SPEAKER: Order! The member will take his seat. The member is still reflecting on the chair. It is not the member; it is the chair that he is reflecting upon, and I ask the member to give the chair due consideration.

Mr FOLEY: Thank you, Mr Acting Speaker. As I said, sir, the member for MacKillop is someone who, as you would recall, was quite proud of being able to broadcast to his local community that he had been elevated to the lofty heights of Acting Speaker, and it got a press release and got a run in the local press. The member for MacKillop holds the position of Acting Speaker very highly, and if I have offended that person, sir, I apologise.

In fact, I suggest to the Leader of the Opposition that tomorrow we might issue a press release welcoming the fact that the member for MacKillop has again attained the lofty heights of Acting Speaker, because I think that is of great note.

I am sorry that I have offended your sensitivities, sir. You obviously find such positions of great moment. On a more serious note, the benefit to the racing community is at the expense of the work force of the TAB. Those costs will be stripped out. Whether the buyer is the Victorian TAB, the New South Wales TAB or, as the industry is suggesting to me, Queensland TAB (to give it critical mass) it will be at the expense of the work force of the TAB. There is no other logical conclusion anyone can draw.

The Hon. M.H. Armitage interjecting:

Mr FOLEY: The minister says that that is not right; let us wait to hear the minister's commercial judgment on that. That is the advice I am given by people I hold in high regard. You will not have—

An honourable member interjecting:

Mr FOLEY: The honourable member laughs. If he knew some of my advisers he would be very surprised. No group of investors will come together to buy the TAB and keep the 550 work force to ensure a South Australian presence. It will not ensure that the TAB has a South Australian branding or ensure that the TAB supports and is an integral part of our local community. It will not be able to afford to do it. It will not be able to make the payments to the racing industry that this government has signed off on because that will send it bankrupt within 12 or 18 months. The TAB can go only to a large organisation that can strip out those costs to make it efficient in South Australia and we will become, yet again, another back office.

The hypocrisy of this government—which lectures this parliament about the loss of head offices and the need to keep critical mass in South Australia—to support the absolute gutting of the TAB as an entity in South Australia is shameful. I say to the racing industry that it has struck this deal and, by all accounts, it will get its legislation and its income stream. I can tell the industry, as the Treasurer of this state, do not come a-knocking on my door. Do not come a-knocking on the door of the shadow minister. The racing industry has done this deal, it will live with this deal and, as long as I carry the Treasury keys in this state, the racing industry will not come a-knocking on my door with its hands out.

This is a rolled-gold deal for the racing industry. This is a deal that other sectors of our community are not able to achieve and one which, I am sure, the racing industry is very happy to receive should this bill pass this House. It is a very generous deal and I do not believe that it warrants the support of this House. The reality is that it is rolled-gold for some years. When all the gloss has worn off and when the initial guaranteed levels run out, in subsequent years we may see the racing industry in some trouble. So be it. As I said, do not come a-knocking.

The galloping code in this state has chosen to be a partisan organisation. It has chosen, like no other and like no time before, to align itself with a conservative government. Certainly, harness racing and the greyhound industry have not been as foolish as to be a partisan organisation and for that they have our respect. From where I sit, the decision by the galloping code, particularly the SAJC, to have aligned itself in the manner in which it has with this government is shameful. That is the galloping code's decision and it will have to understand that, in government, we will have a memory—

The Hon. M.K. Brindal: That's a threat.

Mr FOLEY: No, it is not a threat. I have already said, 'Don't come knocking.' I have said it before. I have a low opinion of the SAJC. I urge members to oppose this bill.

Time expired.

Mr HILL (Kaurna): Here we go again; yet another piece of legislation by this government attempting to privatise something in our state. It has a long history of introducing legislation—

The Hon. M.K. Brindal: Beef it up a bit.

Mr HILL: Mark, just calm down. It is all right. The Unley preselection is a long way away. Keep calm, Mark. We do not want you to have a heart attack before then. Again, we have legislation coming before this House attempting to privatise a state institution. I find it ironic that, week after week, month after month, members opposite attack the Labor Party for having no policy. They say that we have no policy but when you boil it down what kind of policy does the Liberal government have? It has one policy—it is a policy of privatisation. We have seen it in relation to water, ETSA, hospitals, prisons and the ports. The government wants to privatise the lotteries and now it is trying to privatise the TAB.

