# HOUSE OF ASSEMBLY

**Wednesday 25 July 2007**

**The SPEAKER (Hon. J.J. Snelling)** took the chair at 11 a.m. and read prayers.

## PUBLIC WORKS COMMITTEE: MAWSON INSTITUTE OF ADVANCED MANUFACTURING

**Ms CICCARELLO (Norwood):** I move:

That the 269th report of the committee, on the Mawson Institute of Advanced Manufacturing, be noted.

In January 2005 an independent review identified the need for enhancing technological excellence in South Australian manufacturing industries. The state government subsequently announced an investment of $8 million for the establishment of a new advanced manufacturing centre of excellence at UniSA.

In October 2006, UniSA Council approved the budget to construct a new building as a high priority project, with a total allocated capital budget of $11.25 million. The new building will accommodate the Mawson Institute of Advanced Manufacturing at the Mawson Lakes Campus of UniSA. The location has been selected due to the current and future research linkages and opportunities with the research activities. The building will meet the laboratory and office accommodation needs of the institute, and will be in the order of 1 880 square metres.

Extensions to the existing campus site infrastructure, such as provision of a new chiller, extension of the existing hot and chilled pipework, power supply via a new culvert, and loading/deliveries area will be required to service the new building.

The primary source of cooling and heating will be provided from the thermal plant in the powerhouse which serves the entire campus. UniSA will be separately funding the upgrade of the thermal plant in 2008 to support the increase of thermal load caused by the new building. Each laboratory will have its own air-handling unit to provide flexibility for changes in use. The systems will also be influenced by the types of fume handling within each laboratory.

The pilot Education Green Star Tool framework is to be applied to this project, and it is aiming to achieve a Five Star Green Star rating. It will provide valuable feedback to the Green Council in testing how well a tertiary sector research facility designed in accordance with best ESD principles for a building of its type matches the expectations of the Education Green Star Tool.

Increasing the creativity and knowledge base of manufacturing is vital to South Australia's capacity to generate sustainability and growth in our manufacturing industries. Without proactive effort to assist the transition to high value-added manufacturing, South Australian manufacturing will not thrive. The field of advanced manufacturing is designed to translate innovation and research into manufacturing processes and enhance their uptake by industry. It has a strong base in innovation in emerging technologies such as nanotechnology and biotechnology.

This project aims to provide a state-of-the-art, flexible research facility to support a world-class centre of excellence in advanced manufacturing research and development. The building will showcase the institute as a leader in manufacturing research, with a focus on adaptable technology and sustainability. In doing so, it is expected to attract greater research funding from the commonwealth and private industry. The institute will be responsible for a large portfolio of industry-focused research projects and education and skills development programs designed to improve the global competitiveness of Australia's manufacturing sector. It will also function as the South Australian node of the Cooperative Research Centre for Advanced Automotive Technologies.

The university council considered refurbishing an existing research building but decided to construct a new building because of the great disruption and disturbance which the refurbishment option would have upon the research groups operating within the present building. The Mawson Institute of Advanced Manufacturing will significantly enhance South Australia's research and development capacity in manufacturing technologies by injecting new personnel, resources and equipment. By doing so, it will increase the focus and investment in the generation of advanced technologies which will support a revitalisation of the South Australian manufacturing sector. The institute will create a new approach to multi-disciplinary research for manufacturing through the collaboration of efforts in engineering, science and information technology. This is intended to create an efficient interface between the research and development provider and industry.

Innovation in technologies and development of intellectual property aligned with South Australia's priority industries will create new business and export opportunities. It will also enhance technology transfer to industry combined with innovative training and skill development to support employment growth. Over five years the institute is expected to increase the number of personnel directly engaged in manufacturing and research by 25 new researchers and expand the number of research students by 16. This will increase the profile of research activity to attract additional international students. Within the same time frame, world-leading researchers will be appointed to newly established chairs to lead research in key technologies relevant to South Australia's manufacturing priorities.

The total allocated budget of $11.25 million will be jointly funded by the state government (which will provide $6 million) and UniSA (which will provide $5.25 million). This is in addition to the $2 million already contributed by the government for equipment. UniSA is separately funding the provision of interim accommodation for the institute and site infrastructure upgrades that will support the project's development. UniSA is also providing staffing and other inkind project contributions such as project management and the provision of land and support infrastructure. Construction is planned to commence in April 2008 and to be completed by July 2009. Based on the evidence presented and pursuant to section 12C of the Parliamentary Committees Act 1991, the Public Works Committee reports to parliament that it recommends the proposed public work.

**Mr PENGILLY (Finniss):** I rise to support the honourable member's motion and the report on the Mawson Institute. I look forward to the Mawson Institute taking its place in due course and I acknowledge the amount of $11.25 million that will be expended on it. I also acknowledge the importance of this project to the State of South Australia, and the fact that $11.25 million is being spent on the project is indicative of the way of the future. Quite frankly, our manufacturing industry needs all the intelligence,

technology and assistance that it can get. We are under enormous threat from China and India because of the cost of their manufacturing, and I think that has been borne out by what we have seen lately across the nation. So I think the sooner this is up and running the better.

This is a comprehensive report into the Mawson Institute, and it was most interesting to learn about what will take place out there. The 25 new researchers will be a great asset to the South Australian economy, and I am sure that they will come up with innovations to assist manufacturing in this state in the long term. I do not want to elaborate, as the Chair of the Public Works Committee has covered the report quite adequately.

If you look at how manufacturing in South Australia has gone over the last 50 years, from where we were to where we are now, it is a major concern. Our manufacturing base has disappeared for all sorts of reasons. I have particular concerns about the car industry in South Australia. I think we have seen the pressures on Mitsubishi and, more latterly, what has happened interstate with the Ford engine plant. It is absolutely crucial that we continue to develop our manufacturing base and come up with new ways of competing and keeping the state going.

Motion carried.

## ECONOMIC AND FINANCE COMMITTEE: LOCAL GOVERNMENT AUDIT AND OVERSIGHT

**Mr KOUTSANTONIS (West Torrens):** I move:

That the 62nd report of the committee, entitled Local Government Audit and Oversight, be noted.

I am pleased to present this report to the house. Members of the Economic and Finance Committee believe that, if local government in this state is to be taken seriously as a third tier of government, it must apply the highest standards possible of financial accountability and corporate governance. On 7 March, the committee initiated an inquiry into the current levels of local government audit and administrative accountability in response to remarks made by the former auditor-general, Mr Ken MacPherson, in his 2006 annual report and before the committee in December of that year.

Mr MacPherson told the committee that the current audit standards applied to the local government sector were less than those applied to the state public sector and administered by the Auditor-General's Department. In particular, local government audits were largely restricted to financial attestation and lacked the capacity to look behind the technical allocation of funds at the credibility and appropriateness of the policies underwriting those allocations. Mr MacPherson's evidence to the committee was unambiguous: a level of government that has taxing and punitive powers (as does local government) should be held to the highest oversight standards and, at the very least, as high as those applied to the state public sector under the Public Finance and Audit Act 1987.

The inquiry received evidence from, among others, auditors involved in the local government sphere, the current Auditor-General and the Minister for State/Local Government Relations. It also received submissions from individuals relating to specific matters in specific councils, but the committee was restricted in its ability to pursue those matters because of the jurisdictional restrictions imposed on it under the Parliamentary Committees Act. As a result, the inquiry focused on broad policy issues, but this further reinforced the committee's opinion that, notwithstanding the role and powers of entities such as the Ombudsman, a form of extensive and ongoing parliamentary oversight is needed in this area.

In assessing the current oversight standards, the committee noted the negotiations between the minister and the previous and current auditors-general to enhance the audit standards and requirements for local government. These negotiations resulted in regulatory changes in January this year that have strengthened the existing audit regime, and it is apparent that ongoing consultations between the minister, the Auditor-General and the Local Government Association seek to continue these efforts. Nevertheless, the committee has made 12 recommendations to further improve the standard of local government audit and oversight. I do not intend to try to compress in this brief speech the full range of discussions and arguments contained in the report, but I encourage all those interested in the improvement of local government oversight to read the report. In the spirit of cutting to the chase, the primary recommendations of the report are:

- the Auditor-General should set local government standards and scope and have recourse to those powers provided to his remit in the state public sector under the Public Finance and Audit Act;
- the Auditor-General should be able to perform compliance and performance audits at his discretion;
- the Auditor-General's Department should directly audit a certain percentage of local governments and retain a panel of private auditors to conduct the balance of audits according to the powers and standards set by the Auditor-General's Department;
- the Auditor-General should table an annual report in the parliament providing comprehensive comparative data from across the local government sector;
- councils should continue to bear the cost of audits with appropriate provisions in place to ensure their cost burden does not unduly increase; and
- a parliamentary committee, whether it be the Economic and Finance Committee or another designated body, should be established to provide further ongoing oversight of local government audit and administrative accountability.

Other recommendations were of a logistical nature. They seek to ensure that the transition to such a system does not place undue administrative or financial pressures on either the local government sector or the Auditor-General's Department.

The committee notes and supports all efforts by the local government sector to enhance levels of financial sustainability, audit processes and corporate governance but is of the opinion that the credibility of the local government sector can only be enhanced by its submitting to the highest levels of accountability, transparency and rigour. It was no less than Thomas Jefferson who said, 'It is error alone which needs the support of government. Truth can stand by itself.' The recommendations of the committee in its report are aimed at no less than giving the maximum opportunity for truth to prevail. Local government has nothing to fear from this report because, at its heart, it is designed to improve not just the quality of financial and administrative reporting in local government, but local government itself. I commend this report to the house.

**The Hon. R.B. SUCH (Fisher):** First of all, I commend the Economic and Finance Committee and, in particular, the chair, for undertaking this report. No doubt the member for Enfield would have been one of the drivers behind it. This is

a very important issue, and I do not wish to get into the specifics of another matter before the house which is obviously similar in many aspects. I have been concerned for a long time. I do not come at this from an anti-local government perspective because, as I have said on many occasions, I was involved in local government, being on the council of the City of Mitcham for quite a few years, and I have had very close dealings with a lot of councils for many years. What needs to happen, in my view, is that local government finances need to come under the umbrella of the Auditor-General.

For a long time universities in South Australia were outside the aegis of the Auditor-General but are now within it, and I have not heard of any problems arising from that. In fact, it adds to the status of those institutions to be able to say, 'We are audited by the Auditor-General.' Of course, the Auditor-General does not personally audit the books and neither would he (or it may be a she in the future) in relation to councils. The Auditor-General would contract the private sector auditing firms to do the work and, in fact, there is no reason why they cannot use current auditing companies to do the work.

The important aspect is that there would be a standardised reporting format which would enable comparisons to be made between particular councils. I challenge any member of parliament or any member of the community to tell me what council in South Australia is performing better or worse than any other council. I defy any member in here to tell me, if I asked them in regard to their own local council area: how does your council stack up financially against council X somewhere else? I defy any member in this place to give me an accurate assessment of the situation, because you cannot easily do it at the moment. That is unsatisfactory, because you should be able to compare the performance of one council against another council. That is an important aspect which currently does not happen.

Another aspect that does not happen is the detailed oversight of council businesses. Many members may not be aware, but several years ago there was a lot of concern about the Port Adelaide Flower Farm. I think the Hon. Legh Davis took a particular interest in that one at the time. That was a business venture that went wrong.

I know from talking to the former auditor-general, Ken MacPherson, that one of the concerns is that, under existing laws, it is very difficult to find out what a council is or is not doing in relation to a misuse of its financial powers. I have said before, and I will say it again, when I was a member of the Mitcham council, the council of the day gave the outgoing CEO a Holden Berlina as a going-away present and then promptly suppressed that under 'staff item' and anyone who revealed that would be dealt with in court. Likewise, Centennial Park Cemetery Trust which was, and still is, under the control of Unley and Mitcham councils—a lot of funny business went on there financially. It has taken me 10 years to get hold of the audit and, strange as it may seem, it is not possible to get a full copy of the audit. However, I have got enough of it to know some of the things that went on there.

The ratepayers of Unley and Mitcham are responsible for the financial debts incurred by that cemetery trust. They are not entitled to any of the profits—they are not guaranteed the profits—but they are responsible for any of the losses. Just over 10 years or more ago—and this is no reflection on the current CEO of Centennial Park, Bryan Elliott, for whom I have the highest regard, and the current board of Centennial Park—the board was dishing out motor cars, and it had a particular liking for Saabs, not just for the CEO but for his wife and for the honorary historian. At the time, they were valued at $57 000 each and the trust was dishing them out like Smarties. Trust member were also engaging in an incredible number of trips around the world. They were having crayfish suppers and all sorts of other antics were going on.

When I came onto council I could not understand why members of council were so keen to be on a cemetery trust and when I started asking questions they said, 'Why is Bob Such aggro?' I was not aggro, I just wanted to find out what was going on. Even as councillors we did not know what was going on with something like the Centennial Park Cemetery Trust. That just highlights some examples of what can happen. I am not saying local government is riddled with corruption and I am not saying the City of Mitcham is involved in that sort of activity now, nor the Centennial Park Cemetery Trust. The point is, and it was reinforced to me by the former auditor-general, it is very hard to know what is going on under current laws.

The other point is that some of our councils, not all of them, are financially unsustainable. That was reported by Bill Cossey, in his report, about three or four years ago. In other states, such as Tasmania, for example, Access Economics did a study last year and found that six councils were having trouble with their ongoing financial viability. So, it is not unique to South Australia, but the community has a right to know, and the parliament has an obligation to have oversight of these matters. There should be an opportunity for the Economic and Finance Committee to oversee the financial affairs of councils. Sadly, the Local Government Association is a very reluctant bride when it comes to this matter.

I received a letter, dated 3 July, from the new President of the LGA, Mayor Joy Baluch, stating that the LGA cannot support my proposition at this stage, which is to give oversight to the Auditor-General or to allow the Economic and Finance Committee to have oversight. One has to ask: why is the LGA so determined to resist oversight by parliament, or by the Economic and Finance Committee, in particular? Surely, if you have nothing to hide, and I am not saying there is something to hide, why not be open about it? It is not going to add to any cost to the council. Existing auditors would be used and all they would do is report in a standardised format to the Auditor-General. The universities can do it, and the universities have prospered in the last 10 years—they have not gone backwards. I am not sure why this resistance exists in local government. Is it because they have an inferiority complex and they feel as though this takes away their role in the community? No, it does not.

I do not believe that the police force is diminished because the Auditor-General checks its books, or that it is a reflection on the Health Commission because the Auditor-General checks its books. I have not heard anyone argue that. So, why should it be a reflection on councils for the Auditor-General (the independent financial watchdog) to have oversight? As I said at the start, he or she will not personally be checking the books; it will be the current contractors doing it to the standard and format required by the Auditor-General. If the Economic and Finance Committee needs to follow up on an issue, why should it not be able to do so?

Let us make this plea to the LGA: it needs to set aside all this resistance. The President, Mayor Joy Baluch, says that they have four discussion papers on auditing. That is fine—you can have 294, if you like, but let us get down to the basic issue: let the Auditor-General have oversight, and let the

Economic and Finance Committee have oversight if it needs to inquire into a particular matter. We should stop pussyfooting around and get on with the task of delivering what is a very important level of government—that is, the local government sector—and stop trying to pretend that it is not necessary to have the oversight of the Auditor-General.

**Mr RAU (Enfield):** I join with the member for Fisher in supporting the report which has been the subject of the motion today by the member for West Torrens. It is an excellent report and I can only echo the words of the member for West Torrens and the member for Fisher in terms of the detailed comments they made about the issues. For the sake of the parliament's time, I will not repeat them; however, I would like to make a couple of general remarks about the process.

The first remark is the very simple point about transparency in government. The fact of the matter is that local government is the most opaque level of government in Australia. The prospect of the ordinary citizen being able to find out what is going on in local government is severely restricted. In many cases, I can tell the parliament that elected members find it difficult, if not impossible, to find out what is going on. There are many cases where the manipulation and abuse of power by the non-elected permanent staff of councils is quite frightening, and it is designed, quite deliberately, to deny information and access to information and power, in effect, to the elected members of some of these bodies, and that is a very serious matter. Until such time as these bodies are opened up to scrutiny, and independent people standing outside of the local government system have an opportunity to examine and—as the member for Fisher says—compare what is going on in some of these councils, these problems will continue, and they will be difficult to root out and identify.

The other thing I would like to say is that the most depressing aspect of this report is not the fact that the Economic and Finance Committee could not get its teeth into some of the more detailed issues, although that was, I must say, a frustrating point. In my view, the most frustrating and disappointing aspect of it was the fact that, in my inquiries leading up to this report, I found the Local Government Association to be quite unhelpful. I have spent some time thinking about why the Local Government Association is unhelpful. It occurs to me that one needs to look at what the Local Government Association is. The Local Government Association is a club for people who are involved in local government. It is a lobby for people who are involved in local government. It represents the views of people in local government, and there is nothing wrong with that. Birds of a feather are entitled to flock together—I do not have a problem with that—but let us not pretend and go through the charade that the LGA is some sort of independent think tank out there producing information objectively determined to be in the public interest, for God's sake.

The LGA is what the LGA is. If you read the material the LGA has been forwarding to us, I am sorry to say that they appear to be somewhat restricted by the fact that protection of their own lowest common denominator prevents them from saying things that they deep down know they should be saying about some of the people who are part of their organisation. Of course, it is difficult for the association to do that because it is actually the lobby for those people. I am not criticising the fact that local government has a lobby; I do not have a problem with that, not at all: it is part of the political process. But let's see the LGA for what it is and not give it some status.

For goodness sake, the Australian Medical Association, for example, represents the interests of doctors. In many instances, what they have to say is in the public interest and is genuinely good policy. However, in some instances the AMA is dealing with issues of particular significance to doctors—and that is as it should be. In exactly the same way, we have the LGA. I am disappointed that the LGA has not taken a more positive approach, but I am pleased that they are at least talking to the minister and that is, I guess, to their credit.

I am hopeful that they will pick up the recommendations made in this report and say to themselves, 'Goodness me, these people on this committee have saved us a great deal of time. We don't have to have another hundred committees ourselves to work this out, sitting endless hours, consulting with hundreds of people, and producing telephone book sized reports, because these characters have already produced the sort of stuff we need, and we thank them very much.' I hope that is what the LGA comes up with.

**Mr GOLDSWORTHY (Kavel):** I, too, am pleased to make a relatively brief contribution to the motion put by the member for West Torrens, the Presiding Member of the Economic and Finance Committee. I have the honour to be a member of that esteemed committee—

*Mr Koutsantonis interjecting:*

**Mr GOLDSWORTHY:** It has not been all powerful today, though. In previous parliaments it might have been all powerful, but that had a fair bit to do with the composition of the membership. Nevertheless, I am pleased to speak to the motion tabling the committee's report on the local government audit and oversight. I want to make a few comments about the report and also about the local government sector in general. From my point of view, I think the local government sector is a vitally important sphere of government within our country. We obviously have three tiers of government (namely, federal, state and local), and the local government tier certainly plays an important role in the overall governance, government and delivery of services to the members of our community.

One could argue that local government is the most important tier of government because it delivers to members of the community a service that really affects the everyday life of the majority of people. Reasonably simplistic examples of the services delivered by local government include such things as maintaining a good level of rubbish collection and the like, footpaths, road verges, environmental issues—

*Mr Koutsantonis interjecting:*

**Mr GOLDSWORTHY:** Indeed. The member for West Torrens raises quite an important matter in terms of local government having the first and, I guess, arguably the most comprehensive view on development assessments and development plans. As we know, the local government sector, through its development plan process, has the authority in relation to how development is progressed. It obviously acts within the confines of the legislation that the parliament puts in place—the Development Act—but in accordance with the act councils work up and adopt their own individual development plans. Development assessment panels assess the proposals and applications and ensure that these developments proceed in a manner that is in tune with the local environment and the needs and wishes of local communities. Local government is the tier of government where people

make decisions about their local community. That is one of the reasons that you can argue that it is one of the most important spheres of government in the nation.

Notwithstanding that, I think in general terms the local government sector does a fairly good job in carrying out its duties. Some members of the house might disagree with that opinion but, in general terms, I think local councils do a reasonable job in fulfilling the needs of the community and meeting its demands in what is quite a demanding environment. The intricacies and responsibilities of the three tiers government have obviously increased over a period of time. I cast my mind back 30 years when the way in which local government and, really, the state government operated was really nowhere near as complex as it perhaps is today. We now have to deal with and pay attention to a myriad of issues to which we really did not give any thought or consideration 30 years ago.

Thirty years ago we were starting to talk about environmental issues and the importance of enhancing the environment and issues that impact on the environment; and 60 years ago, environmental issues were really never considered. Now, in the 21st century, environmental issues are at the forefront of any consideration that we make. That is an example, I think, of one of the increased responsibilities and complexities with which we deal in the areas of government within this country. As the member for West Torrens said, the committee was constrained in the scope of its investigation into local government and audit requirements, and the like. That is due to the current legislation that allows the committee to investigate a number of aspects of government business but constrains the extent of the committee's investigations.

Notwithstanding that, I think the report prepared for the committee is quite satisfactory. There are 12 recommendations in the report. Whilst I personally have some reservations about a number of the recommendations, I think the first recommendation, which refers to the Auditor-General having access to the local government sector under the Public Finance and Audit Act, pretty well encapsulates what the committee was looking to progress in terms of government policy. It is my personal position—and I know my party is doing some work via the shadow minister for local government relations on a policy on this issue—that the Auditor-General should have extended powers under the Public Finance and Audit Act in terms of accessing the local government sector.

If it is fit for any state government agency to be audited and investigated by the office of the Auditor-General, then the Auditor-General should be allowed to access the local government sector. That office should not necessarily conduct the audits, because I believe the reality of the situation is that if the Auditor-General's office was to audit all the 68 councils it would contract out the work to the private sector anyway—which is exactly what is taking place at the moment. Private accounting firms conduct the audits, and I cannot see any reason why we would want to change that aspect of the operation.

As we know, in the last report the Auditor-General tabled here in the parliament he made some recommendations in relation to the local government sector. He appeared before the committee, and I think all committee members would agree that he was—

**An honourable member:** Very impressive.

**Mr GOLDSWORTHY:** He was very impressive, but he was not necessarily guarded in his general remarks regarding his opinion of some aspects of the operation of local government. However, and as I previously stated, the report has been tabled and I am generally accepting of the report.

Time expired.

**Mr PICCOLO (Light):** I wish to make a contribution to this debate, given that I am a member of that committee.

*An honourable member interjecting:*

**Mr PICCOLO:** Yes; and a former mayor. I will not cover the issues that have already been well covered by my colleagues on both sides of the house so far, but I wish to speak about concerns raised in this report because I believe (as the member for Kavel said) that local government is not irrelevant or unimportant. In fact, local government is the sphere of government which most impacts on people's daily lives, and the honourable member gave an example. It is no accident that, as an MP, you get most complaints about local government because people are concerned about their daily lives and about things which impact upon them on a day-to-day basis. Because local government plays such an important role in the lives of our citizens, it must be efficient, effective and responsive to those communities. Above all, its decision-making processes must be transparent and accountable, and I think it would be fair to say that this report strongly suggests there is significant room for improvement in that area.

