

## HOUSE OF ASSEMBLY

Wednesday 2 April 2008

The **SPEAKER (Hon. J.J. Snelling)** took the chair at 11:00 and read prayers.

### LEGAL PROFESSION BILL

The **Hon. J.M. RANKINE (Wright—Minister for State/Local Government Relations, Minister for the Status of Women, Minister for Volunteers, Minister for Consumer Affairs, Minister Assisting in Early Childhood Development) (11:03)**: I move:

That the sitting of the house be continued during the conference with the Legislative Council on the bill.

Motion carried.

### PUBLIC TRANSPORT

**Mr VENNING (Schubert) (11:03)**: I move:

That the Environment, Resources and Development Committee inquire into the current and future public transport needs for South Australia, and in particular—

- (a) the development of an efficient and integrated public transport system incorporating all forms of public transport and necessary infrastructure improvements;
- (b) the needs of metropolitan and outer metropolitan regions; and
- (c) the opportunities and impediments to increasing public transport patronage with a view to reducing greenhouse emissions.

I have raised this matter with members of the ERD Committee, and I note that the chair is in the chamber at present. I believe that the government may seek to amend this motion. I do not have a problem with that, as long as the thrust of the motion remains.

South Australia's public transport system is in a state of utter chaos and disrepair. Every form of public transport in this state—trains, buses and trams—is suffering from constant problems. Trains and buses are continually running late. There have been timetabling issues and problems with passenger overcrowding, not to mention more serious issues that have occurred in the past six months. There have been train derailments, buckling of railway lines, signalling problems, computer breakdowns, doors opening during transit and excess grease on railway lines, and so on. No wonder our passenger transport user rate is the lowest in Australia—probably the world. It is quite clear that South Australians are fed up with having to deal with such substandard public transport facilities. Honestly, who can blame them?

South Australia needs a revolution in public transport infrastructure. The state has fallen so far behind that massive new investment is needed, not just typical annual funding. An efficient and integrated public transport system, incorporating trains, buses and trams, and servicing both inner and outer metropolitan areas, including Gawler—and I note the member for Light is present—is necessary to serve the needs of all South Australians. An inquiry into the needs of all travelling South Australians by the Environment, Resources and Development Committee would establish the requirements of South Australian residents in relation to passenger transport services and ensure that taxpayer-funded revenue and government funds are spent on upgrading and implementing public transport infrastructure that would benefit the South Australian community, both metropolitan and country, and that we have something long-lasting into the future for our tax dollars.

Increasing the patronage of public transport services will only occur if services are increased. The passenger rail network needs to be extended to the Barossa Valley, the southern suburbs and Mount Barker. I have been pushing for many years for the rail network to be extended to the Barossa Valley but up to this point the state government has refused to even trial a service. How the government can claim to know that extending the passenger line from Gawler to the Barossa is not viable without trialling it escapes me.

Two weeks ago, for reasons that are quite obvious, I travelled to the Barossa by train. I caught the train express to Gawler Central. It was quick and it was good.

**Mr Pengilly**: You should have driven, Ivan.

**Mr VENNING:** Well, I won't go on with the obvious, but it has been a good opportunity for me to use services that I would not normally use, without explaining to the house why I was not driving (but I think the house knows, anyway).

**An honourable member:** Shame!

**Mr VENNING:** The shame of it was I had to have someone waiting for me at Gawler to pick me up and take me on to Tanunda, when the railway line—the same railway line that I was on—goes right past my office in Tanunda. It really annoys me. It is the same line I travelled up on. There were approximately 20 people on that train who were doing exactly the same as I was. We caught the express train at 7:50 from Adelaide. It is a great service and I really enjoyed it. The member for Light is here and he agrees with me, I presume.

It is a good service, particularly the express train. It is there a lot quicker than I can drive. However, I was annoyed, because there were 20 other people who, like me, got off the train in Gawler and had people or other vehicles waiting to take them on to the Barossa Valley. So I wonder how many people would use this route if that service was available. We will never know, because the government does not want even to trial it. I ask this: apart from the member for Light, when was the last time members in this house travelled on a train?

**Mr Piccolo:** This morning.

**Mr VENNING:** You did, but of the 47 members here, I wonder how many have actually travelled on a train, tram or bus. It would be an interesting survey, wouldn't it? If you are like me, you do it out of necessity but, to me, it has not been totally lost time. An inquiry by the ERD Committee would provide an unbiased assessment of the viability of extending and further developing the public transport network into the outer metropolitan regions.

If the public transport system was extended and more services were offered, like me, more people would utilise it, and hence this would go a long way towards reducing the greenhouse gas emissions produced by cars. Catching the train to Gawler is not expensive. It is quick, and you can do some work on the train. It really is the way to go, if it is more user friendly. It is great to be able to get off the train and walk up the hill here to Parliament House. Nothing could be more convenient.

The tramline extension on King William Street has caused nothing but headaches for South Australians since its opening. Enhanced traffic congestion, overcrowding, trams terminating early, along with the technical malfunctions, have been products of the Rann government's \$31 million exercise. With the current extension being plagued by continual problems, coupled with a multitude of other problems within the public transport system, I find it absolutely ludicrous that at the start of the year Mr Rann should suggest extending the tram line to include a city loop—particularly when this was a suggestion which I made way back in early 2006 but which was not even considered. Secondly, the government cannot manage or correctly plan the extension that it has already put in place.

The Premier said on 8 January this year, 'I would like to see a city loop for a tram'. He continued:

What I think will happen is the next extension, if it goes through the budget process, could go down further through Bank Street, through Light Square and then do a city loop.

I suggested to this house in May 2006 that a single city loop tram should be considered. This is before you started the work, and before you started to plan.

*The Hon. S.W. Key interjecting:*

**Mr VENNING:** I have been here for a while, member for Ashford. In a speech I made in this house, I said:

I am not opposed to using trams per se—

and the honourable member has quoted that to me ad nauseam; I have always been a lover of trams—

but we cannot just plonk them down and cause more traffic chaos.

Have a listen to these words. Is this prophetic or not? I further said 'Can I suggest an alternative?'

*An honourable member interjecting:*

**Mr VENNING:** I am quoting from *Hansard*. I said:

I suggest a single loop from Victoria Square to North Terrace. It would be via Trades Hall Lane, Bentham Street, Leigh Street and Bank Street and return via Gawler Place or, if that is not suitable, Charles Street, Arcade Lane, Wyatt Street and Flinders Street. It would be a single lane doing a loop.

Well, hello, hello! If only we had done that we would not have the mess we have got in King William Street.

*An honourable member interjecting:*

**Mr VENNING:** Absolutely.

*The Hon. P.L. White interjecting:*

**Mr VENNING:** The honourable member should be on the front bench still. My speech continued:

There is much to commend this alternative option. It goes to the same place, but it has double the amount of pick-up opportunities for people, more space at passenger pick-up points on non-essential low-demand roads and a single track.

The government took no notice of what I said and look at the situation now—the Premier is suggesting that a city loop would be his ideal. Not only that, but the government has realised now that it probably bought the wrong trams (and we told them it did at the time) and that the platforms are too small. I have to say that if the tramline was a single loop (as I suggested then) overcrowding on platforms, which poses a danger to commuters, would not have been an issue.

I also said before this that the government bought the wrong trams. A cheap tram could have been delivered before the last state election. Why? Because they are not popular and there is low world demand for them, and that is why we could get them. They are too narrow, too rigid, too high and cannot be multi-hitched. We should have bought the French Alston tram—more expensive, yes, but a far superior product and more suitable for our requirements.

*An honourable member interjecting:*

**Mr VENNING:** Much more expensive, yes, but they are very good trams. This government has shown a complete lack of foresight and has simply wasted the money of South Australian taxpayers. If it had been correctly planned and executed, the tramline would have been a good start to updating South Australia's entire public transport system. The result of this huge exercise is that South Australia has a new tramline extension that copes worse than the Bee Line bus it replaced. Obviously, the government did not even do basic sums regarding the passenger capacity on the trams. I know that the member for Morphett has. When they were coupled, two of the older trams provided 128 seats and room for 60 standing passengers.

These new trams cannot be coupled and have only half the number of seats and room for 109 standing passengers—this on top of removing the Bee Line bus, and Premier Rann and minister Conlon are surprised that the trams are overcrowded! I believe that if an inquiry had been conducted by the Environment, Resources and Development Committee prior to the tram extension being constructed regarding public transport requirements for South Australia, the \$31 million spent could have been directed into another area of the failing public transport network.

You could also have included in the inquiry the future of the O-Bahn. Is it feasible to run trams down the O-Bahn line? Have you thought about that, Mr Speaker? Has the house thought about that? Could you run them together? Could you run trams and the O-Bahn together? All these things could have been discussed and considered at an inquiry. Taking into account all public transport users, tram commuters comprise only 3 per cent. What about spending money on bus and rail, which the majority of public transport commuters utilise? An unhappy South Australian said:

The government should remember that the public transport system in general and not just the trams needs a massive boost.