When it comes to policy the government is a one-trick pony. Its one policy is privatisation. I know a little about the privatisation of the TAB because when I was a small child, at the age of five (some 45 years ago), my grandmother worked for a privatised pre-TAB organisation. She took telephone calls on Saturday afternoons receiving bets on the private market.

The Hon. M.K. Brindal: Your grandmother was an SP bookmaker in Port Pirie?

Mr HILL: No, in Sydney, not in Port Pirie. I have seen how a privatised TAB works, and it is not a pretty sight. I do not know a lot of about the racing industry: I know about privatisation and it is not a good thing. My only other interest in racing was to own a part share in a horse many years ago with a group of school teachers. I think that it raced twice and came last on both occasions—

The Hon. M.K. Brindal interjecting:

Mr HILL: It was called Dobbin and I think it served better purposes subsequently, probably dog food. This government has one policy: it is a policy of privatisation. It has applied it to many institutions in our state to the detriment of the people of this state. The government's arguments for privatising, it says, is to abolish the state debt. That is the argument I heard the member for Bragg use tonight in relation to this bill. He said, 'We do not want to do it but we must do it to reduce the state debt.'

Mr Lewis: Why do they go on building these icons?

Mr HILL: That is a very good point from the honourable member opposite. In relation to this privatisation, the Treasurer said in another place that this is not about privatisation but something else. It is about ideology because this is a party that wanted to privatise well before this state experienced the State Bank debt. John Olsen was the Leader of the Opposition in 1985. I do not know whether people remember that extremely wonderful campaign that the Liberal Party ran on the basis of privatisation. It ran a very extensive campaign about privatisation.

They nailed their colours well and truly to the mast then. It is a government that is in favour of privatising. Why? Because they believe in it. They want small government and they believe that the private sector is best able to manage a whole range of things. In that regard they are similar to the Workers Party that John Singleton established in the late 1960s or early 1970s. He argued at that time that privatisation is the way to go and that government should do very little. I remember at the time when he put forward that philosophy that it seemed alien to Australian conditions: it seemed absurd. Even the Liberal governments of the time distanced themselves from it.

However, over time he has proved to be a seer, because what he argued back in the 1960s and 1970s is exactly what the Liberal Party in this state and in every other state in Australia, and nationally, has attempted to do. They do not want to run the school system; they do not want to run the hospital system; they do not want to run the TAB: they do not want to run water services. They want private enterprise to do it, because they believe in it. Why do they not tell the truth? Why do they not say, 'We believe in this: this is why we are doing it'? Why do they come here time and time again and pretend it is for some other purpose? The state debt is an excuse for them. I will refer to an expert who was a former adviser to the Liberal government—

The Hon. M.K. Brindal interjecting:

Mr HILL: I agree, it is not a bad excuse, but, nonetheless, it is an excuse. To support my contention, I refer to a former adviser to the Liberal Party, Professor Dick Blandy, Chairman and Director of the Centre for Applied Economics at the University of South Australia. On 3 October this year he was interviewed by Leon Byner on 5AA. I will not go through the entire interview but there are a couple of exchanges which I think are worth putting on the record. Leon Byner says to Professor Blandy:

> Dick, how much in assets have we sold so far in value?
>
> DICK BLANDY: Well, I think the sum total is going to be about 8 billion, 8 billion plus.

Then:

> COMPERE: What does that mean?
>
> BLANDY: Well, it means that we haven't paid off all the debt, we've paid off a bit more than half of it.
>
> COMPERE: So, what have we done with the other money?
>
> BLANDY: Well, I think that's a very good question, that's a really good question, because it's a lot of money. We haven't really wound up that much better off in terms of the budgetary situation because what we did, to some degree, was to sell off assets which were generating income for the government, like ETSA, and while we reduced the debt, we reduced the asset base by the same amount, so it was sort of all square at the end in terms of the budget position.

That demonstrates quite clearly that the issue of debt is an excuse. The government is on about privatising because it believes in it, but it does not have the guts to come here and stand up for its own philosophy. It tries to hide behind the argument of debt. The fact is that the people of South Australia can see through that. They do not accept the privatisation argument. The population can make a distinction between the arguments that are put by the government and the truth.