I previously raised concerns in this house about the governance of local government, and I used one particular council—Light Regional Council—as a case study. Issues of accountability have been raised by the former auditor-general, and reaffirmed by his successor, suggesting that the current legislative framework for governance by local government is inadequate. In other words, he made it quite clear that he suggested some changes. At this point I think it is important that I note the significant progress that has been made by the current Minister for State/Local Government Relations and I acknowledge her positive response to the estimates committees, indicating that she is taking very seriously the concerns raised by this committee and by the report tabled.

My concerns about local government go beyond Light Regional Council. If you look at local government at the moment there are, for example, difficulties being experienced by the District Council of Robe, concerns raised about various property transactions by Campbelltown City Council, and the farcical selection process for the new CEO of the City of Burnside where candidates' names have been published in the local paper—which is an absolute disgrace. Further, consultation regarding rating policy in the council I live in, the town of Gawler, has indicated that not all is well in local government land. But, like the member for Kavel I agree that not all the news about local government is bad and most of it is good. However, in my personal opinion the voluntary rate of reform is unacceptable. To some extent I agree with my colleague the member for Enfield when he said that leadership in this sector must accept some responsibility for that rate of reform. They no longer reform the sector at a rate to meet the needs of the lowest common denominator.

I wish to detail some of my concerns and provide examples, where appropriate. A few weeks ago I spoke about the town of Gawler's community consultation and participation processes around the annual budget and planning process. It is relevant to this report, which speaks about governance in local government needing to be improved. The current provisions of community consultation regarding council annual plans and budgets have been read, interpreted, applied—whichever word you wish to use—in a way that

reduces the effective consultation period within the communities to seven days. Which council can have meaningful consultation with its community within seven days? It is a nonsense. Why is that? It says that there should be a minimum of 21 days, but there is apparently a loophole in the current laws that enables the documents required to be presented to the community for consultation to be made public only seven days before a public meeting to discuss those issues, effectively reducing the consultation period down to seven days. I notice that members opposite do not agree. That is how some councils have used the current legislative framework. Clearly, it is not the intent of the law, which is quite clear, but an apparent loophole allows councils to do that.

We hear a lot about community engagement. Some councils do it well, and the City of Salisbury comes to mind, along with other councils, which have a culture or capacity to engage their communities effectively in the process of decision making. Some do not understand the process or have the culture to do it and, in fairness, some do not have the capacity to do it.

With transparency of decision making and accountability of decisions, I take Light Regional Council as an example. I have with me two confidential reports, which I understand have now been released reluctantly by the council regarding the sacking of the former CEO and the contracts between the council and Mr Peter Vardy, a former Crows player. I will read quickly some conclusions highlighting the need for changes, which this report indicates to this house. The conclusion on why the CEO was sacked states:

- Failed to promptly and clearly disclose his interest and declare a conflict as required by section 120 of the act;
- Continued to act in matters in which he had a direct pecuniary interest;
- Failed to follow the council's direction in relation to the Clothier land transaction matter;
- Breached council's tender and quotations policy in relation to the appointment of Mr Vardy and Varco Developments;
- Breached council's code of conduct for employees;

The report goes on and on. When you look at the report indicating what council got between the contract between itself and Varco Developments you see where council paid for contracts for $90 000. Under some duress the council has now acknowledged that it got absolutely nothing for its $90 000. This is public money in terms of council rates, but also the project was paid to supervise grants from other government agencies. The confidential report, which refers also to a conflict of interest issue, states:

> We can find no evidence that a declaration was made to Mr Peter Beare by Mr Vardy pursuant to his obligations arising out of section 120 of the Local Government Act to the council in relation to the Clothier land sale.

The contractor is required by law to declare any conflict of interest to the council. The report goes on to say that, essentially, the contract 'suffered from significant mismanagement. It lost direction and failed to focus on what were several prerequisites.' That is strong language coming from a council report for those involved. All these events have come about in a legislative framework subject to current audit standards, which clearly we need to improve.

One of the concerns I have that needs to be addressed by local government is that over the 20-something years I was involved I noticed an increase in professionalism in local government administration, which is appropriate. When I started, we used to have town clerks and a whole range of people. Over that time, the professionalism of officers has increased. To its credit, we now have people with degrees and people with highly developed management skills but, unfortunately, the pool of councillors has not changed a lot. So, if you like, the intellectual relationship between the elected body and the administration has changed dramatically and, often, the elected body—as the member for Enfield has indicated many times—cannot cope with the amount of information or the complexity of what local government deals with. Often, a lot of elected members just do not understand, and I think this is where there is now an imbalance of power between the administration and the elected bodies. I think that needs to be addressed because, if we are to have democratic councils, the people who get elected by the people need to be in positions of true power.

In my opinion, a lot of councils do not do things badly because they want to do them badly: they do not have the organisational capacity to deliver on better outcomes, particularly in the area of governance. Their capacity for ongoing reform and adaptability has to be questioned in some of the smaller councils which do not have the resources to employ the best possible staff. Ultimately, the real issue which arises in this report is the level of oversight. This report clearly indicates the direction we need to take to achieve a better oversight of local government and much more transparent and accountable local government.

The last issue raised by the Auditor-General was that the process for people who are aggrieved by council decisions needs to be reviewed, and he cited an example where he thought there was an absolute abuse of power and process by the council to ensure that the person involved did not get justice. With those comments, I commend the report to the house.

**Mr PENGILLY (Finniss):** I found this report most interesting and I will make some comments about it. I have no argument whatsoever that local government needs to be run to the highest standard, as do the state and federal governments. That is something that is not even arguable, and it has not been argued in here either, I suspect. In the 17 years that I served in local government, a number of issues were totally frustrating. One of them was the audit side of things and the other was planning, which has been mentioned in this place this morning. However, I think that, if we are going to lay down guidelines for local government on where it goes on the question of audit, we have to take it with us rather than stand up and say that it shall do this and it shall do that, and we have to give local government the resources to be able to do it.

On occasion in the house lately, local government has been belted around the ears and taken to task on a number of things that it is totally unable to respond to, and it has been taken to task quite unfairly. As much as the audit is critical (and it is critical) I am comfortable with the Auditor-General's Department looking at and doing the audits but, quite frankly, if we are going to expect this sphere of government to have the Auditor-General go in there, we should pay for it. I am not expecting local government to pay for it because, quite simply, it just does not have the capacity to do so. Indeed, the price of audits across that spectrum is exorbitant and the auditors who come into councils, by and large, charge huge amounts. When I was a member of regional health boards and district hospital boards, the amount that was charged for audits was also exorbitant. They just see it as money for jam. They see public money, so they

jam the costs through the roof. What has happened is entirely inappropriate.

More to the point, with audits, what I found most difficult to deal with as an elected member was that we would get a one-page letter from the auditor saying, 'I have examined the accounts and found them to be true and correct' and, when we tried to drill down to get more information—and it is something the minister might like to pick up on—or have the auditors in to see us, it was very difficult. They just would not come out with the information. I think that elected members, both councillors and mayors, have struggled. The reports are more a report into management, and the management keeps them to itself, and it is almost impossible to get them. It is very frustrating for the elected members of councils to find out exactly what is going on, because it is just a one-page report with a bill for $100 000, or whatever the amount might be. The issue of cost shifting onto local government by way of recommendations from this report is something that must be carefully managed. I repeat that we do need to give them the resources if the Auditor-General and his agency are to do it. We cannot expect local government to continue to fork out to do these things. That is something on which we need to keep an eye.

Much has been said about the role of local government across the state, and indeed across the nation. It is the core of governance in our state. It is the grassroots. It is a hackneyed phrase but it is true. It bears the brunt of ratepayers and probably taxpayers. In the same vein, it bears the brunt of their anger and animosity. It is a soft touch because, if you are an elected member of council or a mayor, you can get fingered easily wherever you are and you can get belted around the ears about issues that touch on people's everyday life. There is nothing quite so touching as rubbish or the state of the road or footpath where you live. There is always something wrong. Local government and councils are always the bunnies that wear it. Since I have been in this place I have found that it is a much easier ride in the community, as far as going to functions and not getting belted as much as I did when I was an elected member of council. It is quite a change, and I am sure members of the government who have been elected members of council have found the same thing.

The report from the Economic and Finance Committee is reasonable. It has some recommendations which are quite useful and good. Once again, they must be handled properly. I do not think that belting the Local Government Association around the ears will be of any help whatsoever. I do not think it is a lobby group of interested people: there are some highly professional people within the LGA who are quite independent-minded, and both the minister and I know that if they want to take you to task on a certain issue they will do so. It is not a club, and the LGA executive is a group of people from wide-ranging different backgrounds.

Long may local government be non-political in South Australia, although we all know that there are members of the LGA who are members of both political parties. That is just the way it is in a democracy. I think we will see the reins go loose from the new President of the LGA when she reads some of the reports from this parliament. I would think Mayor Baluch (who is now the President) will get quite verbal about a few of these issues. They do not like being treated with contempt, and the parliament needs to be careful about that. We lose track of that when we are in here.

I am pleased to endorse the motion. I have had comprehensive discussions with my colleagues—which will continue. I am glad the member for Kavel said what he said. A bipartisan approach to this issue is most important. In due course I look forward to some of the recommendations being put in place. However, at the risk of repeating myself, I say that we have to take local government with us at the state level. We should not dictate to it and we must give it the resources to enable it to do so.

Debate adjourned.

## STATUTES AMENDMENT (INVESTIGATION AND REGULATION OF GAMBLING LICENSEES) BILL

Adjourned debate on second reading.

(Continued from 21 June. Page 547.)

**The Hon. I.F. EVANS (Davenport):** I rise as the lead and I suspect only speaker on this bill and indicate that the opposition will be opposing the measure. The bill again seeks to break a written agreement that the government has made with an industry body and the opposition thinks that, once a government has made a written agreement, then that same government should honour that written agreement; and so, as a matter of principle, we will be opposing the bill. The bill in itself is pretty simple. The bill seeks to tear up an agreement that the government has made with SA TAB and dishonour an arrangement it has with the casino, and then it seeks to have its own bureaucracy decide how much money it wishes to use to administer the gambling services. Then it has the minister, who is responsible for that agency, sign off on that amount and collect 100 per cent of that amount from only two of the bodies that are administered by the Office of the Liquor and Gambling Commissioner in relation to gambling matters. It also seeks to enable the Office of the Liquor and Gambling Commissioner to investigate associates of the licensees and, indeed, the licensees themselves to see whether they are appropriate to hold the licence, and to charge those licensees for the investigations.

I just want to walk through a couple of matters in relation to this, because there is a matter of principle here. It is not another government that has actually made the written agreement: it is this government that has a written agreement with the TAB. In explanation to the house, which will clarify many matters for it, I will read a letter from the TAB written to me on 28 June, signed by the General Manager Grant Harrison. I rang Mr Harrison this morning and he was happy for me to use this letter in the house. The letter reads:

> Further to your telephone call of 28 June 2007 in regard to the Statute Amendment (Investigation and Regulation of Gambling Licensees) Bill 2007 which the government has introduced into parliament. The situation in regard to SA TAB is as follows:
>
> 1. The SA TAB had a Duty Agreement in place since 2001 that did not include any clause relating to contributing to the costs of the day-to-day operations of the OLGC.
> 2. In August 2004, following a meeting with the Minister for Gambling (Michael Wright), SA TAB agreed to pay annually the amount of $250 000 plus CPI towards costs of the OLGC in respect to regulating and supervising SA TAB. This agreement was reached to eliminate the need for legislative change to the Authorised Betting Operations Act 2000.
> 3. As a result of 2, the SA TAB Duty Agreement was amended such that the payment agreed upon would be in place until 2016. The amended Duty Agreement was then signed by the Treasurer Mr Kevin Foley and SA TAB's directors.
> 4. In 2005 SA TAB received advice from a third party that there was an item pertinent to SA TAB in the Budget Papers. This was the first indication that SA TAB was to be charged for full cost recovery for the OLGC costs in regulating SA TAB. Prior to this SA TAB had no contact from Treasury representatives to advise us of this new 'tax', and that the government

was seeking to change the arrangement that had been agreed in 2004.

5. Since that time, SA TAB has written to the Treasurer expressing our views on the situation and the lack of consultation and advice in regard to what we consider to be a tax by another name. A response was received which advised us that the Treasurer would be proceeding with the statute.
6. SA TAB also wrote to Treasury Department in regard to new charge and expressed our concerns in regard to the charges themselves and the manner in which they will be calculated. As a result of this, SA TAB was forwarded a draft of the statute and asked for comment. SA TAB responded, recommending several changes which gave SA TAB some say in what was being charged and whether it was valid or not. None of the recommendations were accepted and the statute was presented unchanged.

SA TAB has several concerns in regard to this matter. They are:

- That this is simply a tax by another name.
- That this new charge breaches section 11.2(a) of the Approved Licensing Agreement. 'The minister (i.e. the Treasurer) acknowledges that the licensee has accepted the licence on the assumption that during the initial period (being a 15-year period from the commencement of the licence) the licence will be subject to the following conditions:
  (a) duty will not be imposed by the state on the licensee in respect of commission from or returns on the betting operations of the licensed business other than in accordance with the Duty Agreement.'
- That SA TAB and the government agreed to the imposition of a new duty and the Duty Agreement was amended accordingly with the agreement extending to 2016 for a fixed amount.
- That SA TAB already pays to the government $18.8 million annually via Wagering Tax and GST.
- That only SA TAB and SKYCITY were levied with the recovery costs charge, rather than all parties that are regulated by the OLGC, e.g. racing industry, bookmakers, hotels and clubs.
- That SA TAB agreed to the change to the Duty Agreement in good faith.
- That the statute tabled gives SA TAB no controls in regard to what can be charged against it, nor do we have any right to seek/request an audit of the charges.

The sale control rests solely with the Minister for Gambling approving the OLGC budget.

Yours sincerely,

Grant Harris

General Manager

That is essentially the argument in a nutshell regarding the SA TAB. First, it has an agreement about the charges; secondly, it agreed to amend that agreement in 2004-05 to 2016—the government agreed to that—and it has an agreement that lasts until 2016. The other issues raised by the TAB relate to the control of the amount to be charged: how is that set; how can it be appealed; how can the TAB have any input? The answer is that it is simply set by the minister of the day on advice from the very agency that seeks to be funded through this mechanism.

The casino, of course, is in a very similar boat. It is similar but slightly different in that it does not have a written agreement as such in relation to this matter, but it does have an agreement where it has agreed to pay a contribution. It has continued to pay that—indeed, the TAB currently pays a contribution—and neither of those parties has breached its agreement with the government. The casino currently pays something like $870 000; the SA TAB currently pays about $260 000. This government is saying that it wants to put up the total collections to $1.5 million. That equates to about a 30 per cent increase in charges to the SA TAB and the casino, respectively.

The TAB and the casino have written to members in another place in anticipation that the bill will get through this place, and I think that is a fair assumption. In their letter to members of the other place, they make the point that the SA TAB already pays wagering and gaming taxes of about $6.39 million, and the casino pays about $20.98 million; the TAB pays state and federal taxes of about $9.72 million and SKYCITY Casino pays $42.75 million. The TAB makes a $37.61 million contribution to the racing industry. They have actually put $79 million in taxes in their letter; I think it is closer to $90 million if you add up those amounts.

The reality is that the minister's claim in his second reading explanation is that the government wants to introduce full costs recovery to recover the costs. I think the industry makes a fair point that, given it is already paying anywhere between $79 million to $90 million in taxes to the state and federal governments, the costs might already be fully recovered many, many times over. I think that is a fair argument from the industry in that respect.

The other issue I want to touch on—and we can do this more fully in a committee—is how are the actual costs established that the industry will be charged? The minister's office has been reasonably diligent in supplying me with the information that I have requested, except for one piece of information that I want that I have not been able to get hold of. I think we have met twice and spoken twice about this during the negotiations about the bill. I actually want the document from the commissioner that sets out exactly how these costs are established, because the way it works is this: the Minister for Gambling goes to the Treasurer in a thing called a budget bilateral. The minister may well argue that he needs more staff in the Office of the Liquor and Gambling Commissioner to supervise these gambling activities. Then the Treasurer, under this scheme, will simply say, 'Well, don't worry about it. You get full costs recovery from the industry. Go charge it.' Why would the minister fight for more resources from government when he can fully charge the industry? The answer is: the minister will not fight because he will fully charge the industry.

I think industry has every right to question how these charges are made, how they are established, and who has the oversight of them, because I think there is a conflict with the same minister who has oversight of the office setting the charge. I think there is a conflict that we need to work through in relation to how the costs are established.

The other issue is that the costs can change at any time. So, if the bill goes through in its current form and the Office of the Liquor and Gambling Commissioner wants to put on more staff, or finds it has made a mistake in relation to the original costs, it can simply write to the casino and the SA TAB and say, 'Guess what? That $1.5 million charge per year is now $2 million per year'—or $3 million per year, and that is it. The minister can simply decide that. Again, there is no appeal or oversight mechanism in relation to that measure and, in principle, I think that is also wrong.

The other issue involves the principle of breaking a written agreement. I do not know what it is about the gambling industry and this government, but every time it makes an agreement with the gambling industry, it breaks it. We all remember the scenes when the government was first elected and the Treasurer broke his promise to the pubs in relation to the pokies tax. There was a handshake deal, letters were exchanged, lunches were had, and promises were made that there would not be an increase in the gaming tax; and, of course, one of the first things the government did was break its agreement with that industry body about the gambling tax. Members may recall the Treasurer's famous quote that this side of the house did not have the moral fibre to break our promises but he did. It seems that, again, the Treasurer has done the same thing here. The government having signed an

agreement until 2016, it is now in the process of legislating to break that agreement and, in principle, I think that is wrong.

There are some other issues that we wish to touch on in relation to this bill. The government will need to explain why it needs to break the agreement. My understanding is that the SA TAB and the casino have met all payments in relation to their current agreements. There has been no problem, to my knowledge—and I have asked that question, and the advice from the officers is that, to their knowledge, there has been no issue. So, then, why do we need to legislate for something when there has been no problem and there has already been an agreement with the government? I cannot work out why the government wants to do that. TAB and SKYCITY have drafted a letter to all MPs, and part of the letter talks about the clarification of probative reviews. The letter states:

> The government claims that the purpose of certain of the proposed amendments is to clarify 'probity reviews'. They claim that the amendment is necessary to enable the IGA to remain confident that 'the relevant licensee remains suitable'.

SKYCITY and TAB reject that claim. They say they are probably the most heavily regulated and closely monitored organisations in the state, and the IGA and the OLGC regulate TAB and SKYCITY. Between these two government bodies they have very wide powers already. They approve the suitability of all staff, management and board members, obtain information from the police about these officers, require the organisations to cease their relationship with any of these officers, conduct inquiries or reviews into any part of the organisation, inspect any part of the premises at any time, and compel staff to answer any questions they have and disclose any document or record they seek. While the organisations recognise the importance of such regulations, they note that their company and staff are already subject to constant scrutiny and, therefore, they consider that the purpose of the clauses of the bill is not to review probity. They say:

> These powers already exist. The purpose simply appears to be to raise revenue. These clauses appear designed to raise a new tax in breach of [already existing] commercial agreements.

On the commercial agreements, the letter says:

> When TAB and SKYCITY decided to invest in South Australia, we did so on the basis of agreements with the government over taxes and charges. Both companies have legally binding agreements with the state government stating there would be no increases in taxes and charges outside agreed arrangements. In addition, the SA TAB has an existing duty agreement signed by the Treasurer in 2004 which was amended specifically to recover these regulatory costs. These costs were capped at $0.25 million (plus CPI) until 2016.

So it was very specific to these charges that this bill talks about. The letter goes on:

> In our view, the Government has introduced this bill in an attempt to circumvent our legally binding commercial contracts.
>
> We all accept that the Parliament is supreme and that its power cannot be fettered.
>
> There is, however, a wider principle involved. Parties—including government—should be bound by their commercial contracts.
>
> By imposing new taxes and charges in breach of its agreements, the Government is undermining the confidence of existing and prospective businesses in South Australia. We also believe that it sends a message to existing South Australian business that their commercial agreements with the Government may not be respected.

I must say that I have some sympathy for that view.

**The Hon. P.F. Conlon:** It's even worse when you're building a big hospital.

**The Hon. I.F. EVANS:** The point I made earlier, before you walked in, minister, was that, when a government signs an agreement, that government needs to honour it. In your government's case, in two agreements with the gambling industry, it has not honoured the agreement. The minister interjected, so I was happy to respond, Mr Speaker.

The reality is that I think there is a matter of principle. They have written agreements for both these organisations. There is no evidence that the organisations have acted outside those agreements or dishonoured the agreement with the government. There is a broken promise. This is nothing but a tax grab by an already rich government, full of tax revenue. There seems no justification to change the agreement at all. I will need the committee stage for this debate, because I have some questions I would appreciate having the opportunity to ask the minister.

**The Hon. P. CAICA (Minister for Gambling):** I thank the honourable member for his contribution. He is right in pointing out that this is a short bill that proposes to move SKYCITY Casino and SA TAB from partial cost recovery to full cost recovery, but it is a small and integral part of the government's budget strategy. Following the 2006 election, the government engaged Greg Smith to review government expenditure across all agencies. It is this measure that contributes to the reprioritisation of government expenditure to the front-line services of health, education, and law and order. I also acknowledge, through the member's contribution, that he recognises the information provided to him by my officers, and I thank them for participating in that exercise.

It is disappointing that the opposition has indicated that it will oppose reprioritising spending away from regulatory activities that benefit large gambling businesses towards front-line services, such as health, law and order, and education. It would appear that, in the contribution of the shadow spokesperson, the opposition is more than happy to have the taxpayer foot the cost for regulating the casino and the TAB. I guess that is the major and most significant difference between the opposition and this government.

Bill read a second time.

In committee.

Clauses 1 and 2 passed.

Clause 3.

**The Hon. I.F. EVANS:** The words 'designated persons' have been put into the interpretations and, further in the bill, that allows the commissioner to take certain actions in relation to those. Why do we need to broaden the class to which the power applies?

**The Hon. P. CAICA:** I am told that came about as a process of tidying up the act, and it was at the recommendation of parliamentary counsel that it be included within that clause.

**The Hon. I.F. EVANS:** When parliamentary counsel advised you to broaden the class, why was that? Has there been a problem with the people who are now going to be defined as 'designated persons'? Why is the bill now going to apply to them?