With the state's rail network and bus system in such disarray, I urge the state government to invest in upgrading existing public transport infrastructure and not waste money on badly-planned additions to the public transport network when, clearly, it cannot get it right. All South Australians deserve a public transport system that is reliable and safe; and, under this government, it appears that they will not get it. We need trains that can run on time, where every passenger can get a seat or a handle to hold onto, working PA systems correctly announcing each stop; clean carriages and clear windows. Adelaide desperately needs a greatly expanded and electrified rail network. South Australia is the only mainland state still running diesel trains on its metro network, and our Premier

is talking about extending the already problematic tramline and building a new \$1.7 billion hospital. Get real!

Not only does our inner and outer metropolitan train system need expanding and upgrading, but our interstate rail terminal and services offered are also in need of an overhaul. South Australia needs convenient interstate and intrastate rail travel and, to be convenient, it needs to leave from and terminate at an inner-city location, not on the outskirts of the city.

The bus services currently offered are woefully inadequate. Constant timetable changes and altering of routes have left many members of the public disillusioned by public bus services in our state. Many areas are not serviced at all by buses, and in some areas people are faced with long waits at the bus stop due to infrequent availability of bus services.

Whilst it is all well and 'feel good' for the government to buy bio-diesel buses to be environmental friendly, we need buses that can make the journey. Where else in the world would bus passengers be asked to alight and walk up a hill because the buses struggle to climb up steep inclines? Surely, this cannot be true, it is just nonsense! Apparently, it is true.

It seems that this government has no long-term plans to fix the problem, and without any action, the situation will not get better: it will only get rapidly worse. The state government has failed in its responsibility to the South Australian public to provide adequate public transport. It has neglected and underfunded the system for too long. The whole public transport system, including the new tramline system, needs a complete overhaul. The many recent problems experienced by commuters illustrates the need for development of a new integrated system. I just hope that, if this government undertakes any action in regard to public transport while it is still in power, it properly plans it and does not waste any more taxpayers' funds.

An inquiry would prevent this from happening, or it would at least highlight the options for the government. I believe that, if the Environment, Resources and Development Committee undertakes a full inquiry into the state's public transport needs, it will not only reveal what the public of South Australia wants in regard to public transport but also reveal the shortfalls and strengths of the system; where government funds should be spent; and how patronage can be increased. I have a lot of faith in the committee system of this house, particularly this committee, having myself chaired it for some years. I think we have a very good record of crossing the political bounds, and we have come up with some very good recommendations to the house.

The use of passenger transport needs to be optimised and, to be optimised, the system needs to be convenient, safe and easy to use. As global warming and climate change continue to worsen, an increase in services, and hence patronage of public transport, will result in massive environmental benefits.

I call on the government to support this motion for the benefit of all South Australians. If it needs to be amended, as long as the core of the motion is not changed, I am happy to listen to and support any such amendment. I urge the house to support this motion, and I look forward to the contribution of other speakers.

**Ms BREUER (Giles) (11:17):** I move to amend the motion as follows:

Delete all words after 'inquire into the' and substitute the following words:

opportunities and impediments to increasing public transport patronage with a view to reducing greenhouse emissions and other relevant matters.

**The SPEAKER:** I just interrupt the member for Giles here to point out that we need a copy of that amendment brought to the table. The member for Giles.

**Ms BREUER:** I congratulate the member for Schubert on his motion. It is a good motion, and he is very passionate about public transport issues and also about our committee. I am always very glad to see that, but he does get a little carried away at times. The committee felt that if it went into the inquiry as the motion stood, it would have been a bit like *War and Peace*—we could have been there for the next five years trying to deal with that particular motion, because the amount of work involved in it would have been phenomenal. I do not think that our committee has the resources or the time—

**The Hon. R.B. SUCH:** I have a point of order. I do not believe that we have amended the motion. Is the member for Giles speaking to the amendment or to the motion.

**The SPEAKER:** As I understand it, the member is speaking to the amendment. She has moved the amendment and is speaking to it. The member for Giles.

**Ms BREUER:** Yes; I do not think that our committee would have the resources or the time to cope with the vast expanse of the member for Schubert's motion. I am very comfortable with the amendment, because I believe that we can get a considerable amount of work done with this wording. I know that the member for Schubert is passionate about public transport. I believe that he has recently had some experience with public transport, which is good; he knows what he is talking about. But I believe that next week he may not be looking at the same issue again.

However, I believe that we do have issues with our transport which we need to consider and which the committee would have the ability to examine. For example, at our committee meeting this morning we started talking about carbon trading and whether we need to do something about that, but I believe that this inquiry will bring out some of those issues, and later on we may be able to look at other issues.

So, I am very comfortable that we do go ahead with this. I think that it is something we can inquire into and subsequently give to the government to seriously consider. I think that with this inquiry other issues may come out for us to examine in the future. I would urge the parliament to support the motion.

**Dr McFETRIDGE (Morphett) (11:21):** I rise to support the initial motion, but having heard the amendment I think it actually gives the committee a wider range of issues to look at. Certainly, if the member for Schubert is happy with the amendment then I would have no problem with supporting the amended motion. There is no doubt that in South Australia we do need to look at the future of public transport. It is a huge issue, and in my opinion, as the shadow minister for transport, it is an urgent issue that this government has not planned for and has neglected in the past, with South Australians now paying the price of a poorly managed public transport system.

When I was a vet student we had a subject called integration. We did anatomy, physiology, pharmacology and biochemistry: there was a whole range of subjects that we did as individual subjects. We looked at all the parts, but all of those parts make a whole. There was one exam that we looked forward to with some degree of trepidation at the end of each year, and that exam was called integration, where we were asked questions about the whole of the animal. The obligation was on us to bring in to that answer all the various parts of the animal—the various systems that made up the animal, and made a healthy animal.

It is the same with the public transport system: it needs to be a healthy system, a working system, and to make it work everything has to be integrated together. Going out onto North Terrace this morning and seeing the tram having to back up at the corner of North Terrace and King William Street, go through the switches and go back south down King William Street, you start to think that there is a bit of a problem here. Let us try to diagnose that problem.

Certainly, there is a need to ensure that when the trains pull into the stations the bus is not just departing, or that when a bus run by one operator is pulling into a bus interchange the bus which is run by another operator is not just leaving. We have to make sure that everything is going to work smoothly and seamlessly and that it is going to be a healthy system. It is all about getting people onto public transport so that we can have all the benefits of less congestion on our roads, less pollution and less effect by way of greenhouse gas emissions. It is all about making sure that South Australians are getting continuous improvements to their lifestyle.

What I am really very concerned about is the fact that this government does not have an integrated transport plan. We have an infrastructure plan, which is a series of projects—one-off individual projects. As yet, I have not seen how all these projects are going to be integrated into a public transport plan, or a plan for public transport so that it integrates even with freight or private passenger transport, for that matter.

In 2002, the Labor government came into office without a transport policy. We saw a draft transport plan in 2003, which was shredded. Now, when you ask about the transport plan, you get diverted to the infrastructure plan. It is great to have an infrastructure plan because, as the mining companies will tell you, there is \$20 billion alone worth of infrastructure that they need. In Adelaide you ask the South Australian Road Transport Association and they will tell you that the freight transport in Adelaide will double in the next 10 years.

You need to ensure that public transport will not only be integrated and working well but will also be integrated with South Australia's freight needs (particularly in the metropolitan area) and also in terms of private passenger transport. If you want passengers to use public transport, there has to be a service that is, first, safe and, secondly, reliable.

If you are having to wait for trains, trams and buses because of delays in the timetables, if you are having to sit on trains that have broken down or are not functioning properly, that is not something that will attract people. If you have ticketing machines that are not working, that is no way to ensure that you know how many people are using public transport, and it is no way to entice people onto public transport if they are having problems as soon as they come near the trains, trams or buses.

In this morning's *Australian* I read about a senior public servant who has resigned in Victoria because its proposed ticketing system—I think it was a \$1 billion ticketing system—has been scrapped. The same thing has happened in Sydney where the ticketing system has been scrapped. I just hope that this government is actually working on something that will ensure that, if people do use public transport and do want to buy a ticket (and they all should), the ticketing system works so that we know how many people are using our trains, trams and buses.

The cost of petrol is a big issue. Obviously, emissions from petrol-driven cars is a big issue in South Australia. Caltex, in an industry release not long ago, predicted that within 10 years petrol will cost \$3 a litre. I suspect that it will not be three years. My daughter is living in New Zealand and paying \$1.80 a litre for petrol already. It will not be long before we are paying around that price, perhaps \$2 a litre.