We saw how clearly that was demonstrated at the last state election when the government came within only a seat or two of losing office, despite having had a record majority. The reason that it came to that position is the water privatisation and the fear, I believe, of other privatisations to come. It was so fearful and so scared and so deceitful at that election, of course, that it said that it would never privatise ETSA, yet we all know that immediately after the election it went ahead with that. Members of the government should hang their heads in shame because of their track record on this. They now come in here attempting to privatise the TAB.

I would like to go through some of the reasons why I think the government should reconsider its position and what it will mean if it does, in fact, privatise the TAB. The first thing is that we will see jobs lost in South Australia. Apparently, the TAB currently employs 550 people. There is no doubt, if the TAB is privatised, that some of those people—I do not know how many—hundreds, presumably—

The Hon. M.K. Brindal: How many?

Mr HILL: I do not know. Do you know how many? You do not know. You are proposing the bill and you do not know how many jobs will be lost. The fact is that the Minister for

Employment and Training does not know the potential number of jobs that could be lost by the TAB privatisation. That is an absolute disgrace. The minister admits that jobs will be lost but he does not know how many and he does not care. He puts the onus on me because I object and point out that jobs will be lost. There are 550 people working for the TAB: some of them, perhaps hundreds of them, will lose their employment.

The second thing that we will see is a valuable public asset move out of the control of the people of this state and into the hands of private operators. It will mean a reduction in income for the people of South Australia, an income which will in future go to private operators. Indeed, as the shadow treasurer said, the amount that the state will get for the sale could well be a negative price. So we are going to privatise it, get rid of jobs, get rid of an income stream and actually lose money on the transaction. That is a great proposal! There is also a concern that the privatised TAB will run down services, jobs and facilities in regional areas and outer metropolitan areas.

The Hon. M.K. Brindal: Very well prepared, isn't it?

Mr HILL: It is extremely well prepared. In addition, I understand that the majority of people who work for the TAB are casual part-timers: a lot of them are women and it will have a big impact on their families.

I conclude by saying that the majority of people in South Australia, as I have mentioned before, have opposed the privatisation policies of this government. It has been demonstrated in public opinion polls and it has been demonstrated at the election. I think that something like 15 000 signatures of people opposing the sale were recently tabled in this House. In addition to all those signatures, I was impressed to receive a press release today from the South Australian Heads of Christian Churches Task Force on Gambling, dated 14 November. No doubt the Minister for Information Economy, because of his facility with computers, emails and so on, will have seen this press release, but I am sure that the Minister for Employment, who is a little bit behind him in terms of his technical awareness, will not have seen this press release. It was emailed to all members today under the heading 'TAB no safety measures, no sale'. So the Heads of Christian Churches Task Force on Gambling has said that it does not want to see the TAB sold.

I find it interesting that members opposite, many of whom voted for limitations to be placed on poker machines because of their concerns about gambling, will vote for the government's proposal in relation to the TAB, yet the Heads of the Christian Churches say, 'Do not vote for the sale of the TAB, because it will make gambling worse. It will lead to more problems, because there will be more avaricious people dealing with the industry, there will be greater opportunities for people to gamble and more people will become caught up in the gambling cycle.' Yet members opposite, if they were absolutely fair dinkum, would vote against the sale of the TAB if they wished to be consistent with their opposition to gambling, opposition which they spoke about in the poker machine debate some months ago. It will be interesting to see how many government members are hypocrites, on the one bill voting against gambling and on this bill voting in favour of it against the wishes of the Christian churches.

Mr LEWIS (Hammond): My reservations about the wisdom of the sale of the Totalisator Agency Board are already on the public record, but for the record of *Hansard* let me restate them. At the time the government first contemplated this it should have immediately set about negotiating with the staff to allow them as individuals to purchase some shares in the enterprise and, in that way, secured their interest and commitment to the survival of the enterprise—and not just survival, but success. Nothing will inspire people to be as productive in any undertaking as a personal benefit they can derive from it. However, I regret now that the ministers of the day from the Premier down saw fit to ignore that plea from me about those matters.