**The Hon. P. CAICA:** I am told that there was no problem. The original legislation had what were fairly tight titles and, with the changes over time, those titles have varied somewhat and this is to capture those titles that are more commonly in use these days.

**The Hon. I.F. EVANS:** I am interested in how this is going to work. The way I read the act, a 'designated person' means a director of the licensee, an executive officer of the licensee, or a person or class of person designated by the

authority for that purpose. How are the licensees going to know who is going to be designated as a person? How are they going to know that a person or a class of person has been designated? What is the notice provision? What is the government's intention in relation to how low down the food chain that class of person applies? Who is the government trying to capture now by incorporating this particular provision, or new powers to that particular class of people? Who are you trying to capture? What problem are you trying to solve? No-one can explain to me what problem we are trying to solve; no-one can give me an example. Was there a corrupt officer somewhere who was not caught by the earlier definition? Can the minister give me one example?

**The Hon. P. CAICA:** I mentioned earlier, and I add to that earlier explanation, that there has been no problem and it makes it consistent with section 21 of the act. In addition to that, I would be expecting written notice from the authority as to the categories of people who will fall within that particular section of the clause.

**The Hon. I.F. EVANS:** Can the minister give me an example of the class of person who is not currently covered but who the government is looking to cover?

**The Hon. P. CAICA:** This is an area where the authority will have responsibility. To answer the specific question, I will seek written advice from the authority in that particular area.

**The Hon. I.F. EVANS:** I have a supplementary question. If you are going to seek written advice, are you really saying to the house that, at this stage, you do not know what class of persons they wish to cover? Are we bringing legislation before the house not even knowing what class of persons we wish to cover? Why are we even debating the bill at this point? Surely, when the Independent Gambling Authority comes to the minister and says, 'We want this extra power to apply to a certain class of persons', the first question you would ask, or your adviser would ask, is, 'Well, what class of persons do you wish to capture?' What the minister is saying at the minute is, 'We have a bill that wants to give extra powers over a certain class of persons but we are not sure who the persons are. There has been no problem; we are not sure who the persons are; I will seek written advice.' How does that help this committee make a decision?

**The Hon. P. CAICA:** What might help the committee and the honourable member is the fact that there is already a fine in section 21, and this clause is making that consistent.

Clause passed.

**The ACTING CHAIR (Hon. L. Stevens):** Could the member for Davenport indicate further clauses with which he has an issue?

**The Hon. I.F. EVANS:** If the minister is going to seek advice and provide a written response, the same points apply to clauses 4 and 5. We will go to clause 6 if the minister agrees when he writes back to cover clauses 4 and 5 as well.

**The ACTING CHAIR:** Are you saying, then, that you have no problem with that proviso that the minister will provide advice?

**The Hon. I.F. EVANS:** Yes.

Clauses 4 and 5 passed.

Clause 6.

**The Hon. I.F. EVANS:** This clause seeks to amend section 25 of the main act, which deals with the cost of investigations. I want to make sure that I have it clear how this works. The way in which I understand this is that the authority can carry out an investigation and the costs of the investigation can be charged to the licensee. That is over and above the full cost recovery the minister is seeking for the Office of the Liquor and Gambling Commissioner. The way I understand it is that these groups are paying about $90 million in tax and, on top of that, they pay full cost recovery to run the gambling side of the Office of the Liquor and Gambling Commissioner, and then they pay for all the investigations. I will let the minister answer that on the record. I know that he has nodded, but I would like it on the record.

**The Hon. P. CAICA:** The honourable member is quite correct. This is about probity issues and the suitability of people to hold that licence. They are costs in addition to those other costs involved with probity investigations.

**The Hon. I.F. EVANS:** The minister is proposing to bring in a definition of 'designated persons', and in that definition he is including a person or a class of persons. Will the licensees be advised at the start of the year how much they have to budget for investigations, because a class of persons could be hundreds of people and, if they intend to investigate hundreds of people and then charge it onto the licensees, I think the finance department needs to know to get some idea of roughly how it can budget. I am interested in how this works. Surely the Independent Gambling Authority does not sit there one day and say, 'Hey, look, we'll just investigate 50 people and send the bills through.'

Surely there must be some prenotification. How does it work? It was very narrow before. It used to be only the directors and the executive officers. That is a pretty narrow group. They need some idea of where they are in the cost structure. The government is now saying that it is whomever the authority designates as a person of interest, in effect. In other words, 'designated person' means a person or a class of person designated by the authority. So, the authority can now investigate whomever it wants to in South Australia and charge it to the licensees. How are they meant to budget for that?

**The Hon. P. CAICA:** I expect that the authority would make clear the information as it relates to its particular investigation, but it is simply a matter for the authority.

**The Hon. I.F. EVANS:** The minister and I have a slightly different view on this. I do not think the minister can just stand up and say—

**The Hon. P. CAICA:** I support it, and you oppose it; that is our fundamental difference.

**The Hon. I.F. EVANS:** No, but these are different points in the bill. There are some things in the bill that may be all right but, on the whole, I oppose it. The minister says, 'That's up to the authority,' but it is the minister who is giving the authority that power. So, the minister, in his own mind, has to work out whether the authority should have that power and whether that is a fair power to have. Given that you have introduced the bill, I can only assume that you have thought that process through. You say that you 'expect', but is that how it works? Have you spoken to the authority about how this is going to work, and is there an appeal mechanism against the charges? Who sets the charge-out rate for the investigating officers, and how is that appealed? Can the Independent Gambling Authority employ anyone it wants to investigate someone, or is it only in-house investigators? If it is in-house investigators, what is the charge-out rate, how does that mechanism work and how is it appealed?

**The Hon. P. CAICA:** For the benefit of the house, of course, it will not be me who gives the authority: it will be parliament. The honourable member has far more experience than I have, and he knows that it will be the parliament that

will provide that authority. In relation to a specific point, I think it is wise that the authority not be limited necessarily to a director or an executive officer of the licensee. There may be other persons who have an impact as designated by the authority on the conducting of that business.

**The Hon. I.F. EVANS:** Madam Acting Chair, is the minister going to answer the second part, that is: is there an appeal mechanism, and how are the charge-out rates set?

**The Hon. P. CAICA:** No. I do not like to ask rhetorical questions, but is it appropriate for an individual organisation that might wish to thwart the process to have mechanisms for appeal?

**The Hon. I.F. EVANS:** I will answer the question that the minister asks of me. The issue I am trying to understand is this: in the process, who checks that the Independent Gambling Authority is not overcharging, or unfairly charging, the licensees or, indeed, going over the top in an investigation? Who supervises that? Or is it totally a law unto itself, doing any investigation it wants and charging it to these two licensees? Is that how it really works: that no-one oversees it?

**The Hon. P. CAICA:** The honourable member is familiar with the bill. At the end of the investigation, the authority must certify the cost of the investigation, and any unpaid balance of that cost may be recovered from the applicant or licensee as a debt due to the state. So, parliament has oversight of the IGA, as I mentioned earlier. Parliament will provide this particular authority and, of course, in that oversight, there will be an expectation that costs involved with probity checks are justifiable.

Clause passed.

Clause 7.

**The Hon. I.F. EVANS:** I wonder whether the minister can explain to me the difference between 'designated person' and 'close associate'. 'Designated person' is referred to in the act, and this particular clause talks about the 'licensee's close associates'. Who are you trying to capture, minister, by giving the power to investigate close associates? I note that in the act, under the definition of 'designated persons', 'close associates' are not covered as a class, and there is no definition of 'associate' or 'close associate' in the bill or the act. So, who is going to be called a 'close associate' and who establishes that?

**The Hon. P. CAICA:** I refer the honourable member to section 5 of the Authorised Betting Operations Act, under the heading 'Close associates'.

**The Hon. I.F. EVANS:** Can the minister explain, then, why the 'close associates', as defined, do not get a copy of the report of the investigation into them? According to clause 7 'Results of investigation', where there is an investigation into the licensee or the licensee's close associate, the only person who is notified is the licensee, not the close associate. So, having been investigated by this august body, they are not even notified. Actually, that is a good question: are they notified that they are being investigated and, if they are, why do they not get a copy of the report and, if they are not, why are they not notified that they are being investigated?

**The Hon. P. CAICA:** It will be the independent authority that does the investigation. Again, whilst it will provide feedback, it is my view that the applicant would provide such information.

**The Hon. I.F. EVANS:** The point I am making, minister, is that clause 7—'Substitution of section 26' provides:

> . . . the results of the investigation. . . in the case of an investigation in connection with review of the continued suitability of the licensee or the licensee's close associates. . .

The licensee gets the results of the investigation. Why doesn't the close associate?

**The Hon. P. CAICA:** In essence, there is no change to what is in the act, and it is the applicant who is making application for the licence or the licensee and, presumably, that information would be passed on by the applicant or the licensee to close associates.

**The Hon. I.F. EVANS:** That is a big presumption.

**The Hon. P. CAICA:** Well, they are not the applicants.

**The Hon. I.F. EVANS:** Well, with due respect, we are allowed to have a—

**The ACTING CHAIR:** Is the member still clarifying the same question?

**The Hon. I.F. EVANS:** Yes, I wish to clarify it, Madam Acting Chair.

**The ACTING CHAIR:** This is the final clarification of the last question.

**The Hon. I.F. EVANS:** Let me clarify it, minister. I am new to this gambling game, so I just want to make sure I know how this works. Muggins here gets investigated by the Independent Gambling Authority because I happen to be a close associate of a licensee. A close associate could be a member of the same household. By way of example, I am a flatmate of the licensee; I get investigated by a government agency, and the minister's position is, 'We'll just rely on the licensee to forward the results of the investigation.' What happens if the relationship is strained? What happens if it is a good relationship, but the investigation is negative and the applicant does not want to pass it on? What happens if the result of the investigation is not passed on, and the decision is made on false information, which the close associate does not have a chance to rebut because he or she is not notified of the decision? Whoever notifies the applicant or the licensee should also notify those who have been investigated as a matter of principle. I think that it is wrong in principle for a government agency to investigate someone and not forward them the result of the investigation.

**The Hon. P. CAICA:** I am not completely familiar with the authority's business practices. We will get an explanation from them.

**The Hon. I.F. Evans:** You're just the minister.

**The Hon. P. CAICA:** Well, with the authority's business practices and, I will reinforce, the independent authority that it is. I think the shadow minister is drawing some very long bows. It will be the applicant who is judged on the suitability or otherwise to hold that licence.

Clause passed.

Clause 8.

**The Hon. I.F. EVANS:** I guess the broad principle question to start with, minister, is: can you explain to the committee why the government wishes to breach a written agreement that it negotiated only three years ago with SA TAB in relation to the collection of the administration costs? Why is it that you have a written agreement that goes to 2016, and the government now wishes to use legislation to break that agreement?

**The Hon. P. CAICA:** It has been the policy of the South Australian government to seek full cost recovery from the TAB and SKYCITY. Of course, the honourable member would be quite familiar with the fact that a similar bill was introduced in 2003. I am not familiar with the shadow minister's position on that bill at that particular time. It is true

that voluntary contributions were forthcoming from the TAB and SKYCITY only after that particular bill was introduced in 2003. The advice that has been received from the Crown Solicitor's Office is that the bill would not cause an event, contrary to what might have been indicated under the approved licensing agreements with SKYCITY and SA TAB. Quite frankly, the reason that this government is doing it—notwithstanding that we do not believe that the taxpayer should be contributing money towards the regulation—is quite clear, and maybe it is a defining difference between us and the opposition, and that is that this government places a higher priority on education, health, law and order than on the funding of regulation and cutting the costs regulation involving TAB and the casino.

**The Hon. I.F. EVANS:** Apparently, your priorities are health, education, law and order, and for that reason you will break a written agreement to fully recover extra moneys from TAB and the casino. You can respond to this in due course, but why has the government decided not to seek the same clawback provision from clubs, pubs, the on-course tote, bookmakers, the racing industry and, indeed, your own Lotteries Commission, all of which are administered by the Office of the Liquor and Gambling Commissioner? For those who try to follow gambling in the budget papers, the budget line that we are talking about is the gambling and regulatory services under the Attorney-General's Department. However, it is the Minister for Gambling who goes into bat at the budget bilaterals for that particular budget line.

Now, we know that the government is spending more money on administering gambling because its own budget papers say it. So, the minister says that the government's priorities are health, education, law and order but the government is spending more money on administering gambling. It spends $4.3 million on administering gambling, and it is trying to seek $1.5 million back from the TAB and the casino. That leaves about $2.8 million floating, and that $2.8 million must be the cost of regulating pubs, clubs, lotteries, on-course tote and the racing industry. Why are only the casino and the South Australian TAB being hit with this charge? I can tell members why; it is because they are the big fish and they do not carry political weight in the sense that the pubs and clubs or the racing industry carry political weight.

This government is cherry-picking; it has looked them in the eye, sat them down over dinner, shaken their hand and said, 'We'll negotiate an agreement.' It has signed the agreement—in the case of the TAB until 2016—and straight after the election, guess what? It is back in here again, and for a measly $400 000 or $500 000 which is, to this government, tea and biscuit money. However, the government is not prepared to do it for the other areas that are administered by this office. I think it is anticompetitive and, if I were the casino or the TAB, I would send it to the ACCC, because this government is charging one part of the industry totally differently to another part of the industry.

I wish to make some other points in my (I think) total of 15 minutes, and the minister can answer these questions in his response. First, does the minister think it is reasonable to only give one month's notice of the charge—that is, on 31 May they will be notified of their charge for the next year? I think that is a nonsense. Anyone who has run a business knows that they would like to know the charge two, three or four months ahead; I would think the end of March would be fine to know that.

The second issue is: does the minister think it fair that, having told them the charge in May, the charge can be changed at any time to any amount the government wishes without notification or appeal? Does the minister think that is a fair power to have? Can the minister clarify that the costs cannot be retrospective? In other words if, halfway through the year, the Commissioner discovers that it is undercharging it cannot, in the last six months of the year, charge an undercharge for the first six months of the year; it can only be a forward charge of the true costs. Can the minister please confirm that? Just for the record (because I already know the answer to this), could the minister also confirm that there is no appeal right in relation to these charges?

Finally, does the minister believe he has a conflict in that he is the minister arguing at the budget bilaterals for the increase in funding line for this particular office but at the same time he is approving the amount of money that can be charged by that office to the licensees? In other words, if you cannot get it off the Treasurer you can get it off the licensees, and therefore the minister has a conflict when he speaks to the Treasurer because there is the temptation to simply get the money off the licensees. Would it not be better if another minister actually had the role of either oversighting the amount to be charged or negotiating at the budget bilaterals? Does the minister not think he has a conflict doing both?

**The Hon. P. CAICA:** There are a series of questions there and I hope I get them all and, if I do not, I am sure the honourable member will tell me where I have left something out. I will start on the costs involved with it and the administrative process. The opposition member mentioned one month's notice. To outline a typical administrative process for setting the amount for recoverable administration, it would certainly be my expectation that it include the following steps: an assessment and allocation of budgeted costs to gambling activities by the commissioner. Typically this would form part of the government's budget process.

The commissioner would recommend to the minister an amount for recoverable administration costs for SKYCITY Casino and SA TAB. The Minister for Gambling will seek advice from the Department of Treasury and Finance whether the total costs and their allocation are reasonable, and at that stage I would also receive representations from the SA TAB and SKYCITY Casino. Taking into account the recommendations of the commissioner, the Department of Treasury and Finance and, in addition, representations from SA TAB and SKYCITY, I would then formally fix the amount of recoverable administration costs. To summarise in a nutshell, it will not be that which has been accomplished in the past month but will be a process that includes dialogue and discussion to make sure the recoverable amount is not based on any second guess but is as accurate as it can possibly be.

One of the other questions was on conflict and I do not believe that there is a conflict and, if there was, I would say so, so there is not. In regard to appeal rights, the honourable member knows the answer to that: there are no appeal rights and that was subject to some discussion. With regard to retrospective charges, no, there will not be retrospective charges and the process there will be the process I have defined and the amount will be determined on the costs incurred.

Clause passed.

Clause 9.

**The Hon. I.F. EVANS:** I will not take long on any other clauses because they are a repeat of the same principles we have been arguing about for the past hour, but I have one question on this clause, which amends section 22 of the Casino Act, namely, can the police charge for their services

to the authority in relation to investigations? Will the minister explain what 'under this part obtain from the Commissioner of Police a report on anyone whose suitability to be concerned in' means? What does 'suitability to be concerned in' mean, because it makes no sense to me?

**The Hon. P. CAICA:** That is a drafting issue and parliamentary counsel is not with me at the moment. I will chase it up on that basis.

**The Hon. I.F. EVANS:** Will the minister put the bill through, even though we do not know what the clause means or hold it and come back later? It may have to be 'concerned about' or 'concerned with'. I assume your adviser read the bill, as did you and as did cabinet, before bringing it here. What does it mean?

**The Hon. P. CAICA:** Whilst I am not in the greatest of shakes with the English language, I would read that clause as meaning suitability to be concerned in the management and operation of the casino.

**The Hon. I.F. EVANS:** Can the police charge?

**The Hon. P. CAICA:** I will take that question on notice, but I would say that the bill is about full cost recovery.

**The Hon. I.F. EVANS:** Is it the minister's intention, under the bill, to allow the police to make up whatever charge they wish (and I would ask who has oversight of that) to charge the gambling authority and the casino for the investigations? This is the point I make, minister. I have been the minister for police. I understand what it is like to be a minister over an independent body; I have been minister for the environment over the independent EPA. This is a charging body now, and the government is giving this authority the power to charge any amount without appeal. Wait until the government agencies get hold of that! Do you think for one minute that they will not be writing out some nice bills for the Independent Gambling Authority to charge onto the casino? I ask that question, because who is appealing it and who has the oversight?

Do you think that the gambling authority will give two hoots about whether the police charge it an inflated amount? This is the whole point. There is no oversight in this whole bill in relation to the amounts being charged. It will eventually be used in five, 10 or 15 years' time. Some public servant will see an opportunity to claw back—within the rules, maybe—just a bit more than they might otherwise be able to if someone was actually questioning them and they had an appeal right.

**The Hon. P. CAICA (Minister for Gambling):** I move:

That the sitting of the house be extended beyond 1 p.m.

Motion carried.

**The Hon. P. CAICA:** It may well be that in 15 years' time you will again be the minister with oversight of a massive department. The point is that parliament has oversight of the IGA. You say that this is without any oversight; the simple fact is that it is the IGA that reports to the parliament and the parliament has oversight of its activities. The clause that was referred to by the honourable member provides that the authority may obtain from the Commissioner for Police such reports on persons; it is not the police undertaking investigations outside of the authority obtaining those reports. The other point—and I apologise for this because the information has just come back to me—referred to a previous clause dealing with totes and lotteries. I do not know whether the honourable member mentioned lotteries, but it refers to bingo tickets and the like, and I thank him for raising that matter. I will be raising that specific matter with the Treasurer in future discussions, in terms of those areas possibly not paying their way. Parliament has oversight of the IGA. The authority may obtain reports from the Commissioner of Police; and, of course, this parliament, which has oversight of the IGA, should be doing everything in its power to make sure that probity issues are not left to chance and that all relevant matters are considered. I would have thought that that issue would get the support of the whole house.

**The Hon. I.F. EVANS:** I want to clarify something for my friends in the hotel industry.

*An honourable member interjecting:*

**The Hon. I.F. EVANS:** I did get a $100 donation from the Booze Brothers at the Duck Inn. I want to clarify something with the minister. We have a difference in philosophy. I am saying that the casino and lotteries should be treated the same as clubs and pubs; that is, charged nothing—certainly no more. Minister, do not misrepresent my view to those other organisations by saying that they should be charged. You may say that, but that is not my view. I come from a low tax philosophy as a general rule.

If the TAB or the casino seeks to take legal action in relation to this matter, is any of the Commissioner's time, his officers' time or the IGA's time in relation to a court case about anything to do with the bill a chargeable event? Does it become a cost of administration? If it does, then in principle I think it is wrong. I seek a guarantee from the minister that any legal charges and any costs involved in the preparation or response to a legal case about matters in relation to the bill are not a chargeable event to either the TAB or the casino. Otherwise, we would have the farcical situation that, the more the casino and the TAB appealed for their democratic rights, the more they would have to pay to defend them—not only for their own lawyers but also for the government's lawyers. That would be outrageous in principle but not beyond the government.

Progress reported; committee to sit again.

*[Sitting suspended from 1.08 to 2 p.m.]*

## PAPERS TABLED

The following papers were laid on the table:

By the Speaker—

District Council of Franklin Harbour—Report 2005-06—Pursuant to section 131 of the Local Government Act 1999

By the Minister for Health (Hon. J.D. Hill)—

National Environment Protection Council Acts (Commonwealth, State and Territory)—Second Review prepared for the National Environment Protection Council—June 2007

Social Development Committee Fast Foods and Obesity Inquiry—July 2007, South Australian Government's Response

Upper South East Dryland Salinity and Flood Management Act 2002—Quarterly Report—1 April 2007-30 June 2007.

## MURRAY-DARLING BASIN

**The Hon. M.D. RANN (Premier):** I seek leave to make a ministerial statement.

Leave granted.

**The Hon. M.D. RANN:** In January this year, the Prime Minister John Howard announced at a media event that the commonwealth intended to take over the management of the Murray-Darling Basin. The announcement was made without any consultation or forewarning to this state, despite our very real interest in the matter and our reliance on the River Murray. It was clear that the details of the takeover, the proposed legislation and the new management arrangements had not been properly prepared, and we were told that Treasury had not signed off on the costings. In fact, the Prime Minister did not provide details of his proposal until 6½ days after his news conference. The response of the state government was to support a truly national approach to the management of the river system. On behalf of the state, I advocated the Murray-Darling Basin be managed by an independent authority of non-partisan experts. Decisions about the management of this important resource must be made on the basis of scientific and known environmental factors and responsible and equitable distribution of water from the river system.

I was very strongly of the view that politics should be taken out of the management of the river. It is in the interests of the River Murray and South Australia that the national interest should prevail over parochial and political interests. I made our alternative proposal known publicly and released my response to the Prime Minister. The Minister for the River Murray and I then worked together to achieve support for our alternative plan across the country. I want to pay tribute to the Minister for the River Murray for her outstanding advocacy at all those forums. With the support of the Queensland Premier, Peter Beattie, I went to Canberra with other first ministers and other water ministers to thrash out an agreement to achieve a national plan. In the end, South Australia succeeded—the commonwealth and other participating jurisdictions (Queensland, New South Wales and the Australian Capital Territory) reached an agreement on principles underpinning a national plan.

The establishment of an independent authority and adherence to environmental flows and extraction rights were included as part of those principles. The bottom line for me is that the River Murray had to be managed by an independent commission of experts, not just simply shifting control and management from one group of politicians to another, who would then be under pressure from various vested interests. Also, of course, we wanted guarantees about our minimum entitlement flow. We wanted guarantees about environmental flow. The establishment of an independent authority and adherence to environmental flows and extraction rights were included as part of those principles.