People with tight budgets and with interest rates going up will want to use public transport, but it should not be a last choice; it should be a first choice. The government needs to look at integrating the public transport system and making sure that it works. With expanded urban growth boundaries, the need to go to a modern light rail public transport is absolutely vital. Electrified rail, whether it is heavy or light rail, is a must.

I encourage this government to look at light rail trams and light rail trains, because they are different animals and they both have significantly different uses and benefits for the travelling public, and they will certainly cut down the cost of the infrastructure that is needed to carry those particular vehicles. I have even had a look at some proposals to use freight trams in Amsterdam. At night, when passengers are not using the tram network, they are experimenting with freight trams. All these sorts of options should be on the table. These are the sort of options that the opposition will be looking at when we put all our policy proposals down.

Can I just come back to the member for Giles' amendment to this motion. It is really going to focus on the effects of greenhouse emissions from a better public transport system. I have an advert from a rail magazine in my office. It has a picture of a tram on it and the words 'zero CO<sub>2</sub> emissions'. When I was in Austria looking at trams, I got to drive a tram down the main street in Linz. That is how easy and safe to drive these new trams can be—they trusted me with it—but there are adverts all over the place showing pictures of trams with zero CO<sub>2</sub> emissions.

I will meet with a chap from Flinders University in the near future to talk about electrification of rail. One of his arguments is that there are not zero CO<sub>2</sub> emissions. From the actual vehicles that is the case, but how you produce that power is the question. In South Australia, with our gas-fired power stations at Torrens Island we have an opportunity to produce cleaner power, and the increasing use of green energy provides an opportunity to ensure that we have a public transport system that is friendly to not only users but also the environment generally.

I visited the Leigh Creek coalmine last week with the Hon. Graham Gunn and other colleagues and I was concerned to find out that the local coal supplies are dwindling at a great rate and that the only alternative on the horizon is to import coal from the Eastern States. We all know that coal-fired power generation is not the cleanest form of generation at the moment and if we can go to renewable sources of energy that would be greatly desirable. It costs more, but if we are to pay heed to the experts out there who are predicting outcomes for the planet and also for South Australia, of increasing environmental change, then we need to make sure that we are not ignoring all the possibilities of at least reducing our impact on the changes that are predicted.

We also need to make sure that, in the process, the quality of life of South Australians is not dragged down and degraded. There is no doubt about it: having a clean, green, friendly and integrated public transport system is an absolute must. What we will be looking for from the ERD is a thorough inquiry into the public transport system—that we have a clean, green public transport system that people want to use. It is not the transport of last resort; it is a transport system we should all be proud of because, unfortunately, I am not proud of our transport system in South Australia.

I say that with a heavy heart because the people who work in our public transport system, from the minister's office right down to those who do what are quite menial tasks, do an excellent job. It is not their fault. They are handling a system this government is not managing well, not funding and has no plans for. So, let us hope that the ERD Committee comes up with some recommendations that do provide the state and the taxpayers with what they deserve.

**The Hon. R.B. SUCH (Fisher) (11:32):** I commend the member for Schubert for the original motion, and I am pleased to support the amendment moved by the members for Giles.

This has been a hobbyhorse of mine for a long time in this place. Years and years ago, I started raising the issue of improving public transport. I am not interested in the blame game because, if you look at the record of both major parties over time, there have been errors in judgment in relation to public transport. I was a member of the Liberal government when, under minister Laidlaw, a decision was made to split the bus system into areas. It was done under the heading of competition but, of course, it is not competitive when you do not have a choice of buses going down a particular street; it is competition in name only.

What we have is a fragmented public transport system in Adelaide and also, I guess, in rural areas as well. We have an O-Bahn that, if the Labor government had not lost the election in 1979, would have been a tram system, which I personally prefer over an O-Bahn for a range of reasons.

The original plan was to run the tram under King William Street, but that was scrapped when the Tonkin government was elected in 1979. The Tonkin government went for an O-Bahn which, as far as I know, is still the only O-Bahn outside of Germany. I think Germany has only two systems because they are very expensive to construct and, whilst they have a degree of flexibility, they also have some other issues, one of which we are confronting now, that is, getting suitable buses to replace the ageing buses on the system.

We have a light rail tram system and a heavy rail system and then we have a disintegrated bus system with different operators running different areas. So, I think that one of the first things that needs to be looked at is to create a totally integrated public transport system in this state.

The member for Schubert made it appear that our public transport system is totally chaotic; it is not. I am a frequent user of public transport; I came in today on the train, as I normally do. Our public transport system is not the best and it can be improved, but it is certainly not, as some people suggest, at the level of a system in a Third World country. However, it can definitely be improved, and one of the things to improve it would be to have management which looks after the whole public transport system. What we have now, as the member for Morphett said, is a situation where buses are departing from a station just before the train arrives. That is because we have two different authorities running those systems, where the bus operators answer to one management and the train operators answer to a different management and that, in my view, is crazy.

Once again, the member for Morphett mentioned the problems with ticketing in Melbourne and Sydney where I think the public servants involved in that process have been told to get on their bike. If members have been to Singapore (and I am sure members have), they will find that the electronic card system there works very well and, as I understand it, the company that was developing the system for Sydney is the same company that helped develop the one that is used in Singapore. I think it is a bit unfair for people to point the finger at that company because, as I understand it, the design brief kept changing, making it very difficult for that company to deliver what was being asked of it.

Our current ticketing system (the Crouzet system), which is more integrated than many of the other states, is coming to the end of its working life. It has its limitations in terms of flexibility because the system cannot cope, for example, with giving people a one dollar ride into the city on a Friday night or a weekend as part of a package to stimulate the city centre. The system cannot cope with that and they are the sorts of things that a modern metrocard system can do. The one in Singapore will tell you instantly how many trips you have left. You do not have to put it in a machine, you just walk past the machine and the machine will read it electronically and tell you that you need a new ticket or whatever.

We need to address other issues, for example, that we are still running diesel trains, and this is an issue I have raised before. Those trains' diesel engines run continuously from about 5am until just after midnight. Whether or not they are moving, just by sitting in the station they are churning out enormous quantities of fumes. Some people think that diesel exhaust is good. It is actually not good for you because the small particles are very bad for your lungs and, increasingly,

I think people will realise that we do not want diesel fumes, certainly not where you have a lot of people nearby.

I am pleased the government is re-sleepering the Belair and Noarlunga lines. That re-sleepering will allow for standard gauge conversion, which we need, and it would also allow for light rail usage. That process is about to be under way, if not already, and I welcome that. I think the government needs to move in stages to electrify the metropolitan network. It does not have to be done all at once. You hear people say that it will cost \$1 billion. Yes, it will—it would probably cost more—but you do not do it all in one year. You do one line, then the next line and so on. It needs to be standardised. It needs to cater for light rail; that can be light rail tram or light rail carriages (modified rail-type carriages). We need to look at extending the line, not just down to Aldinga but to other areas out past Norwood and north-east. You could easily run a light rail to Aberfoyle Park and other suburbs that currently do not have a good public transport system.

I was surprised and disappointed that the recent study into extending the rail line to Aldinga did not look at the option of light rail. I cannot understand how you can commission a study of the transport options of extending a rail line to Aldinga without looking at all the options, but that was the case. If you implement a light rail system down there, you can put pylons across the Onkaparinga—you do not need a \$100 million bridge—or you could use the existing road bridges. But that was not even considered by the people who put together that report, and I think that is a great deficiency.

It would be useful, too, when changing transport arrangements, if those involved actually consulted the people who use the system. In my electorate, the bus services have been changed more often than most people change their underwear. I do not know how many times in recent months the system has changed, only to change again, and it is done without any consultation either with me as local member or the local commuters. We get an edict from someone running the transport system saying what will be the new timetable. A lot of people have ideas about how to improve it, and it should be done through consultation rather than edict by those running the system who think they have all the answers.

Currently one deficiency in our system is the lack of bus shelters. I am pleased that the Minister for Transport has made a commitment to have a look at this issue, although he has not said that he will pick up the tab. State governments used to contribute to the cost of bus shelters but it was pushed totally onto local government, and that is unfair and unreasonable. Local government is currently trying to upgrade bus shelters to meet disability standards, and many of those bodies are not doing any work whatsoever in terms of providing new bus shelters.

On a day like today, imagine a person (male or female) in a lovely new outfit going to work who is drenched before they even get on the bus. How much of an incentive is that to use public transport? Only a fraction of our bus stops actually have shelters. I urge the Minister for Transport to really (pardon the pun) come on board in relation to providing bus shelters and to help local government provide comfort in winter and summer. During the recent hot spell, elderly people were standing waiting for a bus because there was no seat there. How can you expect them to use public transport in those circumstances?