Let me restate my belief that the TAB would have been a more successful organisation over the last several years—indeed, over the last year or any period—had the staff been given the opportunity to own a share of it. It is a bit like going into McDonald's where the staff are trained to ask, when you place your order, whether you would like something else to embellish the order, indeed to get some extra revenue for the business by providing an additional service for which you pay. However, the TAB staff are not inspired to do that, not encouraged to think that way and not trained to do that kind of work. They are focused upon making a computer work and looking at a keyboard and the details that come up on the screen when they are doing the transaction, having taken the money from the customer, and, with a blank look on their face, thanking the customer in the way in which they are told to. They get the entry right, rather than focusing upon the customer, as the McDonald's staff would do—and I use McDonald's advisedly as an illustration. They are younger and, if they can be trained, so can the older, more experienced people. If I had been running the TAB, I would have put an axe through most of the computer terminals, anyway, and the design of the interior of the shop premises was quite bad. It ought to have been more user friendly and still ought to be. The manner in which they are encouraged to work there and the kind of hours they work ought to have been approached in an entirely different way to the 'them and us' attitude that existed between the lower end of senior management and middle management with the operational staff.

So, the TAB made a botch in that respect because the government did not have the wit or wisdom to understand the benefits the organisation could have derived if it had recruited the greater levels of support from its staff that might have been possible had it done that. I think we have gone too far now in this whole process to attempt to do that. Anyway, I do not think the minister or any minister really understands what that part of industrial sociology is all about.

The second point I make in this speech is that a way of expanding the profitability of the organisation, if the government had half of half a wit, is to offer fixed odds betting, because it will encourage more people to come through the door. It need not have offered it up until now. There may be some philosophical hang-up about a government enterprise which runs a monopoly taking on what would be argued by the bookmaking fraternity, and competing with them on what would be argued as unfair terms, because the bookmakers were not allowed to run betting shops, as the grandmother of the member for Kaurna did a few years ago when she was well enough trained in statistics analysis to be able to make a book or help someone else make a book and make a quid for her kids and her own support.

Fixed odds betting ought to be part of this legislation, and perhaps I will introduce an amendment to that when we get into committee. It will certainly increase the revenue—I have no doubt about that. From where the revenue will come I am not sure, but one thing is for sure: it will not all come from revenue which would otherwise have gone to bookmakers. In any case, what is a matter with a bit of competition? I do

not have a problem with that idea, and that is why I strongly advocate it.

At this point in time, as we stand on the threshold of selling the TAB, it will certainly enhance its value to enable it to offer fixed odds betting on horse racing, whether galloping or harness racing, and dog racing. There is no question that people or enterprises thinking of buying it would assess the likelihood of a greater revenue stream as enhancing its value because they are able to offer that product. Anything at all that will enhance the value of something that you are going to sell ought to be contemplated. In this case the only cost involved is drafting the legislation accordingly—there is no price, loss or outlay otherwise—so it ought to have been included, but it has not been.

The other thing that the government has screwed up on in offering the package at this time in this form is that it has never seriously asked the industry. I know that the former minister, the member for Bragg, probably had some hang-ups about this proposition, and that is why it did not happen. The current minister has no interest whatsoever in racing; he has more interest in cutting his wife's toenails or something equally inane, I will bet, than he has in horses and whatever shoes they may wear. The important point is that we need to allow the industry the right to refuse the chance to buy, as a first option bidder, either all or part of the enterprise that we have on offer.

I am pleased that the member for Bragg mentions to me that he does not have a problem with that. When you looked at the three organisations governing the three codes of racing upon which gambling was undertaken in this state, it may have seemed unlikely to get them to think about that, but now is the time and, even though it is the 11th hour, they ought to see if they can bank it. Then they will not only have the rolled gold deal that the member for Hart spoke about, as he fondly contemplated the prospects of the Treasury keys in his pocket, but they will also have the profits which will come from the totalisator board and, in this case, totalisator business, with all the products on offer that I am suggesting ought to be on offer. I will definitely be moving to amend the legislation to give them that first option right of refusal.

If a week after this legislation passes both houses (if that indeed happens) all three codes say that they do not want to be involved, after it follows the process laid down in the amendment I am moving, the government is free to proceed with any other bidder and all other bidders. They ought to be challenged and encouraged to do that. That will keep the head office here and will meet the concerns of the members for Lee, Hart, and Kaurna about retaining the head office here in South Australia. Indeed, through the framework that I am suggesting, provide it with the basis upon which it can expand into other markets. I would not see that framework in any way detrimentally affected by having proprietary racing arrangements in the legislation which has just passed this chamber, providing an additional revenue stream, because it will be to the eternal benefit of the three codes of the racing industry of which I have spoken.