In effect, I signed up to that deal and I have remained committed to it. That is the deal I made and that is the deal I will stick to on behalf of South Australia and on behalf of the River Murray. It is not a compromise: it is consistent with the interests of South Australia and includes an independent authority with the ability to enforce outcomes, improved environmental flows, safeguarding consumptive flows across the border and recognising Adelaide's reliance on the Murray. I have consistently said that South Australia will agree to refer powers to the commonwealth if its legislation reflects the principles in the agreement that I struck with the Prime Minister earlier in the year.

This state would, therefore, enact complementary legislation to support that.

The Victorian government did not agree with the negotiated outcome and has since been unable to reach an agreement with the commonwealth. South Australia's view is that further efforts should be made for Victoria and the commonwealth to reach an agreement consistent with the plan agreed to by the other jurisdictions. In doing so, there should be no special deals. If that approach fails, the commonwealth should proceed to implement the original plan consistent with the in-principle agreement with the participating jurisdictions (South Australia, Queensland, New South Wales and the ACT) and our subsequent negotiations over the details of the plan.

That course would be subject to legal considerations relating to the constitutional capacity to proceed in that way. Alternatively, if that is not practicable, the commonwealth should legislate to achieve a national approach to the management of the Murray-Darling Basin resource consistent with the principles agreed with the Prime Minister in February of this year. The legislation should reflect our negotiations over the details of the plan.

I spoke to the Prime Minister yesterday afternoon following question time, and he informed me that the commonwealth intends to take the second course and unilaterally legislate. I sought from the Prime Minister an assurance that such legislation would reflect the in-principle agreement reached with him in February. The Prime Minister said that he was unable to give that assurance at that time. A short time later I, together with the Minister for the River Murray, spoke with Malcolm Turnbull, the federal minister for water, and sought an assurance from him that our agreement would be honoured. I pointed out to Mr Turnbull and the Prime Minister that we have totally stood by the commitment that we made back in January and February of this year. Malcolm Turnbull me gave that commitment in unequivocal terms. He gave a commitment to both me and the Minister for the River Murray that, in fact, the agreement we reached in terms of setting up an independent commission would be adhered to by the commonwealth and reflected in the legislation. In conclusion, I reiterate:

- South Australia has always supported a national approach to the management of the Murray-Darling Basin through an independent authority.
- This state has reached an agreement with the Prime Minister for a national plan.
- I intend to honour that agreement, and I expect the Prime Minister and any future commonwealth government to honour that agreement.
- South Australia urges the commonwealth and the state of Victoria to urgently resume constructive dialogue and resolve this impasse in the national interest.

## ABORIGINAL LANDS PARLIAMENTARY STANDING COMMITTEE

**The Hon. J.D. LOMAX-SMITH (Minister for Education and Children's Services):** On behalf of the Minister for Aboriginal Affairs and Reconciliation, I bring up the fourth report of the committee entitled 'Inquiry into the impact of Australian Government changes to municipal services funding upon four Aboriginal communities in South Australia'.

Report received.

## LEGISLATIVE REVIEW COMMITTEE

**Mrs GERAGHTY (Torrens):** I bring up the fifth report of the committee.

Report received.

### VISITORS TO PARLIAMENT

**The SPEAKER:** I draw to honourable members' attention the presence in the chamber today of students from the Riverton and District High School, who are guests of the member for Frome, and members of the Magill Sunrise Rotary Club, who are guests of the member for Hartley.

## QUESTION TIME

### MURRAY RIVER

**Mr HAMILTON-SMITH (Leader of the Opposition):** My question is to the Premier. What has he done to convince Premier Steve Bracks to join his fellow Australians in supporting the Prime Minister's $10.5 billion rescue package for the River Murray? The Premier attended the state taxpayer funded Council for the Australian Federation of state Labor premiers and failed to secure a resolution to demand Victoria's support. The Premier attended the ALP conference and failed to secure a resolution to demand Victoria's support, and the Premier is yet to respond to my question in the house on 29 May 2007, which asked what he had done to help convince Steve Bracks of the urgency of the matter.

**The SPEAKER:** I have some words of clarification for the Leader of the Opposition and all members about explanations. I do not want to overly burden any member regarding how they ask questions and I want to give them a fair amount of liberty in terms of how they frame them. However, the question was, 'What has the Premier done?', and the explanation went on to allege that the Premier had done nothing or had failed to do anything, which is debate. The Premier is going to get up and explain what he has done, and I am sure that members will hop up and say that the Premier is now debating the question.

Explanations need to be explanations. They need to explain or provide information that is otherwise not obvious in the question. The reason for doing that is simply so that there are no propositions in the explanation or the question that the minister, of whom the question is being asked, will want to be given an opportunity to refute, because we get into this endless cycle of a question containing debate, the answer containing debate, and all the disruption that goes along with that. So, I ask all members when framing questions with explanations by all means to give an explanation, but it should not contain elements that will invite the minister to respond to the allegations being made.

**The Hon. M.D. RANN (Premier):** I was delighted to receive this question. Quite clearly, the Leader of the Opposition does not listen to ministerial statements, and he so rigidly adheres to the game plan beforehand that he just gets a bit caught in no-man's-land. However, I want to say—

*Members interjecting:*

**The SPEAKER:** Order!

**The Hon. M.D. RANN:** What have I done? What I have done is actually negotiated a deal that convinced the Prime Minister to change a course of action that would have meant that the commonwealth government and a group of politicians would have total control over the River Murray, rather than an independent commission. Members will remember that at the time I was depicted in the national media as a shag on a rock, out on a limb, and that no-one would support my position of an independent commission. But by doggedly pursuing the benefits for the River Murray and putting the River Murray first, and doggedly pursuing the interests of South Australia (which I am elected to do), we were able to get the support of, first, Queensland, then New South Wales and, finally, the agreement of the Prime Minister. Also, I have to say, there was support from Victoria for an independent commission, and that is critically important.

However, I am quite aware that members opposite, particularly in the new leadership group, are great Peter Costello supporters. I know that they would rather see the Prime Minister tap the mat before the election, and that is why they are trying to undermine him. The Prime Minister came back into the COAG meeting and told the other Premiers and water ministers that he would be negotiating—

*Members interjecting:*

**The SPEAKER:** Order!

**The Hon. M.D. RANN:** You do not like this, I know.

*Members interjecting:*

**The SPEAKER:** The house will come to order!

**Mr PENGILLY:** On a point of order, Mr Speaker, this has no relevance whatsoever to the question.

**The SPEAKER:** I do not uphold the point of order. The Premier has the call.

**The Hon. M.D. RANN:** Thank you.

*An honourable member interjecting:*

**The Hon. M.D. RANN:** No, they do not want to talk about what is really going on inside the Liberal Party at the moment and what the Costello forces out of South Australia are currently briefing the media about, and that will be a bigger story later in the week nationally. The fact of the matter is that the Prime Minister then went outside with Premier Bracks, came back in and told us that he would be negotiating separately with Victoria. I sought an assurance that there would be no side deal, that there would be, in fact, no reward for Victoria staying out of the agreement that the rest of us had made. The Prime Minister, however, said that he would negotiate with Victoria. So what members opposite are really doing today, and what some of the Costello forces on the other side are trying to do, is to undermine the Prime Minister's negotiations, because what you are really saying is that he has failed to achieve the outcome.

### WORLD TENNIS CHALLENGE ADELAIDE

**Mr KOUTSANTONIS (West Torrens):** Watch and learn, Marty. My question is to the Minister for Tourism. What is the state government doing to ensure that South Australia continues to build its events calendar? See—short and simple, Marty!

**The Hon. J.D. LOMAX-SMITH (Minister for Tourism):** I thank the member for West Torrens for his question, because he will be very interested to know that today the state government announced a new international tennis event to begin in 2009. This event was first suggested to the government by Darren Cahill and Roger Rasheed in January when the Premier had discussions initially about the possibility of this groundbreaking event that would be the first of its kind in the world. It has taken six months of negotiation. I am very delighted that we were able to announce the success of this event. We will be holding the World Tennis Challenge Adelaide in 2009, and the dates are 15 to 17 January.

This is a very significant event, and it will guarantee world-class tennis to Adelaide into the future. At the moment, we believe four countries will be involved: Australia, the USA, Sweden and Russia. At this stage, we expect that the

potential players will be Lleyton Hewitt, Pat Cash, Marat Safin, Yevgeny Kafelnikov, Jim Courier, Joachim Johansson and maybe Mats Wilander. The event will be held at Memorial Drive. Each contest will see the current players, current stars, play in a three set singles match, but these teams will comprise not just current stars. There will be three-person teams of current, elite tennis players. In addition, former stars will be in teams with a young up and coming tennis player who will act as a reserve. In these evening games the current stars will play in the heats as will the former stars and, if necessary, for the doubles it is possible that the up and coming tennis players will get some involvement.

Tennis South Australia and Tennis Australia will be backing this event. We aim to bring around 5 000 international and interstate visitors to town for this extraordinary new sporting event. However, it is not just about a major event. The Minister for Recreation, Sport and Racing (Hon. Mr Wright) has spoken about the necessary upgrades to Memorial Drive as part of this event, which will be held about a week before the Australian Open. It is important that the players play on a similar surface to what they can expect at the Australian Open, which has a plexicushion-style court. As members would know—and the Premier is an expert on this—Memorial Drive currently has a Rebound Ace surface, which I understand is hot and somewhat slippery, from what the Premier has said.

*An honourable member interjecting:*

**The Hon. J.D. LOMAX-SMITH:** And sticky. We will be supporting the installation of four new plexicushion courts. In addition, this infrastructure and event will allow us to support a new national high-performance academy based in Adelaide. As the Minister for Recreation and Sport has said, this will support youth development and promote enthusiasm for tennis in our state—and we hope that in the future we can produce stars who will play at the challenge. This event will boost our calendar of events throughout the year. It will mean that the 2009 event will be held before the Tour Down Under and will be close to the Australia Day cricket, and it will also lead into Clipsal and a whole range of other events. So, it is an important seasonal addition to our events calendar, and it will mean that our events calendar is truly spreading, with arts and sporting events throughout the year. I look forward to seeing everyone at this amazing event in January 2009.

## MURRAY RIVER

**Mr HAMILTON-SMITH (Leader of the Opposition):** My question is again to the Premier. Isn't he, along with other state premiers, in particular Steve Bracks, deliberately spoiling the federal government's $10.5 billion rescue plan for the River Murray to play politics on behalf of Kevin Rudd at the expense of South Australian families?

*Members interjecting:*

**The SPEAKER:** Order!

**The Hon. P.F. CONLON:** On a point of order: that is not a question at all, sir, it's an argument.

**The SPEAKER:** Again, the Leader of the Opposition, perhaps not by way of explanation but certainly in the course of his question, makes allegations about the Premier, which the Premier is naturally going to want to respond to. It is an invitation to him to debate the answer. So I just say to members that I am happy to give to members the opportunity. The question cannot be unasked. Now that the question has been asked, the Premier is going to be given sufficient latitude in order to respond to the allegations.

**Mr HAMILTON-SMITH:** With your leave, sir, I will explain the question. In September last year, during a campaign to be national ALP president, the Premier wrote on Labor's website that a federal Labor election victory depended on 'a coordinated partnership between state and territory governments and the federal opposition'. The Premier has still not told the house why he has not held Mr Bracks to account at Labor's National Convention or by using other devices.

**The Hon. M.D. RANN (Premier):** I am delighted to answer that question. Ultimately, the Leader of the Opposition is talking about loyalty. I would like to see a documentary done on 'Inside the Liberal Party in South Australia', and I particularly want to see that scene where the Leader of the Opposition put his hand up to swear loyalty to Rob Kerin and where he put his hand up to swear loyalty to Iain Evans. When the Leader of the Opposition says to one of his own colleagues that he is right behind him, we all know how truthful that is. That is why we are seeing an attempt today by the so-called wets to try to undermine the Prime Minister, because it was the Prime Minister who said that he would negotiate with Victoria. As for better cooperation between the states and the federal government, somehow I am being accused of playing politics on the issue of the River Murray when I have supported the Prime Minister's position. Does that make any sense to anyone?

*Members interjecting:*

**The SPEAKER:** Order!

**Mr Williams:** You are like a piece of plain glass.

**The SPEAKER:** Order! I warn the member for MacKillop.

## MODBURY HOSPITAL

**Ms BEDFORD (Florey):** Will the Minister for Health outline the details of service changes at Modbury Hospital and advise what consultation has occurred with clinicians?

**The Hon. J.D. HILL (Minister for Health):** I thank the honourable member for her important question. As part of the South Australian government's Health Care Plan, changes have been proposed for all our metropolitan hospitals. Under this plan hospitals will, for the first time, work as a coordinated system with services clearly delineated—as was proposed by the Generational Health Review. For Modbury Hospital, services will increase in the areas of rehabilitation, aged care, palliative care and high volume elective surgery. Those changes are necessary to take into account the ageing of our population.

Modbury will still maintain a maternity service, including antenatal care on site and postnatal care coordinated by the hospital. Birthing services will transfer, as of February 2008, to the Women's and Children's Hospital and the Lyell McEwin Hospital, as has already been advised. At the moment less than 25 per cent of local mothers in the area choose to have their babies at Modbury Hospital, and this move to consolidate birthing services will make the best use of our obstetricians at a time when there is a significant international workforce shortage in their speciality. I do not think members understand that we do have workforce shortages, particularly in some areas, and obstetrics is one of those key areas.

There will also continue to be paediatric services at Modbury Hospital. A short stay paediatric assessment service

will be established for children who require further observation or assessment following an emergency, and paediatric day surgery and paediatric outpatient clinic services will continue to be available. The emergency department will also be available to meet the needs of local children requiring urgent care. Children requiring multiple day inpatient care will be cared for by the Women's and Children's and Lyell McEwin hospitals. The details in regard to paediatric services have been worked through with local clinicians, as we always said they would be.

This plan will deliver for residents of the north-eastern suburbs, and for the whole state, a health system that is affordable, caring and complete.

## MURRAY RIVER

**Mr HAMILTON-SMITH (Leader of the Opposition):** Does the Premier genuinely support the view that the commonwealth has the constitutional power to support South Australian Riverland food producers and their families by legislating to overrule Victoria regarding the $10.5 billion rescue package for the River Murray?

**The Hon. M.D. RANN (Premier):** I am quite happy (having had 25 years' experience as a justice of the peace) to give a legal opinion. It is interesting that today, in what was probably one of the most bizarre moments in the history of this parliament, I, as leader of the Labor Party, have been accused of playing politics with the River Murray because I have come out and promised cooperation with the Liberal Prime Minister. This does not really make much sense, and perhaps means that the brains trust opposite needs to do a little more work in preparation.

My point is that I believe—and, in fact, I have said publicly—that we should refer our constitutional powers in relation to the River Murray to the commonwealth. Indeed, I am prepared to walk into this chamber and ask for the support of all members of parliament, from all walks of life and all political persuasions, to support legislation that I am prepared to bring into this parliament to refer our constitutional powers relating to the River Murray to the commonwealth. How about that for cooperation? I am prepared to absolutely bring in the legislation myself, sit the parliament through the night, and give the commonwealth the referral of powers it needs—provided there is an independent commission running the River Murray, which Malcolm Turnbull promised me and the Minister for the River Murray yesterday. However, if I am being accused of cooperating with the federal government because it is in the interests of the River Murray and in the interests of South Australia, then I plead guilty.

**Mr HAMILTON-SMITH:** I have a supplementary question. If the Premier is of the view that the commonwealth has the power to overrule Victoria, why did he state the following to the *Sunday Mail* on 25 February 2007:

> Advice from the Solicitor-General Chris Kourakis QC asserted that the commonwealth could not legislate to take the state's powers over the Murray.

**The Hon. M.D. RANN:** Whilst it is true that the Acting Attorney-General next to me topped constitutional law at the University of Adelaide—which came as a surprise to all of us, I know—you have asked me to look at the views of Kourakis QC. Well, I am going to give you the views of Rann JP. The reason I have offered to transfer our constitutional powers to the commonwealth—and I would have done that in the last five months while there have been a lot of negotiations between the Prime Minister and Steve Bracks—is that, like the Prime Minister, and he said this yesterday, because of the nature of the constitution, all the powers it would need cannot be legislated for by an assumption of powers using the commonwealth's powers under the constitution. Therefore, what I am suggesting is that we would go further than what the Prime Minister is seeking to achieve in terms of a takeover using the commonwealth's constitutional powers.

I am happy to write my own legal opinion; I am happy to sit down and write myself a letter signed Rann JP, giving you all the legal options in relation to the future of the River Murray. But what the Prime Minister said to me yesterday, and what Malcolm Turnbull said to the Minister for the River Murray and myself, is that they recognised South Australia's consistency on this matter. We did a deal, we stuck with it, and we are prepared to stick with it.

## AUSTRALIAN WORKPLACE AGREEMENTS

**Ms SIMMONS (Morialta):** My question is to the Minister for Industrial Relations. What assistance is being provided to South Australian workers to help them understand whether they are getting a fair wage outcome under an AWA?

**The Hon. M.J. WRIGHT (Minister for Industrial Relations):** I am pleased to inform the house that the government, through SafeWork SA, has developed the Compare What's Fair online calculator. On its website, SafeWork SA has set up a program that assists South Australian workers compare what wages they will receive over a typical working week under their state award with what they are being offered under their AWA. The online program is very easy to use and requires that an employee simply enters their job details to identify their relevant award and entitlements. The calculator will outline over a 12-month period what the employee would receive as a minimum under the South Australian industrial relations system. This will provide South Australian workers with an important tool to help them assess for themselves if they are going to be worse off. This is a necessary tool arming employees with facts about what their minimum entitlements should be.

We constantly hear the same statistics describing how workers under AWAs are earning less. On Monday 16 July, *The Age* reported that in 2006 the median earnings for workers on AWAs were 16.3 per cent less than the median earnings for workers under collective agreements. Despite the recent introduction of the so-called fairness test for existing employees under WorkChoices, I believe that many workers will find their AWA wage rates will not take up for the loss of other award entitlements they once received. I encourage all South Australians who have signed an AWA, or are being asked to sign an AWA, to visit the website and compare what's fair.

## MEMBERS' INTERESTS

**Mr HAMILTON-SMITH (Waite):** Were the Premier's statements to the house on 5 July this year claiming that he had a legal opinion upholding the Minister for Forests' compliance with the Premier's ministerial code of conduct simply incorrect? Yesterday the Premier told the house:

> There can be no mistake about what it refers to. Similarly, there can be no mistake about what was meant in my reply, given my reference to the opinion.

The Premier's media adviser Jill Bottrall, when asked whether the Premier had received Crown Law advice on the ministerial code of conduct, told ABC radio the following: No, he was not. That was a mistake.' Seems others are confused, Premier.

*Members interjecting:*

**The SPEAKER:** Order!

**The Hon. M.D. Rann:** He got the Howard Zelling prize.

**The Hon. P.F. CONLON (Minister for Transport):** That is right. The question is one that was asked yesterday and dealt with very well by the Premier but, since he is hogging the limelight and since I was taking questions for the Attorney-General today, I thought I could do it in a very learned fashion. A little quiet and we can make it simple. The crown law advice was advice on the application of an act. The question about minister McEwen that had been raised by the opposition was whether, in light of that act, he had breached the code of conduct. It was clear from the answer contained in the advice on the act that he had not breached the code of conduct, therefore the Premier was entirely correct and, therefore, the Premier's media adviser was entirely correct.

**Mr HAMILTON-SMITH:** As a supplementary question to the Premier, has his government then sought any separate legal opinion on whether the Minister for Forests has breached the code of conduct, which has been withheld from the house?

**The Hon. P.F. CONLON:** Again, a question answered very accurately by the Premier yesterday; that is, that the advice on that piece of legislation, which we believe is very sound advice—

*Members interjecting:*

**The SPEAKER:** Order!

**The Hon. P.F. CONLON:** —which we believe is absolutely sound advice shows that, on the basis of that legal advice, there is no question on the allegation raised that the Minister for Forests had breached the code of conduct; absolutely no question about that. The other point the Premier made yesterday was that, if you have some other allegation, some evidence, bring it forward.

*Ms Chapman interjecting:*

**The SPEAKER:** Order!

**The Hon. P.F. CONLON:** What we have here, to quote myself—which is something I love doing—is the thwack of leather on deceased equine! Opposition members have made absolutely no progress on the original accusation. They have asked the same question many other times and many other ways around. They have impugned the legal advice, not on Rory McEwen but on the application of the act. They have impugned that legal advice and they believe that, because they do not like it, we should seek another, because they do not like the lawyer who has given the advice.

*Members interjecting:*

**The SPEAKER:** Order!

**The Hon. P.F. CONLON:** What I advise the Leader of the Opposition to do if he does not believe the legal advice is this: get a hat, take a whip around among his colleagues who like him, collect some money and get an opinion himself. I think that the whole chamber would give more credence to a lawyer impugning the advice than to the Leader of the Opposition. If the Leader of the Opposition is so sure that he is correct—and I am not sure that he is—why does he not go and get some respectable lawyer to show where the Crown Solicitor got it wrong? Until such time as one of those two things happen, he should simply desist.

Until such time as he has some evidence, some fact, some basis for suggestions against the Minister for Forests—and I have to say that was manifestly absent yesterday; not a trace yesterday. Until then, or until he can get some better—

*Mr Williams interjecting:*

**The SPEAKER:** Order! I warn the member for MacKillop a second time.

**The Hon. P.F. CONLON:** Until members of the opposition can bring some new fact—one little fact—or until they can impugn that advice with better authority than the opinion of the Leader of the Opposition, then I think the Leader of the Opposition should simply desist.

## TOURISM INDUSTRY, ENTERTAINMENT CENTRES

**Mr KENYON (Newland):** My question is to the Minister for Tourism. How do the Adelaide Convention Tourism Authority and the Convention, Entertainment and Festival centres contribute to South Australia's tourism industry?

**The Hon. J.D. LOMAX-SMITH (Minister for Tourism):** I thank the member for Newland for his insightful question, which demonstrates the need for all our iconic organisations and venues to work together for the good of the state and to achieve our State Strategic Plan targets. These organisations work with the Adelaide Convention Tourism Authority (ACTA), which estimates that an interstate visitor spends, on average, $327 a day, whilst an international convention delegate spends, on average, $1 206 a day. In the 18 months since July 2005, ACTA secured 66 conferences in competitive bidding, producing in excess of 170 000 bed nights, which equates to in excess of $160 million going into our economy. With regard to successful conference bids in 2006, Adelaide was ranked third in Australasia and 56th globally—that is up 47 places from 2005. Adelaide outperformed New York, Moscow, Frankfurt and Los Angeles in 2006.