Offsetting or reducing greenhouse gas emissions is a very complicated issue, as the member for Morphett said. There might be a tram that is not emitting but the power station certainly is. All of those issues need to be looked at. However, if we go about this in a constructive way, as I am sure the ERD Committee (of which I am a member) will, I think South Australia could be a winner and we might end up with an integrated system. We might even be able catch a suburban train to Keswick to get on an interstate train.

**Mr PENGILLY (Finniss) (11:41):** I am pleased to support the amended motion that has been put today. Quite frankly, the government has failed the people of South Australia who have a desire to use public transport. The system is weak at the knees and is not coping. It is obvious that the antiquated diesel rail system that we have needs consigning to history. In fact, as the member for Fisher pointed out, it does not have to be done all at once and it is ridiculous to suggest it does. Indeed, I would like to see the electrification of that system started for the southern suburbs, extending down to Seaford and that area, because it is very badly needed.

I am constantly reminded by emails and phone calls from people in the south that they are sick of being dismissed in this regard and are fed up to the back teeth with a very poor train system. Quite frankly, our train system belongs somewhere in Zimbabwe with Mr Mugabe. He and the minister could leave together, because the system is a disgrace. It is not the fault of the drivers



or anyone else who works in the system; it is the fault of the government for not getting stuck into it and doing something about it.

When these trains go over crossings and I have had to pull up in my car, I look at them and shake my head in disbelief. I have been to Perth several times in the last couple of years and seen the fantastic rail system there which is a delight to travel on. The trains are modern and airy, they are clean and not covered in graffiti. The whole thing seems to work just so much better, and the trains are always on time—or, at least, I have never travelled on one that has not been on time. Indeed, if you catch the train from Central Perth and go down to Fremantle, it is a pleasurable experience, just as it is if you go the other way, and the train stations are good.

I think that South Australia is being left behind in the public transport arena, and this motion will perhaps investigate some of those aspects. You only have to look at the absolute chaos just out here on North Terrace that has been created by the trams coming along, and this morning was an absolutely classic example. It took 23 minutes to get from the Newmarket Hotel to Parliament House—23 minutes! It is absolutely ludicrous. We have lost car lanes in North Terrace and King William Street, and the whole city is being jammed up.

*An honourable member interjecting:*

**Mr PENGILLY:** You cannot turn right, no; you cannot do anything any more. I come in on the tram, which I catch at East Glenelg. Generally speaking I try to catch a tram at about 20 or half past seven to get in here, and even then you are standing the whole way. That is fine, it doesn't worry me to stand—when you sit on your posterior in here all day a bit of standing on the tram is not such a bad thing—but the reality is that the trams are crammed full of people standing. You just cannot get a seat, and it seems to me that no-one respects anyone else any more because I have seen pregnant women standing in those trams, I have seen children having to stand, and I have seen elderly people having to stand all the time.

Quite frankly, I just do not think it is good enough. It is a disgrace, and I think it is something which this motion could accommodate and the committee could have a look at. These trams look terrific but they are just not fulfilling the role for which they were purchased—you cannot get enough people on them, they are uncomfortable inside, and we know the rest of it. I guess history will bear that out in due course.

The bus system also needs a bit of fine-tuning, and I think that is something the membership could pick up on in committee if this eventually comes about—which I think it might. The member for Schubert indicated earlier that he came in on the train this morning, but I suggest to him that he would be much better off getting a pushbike. It would be much better for his health, getting right into it—

**Mr Venning:** It was raining.

**Mr PENGILLY:** It does not matter; it is better for your health. I was out walking at 6.15 this morning—

*Mr Venning interjecting:*

**Mr PENGILLY:** I did not get wet, no. However, I think this committee can have an in-depth look at this. I am becoming greatly disappointed at the direction we are going in this state, because it all seems to be driven from the top down, from government departments, instead of from the bottom up. We have lost track of everything. It is all coming from senior bureaucrats who are running their own agenda and there is no direction from the government. It is just a shambles at the moment.

I would also like to see a bit more fairness and equity given to people in the country regarding public transport. In my electorate there is no public transport whatsoever—there is a bit of council-subsidised public transport in and around some of the towns, but there is no public transport—and I have increasing numbers of elderly pensioners and others who live down south in Victor Harbor, Goolwa, Middleton, Port Elliot and over at Yankalilla who really have no means of getting back and forth to the city. They struggle with it, and are constantly coming to me asking what is happening. I have made representations to the government and have basically been told that nothing is happening. Quite frankly, I do not think that is good enough. Premier Buslines does its best but it is still, I think, about a 2½ hour trip by the time you go here, there and everywhere.

Country people are being absolutely duded. Once upon a time there used to be a train service to Victor Harbor (although that is a long time ago now), and they ask whether the government will look at another train service. I suspect that will not happen either, but we need to

come to grips with having a decent, reliable, good, clean and efficient public transport system in South Australia—and of course it has to be a combination of rail, light rail, bus services and whatever.

As has been said, correctly, the price of fuel is going up and more and more people want to use public transport. If it is good, if it runs efficiently and on time, if it is affordable, they will use it; there is no question about that. However, at the moment people have been turned off in droves and are most reluctant to use it—particularly the trains. I shudder when I see trains go past with only a couple of people in them.

The fact is that you will never have a public transport system that pays for itself—we acknowledge that, everyone knows that—but, while I have not used public transport in Europe for many years, I quite clearly recall the public transport systems in Paris and London many years ago and just how good they were and the extent to which they were used. They were just crammed full. I also remember travelling on the underground in New York a long time ago and seeing how popular and efficient that was.

There is no reason why we cannot do a lot better than we are doing at the moment. I think it is pathetic. I think we have absolutely failed to deliver a decent, reliable, clean and satisfactory public transport system for the people of South Australia. And I say South Australia, not just the metropolitan area, because it may come as a surprise to some members of the Rann cabinet that if you go north of Gepps Cross, east of the toll gate, or south of Darlington, there is actually quite a bit more to South Australia.

*Mr Pisoni interjecting:*

**Mr PENGILLY:** The member for Unley, I know, appreciates that. From time to time, he actually goes across the border, and we have taken him out, and I think it is about time that a few others did. I am pleased that that member for Schubert's motion will get through. I think that a good look at the public transport system is well and truly in order, and it can be done on a bipartisan basis across the parliament and attended to; so I support the motion.

**Mr PEDERICK (Hammond) (11:51):** I rise today to support the motion of the member for Schubert; I believe it is an excellent motion. I believe the member for Giles has just made the motion as broad as it was, and all relevant matters should be picked up, but I am really concerned with regional passenger transport needs. Years ago, as a child we could catch the Bluebird through to Adelaide from Coomandook; you cannot do that any more. You can catch the train coming either way from Melbourne to Adelaide if you get on at Murray Bridge; so, you are halfway to Adelaide by the time you can access it if you are heading towards Adelaide.

One thing that does cause a lot of angst in regional communities is the subject of area rights. I note the minister is in the chamber at the minute, and he and I have had various discussions about the issue of area rights for a regional operator to take over the right of passenger services in a region. If the operator wants to run hard and fast to the rule, this can make it very hard for any one else to supply a run, even if the operator who owns the area rights does not wish to operate that run. At the end of the day, one of the things that happens with area rights is that, if the owner of the area rights does not operate the run and another bus service operates a particular run, the original operator gets the concessions. I find that a ridiculous argument, which can cause serious harm to the income of the person who is actually out there supplying the service.

You realise just how unprofitable some of these services can be when the owner of area rights gets to operate the run and starts dictating how far down the road they will go and how much more they will charge. There are certainly issues in my area with people accessing schools in Murray Bridge in particular, whether they be private or public. The Liberal Party is a party of choice, and I believe that the whole area rights shemozzle is championed by bureaucrats in the Department of Transport, who obviously do not know much about private enterprise to realise that if area rights were open to public tender—if the whole regional bus service was open to public tender—private operators would fill in the gaps, because that is how it works in the private world.

People take the opportunities to supply those services. Last year I was stunned when area rights came up for renewal, to see that, I believe, a five-year plus contract was signed in around August or September, which put impediments on the freedom of choice for operators in areas. It works all right where there is a little bit of goodwill between operators, but if people want to play hard ball, as I said before, as I believe happens in my area, it makes it very difficult and inequitable for a lot of people who want a decent bus service just to access, for example, their school of choice. So, that is the main reason for my angst. However, I must remind people that, per head of

population, city passenger transport users receive, I believe, about 14 times the subsidy of those in the country. Public transport in the country is just a joke. I commend the motion.

**Mr WILLIAMS (MacKillop) (11:55):** I support with great vigour the motion that the member for Schubert has brought to the house. Public transport in South Australia is a mess. If one goes to any other capital city in this nation, or any reasonable city anywhere in the world, one will find efficient, clean and good public transport systems. I think that Adelaide suffers from probably the worst public transport system in a sizeable city that I have encountered anywhere that I have ever been. It is a mess—and the word 'integrated' really glares at me.