Nor do I see any problem to those three codes of offering an even greater range of products beyond that, including straight course racing of a variety of kinds. If someone is willing to accept the appropriate regulation of the conduct of such race meetings I do not see why the product cannot be offered, if it does not cost the totalisator agency business any money. There is no reason why it would or should do so, because the proprietary racing bill that we have just passed does not require that TAB racing business to make any money available to it. It simply finds the capital to build the outdoor studio, fit it up with the appropriate cameras and other equipment, run the races and broadcast them, probably through digital TV, to whoever wants to buy the product and bet on it, wherever they may be around the world.

The wisdom of compelling the three existing codes, which will be the principal beneficiaries of the proceeds made available from the revenue stream, to contemplate buying it in cooperation with each other is that they will have that additional profit over and above the guarantee they are already given in the legislation. They will also have the satisfaction of knowing that they can control the kinds of products that are offered through their totalisator agency business, to enhance their revenue stream. It will be their decisions, direction, risks, responsibilities and benefits—and so it should be—rather than expect somebody else to get an additional slice of profit out of it. Whatever and wherever a new foreign owner may be, it will bring them into conflict with the interests of racing here in South Australia. There is no question about the fact that it will suit an out-of-state owner (if it is not the three codes in South Australia) to rationalise the costs they incur at all points. It may be that they simply say, 'We won't cover these races, because it will cost us more in overheads and oncosts to do so. We will eliminate them from cover.' That will be a bad deal for the racing industry in SA, in the opinion of the industry. So, they should not sit around on their hands and whinge about it. They should get up and get on with it, go find the money, bank the deal and buy it. Then everybody wins.

I share the concerns also that have been mentioned by the member for Gordon. Yet there has been no collusion (or in any measure, detailed discussion) between me and him over what we have had to date and what we could have in the future. It just seems to me that, when he speaks, he makes sense.

The Hon. M.D. Rann: What about the TeleTrak deal last week?

Mr LEWIS: No problem. I have just said that it will now increase the revenue stream to the totalisator business, and that revenue stream will help generate profits for the three codes if they buy it. They will have control over the extent to which it functions within the market that they are serving. It is a bit like offering air bags as well as wearing seat belts in a motor car. If there is some bad luck, there are two things there to protect you. There is no question about the benefits of having a greater range of products. After all, why would Coca-Cola have converted one simple beverage into a whole range of beverages in different packages and different forms but with the same basic tenet? Why has McDonalds extended its range of offerings from one simple hamburger to a whole range of hamburgers under the brand name of McDonald's? That is clearly the way to go in marketing. It is the same with toothpaste. The range of toothpaste you can buy now on the supermarket shelves is far greater than it was 20 years ago when you could just go in and buy Colgate, Pepsodent or whatever else was on offer. However, now Colgate has a whole range of products to suit just what you think your needs are. You can buy one and you will buy it for a little more for each of the types of packs than you would have paid to buy the original pack. In fact, I do not even know now that you can buy the original pack. I have looked around in some of the supermarkets and it is not there. So the TAB ought to be doing the same in its business—expanding the range of

products it has on offer by using its imagination. To that extent, I am not at odds with either the member for Bragg or the members opposite who spoke about the need for the TAB to secure its future.

The other implication of the sale of the TAB that has to be considered is: what will happen when the rolled-gold deal runs out? If the agency is owned by interstate interests and they have already rationalised the industry in South Australia by the way in which they give coverage and so on, they will continue to do that when the deal runs out and the revenue stream available to racing, if it does not own it and it is owned elsewhere, is most likely to reduce. Then, if by chance the Labor Party is in office and by an even slimmer chance the member for Hart is the Treasurer, the racing industry as we know it will be in a hell of a mess for no reason other than the member for Hart will be quite unwilling to listen to any plea it makes, and it will have to find sponsorship like no other recreational industry has ever had to find sponsorship before in order to survive. Yet that is a sorry pass, indeed, because 30 years ago, South Australia arguably—in my opinion, anyway—had the best thoroughbred studs in the nation; it certainly had the best blood stock standing.