In 2006-07, the state government provided $800 000 in funding to ACTA through the SATC to assist in this mission of winning more convention bids; and in 2007-08 that budget was increased to an annual funding level of $1 million. ACTA's outstanding success in attracting international conferences would not be possible without our world-class venues and entertainment establishments. By any measure, the Adelaide Convention Centre has had an outstanding year 2006-07, hosting 612 events, 41 of these attracting more than 1 000 delegates, with turnover in 2006-07 of around $25.4 million—the highest in the centre's 20-year history. The Adelaide Entertainment Centre has also had an extraordinary year, with revenue at record levels in 2006-07 and awards for outstanding quality of food and beverages, and now this area has been enhanced by significant competitive advantage over other cities by its professional management of conference and entertainment venues.

I would also like to acknowledge the Festival Centre's contribution to the state's economy, because the Festival Centre is not just about high culture and artistic endeavour but it also hosts a wide range of convention and conference activities. For instance, medium and large conventions and conferences include events such as the Callisthenics Association's 19th national championships, which, in particular, interested the member for Florey.

*An honourable member interjecting:*

**The Hon. J.D. LOMAX-SMITH:** It was indeed. Teams and soloists from across the country competed at an elite

level, showcasing a wide variety of skills such as dance, marching, gymnastics, song and dance, clubs, rods and aesthetics. This event attracted 393 team competitors and, as the Premier and I saw, these competitors were added to by large numbers of other individuals, committees, coaches, chaperones for the girls and families, bringing that event visitation up to well over 1 000. Callisthenics is an extraordinary sport, a peculiarly unique Australian artistic endeavour, which allows young women to aspire to high levels of musical movement, costume design, precision movement and, most importantly, entertainment and self-esteem. The competitors this year were amongst those who boost the economic edge of South Australia. They contributed significant economic benefit into the economy.

We should always remember that it is not always the top line international events such as the World Police and Fire Games that make a difference, because the SATC aims to have events throughout the year of varying size, and it is particularly important that these special events come to South Australia in the winter when otherwise there would be fewer major sporting events.

## MEMBERS' INTERESTS

**Mr HAMILTON-SMITH (Leader of the Opposition):** My question is to the Premier. Exactly how did the Premier establish that the Minister for Forests complied with the requirements of section 3.4 of the ministerial code of conduct, which states:

> Ministers must within 14 days notify the cabinet office of all private interest disclosed to parliament pursuant to the Member of Parliament Register of Interest Act 1983.

In what form was detail of the thousands of dollars worth of donations from stakeholders within the portfolios for which the minister is responsible to cabinet notified to the cabinet office?

**The Hon. P.F. CONLON (Minister for Transport):** There are only so many ways you can ask the question over and over. Quite simply, what has been established is that the donations to the campaign fund received by Rory McEwen, according to the Crown Solicitor's interpretation of the relevant legislation, did not need to be disclosed in the way that it has been suggested. This question has been asked over and over. If you do not like that advice, again I invite you to impugn it with a better authority than yourself, but simply do not waste the chamber's time asking the same question over and over.

## SENIORS RATE POSTPONEMENT SCHEME

**Ms BREUER (Giles):** My question is to the Minister for State/Local Government Relations. Given that it is the time of year that councils set their rates—

*Members interjecting:*

**Ms BREUER:** I cannot hear myself speak, sir. Given that it is the time of year that—

*Members interjecting:*

**The SPEAKER:** Order!

**Ms BREUER:** Given that it is the time of year that councils set their rates, can the minister inform the house of any measures that have been put in place to assist seniors at this time?

**The Hon. J.M. RANKINE (Minister for State/Local Government Relations):** In spite of concessions and the opportunities to pay quarterly, there are many older residents who find it difficult to pay their council rates, as their income is often fixed and simply does not keep pace with rate increases. They can be asset rich (for example, the value of their home having risen significantly over recent years) but income poor. In order to help alleviate the burden of rates on our older residents, the Seniors Rate Postponement Scheme was introduced by this government on 1 July this year. The scheme allows eligible seniors to postpone payment of a large part of their council rates for their principal place of residence. I am mindful that postponing payment of rates is not for everyone, as it is in effect delaying their bills and some people might not be comfortable with that. However, postponing a portion of their rates enables older home owners to access money to meet more immediate needs such as maintaining their home, buying a new fridge, or repairs to their car.

Council rate notices will be structured so that seniors can monitor both the value of their home and the accumulating value of any rates they have chosen to postpone. At any time they can change how they use the scheme. They can choose to pay off part or all of any rate previously postponed, or simply allow the home's expected growth in value to pay the rates bill when it is eventually sold. Anyone who is aged 60 years or over and is buying or owns their own home may be eligible to participate in the scheme if they are the holder of a current state Seniors Card. Home owners can apply for the scheme through their local council, and I understand that information regarding the scheme may also be provided in the notices of rates.

While the minimum amount of rates that cannot be postponed is $500 a year—that is, $125 a quarter—those who receive the pensioner concession can deduct this from the $500; and, currently, the pensioner concession rate is $190 a year, leaving $310 per year (approximately $80 a quarter) for them to pay. The Seniors Rate Postponement Scheme has been set up in such a way as to allow these home owners to remain in complete control. The scheme is completely flexible, allowing home owners to adjust what they postpone and what they pay each time they receive their quarterly rates notice.

## MEMBERS' INTERESTS

**Mr HAMILTON-SMITH (Leader of the Opposition):** My question is to the Premier. If he listens carefully this time, we will get an answer. Exactly how has the Premier personally ensured that the Minister for Forests has complied with section 3.5 of the ministerial code of conduct, which states that 'it is the responsibility of all ministers to bring conflict of interests to the attention of cabinet'; and have all proposals which have gone before cabinet contained the required written statement by this minister as to whether he had an actual or potential conflict of interest in relation to the proposal under consideration by cabinet?

**The Hon. M.D. RANN (Premier):** This is quite extraordinary, because yesterday the Leader of the Opposition demanded that the minister must account—he made this challenge and was all hyped up—for all donations over $500, even though he is not prepared, and neither is his party, to reveal donations unless they are above $1 500. I just think that the same rules have to apply to all members of parliament because a seasoned journalist might ask you the same question.

I told the house yesterday that the minister has been assiduous in alerting other members of cabinet about potential conflicts of interest. I am advised that cabinet records note that the minister has on 10 occasions in cabinet declared a potential conflict of interest and absented himself from the discussions—

*Members interjecting:*

**The SPEAKER:** Order!

**The Hon. M.D. RANN:** —and decisions on the matter. Indeed, he left the cabinet room. This is in stark contrast to what occurred during the previous government, when we remember that there was a minister who was dealing with huge IT deals and who, at the same time, was buying and selling shares in those same companies. It was an extraordinary situation—ask the Auditor-General. We remember, of course, that on so many occasions the Auditor-General was frustrated in his inquiries and even had to come to the house because of the lack of cooperation he was given. Therein lies the difference.

Here we have a minister who on 10 occasions alerted cabinet to a potential conflict of interest and left the room. What a difference a government makes compared with the sort of nonsense we saw with the water deal. We all remember the water deal, when the documents were lodged, two bids were opened, another one came in late and somehow, miraculously, the film ran out and there were people using mobile phones. Then there was the ETSA deal: $100 million paid to a group of consultants to sell ETSA against the wishes of the people of this state, and then we saw what happened with various other deals that came unstuck following forensic questioning by me, the Minister for Infrastructure and others. That is the difference.

Here we have a minister who declared his potential conflict of interest on 10 occasions and did not take part in deliberation or debate on those 10 occasions because he actually left the cabinet room. That is the difference between him and you.

## TAFE GEOSCIENCE PROGRAM

**The Hon. L. STEVENS (Little Para):** My question is to the Minister for Employment, Training and Further Education. How is the TAFE SA geoscience program working with industry to meet the skilled employment needs of the mining industry?

**The Hon. P. CAICA (Minister for Employment, Training and Further Education):** I thank the member for Little Para for her question because it is indeed very timely, with South Australia on the cusp of a very significant and sustained mining boom. I am happy to report to the house that TAFE SA's geoscience program is unique throughout all Australia, as it is the only program that focuses on the exploration training needs of the mineral and petroleum industries. I spoke about this matter briefly last year. Some people would be familiar with the fact (and I know for sure that Ivan is) that the course is based at our O'Halloran Hill campus. It is working very closely with industry to ensure that students are trained to be job ready and, in the past, almost all the diploma students received offers of employment halfway through their second year of studies.

Recently, industry demonstrated its strong support for the course and its graduates by providing specialist industry-related software, valued at approximately $620 000, to be used in training students. The software was donated by three companies—Maptek, Petrosys and Schlumberger—and is an indication of the very high regard in which the course and the quality of its students is held by industry.

*An honourable member interjecting:*

**The Hon. P. CAICA:** I got it right. You got it wrong and I got it right. The software includes:

- 20 licences donated by local mining software development company Maptek to run its Vulcan software;
- 20 licences donated by Petrosys to run its seismic 3-D mapping software used in the petroleum industry; and
- 20 licences donated by Schlumberger, one of the world's largest oil field service companies to use its wire line logging interpretation software.

This software is being used in conjunction with the new training equipment provided by the Department of Primary Industries and Resources SA to the program in 2006. The importance of this software is that it ensures that students are able to move directly into the workplace with up-to-date knowledge of the latest technology and industry practices, knowing exactly what is expected of them as technicians, and they are able to hit the ground running.

This year TAFE SA has responded to industry demand for more trained workers by increasing its intake into the geoscience program. Students are able to study either the six month certificate III course or the 18-month diploma course, with more students, of course, realising that the greater opportunity for employment is by their studying at the higher levels. Students who complete the diploma are able to find work in the para-professional field or as technical assistants with mining and petroleum companies, or within research and development within the mining and petroleum industries. TAFE SA graduates work within technical teams supporting geologists and geophysicists. In addition, diploma students, if they so choose, are able to use their TAFE SA qualification as a pathway to further study through the university system.

It is certainly my view—and I know it is one supported by the house—that this is an outstanding example of a TAFE SA program that is responsive to industry by providing courses that are tailored specifically to its needs and at the same time ensuring that the participants have a choice of employment opportunities and learning pathways into sustainable employment.

## MODBURY HOSPITAL

**Ms CHAPMAN (Deputy Leader of the Opposition):** My question is to the Minister for Health. Will the government now agree to keep obstetric services at the Modbury Hospital and avoid an unnecessary risk of infection for the some 700 babies a year who are born at that hospital? As the minister said today, it is the proposal of the government that these babies will be born at the Lyell McEwin Hospital or the Women's and Children's Hospital. As the minister knows—and this has been confirmed—the extension of the Lyell Mcewin Hospital will not be finished until 2013.

Also, the Women's and Children's Hospital's health service report, titled 'Case for Change' dated October 2006, describes that hospital's inability to control the spread of infection as 'high', with the consequences of a 'high risk of increased complications to patients' illness as a result of outdated and poor condition of the current facilities and infrastructure'.

**The Hon. J.D. HILL (Minister for Health):** It is a great shame that the Deputy Leader of the Opposition has decided to slur the Women's and Children's Hospital, one of the great institutions serving our state. As my colleague the Minister

for Energy and Infrastructure has said, both his children were born at the Women's and Children's Hospital and he would not go any other place. I know that many members of this place have said to me over time what great services they have received at that great institution either for their own children or for their grandchildren.

In relation to infection rates, I was able to get information to the media just last week. In fact, over the past four or five years, the incidence of cross-infection at the hospital has been reduced, not increased, as was implied by the question from the Deputy Leader of the Opposition. This government is committed to making tough, hard decisions. I recall that, when the member for Waite first became the Leader of the Opposition, he criticised the government for being all talk and no action. He said that his opposition was going to be a bold opposition and that he was going to provide bold leadership to the state.

Well, I put it to the house that this is a government that is prepared to spend $2.2 billion over the next 10 years on transforming the South Australian health system, investing substantial resources into building up our health system and changing the service arrangements so that we have a sustainable health system in the future. That is what we are planning to do. What the opposition is planning to do is to have a select committee to talk about it. So, I put to the house: which side of politics is bold; which side of politics is prepared to act; which side of politics is timid; and which side of politics is all about talking rather than action?

## ROYAL COMMISSION INTO ABORIGINAL DEATHS IN CUSTODY

**Dr McFETRIDGE (Morphett):** My question is to the Minister for Transport. Has the officer appointed to conduct a government-wide review of progress made by individual agencies in implementing the recommendations of the Royal Commission into Aboriginal Deaths in Custody reported yet, and will that report be made public? In the 2004-05 annual report of the Aboriginal Lands Parliamentary Standing Committee the then chief executive of the department of Aboriginal affairs and reconciliation, Mr Peter Buckskin, reported to the committee by letter dated 21 January 2005 that DAARE was engaging an officer to conduct a government-wide review.

**The Hon. M.D. RANN (Premier):** I thank the honourable member for his question. As he would be aware, the Minister for Aboriginal Affairs and Reconciliation is absent interstate today. I will ask him to get a report for the honourable member.

## TRISTAR

**Mr HANNA (Mitchell):** Why will the Premier not meet with and support representatives of Tristar workers in Adelaide? There is an Adelaide connection to the Tristar dispute that threatens the entitlements of nearly 30 workers in Sydney. Tristar owners and their companies have enjoyed appointments and contracts from the South Australian government.

**The Hon. M.D. RANN (Premier):** I am very happy to answer this question. At the National ALP Conference in Sydney I was asked whether I would meet with representatives of the workers affected—indeed, the actual workers—and I said yes. I was told that it was a private briefing. I left the conference to meet with the group concerned, and a television camera miraculously appeared within about two minutes. We are dealing with matters occurring in New South Wales, which are before both the Federal Industrial Relations Commission and the Federal Court. I know my learned colleague, the member for Mitchell, is a lawyer—in fact, I remember his representation for me in court in the past—and he would realise that it would be grossly improper for me to comment on a matter that is currently before a court.

## TRANSADELAIDE

**Dr McFETRIDGE (Morphett):** My question is to the Minister for Transport. Is TransAdelaide now using automated clock on/clock off systems for the Operations Control Centre train controllers and shift workers? A secret KPMG report sites fraudulent work practices at the TransAdelaide Operations Control Centre. It has been reported that controllers were handwriting their time clock cards and that 30 time cards from 70 rostered lines were inaccurately prepared.

**The Hon. P.F. CONLON (Minister for Transport):** I apologise; I do not know what type of time clock they use at the control centre, having never clocked on myself. For the life of me, I do not know what secret report the man is talking about. However, I do understand that, some many years ago, the Auditor-General made comments about these matters. It is my understanding that it was in the news on the weekend. The questions from the opposition not only come from the *Sunday Mail* but they come several days later these days.

The fact is that these matters were looked into from, I think, about 2005 onwards and steps were taken to satisfy the concerns that had been raised, and those matters were dealt with to the satisfaction of the Auditor-General. If that is not the case, I will come back to the member. If there is some other secret report of which I am not aware, and I suspect there is not, I will, for the benefit of the member for Morphett, provide details of exactly what make, model and brand of time clock they have at the control centre and get back to him.

## URBAN BOUNDARIES

**Mr O'BRIEN (Napier):** Will the Premier inform the house of the government's decision in relation to a realignment of both Adelaide and Gawler's boundaries?

**The Hon. M.D. RANN (Premier):** I thank the honourable member for his question. It would have been nice to have had more notice; however, I will do my best to wing it. Today I announced that the government has decided to realign Adelaide's urban boundary to include an extra 2 000 hectares to help meet urban development needs as the city continues to grow over the next 15 to 20 years. The majority of the land to be brought into the boundary will be in Adelaide's north, which will be the main focus of Adelaide's future growth. Additional land is also being brought inside the boundary in the south and a small parcel at Highbury in the east. While not all the new land being brought into the boundary will be used for residential development, the move will add a six to seven year supply of residential land based on current development rates.

Reports this week, of course, found that Adelaide had the most affordable housing of any mainland capital, and it is likely to remain more affordable. The continued release of land within the urban growth boundary will help maintain downward pressure on the price of land and, therefore, housing affordability. However, land release is not the only

factor. It complements other state government initiatives, including the requirement for a 15 per cent component of affordable housing in all significant developments. The South Australian Affordable Housing Trust, through its partnerships with developers and the community sector, is continuing to drive affordable housing supply whilst the state government lender, HomeStart Finance, is helping people into the housing market through its range of home ownership products.

When added to the existing stock of 3 000 hectares of vacant residential land already situated within the urban boundary and other future development sites (such as the Yatala prison site which, I think, will be a fantastic site for future development), this initiative will provide a 15 to 20 year vacant residential land supply within the urban boundary. The land to be brought within the boundary includes in the north approximately 1 235 hectares in total (Playford North, 173 hectares; Blakeview, 112 hectares; Penfield, 130 hectares; Gawler East, 320 hectares; and Concordia, 500 hectares) and in the south approximately 686 hectares in total (Hackham, 289 hectares; and Bowering Hill, north of Aldinga, 397 hectares—and I understand that is in the electorate of the Minister for the Southern Suburbs and Minister for Health). In the east it includes a small parcel of approximately 76 hectares at Highbury.

The Minister for Urban Development and Planning (Hon. Paul Holloway) said today that, although the Adelaide market is well supplied with residential land, the government has moved to add extra certainty to supply and provide direction for future growth over the next 15 to 20 years. Metropolitan Adelaide currently has a 10 to 12 year supply of vacant residential land—even more if you include near city towns such as Mount Barker—and the majority is owned not by the state government but privately.

The government is moving early to bring more land into the boundary to provide certainty about where Adelaide will grow into the future. About two-thirds of the new land is in Adelaide's north, and this area will be the major focus of Adelaide's new suburban growth over the next 20 years. It does not include any environmentally sensitive land or land used for high value agriculture such as the watershed, hills face, or the vineyards of the Barossa or the Southern Vales. Indeed, the proposal provides for the rehabilitation and re-use of degraded quarry sites at both Highbury and Gawler East. This is about protecting the water catchment.

Depending on drilling yields, this new land could provide about an extra 20 000 housing allotments. In addition to residential housing, the new land will incorporate other urban uses such as shops, open space and community facilities while some small part may also be used for industrial development. It is important to understand that not all of the land being brought into the boundary will come on stream for housing straightaway. Prior to any land being developed, we will require that structure plans be put in place to ensure appropriate infrastructure plans are in place for future communities, and obviously a draft of the proposed new urban boundary will be officially released for a four-week exhibition period from next Monday, 30 July, during which time public submissions will be received and considered. After the four-week exhibition period the government will make a final decision on adopting the new urban boundary.

## SMALL BUSINESS

**Mr PISONI (Unley):** Before I ask my question, I seek your guidance, Mr Speaker, as to who I direct the question to. It is a question on small business.

**The SPEAKER:** Ask the Minister for Small Business.

**Mr PISONI:** Thank you, sir. Can the minister explain why small and medium businesses in South Australia are recording the lowest performance in sales, employment and profitability of any state or territory when the overall Australian economy is booming? The latest Sensis Business Index for small to medium businesses report shows that South Australian businesses are running against the overall trend of growth in areas of sales, employment and profitability being achieved by other states and territories.

**The Hon. K.A. MAYWALD (Minister for Small Business):** I am quite happy to actually respond to this question on the basis of the small business portfolio because, as the Minister for Small Business, I am actually responsible for the small business questions. Small business in South Australia is experiencing a significant period of confidence, through a number and a range of surveys that have been undertaken in the last 12 months that demonstrate that South Australia is doing particularly well and that South Australian businesses are achieving, particularly in the export area, significant gains. I think it is important to note that you cannot pick one particular report in isolation from all those that have been undertaken and actually determine that that is the only outlook that has any relevance to what is happening in the small business sector.

There are a number of initiatives that the government has put into play in relation to supporting small business through the Office of Small Business. Small Business Week is well attended. We are seeing great responses from the small business community through the workshops that we are undertaking to assist small business to develop further, and we are seeing, I believe, a great benefit to small business in South Australia through initiatives such as the payroll tax reduction and others that this government has brought into play.

In terms of the future, South Australian small businesses are well positioned to take advantage of the economic boom that South Australia will be experiencing as a consequence of the mining industry, the air warfare destroyer contracts, the Army barracks to be developed in South Australia, and the many other opportunities that are evident in the future for South Australia. South Australian small businesses are well positioned to be able to take advantage of that. Also, the South Australian government has recently appointed a Thinker in Residence for family businesses which will have a significant influence on how small businesses in South Australia, particularly family businesses, can access information on succession planning and many other areas of interest to small business. The South Australian government remains very committed to small business.

# GRIEVANCE DEBATE

## SMALL BUSINESS

**Mr PISONI (Unley):** Despite the carefully stage-managed spin, selectively quoted figures and the motherhood documents such as the Strategic Plan used by the Rann government, small to medium businesses are struggling under the burden of state-based taxes and red tape. Under Mike Rann, South Australia has recorded the lowest performance in sales, employment and profitability of any other state. The Sensis Business Index reveals that 84 per cent of South Australian businesses consider that this Labor government is not working for them, or it is working against them. An example of this business unfriendly policy, as generated by the business experience-free zone of the Rann Labor cabinet, is a continuation of the lowest payroll tax threshold in South Australia. It makes South Australia the worst in the country.

So frustrated by this government was Bunnik Tours, a successful local travel business, that last week it highlighted the financial penalty they faced by continually doing business in South Australia by taking out a prominent ad in *The Advertiser* costing some $2 500. Payroll tax has cost them $45 000 over the past three years, and will continue to cost them about $24 000 a year. If they moved to Queensland, Tasmania, the ACT or the Northern Territory, they would not have to pay one red cent. The payroll tax threshold in those states and territories is around the $1 million. As owner Dennis Bunnik said:

> Payroll tax is a disincentive to create jobs and expand business in this state.

Treasurer Foley's response was to accuse him of running a publicity stunt. Fancy that! Quite understandably, Mr Bunnik regarded these comments as being arrogant and demeaning and lacking in any actual analysis of what he was saying as a South Australian business owner and employer, someone who pays taxes and who employs in this state. The response was, unfortunately, typical of the disdain the business community has come to expect from this Treasurer and from this government.

Another small business owner, Mr Peter King of Holden Hill, pointed out to Treasurer Foley in a letter to *The Advertiser* on Monday:

> Not every comment made by people other than politicians is a publicity stunt. For you to dismiss a criticism of payroll tax in such a flippant manner tells me you are out of touch with the realities of operating a small business.

Of course, we then read in the *Sunday Mail* that the Treasurer did have an opportunity to run a small business but, by his own admission, he did not have the ticker to do it; he did not want to take the risk and took a government paid job instead. Maybe that is some reason why he does not understand. Mr King continues:

> Our business incurred payroll tax for the first time in 2005-06 and I have only now finished paying my debt in instalments. Had we been in another state (Queensland, for example) I would not have had this additional burden upon our business. The threshold for payroll tax in this state is too low at $504 000. This is an impediment to the growth of small business.