The only problem I have with the motion is that it ignores our regional centres. As my colleague the member for Hammond just pointed out, public transport is basically non-existent outside metropolitan Adelaide. We have a few schemes in a couple of the major regional cities, such as Mount Gambier and Whyalla and the like, but in other country towns and major country centres public transport is a need that has not been met. Also, we must not forget the problems that country people have with school buses. I think that is an issue that this parliament also needs to look at.

I know that time is short, and other people want to do some things with this motion, so I will end my comments there. However, I ask that we not ignore the public transport needs of rural and regional people.

Amendment carried; motion as amended carried.

### CLOTHING OUTWORKERS

**Mr PISONI (Unley) (11:57):** I move:

That the regulations made under the Fair Work Act 1994 entitled Clothing Outworkers, made on 18 October 2007, and laid on the table of this house on 23 October 2007, be disallowed.

The reason I am moving this motion is not that Liberal Party members are opposed to the award system or those who are employed under an award. We support that, and we like to see people employed under fair and reasonable terms. However, we believe that the regulations should be disallowed and the government should introduce a new code that omits offensive provisions.

The proposed code will require all South Australian clothing retailers except charities to ascertain whether their supplier will use workers engaged under a relevant award (clause 10(1)(a)). Exactly how the retailer can ascertain this information is not clear. It is not a burden that is put on any other retailer. As a matter of fact, the hype that we have seen about the outsourcers code and the motion that I have moved in this house is quite extraordinary.

I have here a flier for people to attend International Women's Day in March. One of the items mentioned in support of the march is to protest against the exploitation of textile workers in Australia and the rest of the world. What is interesting about the flier is that there is a photograph on the cover of Chinese or Vietnamese textile workers, yet this government, through the education department (DECS), is outsourcing our school uniform contracts away from South Australian manufacturers to Chinese and Vietnamese manufacturers.

Yet, they have the audacity to put an enormous burden on those South Australian manufacturers and retailers who prefer to stay in South Australia and who are doing the right thing by employing South Australians. They are paying land tax, payroll tax and GST. They are paying all their taxes in South Australia, yet DECS is giving contracts for South Australian school uniforms to Chinese and Vietnamese companies that exploit their workers. That is not me saying that, it is the organisers of the International Women's Day march who are saying that those countries exploit their workers. I have travelled to China extensively.

Debate adjourned.

### WORKERS REHABILITATION AND COMPENSATION (SCHEME REVIEW) AMENDMENT BILL

Adjourned debate on second reading.

(Continued from 1 April 2008. Page 2428.)

**Mr HANNA (Mitchell) (12:02):** I am speaking today in opposition to the Labor government's moves to cut injured workers' benefits through legislation. It is really important to go back to the history behind workers compensation in South Australia. The starting point is to go back to the 1971 act which formalised what was previously a common law response to people being injured at work. The 1971 act left employers to go out into the insurance market and get

insurance to pay out injured workers when there was an injury at work. Jumping forward quickly, when it came to the early 1980s, insurance premiums had soared and there were widespread complaints from the business sector.

At the same time, it was recognised that it was something of a lottery for injured workers, some of whom did well out of that scheme and some of whom did very poorly. There was actually interest across the opposing sectors (if I can describe it that way) of workers and employers to reform the system. The Labor government was more than happy to be part of that. When that eventually resulted in legislation, after many years of consultation and negotiation between the parties, the Hon. Frank Blevins, when he introduced the 1986 legislation, reviewed the negotiations to that point.

He paid particular credit to the Hon. Jack Wright, who was a prime mover behind getting agreement on a workers compensation scheme which would be suitable for both workers and employers. Suitable for employers because their premiums vastly reduced once the legislation was introduced—that is to say, their WorkCover levies were substantially less than what they were paying to private insurers across the board—and workers, although they suffered a reduction in their rights due to common law remedies being capped as to the amount of damages they could recover, at least had a set of statutory entitlements which was clear and straightforward. It was also a no fault scheme, so that workers did not have to make out a case for negligence on the part of the employer. That was one of the hit and miss aspects that, on the workers' side, was sought to be remedied by the statutory scheme.

When I talk about insurance premiums coming down, they were coming down in some cases in the order of 20 per cent of payroll in some industries to maybe 6 per cent, or something of that order. For some industries, insurance premiums paid by employers were cut by a third. That says something about the insurance market and the fact that insurance companies will sometimes gouge when they can, but it also says something about the lack of emphasis on rehabilitation and return to work and workplace safety. That, of course, was one of the goals of the 1986 legislation when it was brought in.

The point I make is that employers got a really good deal out of the 1986 legislation. They may not think so now, but at the time there was a lot of employer support for the deal. The legislation itself was massaged through parliament. The Labor government did not have the numbers in the upper house and modifications were made to the original proposal to make it even more palatable to employers including, on the motion of the Democrats at the time, the allowance for big businesses to self-insure.

Moving forward to 1992 when, of course, there was a hung parliament—normally I am in favour of hung parliaments because I think the state is usually better managed when no one party has absolute control of the parliament—one of the consequences was that the Liberal opposition was able, at the behest of employers, to push major changes to the scheme. The most significant change, which got through in 1992 with the support of the speaker, was the abolition of common law rights entirely.

I have sat in this chamber when the Labor leadership—and I refer to Rann, Conlon, Foley and Atkinson—have venomously accused members on this side of the house, including myself, of wanting to bring back common law rights, as if it was some rotten, corrupt thing but, in fact, it is nothing more than allowing workers to sue employers for negligence. In other words, if someone does the wrong thing, I say that we should have recourse in our judicial system somewhere for damages to be paid; for the wrongdoer to be brought to account and pay money to the victim. Common law rights are nothing more nor less than that.

I thought it was a shame that common law rights were taken away from injured workers at that time; however, it is important to note that this had a major effect on the scheme's funding projections because, at that time, common law claims were paid from within the WorkCover fund. So, to cut out those common law claims obviously was going to reduce total outgoings from the fund.

Moving forward to 1995: of course, a Liberal government had been elected in 1993 and a wide range of cuts were made to workers' rights. Perhaps one of the most significant was the introduction of a two year review in relation to a worker's right to income maintenance. Workers with a partial incapacity for work were able to be given a letter which said, effectively, that they could do a certain type of work. That type of work would produce a certain income and, therefore, their income maintenance entitlement was to be cut by the amount of that work.

The Supreme Court ruled that, essentially, the work had to be available. It could not be some hypothetical, fanciful thing—you could not ask someone off the factory floor to get a job as an astronaut; it had to be realistic and it had to be available. The 1995 amendments basically reversed that and allowed the corporation or the claims managers to say to a worker, 'You can do a certain kind of job. It doesn't matter that the job does not exist in South Australia, or there might be one position and 10,000 applicants, you have to do that job and we can reduce your income accordingly.'

Basically, that has been the situation since then. What has happened in the scheme to lead to the drastic and cruel cuts that the Rann government is inflicting on workers at this time?

Well, there are a couple of significant things. I have said that it has been about claims management and it is unfortunate that the financial and insurance emphasis on the approach to managing claims has been at the expense of effective return to work. The claims managers through most of the history of WorkCover have not given enough emphasis to rehabilitation and return to work, thus frustrating the original objectives of the legislation. The Rann government cuts will not make that any better, despite a few million dollars being set aside for retraining and so on.

One significant factor was the political cut to the WorkCover levy prior to the 2002 election. As a gift to employers, the Liberal Party of the time instigated a cut to the levy with employers to pay less to the WorkCover fund and, understandably, the WorkCover fund suffered considerably as a result of the considerably reduced income. Since that time, and after a period when there was no chief executive officer for WorkCover, the WorkCover system financially has been improving. If one looks at the graphs one can see that there is reason to believe that the unfunded liability will gradually reduce over time with appropriate management.

That management needs to include proper use of redemptions, which are payouts. It means that where we have several thousand workers at present who have been on the scheme for more than two years—and in reality very few are likely to return to work—when the actuary looks at the unfunded liability of WorkCover, the actuary looks at paying them out their income maintenance, that is, 80 per cent of their wages approximately up to retirement age.

There are hundreds of workers, if not thousands, I am convinced who would be willing to take a few years' wages and get off the system, not be hassled by claims managers and not be sent for repeat medical examinations that they feel are unnecessary. They would take a few years' wages and get off the system. Actuarially that would mean a dramatic turnaround in the unfunded liability. In 12 months, if you applied redemptions appropriately, you could probably get the scheme back into the black, whereas it is about a billion dollars in the red now. I will not quibble about precise figures as I have only 20 minutes and I am simplifying things to some degree. However, the principle is sound.