We certainly had the best trainers based here, and we have just beggarised around with it by allowing government to interfere far too much in the policy that drove it. To that extent I do not thank the member for Bragg for whatever insight he thought he had in dealing with it. It did not strike me that we were really doing to racing what racing needed to have done to it, whether it wanted to have it done to it or not. The fact is that it was pegged out and raped. The Speaker had some misgivings about the way in which things were driven, where they went, when rationalisation of the arrangements for the printing of the record of race programs and so on came undone.

Mr Wright: The Acting Speaker?

Mr LEWIS: No, I am talking about the Speaker himself, not the Acting Speaker, not the member for Mackillop. I am talking about the former minister. I will leave that because he might take offence at some of the things that I could gratuitously offer as advice in retrospect, and that is something that I am cautious about doing. Altogether, unless the legislation passes in a manner that I find acceptable, I will not support it at the third reading.

The Hon. M.H. ARMITAGE (Minister for Government Enterprises): I move:

That standing orders be so far suspended as to enable the House to sit beyond midnight.

Motion carried.

Mr CLARKE (Ross Smith): I oppose the legislation and in doing so I declare an interest in so far as I am a member of the Australian Services Union, one of the unions that covers the majority of the workers at the TAB, and for nearly 10 years I was secretary of that union's predecessor, which was known as the Federated Clerks Union of Australia, South Australian Branch, which covered the overwhelming majority of the employees of the TAB.

In opposing the legislation, I do not want to necessarily canvass all the points that already have been more than amply covered by other speakers. I think it is a given, despite the protestations of members opposite who support the sale of the TAB, that upon its sale (if this legislation is successful) there will be a significant loss of employment within the TAB. Reference already has been made to the 160-odd jobs in the telephone betting area. This will, likewise, be the case in the computer area and with respect to a number of the head office functions. It will also happen in the staffed agencies run by the TAB, where they are direct employees. At the moment, an agency manager, a permanent part-time worker and a number of casual employees are employed in each of those staffed agencies.

Those agencies will be franchised out. That is not anything new in terms of the desire of TAB management, because back in the 1980s, when I was the secretary of the union, the then general manager of the TAB, Barry Smith (who came from the Victorian TAB), said to me on a number of occasions that he would like to see the Victorian system in place, where there are franchises of agencies. Of course, the result of franchising the agencies is very simple. The person or persons who take over the franchise, in order to recoup the money and run it at a profitable level to enable them to pay back their investment, will simply dispense with the casual staff and, in many instances, they and their families will work the additional hours. So, many of the casual employees, a number of whom are employed in country and regional areas, will lose their jobs. Let us look at these employees—

Members interjecting:

The ACTING SPEAKER: Order! The member for Ross Smith has the call.

Mr CLARKE: I was wondering whether, if there is a sideshow on, I can get involved in it at the same time. Let us look at these employees and their livelihood; let us talk about the people. The people that I knew, many of whom are still with the TAB, had been long-term employees of the TAB, some stretching back to 1967, when the TAB was first established in this state. They may be casual or they may be part time but, in many instances, they are sole breadwinners. I congratulate the unions concerned in forcing this government to pay more by way of redundancy payments for those members who will lose their jobs with the sale of the TAB: it is the government's duty to improve pay-out conditions for those workers if they are to be sacked. But it does not compensate for the loss of a weekly income for the families. As I said, the casual worker may be the sole supporting parent, and in cases where there are two people in the same household often one will be unemployed, and the sole breadwinner is the TAB worker. Overwhelmingly they are female workers, often with dependent children, and a number are students who need their employment to be able to get them through their studies. Once those jobs disappear, they do not suddenly reappear.

I know that the minister opposite will say it need not necessarily happen this way. If New South Wales, Victoria or Queensland TABs are taken over, by some miracle they could transfer to Adelaide all their head office functions or the whole of their telephone betting headquarters. That is a nonsense and we have seen that with, for example, the sale of the State Bank here in South Australia with a takeover by St George. We lost the head office and computing functions that went from South Australia to Sydney in New South Wales. We have seen it in regard to the loss of private companies in South Australia where they have been taken over by interstate counterparts and the head office functions have been lost.