That is what small business in this state is saying. He is saying that the government does not understand it, that the government is being arrogant and, at $504 000, it is a disincentive to employ. Small to medium enterprises in this state feel that they are being actively discriminated against by a tax policy that gives no incentive to set up in South Australia and gives good reasons to leave or stop your business growth. The Sensis report reveals that support for the federal government is increasing among small and medium businesses, due to their workplace relations policies. The federal government is the most supportive of any government in Australia, the survey reveals.

It is these successful policies—IR reform, AWAs, reform of unfair dismissal laws and workplace flexibility—that have created wealth, profits, high employment, low interest rates and low inflation that this Rann government opposes in its support for the 'one size fits all' Rudd/Gillard union-dominated plan for Australia. The Rann government would like to join forces with a Rudd government in forcing on the private sector a product that will discriminate against small businesses and their staff by forcing them to negotiate with the unions and their Amway pyramid style of recruiting that enables them to gather more members to push a selected few into the parliament through their system of nepotism. Although putting on a brave face publicly, Business SA would be less than satisfied with the tax rate of 5.25 per cent.

## TELSTRA

**Ms FOX (Bright):** Today I rise to speak about Telstra and the issues that many consumers are encountering when signing up to Telstra to provide them with their broadband services. In January, Microsoft released its new operating system called Vista. This operating system is currently being preloaded onto the majority of new PCs and laptops and many people are upgrading their previous systems to this new software. Unfortunately, it appears that, while this new software is being used by many consumers, Telstra is still actively promoting products that are not compatible with the new system. I am informed that many of Telstra's Next G modems will not work with the Vista operating system.

A special modem is required to be able to access the NextG services that Telstra is so actively promoting as a so-called solution to the many broadband issues that people face in metropolitan and regional areas, but many of these modems are not compatible with the most current software available. This problem is compounded by the fact that Telstra call centre and retail staff are unaware of the problem and continue to recommend and sell these products despite their incompatibility.

I recently called both a retail store and a call centre to make inquiries about a Next G modem which is not Vista compatible. I specifically asked if this product was compatible with Vista and I was informed that it was. Surely Telstra should ensure that all its staff is made aware of these issues so that they can recommend another more suitable product. Sadly, I suspect that Next G is not the only Telstra service that is affected by incompatible products. I am informed that BigPond satellite services are also not able to operate with the new Vista system. For many people in outback Australia, satellite services are the only means of accessing broadband. I have heard from many people who have bought a new computer, signed up at great expense to BigPond satellite, and then have been unable to access their broadband services because they are using Vista.

Telstra has advised these people that their option is to sign up to ADSL—which, for these people, is not an option due to their location—or purchase a new modem at considerable expense. I have spoken in the past about Telstra and its so-called solution to the broadband problems that many Aus-

tralians are experiencing. Telstra has claimed that Next G is the solution, but many people find this service expensive and not completely reliable. To now discover that many of the products associated with this solution are not compatible with the newest software available is a disgrace. Telstra, once again, does not seem to be interested in providing its customers with an affordable, efficient and working solution to their broadband requirements. Certainly for people living in the inner cities and surrounding suburbs, Telstra may be a viable option, but many others are being let down by it and its efficiencies.

Many people in the electorate that I represent, notably people living at Hallett Cove—17 kilometres from the city centre—are unable to get adequate broadband services, and when they do sign up for a Telstra service that they can get, they discover that these incompatibilities are costing them more money than they expected and they are certainly not receiving the services they were promised. I look forward to hearing some kind of response from Telstra. I know that speaking in this place seems to be one of the only ways that it actually responds to me on these matters. Thank you.

## FEDERAL LABOR PARTY

**Mr PENGILLY (Finniss):** A perplexing issue has been taking place across Australia for some time and it is something about which I want to talk today and it concerns one Kevin Rudd. I cannot believe that Australians are falling for this confidence trick that is taking place across the nation in the name of Kevin Rudd. I do not think that I have ever seen anyone so shallow, so false and so empty and devoid of ideas in such a long time. He has not come up with one single solitary idea, or something that someone else has not thought of, or, indeed, he has not taken off the Howard federal government. Mr Rudd reminds me of a seagull: he eats a lot of rubbish and he squawks incessantly; not much else comes out of him. I believe that he is shallow, self-righteous, devoid of inspiration and a plagiariser. Heaven forbid, members opposite are awake: that is good.

I am sick of reading about the fellow and I am sick of reading about how good he is, where he goes, what he does and what he does not do, which is more to the point. So far, he has not said anything of any substance and he has not put up anything for Australia. God forbid that he ever be elected as prime minister of Australia. Who is behind him; the brains trust that we have behind him? The mind boggles. Look at Peter Garrett—what an absolute flip-flop he is. He does not even have a decent, reasonable idea for the environment, let alone sprouting off nonsense about what we can do with this and that and everything else. Clearly, he has embarrassed Kevin Rudd on a number of occasions on issues and, if he became the environment minister, I say, God help the Murray and God help the rest of Australia. Then there is the member for Lilley, Mr Wayne Swan, the shadow treasurer and would-be treasurer of this nation. He is well named as the member for Lilley and I reckon he is swanning around. It is a bit of a circus.

Then we have Mr McClelland who came to South Australia this week and held a meeting on Iraq in Mr Downer's electorate. I think Mr McClelland wants to get his act into gear and take a bit of notice, because these people would sell you down the creek. They would sell the defence forces of Australia down the creek, led by Kevin Rudd. They have no idea what is required to keep our nation secure. Currently in Australia, the federal government run by John Howard is taking such an incredible leap into the future as far as defence and the security of this nation are concerned and that it is something we should all be proud of. How we could ever trust Mr McClelland as minister for foreign affairs and Mr Rudd as prime minister, and a few others to go with them, I do not know.

This afternoon we heard members of the state government talking about AWAs and WorkChoices. Well, just show me those who are so seriously disadvantaged by WorkChoices. I am yet to see anyone, apart from a couple of stooges who have been put up to it. Overwhelmingly, it has been adopted by the Australian population. The unions have run a good campaign against it to put fear into people but, really, there is no substance in what they are saying. Where is it? Where are the people who are so badly treated? Go to Western Australia. Perhaps Kevin Rudd wants to keep out of the west. The Western Australian government, for sure, does not want to know anything about Mr Rudd and his potential abolition of the AWAs and WorkChoices. I think there is a lack of memory in some quarters about just how to accomplish this, and just remember that the Senate has a fair bit to say about it.

Come the federal election later this year, or whenever it is held, if there is a Rudd government it would be an Australian government full of non-contributors. No policies are coming out of Mr Rudd. All he does is steal policies and agree with the Howard government. He is a man of nothing, in my view. He is just belittling the Australian Labor Party. They had a man of substance in Kim Beazley and they got rid of him and brought in this shallow fellow, full of self-interest and only interested in what is good for Kevin Rudd. If you believe the polls in Australia, Mr Rudd may well be Prime Minister. I perish the thought that he should ever be Prime Minister. As I said at the outset, I find that Mr Rudd is nothing but an empty, shallow vessel.

Time expired.

## BERULDSEN, Ms A.

**Ms BEDFORD (Florey):** Today I would like to talk about Ann Beruldsen who, unfortunately, has passed away. I first met Ann in October 1997 when I was elected as member for Florey, firstly working with her together with her then school governing chair Heather Kastelein and now currently with Tracy Boehl.

Para Vista School is a very special school. It has a large dynamic of multicultural and School Card children. I have seen it grow in stature, and the quality of the education that the children receive is second to none, and that is due in no small way to Ann's contribution to the school. Para Vista had an anniversary on my birthday once, and I had no hesitation in going to its celebration before I went to my own family one. Ann was obviously a quality educator and, as I said, the school has grown in leaps and bounds.

I want to read into *Hansard* the farewell from the school in its newsletter. It states:

> Ann Beruldsen was appointed principal of Para Vista Preschool-7 from 24 July 1995. Under Ann's leadership the school has seen many changes.

Changes to programs include: the extension programs for gifted students; programs for students at risk; and the UNESCO Living Values Program. The newsletter continues:

> The physical environment [of the school] has seen walls knocked out, plant rooms demolished and new teaching spaces created. These include a purpose built science lab, a technology/art room, three

computer suites and two new classrooms. Ann's passion for science and technology has seen Para Vista become a leading school in these areas. This is unique in the primary school setting but Ann believed that these areas would stimulate the imagination and enthusiasm of students. These are among the biggest career fields and Ann believed that these programs might motivate students to go on to careers in these areas.

I digress by saying that I know the students at Valley View Secondary School in particular, and the staff as well, were amazed that our Para Vista students fitted into science so well as soon as they enrolled in that school. The newsletter goes on to state:

Ann was a strong leader who motivated and pushed staff to examine their teaching methods and try new ideas. One area she instigated was values education. The belief was that we needed to explicitly teach values like respect and responsibility. These do not just happen, they need to be taught. Each month, each class learns a different new value and analyses it and what it means, looks, sounds and feels like. It may involve actually role playing so that it is real to the students. A new program that Ann instigated is looking at using bio-feedback through the computer to help some of our students control their anger.

One of Ann's strengths was careful financial management. The school has been in a strong financial position for many years, allowing the school to do things like have a four year computer replacement cycle to ensure that computers are up to date. Ann also had a knack for winning grants to offer further funding to the school. One example is the solar panels we have on our Para building. This came from a $30 000 grant and will actually save us money off our electricity bill for many years to come.

Ann was a strong person who stood up for the whole Para Vista community. She would take on departmental heads if it meant getting things for the school. She demanded a high standard of behaviour from staff and students. At the same time she had a soft compassionate side that cared about others. She has touched many people, and we are proud of her contribution to our students' education and lives.

On a personal note, the human side of Ann had a good sense of humour and she was a Crows' supporter. Monday and Friday break-time conversations were often about selection or post game analyses. The focal part of Ann's life was her family, especially her husband, John, and her six children. Ann was an avid reader and collector of books, and her general knowledge and knowledge of educational and leadership theory was extensive. It was always interesting to have an intellectual, professional discussion with Ann, and her dedication to student learning will be greatly missed.

It was an honour to attend Ann's funeral service, along with many people from the department, and the school was represented by staff. It was a celebration of her life. Ann fought a courageous battle with cancer, and she was cared for by her husband, John, to the very end. It was wonderful that her children could be together at the funeral, many of whom had flown in from other parts of the world. She was the daughter of Richard and Eileen and was the sister of Katherine, Richard, John and Mary. Her children are Kylie, Michael, Katy, Eileen, Chrissie and Josie. The service was a moving commemoration of Ann's life and uplifting at the end, with many of her colleagues lamenting the loss of this wonderful educator in the North-East. I know that she worked very hard for every single child in the school community and, as I said, she will be very sorely missed.

## PORT LINCOLN, INTERNATIONAL HOCKEY

**Mrs PENFOLD (Flinders):** I have a favourite quote I often think of: dare to dream, dare to do and dare to make your dreams come true. Dreams came true at Port Lincoln last weekend, when the visiting Japanese national women's hockey team played the Australian national women's team, the Hockeyroos, at the Port Lincoln Hockey Association's ground at Ravendale Oval. Australia won the two matches played at Port Lincoln, completing five wins and a draw in the six-match series. The Japanese team, ranked sixth in the world, had recently returned from the Netherlands, where they won a three-match series, 2:1. The Netherlands is ranked first in the world in women's hockey, and Australia is currently ranked third. The team now gets a week off before reassembling for a pre-Olympic tournament in Beijing.

The dream took shape about four years ago, when the Port Lincoln City Council started planning for a community sports complex at Ravendale Oval. The Port Lincoln Hockey Association entered enthusiastically into the concept of a combined sports complex to redevelop their grounds to international playing standard—a momentous decision by a very small group of people. Council contributed $580 000, and the association $80 000, to buy artificial turf, which is watered with recycled water. The association added $50 000 for stage 1 for lighting of the arena, with stage 2 taking a further $40 000, plus a $30 000 loan from council to be repaid over two years. The ground is complemented by the $2.5 million sports centre built by the Port Lincoln City Council to make Ravendale Oval a top-class venue for sport.

The facility was opened by Hockeyroos captain, Nicky Hudson, who led her team to victory in this 2007 series against Japan. The success of the combined event was retold many times over the weekend, with participants and officials making plans to return to Port Lincoln for private visits and the Japanese team declaring that this was the best place they had visited and the best treatment they had received anywhere in the world.

Again, that made me very proud of the people I am privileged to represent in parliament. Usually, teams are looked after while playing, but at other times they are left to their own resources. In Port Lincoln both teams enjoyed the lifestyle Port Lincoln has to offer. The Australians were taken to a tuna farm where they swam with the tuna, while the Japanese team visited an oyster farm at Coffin Bay. On Friday night the local seafood company, Sekol, put on a seafood extravaganza for the visitors, much to their absolute delight.

The President of the Port Lincoln Hockey Association, Wayne Harvey, said that, over the past two years, Rick Kolega of Sekol had been a tremendous supporter of hockey in Port Lincoln. Wayne said that the visitors were blown away by the hospitality they enjoyed in Port Lincoln. The cost to fly teams to Port Lincoln is expensive. An extra plane had to be chartered to accommodate all the luggage associated with the two teams. If the huge cost of travel to and from Port Lincoln can be met or reduced in some way more teams will visit; and soon we will have the international Lincoln Hotel in which to accommodate them.

Already, overtures have been made for a visit from the Australian and Great Britain men's hockey teams in November when the two teams will play a five-test series in Australia. The Chinese men's team is coming to Australia in January-February next year, and inquiries are starting about a match in Port Lincoln, possibly during Tunarama. But we cannot put activities and interests in compartments that have nothing to do with the other parts of our lives. Here again dreams are being worked on to make them come true.

In this instance, the local seafood industry is looking to build links internationally, particularly with emerging markets in China. To be successful overseas local businesses must recognise the way in which those countries operate, hence another link with hockey. The local seafood industry

is interested in adopting the Hockeyroos as ambassadors for their products, with those businesses in turn supporting the Hockeyroos. It would be a mutually advantageous arrangement. The ambassadors would open up opportunities across the world in the global market where the introductions can be difficult to develop. We look forward to more international events at the Ravendale Community Sports Ground. The Port Lincoln Hockey Association, the Port Lincoln City Council and the seafood industry are working together to promote and support local activity that makes dreams come true.

## YOUTH PARLIAMENT

**Ms SIMMONS (Morialta):** I rise to speak today to report to the house on the 2007 Youth Parliament, which I had the pleasure to attend on behalf of the Minister for Youth (Hon. Paul Caica). The Office for Youth, headed by Dr Tahnya Donaghy, again provided sponsorship of $30 000 for Youth Parliament. This is the 12th year this annual event has been held. It was admirably managed by the YMCA of South Australia, and I commend Caz Bosch, President of the Y, and Lucas de Boer, its Project Manager, for providing an exciting and dynamic week of events for the participants.

A diverse group of more than 100 young people aged between 13 and 25 took part in the week-long camp, with three days spent in the chambers of parliament arguing their bills. I was thrilled to witness how these young people grew in confidence, stature and knowledge over the week. Their management of the processes and procedures of parliament would put some of my colleagues here to shame. I particularly congratulate and commend Luke Smitheman, the Youth Governor, and Matt Murphy who was elected as the 2008 Youth Governor and who also very ably performed the position of Premier this year.

I would also like particularly to mention two of the teams I was privileged to hear over the week. The Migrant Resource Centre Team was made up of young people from new and emerging communities. The cross-cultural awareness bill introduced to increase the level of cross-cultural awareness in South Australia was passed in both houses. The team articulately described their experiences and knowledge of arriving in a new country and learning to adopt and adapt to new surroundings. They shared, both through their bill and informally, the many challenges that young migrants and refugees face when building new lives.

The Create Foundation Team is a group of young people who are either in out-of-home care or who have been in care at some point in their lives. Their bill, again passed in both houses, sought to establish a statutory obligation that will ensure that young people who have been in care receive appropriate support after they have turned 18. The team and I were particularly proud that three of their participants identified themselves as Aboriginal. The Kaurna Plains School also successfully argued the need for a South Australian Aboriginal and Torres Strait Islander youth advisory council. There was also great regional participation this year, and I met youngsters from Whyalla, Nuriootpa and Naracoorte at the various social activities I was privileged to attend.

After two years of participation, young people are invited to become part of the task force who put together this excellent program and to act as mentors over a period of several months, which challenges participants and gives them an experience to remember. I sincerely congratulate this year's task force. All the young people I spoke to told me that they had an amazing week. They felt that they were taking away a real sense of achievement and satisfaction and a feeling that they now have the skills to make a real difference in the community. They had also made many new and diverse friends they probably would not have met had they had not participated in this event.

The bills argued were all worthwhile and interesting, and I urge all ministers and shadows to make themselves well aware of the opinions of these vibrant and intelligent young people. Bills included issues such as a smoke-free environment; school food standards, which I found particularly interesting as it reflected the obesity inquiry we had earlier in the year; youth homelessness; rural tertiary education; youth concessions and youth media. There was the mental health workers regional incentive bill and bills on issues such as a state strategic plan for essential infrastructure; rural transport; cross-cultural awareness (to which I have alluded); the River Torrens wetland initiative; gambling restriction; assistance for children of mentally ill parents; post-guardianship; and the South Australian Aboriginal and Torres Strait Islander youth advisory council.

It was an absolutely amazing week, and I was really pleased to be able to participate and to represent the minister. I commend my colleagues to attend whenever they can in the coming years.

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## SOUTH AUSTRALIAN PORTS (DISPOSAL OF MARITIME ASSETS) (MISCELLANEOUS) AMENDMENT BILL

**The Hon. K.A. Maywald**, for the **Hon. P.F. CONLON (Minister for Infrastructure)** obtained leave and introduced a bill for an act to amend the South Australian Ports (Disposal of Maritime Assets) Act 2000. Read a first time.

**The Hon. K.A. MAYWALD:** I move:

That this bill be now read a second time.

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

Leave granted.

The *South Australian Ports (Disposal of Maritime Assets) (Miscellaneous) Amendment Bill 2007* will ensure the continued operation of the Port Adelaide Container Terminal Monitoring Panel and will also clarify the process whereby an owner/operator of the Port Adelaide container terminal may be required to divest assets due to cross-ownership interests.

These legislative changes will promote ongoing efficient port operations and encourage further investment in the Port Adelaide container terminal.

The changes represent further progress towards the Rann Government's integrated plan to make the Port of Adelaide a viable, world-competitive port for the benefit of the State's importers and exporters. That plan, which involves working with the private sector, has already seen the Outer Harbor shipping channel deepened, a new deep-sea grain wharf built, a new grain terminal nearing completion, and significant investment in rail and road infrastructure servicing the port.

The role of the Port Adelaide Container Terminal Monitoring Panel is to establish and monitor performance objectives and criteria for the Port Adelaide container terminal.

The Panel was established under the *South Australian Ports (Disposal of Maritime Assets) Act 2000* and since that time there have been a number of changes in the industry including mergers and acquisitions that have resulted in some nominees no longer existing.

Whilst the Panel still exists there is doubt over its ability to operate in accordance with the Act as a result of these changes.

This Bill will amend the Act so as to allow for the membership of the Panel and appointment of persons to the Panel to be prescribed by regulations under the Act.

This will remove the current uncertainty surrounding the Panel's required membership and will ensure that the Panel's required membership can be kept up to date more easily in future.

The amendments will also make the Panel's reporting requirements clear.

The current limitation on cross-ownership provisions under the *South Australian Ports (Disposal of Maritime Assets) Act 2000* can create uncertainty for a container terminal owner/operator that owns simultaneous interests in the competing ports of Melbourne and Fremantle and potentially works against ongoing investment in the container terminal.

The Bill addresses this issue by removing the prohibition on holding a cross-ownership interest. Instead, a cross-ownership interest would simply trigger the application of the limitation on cross-ownership provisions of the Act.

These amended provisions allow the Minister, should the Minister form the view that, as a result of the cross-ownership interest, the container terminal may not be being managed or operated in the best interests of the State, to require the owner/operator to satisfy the Minister that this is not the case.

If the owner/operator is unable to satisfy the Minister this may ultimately lead to divestiture or confiscation of the relevant assets.

The Bill sets out reasonable written notice periods and makes it clear that judicial review of the Minister's decision may be applied for.

These relatively minor amendments provide the level of certainty required by the owner/operator of the container terminal, while at the same time maintaining an appropriate level of protection against behaviour that is not in the best interests of the State.

The *South Australian Ports (Disposal of Maritime Assets) (Miscellaneous) Amendment Bill 2007* is the result of ongoing discussions between the State Government and key industry groups, and will assist in ensuring the private sector continues to invest in South Australia.

I commend the Bill to Members.

**EXPLANATION OF CLAUSES**

**Part 1—Preliminary**

**1—Short title**

**2—Commencement**

**3—Amendment provisions**

These clauses are formal.

**Part 2—Amendment of *South Australian Ports (Disposal of Maritime Assets) Act 2000***

**4—Amendment of section 21—Membership of panel**

The amendment leaves the membership of the panel to be determined in accordance with the regulations. The amendment also enables the regulations to modify the usual term of appointment of a member.

**5—Substitution of section 22**

**22—Procedure of panel**

The new section allows the panel to determine its own procedures, subject to the regulations.

**6—Amendment of section 25—Notice of breach**

The amendment requires the panel to inform the Minister if it issues notices of non-performance in relation to 2 successive quarters to the operator.

**7—Amendment of section 26—Limitation on cross-ownership**

The current section prohibits a person simultaneously having—

- an interest in the container terminal at Outer Harbor, Port Adelaide, situated on the land designated as Title B in the plans in Schedule 1 of the Act; and
- an interest—

(i) in a container terminal in the Port of Melbourne, Victoria, that annually handles 25 per cent or more (by mass) of the container freight handled in that port; or

(ii) in a container terminal in the Port of Fremantle, Western Australia, that annually handles 25 per cent or more (by mass) of the container freight handled in that port.

The amendment removes the prohibition and provides that, if a person has such a cross-ownership interest, the Minister may, if of the opinion that the interest may result in the container terminal not being managed or operated in the best interests of the State, require the divestiture of assets of the person or an associate of the person, within a reasonable period, to the extent considered necessary by the Minister to avoid that result.

Before exercising such a power, the Minister will be required to—

- give the person or the person and the associate (as the case requires) at least 21 days notice in writing of the proposed requirement for divestiture and the reasons for the proposed requirement; and
- allow the person or the person and the associate (as the case requires) a reasonable opportunity to show cause why the requirement for divestiture should not be imposed and to provide supporting documents and other information (verified by statutory declaration if required by the Minister).

If a person fails to comply with a notice requiring divestiture, the Minister may, by subsequent notice in writing to the person, confiscate assets that have not been divested as required.