There are plenty of people who want to get off the system. Over the past decade they have mostly been offered one or two years wages to get off the system, and people cannot afford that. They cannot afford to pay off their houses, and there is a Centrelink exclusion period, which means they cannot simply go straight onto disability benefits and have to live off any lump sum they get for a while before getting Centrelink benefits and, accordingly, offering one or two years wages has been fairly pointless and has had little effect in reducing the unfunded liability.

We come to perhaps the historic day of 22 February 2008 when the Labor caucus agreed to the package to reduce workers' benefits that we see in this legislation. The most significant aspect unquestionably is a two and a half year review process, which almost certainly will have workers shunted off the system. I have been somewhat charitable, perhaps too generous, in describing this as dumping workers on the dole after two and a half years after they have received payments as a result of being injured. That is perhaps too generous because, for many injured workers, if their spouse works they will not be entitled to Centrelink benefits or social security and effectively will have their income reduced to zero. Potentially this will apply to a couple of thousand workers.

When I have been out doorknocking, as I do regularly, I find that the initial response of many people is that they do not care, because it does not directly affect them, but once I ask people about where their children, husband or wife works, I often find that they start thinking about the sort of activities carried on in that workplace.

For example, even in supermarkets, which might appear quite benign to a lot of us, there are lots of injuries from boxes falling on people and hands being crushed, with people lifting machinery in the dock area, and so on. The point is that any workplace can result in workplace injuries. In fact, many of the areas where jobs are booming are quite dangerous—and mining is

probably a good example. It can happen to any worker on any day they go to work. I have found that once people start thinking about that they realise that the cuts being implemented here by the Rann Labor Government are quite cruel.

What has led to them? Ultimately, it comes back to two things. On the part of the employers it is greed. They had a good deal when the 1986 legislation was brought in. They came back for another bite of the cherry in 1992 and common law was taken away from workers, so the worst performing employers, in terms of safety at work, could no longer be sued by the workers. Once the Liberal government came into office at the end of 1993 they came back for another bite of the cherry, and in 1995 changes were brought in to make it easier to take workers off benefits. Employers have come back and, through their political agents, they have been able to subvert the deal that was done in 1986. I stress again that that deal was struck largely as a result of consensus at the time.

The other aspect to this move to cut injured workers' benefits is what I would call a lust for power. Why would people such as Rann, Foley, Atkinson and Conlon agree to cutting workers' benefits? The Labor Party for over 100 years has stood for protecting the rights of working people—people who cannot necessarily speak up for themselves, people who are at their most vulnerable if they have been injured in the workplace. The Labor Party has traditionally stood up for these people.

It is an historic turnaround to have a Labor government introducing quite savage cuts to workers' benefits. I can only explain this in terms of the egos of those gentlemen about whom I have spoken and their desire to stay in power no matter what. How does that add up? Well, they are clearly currying favour with big business in this town and they are hoping that corporate donations will flow their way if these cuts are implemented—because there is a big financial gain for businesses in terms of reduced levies. It is not about unfunded liabilities. Quite clearly, it has been stated that these cuts will allow a reduction in levies. As I have said, the unfunded liability is turning around—and can be turned around—without cutting workers' benefits.

I want to bring a human element to my claim that workers will be cruelly afflicted by these cuts. One person I have in mind is Ian, who has a bad back from a lifting and twisting injury in the factory in which he worked. It was not due to his fault: he was simply carrying out his duties. But after repetitive strain his back gave in. Ian is a battler and he went back to work. He wanted to work and was given light duties, and he was working almost full time. He has been on income maintenance to top up to his pre-injury earnings (or 80 per cent of them) for a bit over 2½ years. He will be one of the first affected by this legislation if it passes, because it is retrospective. It will affect people such as Ian who have been injured for more than 2½ years. It means that at any time a review can take place to say that he is capable of some work; and he admits that he is capable of work. In fact, he wants to work. Therefore, he can have his income maintenance cut off.

The tragedy for Ian is that he works at Mitsubishi and shortly he will be out of that job—through absolutely no fault of his own. He has been a loyal employee for many years and he has been injured for more than 2½ years. At about the age of 50 he will not get another job anywhere. He does have a partial capacity for work and he can have his income maintenance cut under this cruel legislation. He does not know how he will pay the mortgage. That is just one example.

Another example involves a young man who was an apprentice to a butcher. For reasons of making a slicing machine easier to work and, hopefully, more efficient so that things could be done more quickly and, I suppose, with more productivity in the workplace and more profits ultimately for the employer, the guard was removed from that machine and the young man's hand was sliced off when he went to operate it. It does not really matter whose fault it is: what matters is that we have a young man without a great education who is minus one hand. The chances of his being gainfully employed are limited. But does he have a partial capacity for work? Of course he has. Under the cruel legislation the Labor government is bringing in, he will potentially—and, in fact, probably—have his income maintenance stopped 2½ years after the injury.

There are other cruel cuts in this legislation, such as cuts to the lump sum that workers get for pain and suffering under section 43 of the legislation. For example, if someone loses a finger it does not matter if they need that finger because they are a typist, musician or keen sportsperson. They can receive nothing because a threshold is being introduced, and if people are not seriously enough injured they will get nothing. I will bring in a host of amendments to try to bring some more balance to this legislation. Clearly, that has not been the approach taken by the government.

I want to finish with a quote from one of our most powerful, persuasive and tactically brilliant members of parliament. He said:

We will see injured workers threatened and harassed. We will see a government that will actively reduce benefits and work against the proper return-to-work arrangements that are essential if we are really committed to rehabilitation. We will see legislative and administrative action aimed at forcing workers onto social security, out of compensation, out of rehabilitation, out into the streets and onto social security. Instead of rehabilitation and support we will see this government enter into an adversarial approach to injured workers. It will cause massive financial hardship to many genuinely injured South Australian workers. It will cause stress to families and it will undermine personal dignity.

That is what this government is about, make no mistake about it. This bill is not innocuous: it is about a change in power. It is about an end to consensus, and it is about the end of industrial relations, commonsense and consultation in this state. This is a day not of historic reform but of shame. It is about turning the clocks back by decades, and members opposite know it.

That was said by the Hon. Mike Rann in 1995.

Time expired.

**Mr RAU (Enfield) (12:22):** I want to say a few words about this legislation, because it is quite important. It is important, obviously, for the individuals and the families of the individuals who are affected by this legislation; it is important for the people of South Australia because the legislation and its performance in terms of the fiscal performance of the WorkCover Corporation has an impact on all of us as taxpayers; and it is important because the legislation involves, really, a philosophical point of view which found favour in the 1980s in South Australia and was embodied in this legislation and has been with us ever since.

I would like to briefly start by saying what this debate, to the extent that we are going to be having a debate, is not about, and the debate is not about whether the unfunded liability of WorkCover is a problem. Everyone agrees on that. The debate is about what should be done in order to control the unfunded liability and bring it down. So, the parameters of the debate are, relatively speaking, quite clear.

In my opinion (and this is an opinion that I doubt would be shared by everyone in this chamber or, indeed, many people), the initial concept of WorkCover was flawed. It is obviously 20 years down the track now and to debate that is, to say the least, shutting the gate after the horse has bolted, but there are a couple of reasons why I think the initial concept of WorkCover was flawed.

The first reason is that it represented, in effect, a cost shift to the state, at the state's own behest, of expenditures that would otherwise be incurred by the commonwealth through the commonwealth social security network. Unfortunately, in Australia it is not possible for an individual to receive commonwealth benefits as a disability pension, as it is now called, and also receive an effective top-up from a state-based scheme such as WorkCover.

So what happened was that all the individuals who were injured and who would otherwise have been entitled, perhaps, to qualify for a Department of Social Security TPI pension, or whatever it might have been at the relevant time, became clients of WorkCover; and, to the extent that they became clients of WorkCover, the cost of maintaining those individuals was shifted from the commonwealth to the state—on an open-ended basis in the case of severely permanently injured individuals.

Secondly, the scheme contains no concept of fault, and I understand that there needs to be a safety net not based on fault. However, I do not believe that most people believe that an employer who does the wrong thing habitually by employees should not suffer a consequence as a result of their habitual failure to behave in a responsible manner for the people they employ.

The third problem with the scheme from its inception is that it never really offered individuals an opportunity to get on with their life; and, as a person who has practised extensively in this area as a legal practitioner, I can tell members that most people who have been involved in the WorkCover scheme for a period of time want nothing more than to get off the scheme—just get out of it. It creates a culture for people who find themselves required to reinforce their illness in order to maintain their income. This has got nothing to do with what is going on today, last week, last year, five years ago or 10 years ago, and it has everything to do with the initial concept, which, okay, with the benefit of hindsight, I stand here 20 years later and say, 'It was flawed.'

But the fact is that this is the scheme we have got. That is where the ball is, if you want to use the golfing analogy, and we have to play it from where it is. So, what do we do? Well, a number of suggestions have been made by different commentators, members of the opposition and the member for Mitchell about areas where, again, looking back through the rear-vision mirror, the WorkCover Corporation could have done better, and I agree that there are areas where it could

have done better. I think that the WorkCover Corporation historically has not managed the fund as well as it might have; and if one needs proof of that one can look at the performance of the exempt employers by way of comparison.