At the same time it is important that we look at whether it is worth the loss of 550 jobs for the benefit of the state of South Australia. Do the benefits of selling the TAB outweigh the loss of those jobs? What we see is simply this: the

proceeds of the sale will not be used to retire state debt. Contrary to the argument put by the member for Bragg, the simple fact is that this government will not use the proceeds of the sale for the retirement of debt, which was the argument used by the member for Bragg. It will be used—

The Hon. M.H. Armitage interjecting:

Mr CLARKE: Well, we will see whether the government puts forward the amendment for the retirement of debt and whether or not that happens. However, if, as the minister says, he will refer to an amendment, which apparently he is now going to bring from the bar table to show me that that is the case, that is an afterthought by the government.

I see from the amendment to clause 25(4) that the minister just handed to me that there is provision for the payment of debt, and I must say how interesting it is that at this late stage of the proceedings suddenly the government decides that it will use the proceeds of the sale to retire state debt. It was not in the minister's second reading speech and it was not in the bill currently before the House. No doubt it is an afterthought by the government occasioned by some posturing on the part of the Independents who hold the hold the balance of power for the government to act as some sop to them, in the hope that they will support the legislation and allow it to pass. It is an afterthought to enable this bill to pass this parliament, not the prime reason for the introduction of this legislation into this House in the first place.

The government, as the member for Kaurna has said, is intent on an ideological battle to prove that all things done publicly are bad and all things done privately must be good. I do not even think it goes as far as that. I think it may start from that premise, but essentially this government wanted to use the proceeds, if there are any proceeds left over after the generous hand-out to the racing codes, redundancy payments and the like, as some form of war chest in the lead-up to the state election to be held some time next year or early in the year after.

I want now to address briefly the stance of the Independents on this matter.

An honourable member: They are not here.

Mr CLARKE: There is at least one. We have heard a great deal from these Independents, and those who recently left the Liberal Party have made great play in their public statements that they were fed up with privatisation of government assets and the economic rationalist arguments used by this government. Indeed, there was an open acknowledgment, for example, by the member for Fisher when he resigned from the Liberal Party that the public had had enough—indeed, a gutful—of privatisation. Well, it is time for the line to be drawn in the sand. If that is what the member for Fisher believes in—and I believe that he is sincere in his belief in this matter—the way to show that the days of rampant privatisation are over is to vote against this bill. I regret that we did not succeed in stopping the sale of the Ports Corporation but I will not re-argue that matter here tonight.

The TAB legislation is a golden opportunity for ex-Liberal Party members who are now Independents to show the product differentiation as to why they left the Liberal Party in the first place. There is little point in their leaving the Liberal Party and making a public pronouncement that they are opposed to this government and its privatisation policy and economic rationalism if, when they have the opportunity of making a real difference in government policy, they vote for the government legislation on the TAB.

It is no good whatsoever for the member for Fisher, for example, to simply say that it is all too late. I do not know what the member for Fisher's stance is on this matter but I sincerely hope he thinks carefully—as I am sure he will—on this issue and makes the product differentiation that is necessary not only to give credibility to his public statements as to his reasons for leaving the Liberal Party but also for the sheer political survival of himself as an Independent he needs to show that product differentiation in real terms by voting against this legislation when it comes not only to the final vote but at every stage—not only at the second reading but also in committee and at the third reading.

The other point I want to touch on again briefly is the rationale that the government uses. The government says that we must sell the TAB to avoid exposure by the state to the risk of losses. The fact is that, since the privatisation of the TAB in Queensland, New South Wales and Victoria, I have not noticed any of them recording a loss. I have not noticed that they are in some form of financial difficulty: quite the contrary. And it is not simply because the private management of the TABs in those states is so much smarter and better at doing its job than is the TAB here in South Australia.

The management of the TAB in South Australia, if we look back to 1967, has been overwhelmingly competent. Whilst there has been ebb and flow in terms of turnover, there have been a number of reasons why in various years the turnover has been down. The fact is that the TAB has returned a profit and has been prudent in the way in which it has managed the affairs of the TAB. There is no reason to suspect that the TAB would be unprofitable and run at a loss simply because it remains in the hands of the public.

What it needs is a minister who is committed to the TAB, committed to its future, committed to state ownership and to ensuring that the board likewise is committed to those goals and has a management team that is skilled and effective at doing the work entrusted to it in terms of having a TAB that is viable and profitable, not only to the state Treasury but also to the racing codes. I must say, as the member for Hart pointed out, that the offer made by the government to the racing codes for their agreement is an extremely generous one.