The amendment expressly provides that a person to whom a notice is given under the section may apply, within 21 days, to the Supreme Court for judicial review of the decision to give the notice.

**Mrs REDMOND** secured the adjournment of the debate.

## STATUTES AMENDMENT (INVESTIGATION AND REGULATION OF GAMBLING LICENSEES) BILL

In committee (resumed on motion).

(Continued from page 645).

Clause 9.

**The Hon. P. CAICA:** I understand a final question was asked by the honourable member, before the luncheon break, which related to financial recovery of claims made should a process find itself in the courts, if it was challenged through the process. Is that correct?

**The Hon. I.F. EVANS:** Yes.

**The Hon. P. CAICA:** If the South Australian TAB or SKYCITY Adelaide sought to claim that the South Australian government was in breach of the approved licensing agreement, any legal procedure sought would need to be made in South Australia. It is more likely that such proceedings would be brought in the District or Supreme Courts, and I am advised that if the court ruled against SKYCITY or the South Australian TAB it would be reasonable to expect the court to rule on costs. Equally, if the courts ruled in favour of SKYCITY or the South Australian TAB then the South Australian government could not effectively recover costs from SKYCITY or the TAB because of the approved licensing agreement. However, the South Australian government is confident that there is no basis for legal action under the approved licensing agreement.

Whilst I am on my feet I would like to clarify a couple of the comments I made in relation to clause 3 of the bill. Under section 20 of the Authorised Betting Operations Act, designated persons are already required to be approved by the authority and there is no extension of the definition of the designated persons proposed by this bill. The purpose of the amendments contained in clauses 3, 4 and 5 is to make provisions relating to applications and the determination of applications (sections 21 and 22 of the act) consistent with the existing requirement that designated persons be approved by the authority.

In relation to whether the Commissioner of Police may charge for reports requested by the Independent Gambling Authority, the executive director of the authority has advised

that the Commissioner of Police does recover costs from the Independent Gambling Authority. It would then be reasonable to expect the Independent Gambling Authority to recover those costs from the applicant or licensee.

**The Hon. I.F. EVANS:** The minister has given a response in relation to the legal costs which I understood to say that, if the court case were in relation to an event under the agreement, then the costs would not be recoverable if the court ruled in favour of SKYCITY or the TAB against the government.

The other issue on which I seek clarification is if, for some reason, SKYCITY or the TAB were to contest the costs—because there is no appeal provision under this legislation which I think, as a matter of natural justice, is wrong—and were to take that matter to court (and this goes to the other example that the minister gave), can the time spent by officers from the Office of the Liquor and Gambling Commissioner and the Independent Gambling Authority in preparing the court case be charged as a legitimate cost under the proposed changes in the bill? In other words, let us say that the TAB wants to contest the charges. It seeks to take it to court on a matter of natural justice and officers of the Office of the Liquor and Gambling Commissioner spend 100 hours preparing the case. Under the act and the changes in the bill, can they be charged for that staff's time in the claim-back?

**The Hon. P. CAICA:** Ordinarily it would not be known, from our perspective, whether or not there was going to be a contest against the estimated costs. So, clearly, if it is not in the estimates, there is no understanding, from our perspective of that stage, that those costs would be contested.

**The Hon. I.F. EVANS:** To clarify that, minister, you know and I know that under this bill the claim-back can be changed at any time without notice. So, if you give notice in May under the process you outlined before lunch, and then in August a court case is made and costs incurred, under your bill you can go back and change the amount charged to these two bodies. I am trying to seek an answer from you as to whether the costs of the government in preparing the legal case against the licensees can then be charged to the licensees through this claim-back.

**The Hon. P. CAICA:** I acknowledge from the opposition's perspective and the point the honourable member has made that the law does not prevent this, but, as I articulated before lunch, an intended process will be undertaken that is inclusive of the TAB and SKYCITY and the final determination of the costs, so I am equally confident that those costs would not be contested based on the process that we will undertake in consultation with those two organisations.

**The Hon. I.F. EVANS:** I accept the fact that you, as minister, are confident they will not be challenged, but my job is to ask questions to get clarity, so in the future when you are not minister and I am not asking the questions but someone else is, we have on the record what the government's intent was. I think what you are saying to the committee is that you suspect there will not be a challenge but, if there is a challenge, the costs can be claimed back. Is that correct or not? Under the legislation, a provision states that the costs in administering the gambling can be charged back. Are the preparation costs for a legal case by the Office of the Liquor and Gambling Commissioner a claimable cost under the bill we have before us or the act that the bill is amending? That is what I want to get on the record, minister; not whether you think there will be a challenge, but what you are proposing the law says in relation to if there is a challenge at some stage in the future. Can they claim back those costs? I personally believe the answer is yes, but I want to get it on the record from the government.

**The Hon. P. CAICA:** As I mentioned earlier, the law does not prevent this, so the costs could well be included within that, but it would be at the discretion and the determination of the minister, and certainly I have made my point and perspective clear.

Clause passed.

Remaining clauses (10 to 12), schedule and title passed.

Bill reported without amendment.

**The Hon. P. CAICA (Minister for Gambling):** I move:

That this bill be now read a third time.

**The Hon. I.F. EVANS (Davenport):** I want to make the point that I do not think the third reading should be supported. For the following reasons, I believe that what the government is proposing here is unprincipled. The government had agreements with the TAB and the casino about their taxes and charges. It went to those two organisations in 2004 and said, 'Hey: have we got a deal for you! We want to charge you cost recovery for the government cost of administering the regulation in relation to the gambling components of your industry.' The TAB agreed in good faith to amend its agreement to pay $250 000 a year plus CPI until 2016, when the agreement is up for negotiation. The government agreed with that: the Treasurer signed the agreement.

The casino, likewise in good faith, reached an agreement that it would pay $850 000 or $860 000 a year. Roll forward past the election and the government has had a change of heart. For some reason, now it wants to break those agreements. We have asked for just one example of where the TAB or casino have not met their agreement, yet no examples have been given to the house other than that there has been a policy change. My view is that, if the government has negotiated the agreement and signed that in good faith, as these two organisations have, then the government should honour its own agreement. You and I know, Madam Chair, that a government has to be a model citizen in relation to litigation and legal matters. What faith can any business have in this government if it signs a written agreement for 2016 and, three years into the agreement, it is dudded—and it is not dudded by way of negotiation but by way of legislation?

The minister says that he has faith that there will not be an appeal on the charges because they are going to go through a negotiation process. As the letters from the TAB quite rightly point out, it negotiated the original agreement in good faith and then, when the Treasurer presented the bill, the TAB put in a submission opposing all of the bill, yet the bill went ahead regardless. In fairness to the minister, the government's track record on consultation on this matter is, 'Here is the document: say what you want; we are not going to listen to it. We will do what we want regardless of our written agreement.'

The other thing that I think is unprincipled in this bill is this. These organisations are getting this system by way of taxation, a system whereby the regulators set their own cost structure, signed off by a minister—and this is not a personal reflection on this minister but on the position of minister administering it—the cost structure is signed off by the very minister who goes to Treasury and argues for more money to administer this section of the law and, when they do not get it through Treasury, they can get it through cost recovery on the industry. The industry has no appeal rights: no appeal

right at all on the cost. It is a straight tax measure. Name me another tax measure where there is not an appeal mechanism.

Name me one where there is not an appeal mechanism—but not with this government. Then we get the appeal. Then, if they dare take it to court, we have now had confirmed by the minister that not only do they pay their own legal costs but this law allows them to have the legal costs of the government's own agencies charged back against them. Who will appeal under those rules? The answer is: no-one. These two organisations are decent corporate citizens. They are in an industry that some people in South Australia do not like, that is, gambling. The reality is that these two businesses are getting picked on because they are big businesses and they might be able to fork out an extra $600 000 to this government a year.

The reality is that they have put about $90 million in tax revenue into the system already. The government already gets full cost recovery, plus much more, out of these two businesses. What the government is doing is wrong in principle and I do not think the third reading should be supported.

**The Hon. P. CAICA (Minister for Gambling):** I will be very brief in my contribution. I thank the honourable member for his contribution throughout the debate. He, quite rightly, identified the policy change that has occurred. I remind the honourable member and the house that, in 2003, the intention was to introduce a bill aimed at exactly what this bill will achieve, that is, full cost recovery. It is clear, to a great extent, that there is a significant difference in the policy position between the opposition and the government; that is, we will focus on and achieve full cost recovery in this area and we will not have the taxpayer cover the costs for regulating the casino and the TAB.

One final point regarding the comment about negotiation, I mentioned that the process will be fair and transparent and involve the casino and the TAB in the determination of transparent, fair and appropriate costs that are incurred for the provision of regulation to the TAB and the casino. I again commend the bill to the house.

Bill read a third time and passed.

## CORRECTIONAL SERVICES (MISCELLANEOUS) AMENDMENT BILL

Adjourned debate on second reading.

(Continued from 5 July. Page 586.)

**Mrs REDMOND (Heysen):** I advise that I will be leading the debate in this house for the opposition. This bill has come to us from the other place where it has already been dealt with by the minister and the relevant shadow. Indeed, it passed there, I think, on 21 June, a little over a month ago. It concerns some rules which are to be of general application, although they arose out of quite specific circumstances in relation to one particular prisoner, one dreadful and well-known prisoner by the name of Bevan Spencer von Einem. Of course, all members would be well aware of the publicity that surrounded the allegations that were subsequently found to be true, that is, that Mr von Einem was receiving special treatment. It was an issue which the opposition pursued with some vigour and which had a fair bit of publicity at the time.

Those allegations included: that staff were purchasing items, in particular artworks for Mr von Einem; they were providing him with art supplies; they were providing him with meals; they were giving him special treatment; and, indeed, he had also been able to obtain a prescription to treat a problem described as 'erectile dysfunction'. Clearly, all these things were inappropriate and there was an investigation into these allegations which, as I said, turned out to be quite true. Many of the things that were happening were already forbidden, as I understand it, under the existing regime, but clearly the existing regime was not being appropriately enforced and, furthermore, the minister was unaware. Indeed, my colleague in the other place noted that this bill arises out of the ineptitude of the minister in failing to know what was going on with her department.

Hopefully, this bill will not only serve to ensure that an appropriate regulatory regime is in place and is absolutely clear but the public outcry (when these events did come to the public's attention) will lead to a result where such things will not happen again. My view is that the outcomes for which we are hoping from this legislation are: first, correctional services officers are aware of the issues surrounding their behaviour and particularly their interaction with prisoners; secondly, the correctional services officers are aware of the rules by which they are to act; thirdly, the rules will be enforced; and, fourthly, the level of communication between the correctional services officers and their management and between management and the minister will dramatically improve compared to what it was previously.

As I already indicated, the legislation can only go so far in addressing some of these issues. It is fairly confined in the way it can address the issues, but I think there are some broader questions. If we put aside for a minute the question of Mr von Einem, who is one of the more abhorrent prisoners whom we have had in this state, the more average prisoner will generally be somewhat younger than him. In fact the usual profile will be a young male from a fairly difficult background who has low levels of literacy. Approximately 60 or 70 per cent of our prisoners are functionally illiterate. They are usually lacking in self-esteem, and what self-esteem they do have is with their peer group and has come about through nefarious activities.

If you take someone like that and think about what it is we want our prisons to do, it seems to me that we want them to do several things. We want our prisons to be, first, a form of punishment where people's freedom is taken away because they have committed an act which we have declared to be a criminal act and for which we say taking away your freedom is the punishment that will be meted out. The second thing I think we want our prisons to do is, by putting that person away, keep our community safe. But I think there is a third thing, and that is that we hope our prisons will do something to rehabilitate, because it seems to me that otherwise what you end up with is a perpetual cycle with, particularly, these young, functionally illiterate people.

If they serve their time and do not manage to get any reasonable rehabilitation in the process, they end their time in prison and are faced with basically the same sorts of situations they were faced with before. They still have virtually no capacity to engage in employment. They often have no capacity even to get a driving licence because they do not have the functional literacy level necessary to get a driving licence, so they will continue to drive disqualified. They will continue to associate with the same people they associated with previously, and no doubt get involved in the same sort of behaviour that led them to be in prison in the first place.

So, as I said, without putting that third element of rehabilitation into our prisons, it seems to me that, although the first two elements might be met—they might be punished and we might be safe—we are not really solving the problem. We are perpetuating it if we do not do something about rehabilitation. I think that is where something of a dilemma arises in relation to this situation. We should put Mr von Einem out of the picture for a moment and imagine a young man in those sorts of circumstances, with a poor background and a long juvenile history, who has gone on to offend as an adult sufficiently to find himself in prison (bearing in mind that prison is the punishment of last resort under our normal regime).

If that young man manages to get some sort of rehabilitation and discover that he has a talent for art, what are we going to do about it? If we have someone in those circumstances who has discovered a talent for art, surely that is something we would want to encourage as part of the rehabilitation process. We would want to encourage that person to develop and pursue whatever legitimate talents they have once they leave the prison system and, indeed, to pursue those talents while they are in the prison system. That is where I think the dilemma arises, because the difficulty lies in where to draw the line.

I guess the first element is that encouragement does not have to be through correctional services officers actually purchasing someone's art work. Encouragement could be verbal, or by having an art show of prisoners' artwork, or even getting a prisoner's artwork taken out of the prison to be displayed at a normal art show in the wider community. There could be a number of things that could be done.

That brings me to the other part of what I see is the dilemma in this situation, and that is the issue of notoriety. To some extent it seems to me that the very notoriety that the person has by virtue of their criminal activities becomes part of the problem. If we look at, for instance, the issue of Mark 'Chopper' Read who, of course, left prison and wrote children's books, you have to question, it seems to me, whether his children's books are really that great or whether they are saleable and have been published because of the notoriety of his criminal past. In the case of Bevan Spencer von Einem, whose notoriety I think probably has a lot to do with the value of his artworks, we get to more of a problem in relation to this dilemma. If the people whose previous criminal acts have led to them having this level of notoriety and if the value of what they produce lies in their notoriety, how do we deal with that?

Our criminal assets confiscation regime does not really allow us to deal with it. It allows us to deal with someone like David Hicks, for instance, being unable to write a book about what happened to him and his circumstances in Guantanamo Bay as long as he does not profit from it by actually selling it. He can give interviews and so on but, as soon as he does something that specifically relates to what he did, that becomes something that is classified as assets from the crime and liable to confiscation. But, in the case of someone like Chopper Read, who writes children's books that have nothing to do with what he did previously, he is, in a way, it seems to me, still getting a profit from the very notoriety that caused society to put him in prison in the first place, because it is the notoriety of the name of Chopper Read that leads to the money from the books, even though the books themselves have nothing to do with what he did in his criminal past.

So, I think there is something of a dilemma that, on the one hand, we should be able to say, once someone has gone to prison and served their term, or once they are in prison and serving their term, if they are able to do something else, something unrelated, they have paid the price and they should be allowed to get on with their lives. But, on the other hand, I am sure that no-one would want Mr von Einem, who I do not think will ever be released but if he were ever released, to be able to make lots of money because of his notoriety as a prisoner.

I think there is a bigger issue in this question that we need to start to address, and I do not think there will be a one-size-fits-all answer because, as I said, if you have a young man from a dysfunctional background who is illiterate but who discovers a talent for art while in prison and it can give him a path to a rehabilitated and better life as a productive member of the community, I expect most people would say that once he has served his time let him get on with it, but when someone has become notorious because of the depths of their depravity, I do not know that as a society we will ever solve the dilemma of how we let that person get on with their life if it involves trading on the notoriety they gained as a result of that depravity.

As I said, I think it is a vexing issue. This bill does not seek to address all that: all it does is seek to set up a regime that addresses fairly specifically the issues that came about from the von Einem escapades with the correctional services officers, who I think (probably not maliciously; in fact, they may have been well-intentioned) were clearly wrong in their purchasing of his paintings and so on. Indeed, from the second reading speech and the notes from the CEO's briefing in relation to the bill, it appears that most of what was going on was, in fact, already against the rules of the existing regime. The difficulty was that the rules were not being enforced.

As I read it, four substantive changes, and one that is of a more general and possibly more minor application, are brought about by this bill. The first of those changes relates to the prisoner's allowance and other money. I am not really familiar with what happens, but my understanding is that prisoners generally receive an allowance that amounts to something less than $1 a day. They can supplement that by being paid for working in various prison industry situations, and that money can go into their account. They each have an individual account, which is managed by the Department for Correctional Services. In addition to any money they earn in that way, family and friends can provide money from the outside to enable prisoners to purchase things such as cigarettes and to make phone calls and so on. It is interesting that we allow the purchase of cigarettes which, ultimately, has to be a huge health problem for our prison population, from both active and passive smoking, and will probably cost us a lot in terms of our health costs. A huge percentage of prisoners are smokers compared with the percentage in the general community. However, that is an argument for another day.

Prisoners have sources of money from various places and, for most people, it works in a fairly straightforward way. The problem has been that, in the circumstances that have arisen here and elsewhere, significant sums of money were being paid to prisoners into their accounts in exchange for things. So, what is proposed in this circumstance is that there will be a limit on individual deposits of up to $100 and that anything larger has to be approved by the CEO. In reading the papers in relation to this bill, it seems to me that the CEO has taken upon himself (at least for the time being) direct control of a

range of these things to ensure that the regime operates fairly strictly.

Clause 4 allows the prison manager to hold the money while the identity of anyone who has provided money to a prisoner is ascertained. It is largely a discretionary clause so that the manager will have the discretion of deciding whether the payment is reasonable, what it is to be used for and why it is coming in. It does not seem to address the problem that it does not take a great wit to think of mechanisms by which payments could still be made to a prisoner. All this clause controls is the prisoner's account within the system. If a prisoner already has an existing bank account (and it would pretty difficult legitimately to set up a new bank account while he is in prison), I do not know that this bill will be sufficient to control payments into such an account. It does not take a great wit to think of ways around the proposal. However, it will stop the prisoner from having access to that money directly whilst he is in prison—and I use 'he' in the grammatically correct sense of he or she.

The other slight problem I see with the way that it has been arranged is that it relies so heavily on the discretion of the prison manager. In any system such as this, we have to accept that there will need to be a fair bit of discretion because everyone's circumstances will be different, and the reality is that that discretion is pretty broad. Ultimately, it could be that, if the prison manager came to certain conclusions, money paid into a prisoner's account could be paid onto the Treasurer under the unclaimed monies legislation. So, you take your chances if you are going to try to make large payments to a prisoner who is in custody in this state, and I think that that is all to the good.

The second substantive element is that of unauthorised contracts with prisoners, which appears as clause 82. Essentially, the bill makes it an offence for prisoners to enter into a contract with staff or other people, and 'other people' will be as prescribed under the regulations. From the information I have read, I gather that the regulations intend to prescribe other people who might generally be expected to attend at prisons but who are not actually employees of the department as such and, therefore, are not correctional services officers, such as chaplains, volunteers and so on. I am not for a moment suggesting that those people would be likely to do anything that is unauthorised or breaches the rules. However, this makes it absolutely clear that, if they enter the prison, they are bound by these clauses that prohibit them from entering into contracts.

There is a significant offence penalty. So, instead of being simply something that is against the rules (and even if they were being enforced, those rules were just for internal discipline), what happens now is that there is a significant offence with a maximum penalty of $10 000 and a maximum of up to two years' imprisonment. That is a big step up from what was an internal disciplinary matter. Once an offence is proved, it means that an independent person decides what the penalty will be. Clearly, the maximum would apply only in the worst circumstances; nevertheless, I think it is a significant disincentive for people to do the wrong thing.

The third substantive area is that of prisoners' goods, which comes in under section 33A of the act. The aim is to give the chief executive the discretion as to whether to allow items which have been produced by prisoners to be taken out of the prison on the very sound rationale that if they produce something in the prison and you have said that they cannot sell it inside the prison then maybe they are going to want to sell it outside the prison. Indeed, this is one of these circumstances where the chief executive has said, 'I think I'll manage that for the time being at least,' and so the power has been lifted up to the chief executive to make that decision.

It seems that, in looking at that particular clause, on a number of instances the word 'manager' (being the prison manager, I assume) has been replaced by the chief executive so that there has been a higher level of scrutiny. I do not know whether that will be the answer for the longer term. I imagine that there could be a number of things. I did not have time to look up whether that power was going to be delegable from the chief executive to the manager. I hope it would be because, clearly, the largest number of things would, as I understand it, be things people produce to send home to family members or close friends by way of birthday and Christmas presents. I am sure that the chief executive does not want to be spending his time assessing everyone's Christmas presents and so on before they are sent out. One hopes that there is a delegation of the large number of them but, I guess, the point of putting it in as the chief executive is that if there is any question whatsoever it will go to the chief executive to be the final arbiter of the decision.

It also appeared to me that there is an intention under that section to prescribe in the regulations certain items which are prohibited from being sent in any circumstances. I appreciate that the minister who would normally be dealing with this bill is not here and that the Minister for Water Security has very graciously filled in. I do not want to put her on the spot, but perhaps she could ask the CEO about what sorts of items it is intended will be prescribed as prohibited from being sent out of the prison in any circumstances. One would presume that you would not be needing to prescribe illicit items because, theoretically, they have not got into the prison in the first place. I am just curious about what the minister will prohibit from being taken out. Perhaps the minister could get an answer about that. Obviously, it is not something I want to take us into committee to pursue, but I looked through the minister's second reading explanation and the briefing from the CEO as to what sorts of items it is intended to prescribe, given that there was mention of prescribing, and I really could not figure out what it was.

The fourth and final of what I call the substantive changes is that which deals with regulations to prohibit, restrict or regulate the supply of drugs to prisoners and, of course, this comes about from the circumstances of Bevan Spencer von Einem who, for some reason, was able to get a script—and the script obviously filled—for a drug to treat his so-called erectile dysfunction. I understand from what I have read about this that, indeed, this is another case where this was already against the rules. The rules clearly were not being enforced and, even if they were being enforced, there was only a matter of internal discipline. So, what this does is to make quite specific certain drugs, and these will be prescribed by regulations and they will be prescribed as a class of drugs.

I therefore presume, for instance, drugs of the class which are to treat erectile dysfunction, or something of that nature, will be included there. The department will not take upon itself the decision as to what drugs but will get advice from the Department of Health as to what drugs are appropriate to prescribe for those purposes. That really should deal with that issue and make it abundantly clear presumably to prison doctors. They would be the only people I would imagine generally treating prisoners, although I can conceive that there may be occasion to bring in specialists who would not necessarily be normally prison doctors for the treatment of certain ailments. It should make it abundantly clear, and no

doubt there will be the necessary indications for anyone in the nature of a doctor coming into the prisons as to what the restrictions are so that this sort of mishap cannot happen again.