I think, as the member for Mitchell does, that the attitude of the corporation historically to redemptions has meant that more people have been continuing to be engaged with the scheme than would be healthy for those individuals as individual human beings and healthy for the scheme. I think that the recoveries policies of WorkCover have been foolish, because unless they can get the full pound they do not take a penny and sometimes miss out altogether. I think that the rehabilitation focus—whilst historically again is the centrepiece of the WorkCover scheme—has not in fact delivered the rehabilitation services as and when required, which is in the first six to eight weeks following the injury.

The figures are clear. The evidence is clear. If you get a person rehabilitated intensively within that initial period after the injury their chance of successfully reintegrating into the workforce is very good. If you do not succeed within that period, rehabilitation is often little more than harassment and a benefit to the rehabilitation provider and no benefit to the individual concerned. Of course, again, talking historically, the scheme has eliminated the role of private sector risk management. You do not have the insurance officer coming around from insurance company X, saying to the negligent employer, 'Oh, goodness me, Mr Bloggs, you've had another 20 injuries here. Your premiums will go up.'

Of course, the scheme historically has provided for levy variations, which are meant to do the same thing, and it is a debate that people could or might have as to whether that has occurred. The fact is that all of that is now in the past. We now have a state of affairs which involves an existing scheme which, in as much as that scheme is administered by WorkCover, is performing poorly, to put it mildly, and something has to be done about it. The minister and the government have taken a good look at this and have come up with recommendations to deal with the problem, and the problem is the unfunded liability.

I can tell members here that the minister does not find the solutions palatable. Nobody in the government finds these solutions palatable. None of us find the solutions palatable and, I can say, some of us might suggest others, but the fact is that we have to come up with a solution, and the government has come up with a solution.

I was waiting; I was thinking that the opposition has some terribly bright people over there. They are going to think about this. They are going to spend time in their think tank to work it through, and they will come out and devastate the government with some very clever amendments. Or perhaps they will even take the principled stand, which one would have thought was consistent with their publicly expressed views to the effect that the government solution was a disaster, that it has nothing to do with changing benefits and that all we need to do is basically belt up the management of WorkCover—a position not one that they alone hold, I might say; it is a very broadly held view.

I was waiting to hear what was going to come from the opposition, because we all know that even though it does not necessarily control things in here, a combination of the opposition and a miscellaneous collection of folks somewhere else is capable of making changes should it choose to do so—at least changes that we would then have to reconsider.

After the big drum roll yesterday, the opposition's position was stated. In spite of all of its complaints, the fact is that this debate will probably go on for a long time and keep these poor people from WorkCover sitting here listening to us. This debate will go on and on and on, yet the opposition's position, which was stated quite eloquently yesterday by the Leader of the Opposition, is simply this: one, it has no ideas; two, it offers no options; three, it offers no solutions; and four, it agrees with the government.

Given that that is the position of the opposition, and the most constructive engagement that the opposition can make on this topic is to effectively say, 'Okay; we agree with you,' I do not know why we are still debating this. I do not know why the member for Morphet does not jump up at the end of my speech and say, 'Let's just dispense with the committee stage and the rest of the second reading, and let's put this thing through so that our colleagues in the upper house can do the same thing, and so that we can all vote for it and move on with other business.' The member for Schubert has hundreds of private members' matters that we could deal with instead of this.

Members of the opposition have complained about this and have made much merriment at the obvious discomfort of the government—and none of us here are running away from the



discomfort we feel about this legislation. None of us are running away from the fact that the members of the trade unions are upset about this. Of course that is something which causes discomfort to members of the government; nobody is running away from that, but the point of the matter is that the government has put up the proposal. I thought that members of the opposition would find the chance of making mischief so irresistible that they would propose irresponsible amendments—and perhaps the occasional good one—to this legislation in order to curry favour with our colleagues who were demonstrating on the steps of Parliament House the other day.

I was waiting to see this odd coalition build-up between the folks who were on the front steps yesterday and those who sit opposite us here today. I was imagining the big group photograph, with the Leader of the Opposition, Janet Giles and all these other people with their arms locked, smiling under the big banners about 'Save WorkCover'. I was wondering when that was going to happen and, of course, it is not going to happen, because members of the opposition have actually decided that they are going to completely abdicate any responsibility for even proposing an idea.

Is that the best that Her Majesty's loyal opposition in this chamber can do on a provision such as this, which one would have thought, from their point of view, is manna from heaven, because it gives them an opportunity, one would have thought, to try to discomfort the government and press it where it has got the big bruise? Members opposite have decided, collectively, or individually—I do not know because I am not party to their caucus room—that what they are going to do is basically fall in line, but whinge anyway.

Members opposite cannot have it both ways: they cannot have their cake and eat it too. The opposition is either voting with the government on this, in which case it should wish this legislation a speedy passage so that the unfunded liability problem is dealt with, or it should come up with an idea, an option, a solution, or just cop it. It seems to me that it has excluded the first three of those options; they are not available to it, so why not go for the fourth, and we might even be able to go home at 6 o'clock!

**Mrs REDMOND (Heysen) (12:37):** It is my pleasure to follow the member for Enfield after that spirited contribution in which he accused us of having no ideas, no options, no solutions and we should agree with the government. There has never been a better statement of the position of everyone on the Labor backbench than that statement. They are simply getting up and making a noise because they would like us to solve their problem, their mess, and we are not going to do it for you, member for Enfield.

I am just stunned that you would get up and make a contribution like that and accuse us, when in fact you are not going to move any amendments, you are not going to come up with any ideas, you are not going to present any options and you are going to agree with the government.

That said, let me say, first of all, that it is my pleasure to be speaking on this bill and to announce to the house that I am not the lead speaker so I do not have to speak for hours. Unfortunately, I actually know a bit about this topic and it will be hard for me to cover it all in 20 minutes, because it is a very serious problem and it is a problem of this government's and this minister's making. We now have an unfunded liability of \$843.5 million as at 30 June last year, let alone what it might be at by now, plus the extra money of—

*Mr Venning interjecting:*

**Mrs REDMOND:** It is \$1.3 billion, in fact, when you think about the money of the government's own scheme, which also has significant debts. We had the unfunded liability down to something in the order of \$67 million, and they have managed to blow it out to \$1.3 billion in total over both the WorkCover scheme and the government's own departmental scheme. So, they have multiplied twentyfold what the unfunded liability was.

All the time we have kept asking questions, year after year, saying, 'What is the unfunded liability? It is going up. It's a problem. What are you doing about it?' and time and time again this minister got up and said, 'We've fixed this. We've appointed a new board. We've got these things in place.' Now we find that their final solution to the problem is actually to decimate the entitlements of the workers, and then the weak-willed people on the other side want to turn around and say that it is somehow up to us to fix it for them. Well, no; it is the government's problem, it is the government's solution and they can wear it.

We had an excellent record in running the system. As I said, we had it down to \$67 million, or thereabouts, in unfunded liability and we did it without trashing workers' rights. This Labor government deserves to be hung, drawn and quartered by the Labor union movement for what they

are doing to workers over this, especially when you look at the case of the self-insureds who, of course, use exactly the same legislation and manage perfectly well.

One would have thought that, if someone else is able to manage the same legislation and do the whole system and make it work with the same legislation, then it would have been an idea for the government to simply take some lessons from the self-insured group and say, 'What can we learn from them? How can we do it better within the structure that we have?' but, no, it did not do that.

Furthermore, they kept all these problems under wraps until after the federal election last year, and I remember the minister getting up time and again rabbiting on in this chamber about WorkChoices and how terrible WorkChoices was for the workers of Australia, knowing all along that as soon as this parliament resumed this year, he was going to introduce this legislation which is so appalling in the way it treats the workers.

As part of my answer to the member for Enfield's question, 'Why aren't we fixing it?', I will tell you why I do not want to fix it personally: I do not consider that there is any benefit for me in fixing the workers' rights when the Labor Party will not. I heard Janet Giles from Unions SA on Radio 891, just as I am sure nearly everyone in this chamber did, when she was asked a question about whether at the end of the day SA Unions would still fund the Labor Party at the next election and her answer was yes.

That is the case and that is the reality of the union movement, that no matter what the Labor Party does, Unions SA is still going to fund it at the next election, and therefore what motive would I have for trying to fix something for the workers? It is up to the workers, I think, to go to their unions and say, 'What on earth are you doing as our union when your leader, Janet Giles, gets on the radio and tells me via the radio that, no matter how badly this government behaves towards the workers of this state, we will still fund them at the next election; we will still give them money.'