I would like to think that none of the racing codes at the end of that three year guaranteed increase in funding, if this bill gets through, would dare come back to the state government and ask for a hand-out if they run into tough times, after such generous treatment as they have been afforded by this government. Unfortunately, history tells us that they will be back at the Treasurer's door, whoever that Treasurer will be. There will always be reasons given by the racing codes as to why they have run out of money or why certain ventures they have embarked on have not been successful.

That also raises a very good reason as to why the SAJC should remain in charge of the thoroughbred racing industry in this state. Although I do not profess to be an expert in horse racing, from my knowledge of the industry (which is not as great as others'), my involvement with the TAB as secretary of the union covering the majority of those employees, I think that the SAJC has on a number of occasions botched its role as the governing body of thoroughbred racing in this state.

Unfortunately, I have no doubt whatever that, despite the generosity of this government's deal, at some time in the not far distant future it will come knocking on the door of the state Treasury seeking further relief because of some foul-up or mismanagement on its part, and the government of the

day—whichever government it is—will be in a very difficult position because the racing industry employs a large number of people in this state. At one time it employed some 20 000, although I am not sure if it is still as large as that.

When you take into account the trainers, the strappers, the various suppliers of feed stock, the casual workers and so forth in the entire industry, back in the mid-1980s it was estimated that 20 000 people in this state earnt some part of their livelihood from the racing industry. The Treasurer of the day will be faced with a very difficult position as to whether he bales out the racing industry again or sees significant loss of employment in this state. For those very reasons, I think it is important that the TAB remain in public hands to maintain a constant income stream, which can be used by the state for timely intervention if and when necessary as times fluctuate between good and bad.

Further, we are not concentrating sufficiently on the loss of jobs. I know many TAB employees have given loyal and profitable service to this state but, in all the micro and macro economic palaver the government goes on with, we are dealing with people's livelihoods. Where is the alternative employment in this state as we lose more head office functions? Where will those people who work as casuals in country towns readily find alternative sources of employment and income generation for their families? Jobs just do not appear out of thin air.

It is all very well for the micro managers and the economic managers to say, 'Well, one industry will close and another will suddenly arise from the ashes.' It does not quite work that way for the individuals concerned. They lose their livelihood. It is their family that is affected; it is their loss of income; and it is their loss of security to the detriment of this entire state in terms of further social dislocation because of the resulting increase in unemployment. The fact that the government may up the ante in terms of redundancy pay is no substitute for a job, casual or permanent part-time, on an ongoing basis for years and years, and for their successors to take over those jobs through natural attrition. These are the sorts of things that have led the member for Fisher to leave the government. I only hope he remembers that and votes against the bill.

Mr MEIER (Goyder): I move:

That the debate be now adjourned.

The House divided on the motion:

AYES (22)

Armitage, M. H. (teller)	Brindal, M. K.
Brokenshire, R. L.	Brown, D. C.
Buckby, M. R.	Condous, S. G.
Evans, I. F.	Gunn, G. M.
Hall, J. L.	Hamilton-Smith, M. L.
Ingerson, G. A.	Kerin, R. G.
Kotz, D. C.	Lewis, I. P.
Matthew, W. A.	Maywald, K. A.
Meier, E. J.	Olsen, J. W.
Penfold, E. M.	Scalzi, G.
Venning, I. H.	Williams, M. R.

NOES (19)

Atkinson, M. J.	Bedford, F. E.
Breuer, L. R.	Ciccarello, V.
Clarke, R. D.	Conlon, P. F.
De Laine, M. R.	Foley, K. O.
Geraghty, R. K.	Hanna, K.
Hill, J. D.	Hurley, A. K.
Key, S. W.	Koutsantonis, T.
Rankine, J. M.	Rann, M. D.
Stevens, L.	Thompson, M. G.
Wright, M. J. (teller)	

PAIR(S)

Wotton, D. C.	Snelling, J. J.
McEwen, R. J.	White, P. L.

Majority of 3 for the Ayes.

Motion thus carried.

ADJOURNMENT

At 12.26 a.m. the House adjourned until Wednesday 15 November at 2 p.m.