The last thing this bill seems to do, and it is what I referred to as a more general provision, is that, generally where we have had matters of internal discipline for breaches of the regulations, what happens in all these other circumstances is that, instead of an internal disciplinary process, there will now be a penalty of up to $2 500 for any breach of the regulations. I would imagine that the intention is that, whilst some breaches of regulations would be so minor as to involve nothing more than internal disciplinary proceedings, there is the potential, for instance, for deliberate and ongoing breaches of regulations for which people could face a substantial fine. It will be, I think, generally a deterrent to them rather than just the internal disciplinary issue.

As I said at the outset, I hope that the effect of all these changes is that there is not just a change in the bill, the act and the regulations but a change in the culture within the prison in terms of how people manage prisoners, especially, I think, in the case of these people, as I said, who are notorious prisoners. We still need to have some flexibility, and we still need to do further thinking about how we manage this issue of rehabilitation. To some extent, I recognise that the more prison officers and prisoners can relate to each other as human beings the more likely it is that the prisoners we turn out of our prisons when they have finished their sentence will be better equipped to become productive members of our community—and I would think that that is what we all want at the end of the day. However, a bit of common sense might have avoided these problems in the first place and, hopefully, a little more common sense, better communication and the implications of this bill, which, obviously, we are supporting, will have that effect, albeit somewhat belatedly in the case of Mr von Einem.

**Mrs PENFOLD (Flinders):** As one of the very few members with a prison in their electorate, I take some interest in the laws relating to prisons. This bill is before us today for our consideration because the review and amendment of laws and regulations is an ongoing responsibility of government. The bill appears to make some very sensible changes. However, I am concerned that the changes being made because of one notorious prisoner could have ramifications on other prisoners and, in particular, their rehabilitation.

The changes to the section relating to prisoner allowances and other money removes areas where injustice, rather than justice, may result from the incarceration of convicted persons. In the past, I believe that some funding sources have been used as payment for drugs and favours and that stand-over tactics may be used to force an inmate into a particular course of action. In a closed community such as a prison, the temptation to profiteer at the expense of one's associates is strong, and we would be naive to think that this does not happen in our present system. Stricter controls on prisoners' finances should remove most, if not all, of the injustices perpetrated on people who are already considerably disenfranchised. Free availability of significant sums of disposable cash can result in staff and prisoners forming liaisons that do not fall within the code of conduct and the requirement for ethical behaviour. Prisoners and their families can be placed in stressful, damaging situations if money movement is not monitored. The amendment to take more control of prisoners' sources of funds will therefore improve our correctional services system.

I commend the proposal to limit the way in which prisoners can profit from the sale of goods they may have made and to cover the disposal of goods that may have been received by a prisoner. However, I note that the power under this section is given to the chief executive or his delegate. I believe that in practice the delegation should be given to the general manager of the correctional services facility where the prisoner is incarcerated. The chief executive should make clearly defined guidelines for the delegate to adhere to and should always be available should questionable circumstances arise. It seems unnecessarily bureaucratic and inefficient to expect the chief executive to make all decisions in such matters. Therefore, I would prefer to see 'delegate' defined more specifically to include the general manager.

Cards and other small items are made with loving care by prisoners and at their own expense, and I understand they are often given away for family birthdays and similar occasions, as mentioned by the shadow minister. A general manager of a prison would be able to make decisions based on knowledge of the particular inmates. I believe several hundred requests may be made in a day for what can be loosely termed 'property' (for instance, clothing, doonas, sneakers, televisions, etc.) to be sent in. It would clog the system for each and every one of these requests to have to be decided by the chief executive officer. I believe it would be preferable that the general manager of a prison, rather than the chief executive, have the power to make decisions in these cases. Again, clearly defined guidelines should prevent irregularities and/or illegalities. The matter of unauthorised contracts with prisoners further strengthens control of the money trail and supports the changes under prisoner allowances and other money. The scope of people from different external sources who may have contact, or will be in contact, with prisoners is broadened, thus controlling the unjust and possibly unlawful activities within a prison. While correctional services staff, employees of the department and police officers are specifically mentioned, the regulations should include any groups, such as medical staff, who have regular contact with inmates. The section dealing with the supply or administration of drugs to prisoners should cover correctional staff, visitors, support agencies and all people having contact with prisoners. I support the bill.

**Mr HANNA (Mitchell):** I rise to speak briefly in support of this legislation for further controls over prisoners and staff within prisons. However, I do want to sound one note of caution. First, I want to commend the member for Flinders for what I think is one of the best speeches she has ever given in this place. What I am going to say is largely in accordance with what she said. There is a tension resolved in this bill in relation to two competing policy principles. One is to confine the behaviour of prisoners to minimise the risk of illicit behaviour taking place within prisons and offence being given to victims of the crimes committed by the prisoners. However, there is another competing principle, which is not voiced often enough or loudly enough, and that is the principle that prisoners should have a chance at rehabilitation.

I am aware that part of the genesis of this bill is the controversy caused by one of our most notorious prisoners selling some sort of cards, whether they were Christmas cards or greeting cards. However, I can imagine other situations where the manufacture of some sort of goods might genuinely assist the rehabilitation of prisoners; the example I first

thought of is Aboriginal painting. We have a very high proportion of Aboriginal prisoners in our prison population compared with the proportion in the general community population. I can imagine a number of them might be willing to try their hand at Aboriginal-style traditional painting and to sell that for modest sums outside of the prison for the benefit of their families who are deprived of their presence. I can imagine circumstances where that might be a very positive thing for the rehabilitation of a particular prisoner. I understand it would not be completely outlawed if the chief executive officer of the department were to allow certain behaviour, but I would not want to see complete inflexibility in relation to those sorts of efforts at rehabilitation.

I agree with the view that it would be more appropriate for the general managers of the particular prisons to have power to exercise discretion about these matters. It seems to me that someone closer to the action, who is a little better informed about the nature of a particular prisoner, will be in a better position to judge. On the face of it, it looks as if having the chief executive officer play a role in these discretionary decisions takes the whole decision-making process one step closer to the political area—because, of course, the chief executive officers are working with the minister every day—so I have doubts about that.

On the whole the bill is beneficial and one can only hope that, by repeatedly referring to the principle that prisoners should have a decent opportunity for rehabilitation, eventually the government (whether Liberal or Labor) will further that particular principle.

**The Hon. K.A. MAYWALD (Minister for the River Murray):** On behalf of the Minister for Correctional Services I thank members for their contributions. I have some information on the question raised by the lead speaker on this legislation regarding what items could possibly be prohibited. Items are currently already prohibited under regulation 9(a) to (n) and include drugs, syringes, weapons, liquor, mobile phones, etc. This list may be altered from time to time. So there are already items prohibited under the current regulations.

*Mrs Redmond interjecting:*

**The Hon. K.A. MAYWALD:** The member asks how they got in there, and that is a very interesting question. In closing, I would like to add that this is an important amendment to the Correctional Services Act. It increases accountability of staff but, more importantly, it stops prisoners from profiting from their notoriety. While the matters that triggered these amendments were of great concern, the change to the legislation is a proactive response.

Bill read a second time.

**The Hon. K.A. MAYWALD (Minister for the River Murray):** I move:

That this bill be now read a third time.

**Mrs REDMOND (Heysen):** I was not going to make any further comment at the third reading, but the response to my question leads me to say that it seems a little odd that we should be prescribing that certain items cannot be taken out of the prison when they are items which should not be taken into the prison in the first place. I want to put on the record that I trust that the CEO and the department generally are taking all necessary steps to address that at the beginning of the problem rather than at the end of it—that is, that active measures are put in place to prevent prohibited items from being brought into the prison in the first place so that we do not have the problem of them being taken out.

**The Hon. K.A. MAYWALD (Minister for the River Murray):** I appreciate the comments made by the honourable member and I concur with that. I am sure we do endeavour to ensure these kinds of prohibited items do not get into prisons; however, as she would be aware, we cannot always prevent everything from entering prisons. There are some very ingenious people in prison.

Bill read a third time and passed.

## STATUTES AMENDMENT (REAL ESTATE INDUSTRY REFORM) BILL

The Legislative Council insisted on its amendments Nos 1 and 9 to which the House of Assembly had disagreed.

## CRIMINAL LAW (SENTENCING) (DANGEROUS OFFENDERS) AMENDMENT BILL

The Legislative Council agreed to the bill with the amendments indicated by the following schedule, to which amendments the Legislative Council desires the concurrence of the House of Assembly:

No.1 New clause, page 3, after line 24—

Insert:

7A—Amendment of section 30—Commencement of sentences and non-parole periods

Section 30(2)—delete subsection (2) and substitute:

(2) If a defendant has spent time in custody in respect of an offence for which the defendant is subsequently sentenced to imprisonment, the court may, when sentencing the defendant, take into account the time already spent in custody and—

(a) make an appropriate reduction in the term of the sentence; or

(b) direct that the sentence will be taken to have commenced—

(i) on the day on which the defendant was taken into custody; or

(ii) on a date specified by the court that occurs after the day on which the defendant was taken into custody but before the day on which the defendant is sentenced.

No. 2. Clause 8(1), page 3, lines 28 to 32 (inclusive)—

Delete paragraph (ab) and substitute:

(ab) if fixing a non-parole period in respect of a person sentenced to life imprisonment for an offence of murder, the mandatory minimum non-parole period prescribed in respect of the offence is 20 years;

No. 3. Clause 8(2), page 3, lines 34 to 38 (inclusive)—

Delete paragraph (ba) and substitute:

(ba) if fixing a non-parole period in respect of a person sentenced to imprisonment for a serious offence against the person, the mandatory minimum non-parole period prescribed in respect of the offence is four-fifths the length of the sentence;

No. 4. Clause 9, page 4, after line 25—

Insert:

32A—Mandatory minimum non-parole periods and proportionality

(1) If a mandatory minimum non-parole period is prescribed in respect of an offence, the period prescribed represents the non-parole period for an offence at the lower end of the range of objective seriousness for offences to which the mandatory minimum non-parole period applies.

(2)In fixing a non-parole period in respect of an offence for which a mandatory minimum non-parole period is prescribed, the court may—

(a) if satisfied that a non-parole period that is longer than the prescribed period is warranted because of

any objective or subjective factors affecting the relative seriousness of the offence, fix such longer non-parole period as it thinks fit; or

(b) if satisfied that special reasons exist for fixing a non-parole period that is shorter than the prescribed period, fix such shorter non-parole period as it thinks fit.

(3) In deciding whether special reasons exist for the purposes of subsection (2)(b), the court must have regard to the following matters and only those matters:

(a) the offence was committed in circumstances in which the victim's conduct or condition substantially mitigated the offender's conduct;

(b) if the offender pleaded guilty to the charge of the offence—that fact and the circumstances surrounding the plea;

(c) the degree to which the offender has co-operated in the investigation or prosecution of that or any other offence and the circumstances surrounding, and likely consequences of, any such co-operation.

(4) This section applies whether a mandatory minimum non-parole period is prescribed under this Act or some other Act.

No. 5. Clause 9 (new section 33A(I)), page 5, line 27—

Delete 'Full Court' and substitute: Supreme Court

No. 6. Clause 9, page 7, after line 9—

Insert:

33AB—Appeal

(1) An appeal lies to the Full Court against a decision by the Supreme Court—

(a) to make a declaration and order under this Division; or

(b) not to make a declaration and order under this Division.

(2) An appeal under this section may be instituted by the Attorney-General or by the person to whom the particular decision relates.

(3) Subject to a contrary order of the Full Court, an appeal cannot be commenced after 10 days from the date of the decision against which the appeal lies.

(4) On an appeal, the Full Court may—

(a) confirm or annul the decision subject to appeal;

(b) remit the decision subject to appeal to the Supreme Court for further consideration or reconsideration;

(c) make consequential or ancillary orders.

## ADJOURNMENT DEBATE

**The Hon. K.A. MAYWALD (Minister for the River Murray):** I move:

That the house do now adjourn.

## APY LANDS

**Ms CHAPMAN (Bragg):** The matter which I wish to bring to the attention of the house relates to the people of the APY lands. The difficulties that people in the lands, whether they reside or work there, face on a daily basis would not have escaped the attention of many in the house. I will canvass some of the issues that are prevalent there at present, and I will start with the current inquiry into sexual abuse of children in the APY lands. Two assistant commissioners have been appointed—as members will have noted in the *Gazette*—to assist Commissioner Mullighan in his inquiry into the incidence and prevalence of child sexual abuse in the APY lands.

The house has debated this issue at length. I called upon the minister to consider expanding that inquiry to other lands within South Australia where Aboriginal persons reside, but he declined. I am pleased to see that Acting Premier Ripper in Western Australia has now expanded his inquiry across the state, as is consistent with the Northern Territory inquiry into child sexual abuse. If it has escaped the attention of the Minister for Families and Communities, perhaps he ought to inquire into the fact that persons from a Riverland settlement have been charged in the last week in relation to the sexual abuse of indigenous children. I think the importance of expanding the inquiry was clear when we debated this matter, but it ought to now be abundantly crystal clear to the minister. Nevertheless, we look forward to receiving Commissioner Mullighan and/or his deputy's report after 31 December 2007.

I also raise the continuing dispute over the rebuilding of the hospital at Ernabella which was burnt down. I have previously reported this issue to the house. There has been an ongoing dispute as to the funding that this state government is to make available to that community for the rebuilding of its hospital. In the meantime, medical services are being provided through a makeshift clinic in a house, which is totally inadequate. I urge that that matter be dealt with.

A petrol sniffing report has recently been provided and that report from the Nganampa Health Council tell us that, whilst following the introduction of Opal petrol to the lands there has been a significant reduction in the use of petrol as an inhalant for drug-sniffing purposes, there has been a significant increase in the use of marijuana and alcohol. The survey results in that report are also of concern. So, one problem has been replaced by another.

One matter which I particularly wish to draw to the attention of the house today is that during the next month and a half there is a window of opportunity for the state government to have the use of an exclusive benefit of $25 million which has been placed on the table by the commonwealth government to provide specifically for the housing of people on the APY lands. Put simply, at the moment there are not enough houses on the APY lands and, when I visited there a few months ago, it was clear that the number of people occupying dwellings was much greater than the number for which the premises had been designed and built. It was not unusual to have 15 to 20 people living in a home that had been built for five or six at the most. You can imagine the hygiene and safety issues that flow from this overcrowded housing.

The government offered $25 million to the South Australian government to help fix this housing shortage. Specific benefits to the Anangu people include the fact that new houses can be built, existing houses can be upgraded, houses will not be so overcrowded and, as a consequence, housing standards will improve. The other benefit, of course, is that the building and upgrading of the houses will provide employment and training opportunities for the Anangu people. So, why is the Minister for Housing—who is also the Minister for Families and Communities, and who, in my view, should be well across the issues that face our indigenous communities—rejecting this $25 million? Why did he say on radio, 'We are not going to have indigenous people exchanging human rights for land rights'—this type of shallow, nonsensical statement—when, in fact, we have a situation where the land rights of Aboriginal people are at risk of being interfered with?

The Australian government has said it wants to make sure that, rather than simply handing over funding for housing on property that is under general lease (as currently operates), there need to be new leasing arrangements on the APY lands. This will result in three things, the first of which is long-term 99-year leases. For example, Anangu and an agreed number of non-Anangu people will be able to take out a long-term lease and obtain a mortgage so they can own their own home

on the lands. This is an important initiative which will enable those families to have some control over the occupancy of these dwellings, and this will help with the overcrowding issue. Secondly, both Anangu and non-Anangu people will have shorter leases so they can set up their businesses; and the government will have long-term leases for its buildings on the lands.

There could be a limit on the number of non-Anangu who could obtain leases on Anangu land, although I did notice when I visited there recently that at Umawa, for example, which is a little like the Canberra of the APY lands, there are only a few indigenous residents in the community. It is almost entirely comprised of employees of governments, and they were non-Anangu people. These arrangements would also provide an opportunity for Anangu to receive rent in return for leasing of their land to non-Anangu. So, it will set up a leasing arrangement that will allow for some dignity in the occupancy and control of housing accommodation that people have. Will the land rights acts be changed? Some of the leasing arrangements are already possible, but some will require amendments to the land rights legislation, the APY Land Rights Act 1981, to facilitate the 99-year lease and commercial leases.

The Australian government fully supports any further consultation with Anangu people, but my understanding is that consultations have already been undertaken with the APY executive board both in Canberra and at Umawa. The important next step is for the South Australian government to commit to accepting the conditions of the offer. The APY executive needs to support the changes by the South Australian government to the Land Rights Act itself, and then we can get under way. I would say that this is not a big ask for the Minister for Aboriginal Affairs and Reconciliation, and one has to ask the question: by declining this offer, does he want real change to improve the circumstances of the Anangu people, the indigenous people of the APY lands?

If he wants real change, he will need to make some hard decisions. We just want a situation where we see the utilisation of this money, that it be applied to an important initiative, and that it will give some opportunity for independence, safety and security, particularly to women and children in the APY lands, and some autonomy in the occupancy of the dwelling of their choice. Anecdotally, I recall a number of dwellings that I observed whilst on the APY lands and, although it is hard to imagine how one can compare the management of the housing in those lands by the occupants thereof, it is fair to say that they were in a very poor state of repair. Some would argue that that is a situation arising as a result of the occupants failing to properly care for them, but they are simple things.

I inquired, for example, as to healthy food eating and why more cooking was not being undertaken in some of the homes. The fridge in one dwelling had the door open, which clearly did not work, and I found that it had been used as an airconditioner instead of for storing food. I urge that this matter be brought to the attention of the minister.

## MEMBERS' INTERESTS

**The Hon. R.J. McEWEN (Minister for Forests):** I am delighted to have the opportunity to speak briefly to close today's proceedings in the house. Recently, the debate was raised in this place about disclosure of election campaign donations. The issue for me as an independent was whether or not a donation was a gift. if It is a gift it would need to go on the register; if it is a donation it does not need to. I have had legal advice that I was correct in that regard, although the Liberals have continued to argue that I should make known to all who my donors are. In that debate, I do not think that anyone suggested that I or anyone else as a local member would give preferential treatment to a donor.

Obviously, we treat all our local constituents equally and I made that point in answer to a question the other week: a bit clumsily, maybe, but the point I was making is that I do not think anyone in this place as a local member would single out donors for preferential treatment. However, the real question was how we know who the donors are. The Liberal Party argued that people knew who their donors were because the Australian Electoral Commission required them to notify them of who they were. However, members should not for one minute think that, because they do that, members opposite actually know who they are and, if they do know who they are, declare who they are. Let me give members an example.

The member for Davenport, just this afternoon in the house, in making a third reading contribution on the Statutes Amendment (Investigation and Regulation of Gambling Licensees) Bill, spoke against the bill, advocating the position that SKYCITY would have taken. In the debate he did not indicate that SKYCITY gave $15 000 to the Liberal Party during the last election campaign. Why did he not indicate that: because he did not know. So, now we have a peculiar situation on the other side of the house where, although members claim that they deal with this through the Electoral Commission, I do not think that most members opposite actually know who these people might be. Equally, I would be very surprised if the return truly reflects the situation.

I would be surprised because there are only 28 individuals in the year 2005-06, the state election year, who, according to their returns, gave a contribution of $1 500 or more, and then a further two in an amended declaration for that period. Could anyone believe that you could run a campaign in 47 lower house seats and run an upper house ticket and have a total of only 30 donations of $1 500 or more? Perhaps the system is not working. Perhaps individual members are not telling the branches or perhaps the branches are not telling the state office. Either way, I did challenge the leader to come into this house and reassure all of us that the register was accurate.

It might help those opposite, in terms of checking their own records, if I indicated to the house what they have told the Australian Electoral Commission. What is quite remarkable is that in the six-month period during the election campaign, 8 December 2005 to 30 June 2006, they declared only six donations of $1 500 or more. They only declared six donations of $1 500 or more from Adelaide Brighton Cement, SKYCITY (the one I have mentioned), the Australian Hotels Association, Australian Fisheries (St Andrews Terrace, Port Lincoln), Medicines Australia Pty Ltd and Gerard Corporation. Most surprisingly, they did add two more to their register: Sonnex Engineering and a Mr Ron Watts. Really, that was the total number of people who they claim gave a donation of $1 500 or more to any individual member, a branch, or the state office. Remarkable, if it is true—how could you possibly run an election campaign with so little support—concerning, of course, if it is not.

The other 28 donations, which were recorded between 1 July and 7 December last year—again, in this election year—are from the federal secretariat (which obviously tipped 50 grand into the campaign), British American

Tobacco; Amtrade, Adelaide Bank, ETSA Utilities, Adelaide Bank (again), the Pickard Foundation, Raytheon Australia Limited, Australian Hotels Association, ATCO Power Australia, Philip Morris, ABN AMRO Morgan, Ahrens Engineering Pty Ltd, Australian Hotels Association (again), and North-East Isuzu—I might add that, according to the register, they are very generous supporters every year. Then there are four contributions from an address at 9 French Street, North Adelaide—and people would know that is the McLachlan group: Commonwealth Hill, HGM Pastoral, Commonwealth Hill (again) and H. McLachlan—Flinderslink, Janet Forster and Graham Gunn. Congratulations, Graham, it is good to see that your contribution is on the record.

Now those opposite know what their own declaration says. I appeal to them as a matter of urgency to check their own notes because, according to them, if they have received a donation as an individual, they must put that on their gift register—and we all know how many are not on the gift registers. They hide, of course, behind the local branch. They say, 'No, the money does not come to me, it goes to the local branch.' If it goes to the local branch, then obviously it must be on this register. We have a dilemma opposite, and I am now looking forward to the Leader of the Opposition coming back into this house and reassuring us that this record is accurate and, if not, as a matter of urgency, correcting it. What we must do now is ensure that every member in this place and every other person who ran checks the register, because this is actually about the donations that were made to the branches in all 47 seats.

Mr Gandolphi is making the point in Mount Gambier that because he did not win he does not need to say anything. Other people have indicated on the public record that they did support him. He has said that they did not support him directly, therefore it must be in the branch return. I am simply putting out the challenge and asking whether they are all on the record today in the house. Could everyone please check that and ensure that it is right, because it would be extraordinary, if the money is right, because it just shows the total lack of financial support for the Liberals during the last state election. I would suspect that, for whatever reason, there are significant deficiencies in the return, but again that is the challenge for the leader.

I put that challenge to him the other day. I trust he will accept that challenge and I look forward to being reassured that what we see is totally accurate. Again, this will avoid the situation in which the member for Davenport found himself. I am not criticising the member for Davenport in any, way, shape or form—obviously he has genuinely lobbied on behalf of a constituency, and that is totally appropriate—but it is surprising that he did not know about that $15 000. In future, I would expect that someone who comes into this place and lobbies for a donor will indicate to the house that they have supported them. I think that is an appropriate way for the opposition to now deal with an issue, because obviously, in the absence of that, the total hypocrisy it has demonstrated over the past few days will prevail.

Motion carried.

At 5.05 p.m. the house adjourned until Thursday 26 July at 10.30 a.m.