*Members interjecting:*

**Mrs REDMOND:** SA Unions does fund the Labor Party through its various proprietary limited companies. It does fund them; it does support them; it will do whatever it has to do to make sure that a Labor government is returned, and Janet Giles made that perfectly clear in her statement on 891. In my view, it is up to the Labor members of this parliament to get up and say what they really think about this legislation and move the appropriate amendments to fix the workers' rights.

Let us look at what this is setting about doing. The key elements of the original bill—and I am not talking yet about the amended bill—had various propositions, and I will just name what I consider to be the five most important.

First, the amount of time for which workers would be able to remain on 100 per cent of their normal weekly earnings was to be reduced from 26 weeks to 13 weeks. Then, they were to be basically cut off the system after two and a half years. There were to be no redemptions. There was to be a change in the maximum levy rate payable from 7½ per cent to 15 per cent and there was to be a change to payment of levies from an arrears system to a prospective system and therefore a doubling-up in one year from one change to the other.

One of the things that surprised me in the various discussions I had in relation to this bill was finding out what business wanted, and we spent some considerable time talking to various representative groups of employers around the place who were singing the praises of this legislation, notwithstanding that two of these things seemed to me to be rather fundamentally problematic for business.

One was the fact that the levy rate maximum was going to be doubled from 7½ to 15 per cent and therefore if you had penalties of 50 per cent you could get up to a levy rate of 22½ per cent, and the other was the fact that there was going to be this whammy year where you had a change from the arrears payment to the prospective payment of levies, and small business would be expected to just come up with that extra money.

I also think that the fact that there were to be no redemptions was somewhat problematic but it surprised me, when I was talking to the various business groups, that each of them said in essence, 'We give this 6½ out of 10; we give this seven out of 10'—that was the range within which they assessed it—but to a person, all these groups came to us and said, 'We want you to pass this legislation unamended as quickly as possible.'

That struck me as odd because it seemed to me that, if I were in small business (as I was immediately before I came into this place, running my own legal practice and having to abide by the normal requirements of any small business) I would find it difficult to accept an increase in the cap on the levy payments and that doubling up where you change from arrears to the prospective system. It would seem to me that the removal of any prospect of redemptions was also going to be problematic.

So, I am not convinced that the people from Business SA and so on were really representing the interests of small business. But, nevertheless, they are officially the representatives of small business, and they came in here (and they met us at other places) and told us that that is what they wanted, that is, to have this legislation passed unamended as quickly as possible, notwithstanding any of these things I saw as problems.

It seems to me that the vast majority of business owners would be appalled if they knew what their representatives were telling us about this. Especially, it seems to me, to be a problem that this bill contains no guarantee of a reduction in the levy rate. What it does is lay a platform, and I refer to a document prepared by Zoë Gill from the Parliamentary Library as to the position on this legislation. She talks about the independent costing by John Walsh and Samantha Fuller of PricewaterhouseCoopers. She says:

...it was found that if the recommendations were fully implemented they would allow for a reduction in levy rates to the range of 2.25 per cent to 2.75 per cent from 1 July 2009 and an extinguishing of the unfunded liability over five to six years.

So, there is nothing in this bill that guarantees that any of that is going to happen. Furthermore, the merest benefit is not likely to appear until 1 July 2009. All this does, theoretically, is set the platform for what can happen if all of this occurs.

Furthermore, if you look at the report by Alan Clayton, at the very end of it, he talks about the fact that, unless his recommendations are implemented fully and without any alteration, he will not guarantee that the outcome will be as he suggests it should be. As I have said, it surprises me that business came to the conclusion that we should pass this legislation without any changes—and pass it as quickly as possible.

So, that is what business said it wanted in relation to this. We know that the union wants us to change it. But, as I have said, given the position of Janet Giles from Unions SA, it seems to me a big ask for the unions to suddenly come crawling to the opposition and say, 'Well, we would like you to do our bidding because we can't get the Labor Party to do our bidding.' We know that what business said it wanted seems a bit odd. I certainly know what the Labor Party wants: it wants us to solve the problem, because it has created its mess and the Labor Party is hoping we will fix it for them.

What does the WorkCover Board want? This was the great saviour, of course. The minister came in here time and time again and told us that this was the great saviour. Our newly appointed WorkCover Board and the things that it had put in place is what was going to save this desperate situation from reaching the chaotic situation it is has got to now.

The government told us that its new board had the answers and that the board was going to fix everything. What a crock that turned out to be. For a start, no-one seemed to even think about potential conflicts of interest (or perhaps better named conflicts of duty) for people like Peter Vaughan from Business SA or Janet Giles from SA Unions being on that board and being involved in the decision-making process. At the end of the day, it is my view that they were not necessarily the appropriate people to appoint. Nevertheless, the government appointed them, and they then decided that they could fix it all and put certain things in place.

Through all of this, no-one seems to have addressed the issue of rehabilitation and return to work. If you read through the papers on this (and I have been aware since the act was originally passed way back in 1986), the act was for a very specific reason given the name 'Workers Rehabilitation and Compensation Act'. It was because, theoretically, the emphasis was always going to be on rehabilitation.

That turned out to be problematic as well, and I have said many times that rehabilitation under WorkCover became the goose that laid the golden egg. What happened with rehabilitation was that people were enabled to put up a shingle and call themselves rehabilitation providers, and thus a whole new industry was born which bore no relationship to people getting back to work. All it did was create a new system for people to make money out of the WorkCover system because

they could be paid for providing so-called rehabilitation. I know for a fact that a lot of these people had no qualifications, no experience and no ability in the area of rehabilitation.

My experience, having dealt with hundreds of WorkCover claims in my practising life, was that people who were injured and generally genuinely tried to get back to work, and those who were genuinely trying to get back to work rehabilitated themselves to the maximum of their capacity. As to those who were not really looking to get back to work, it did not matter what the rehabilitation providers, doctors, WorkCover or anyone else did, because there was no way you were going to get them back to work because they had the injury that they needed to have for other reasons in their life, whether it be for marital reasons or just disenchantment with the way their life was going or some sort of midlife crisis or whatever.

I saw people who had drastic, terrible injuries. I remember one client of mine who had had half a tonne of wall fall on him. Clearly, he could not go back to the physical sort of work that he used to do but, within a year, he had rehabilitated himself to the maximum capacity he had, he had undertaken study and then gone back into a new field. To be fair to the workers, that is what most workers actually do. Most workers do not want to stay on the system; most workers want to continue work, because people get a lot of satisfaction out of work, and that is what people expect to do in their lives. But there are people who, as I said, have an injury that they need to have for other reasons.

So, we have this problem of rehabilitation and getting people back to work. What did the government do? The government decided that it could fix this up by providing a single claims manager in EML and that it could have a single legal provider. I do not think either of those have been good choices by the WorkCover board; in fact, I think they have been abject failures. Indeed, the member for MacKillop mentioned last night in his speech on this topic that one of the key problems has been that there has been an unwillingness by the claims managers and the legal providers to take on some of these two-year reviews under the legislation, under what is called section 35, the idea being that at two years basically you have to be able to show that you are not capable of going back to work. The failure to undertake those two-year reviews led to a feeling within the whole of the WorkCover sector that they just did not exist.

I have heard of a young new practitioner, working at the firm that I previously worked at before I came in here, who had been working at the firm for three years and who saw recently for the first time ever a two-year review application. That speaks volumes about what had happened to two-year reviews: they had fallen off the agenda. My view is that it was because of the nature of the contract with EML and the nature of the contract with the legal providers that neither of those organisations was actually prepared to invest, and they might not have won the first one or the second one, but in my view they should have been taking on some of these two-year reviews until they did start to win some. Basically, they were non-existent, and that was one of the problems. We are not getting people back to work. We cannot then blame the workers for being upset when the new solution is: 'Oh well, we are just going to kick them off after 2½ years' instead of actually using the processes that we have in place under the existing legislation.

Another thing that I want to mention quickly before I get onto the amendments or I will run out of time on this is that not only was there a failure to undertake two-year reviews—and, as I said, I think that is because of the nature of the contract with the single legal provider and the single claims manager, because the single legal provider basically has a fixed-price contract and is not going to spend its money or use its most senior staff in providing the services that they are contracted to provide when it could well cost them a lot more than that actually to undertake the work that they really needed to be doing.

The other thing is this idea of redemptions. I have lived through WorkCover legislation for long enough to know that there have been huge variations in the instructions regarding redemptions. However, it is a nonsense to suggest that someone who was on WorkCover and receiving \$50,000, for instance, should accept \$50,000 as a payout figure. Yet, that was the philosophy for a long time, and that was the instruction given out to some of the earlier claims managers.

The new system is based on the concept that we will not have any redemptions and yet, in talking to the self-insureds, they made it clear that the appropriate use of redemptions is a very useful tool to enable people to get off the system. I have no objection to the idea of people actually going on to a lower amount of pay after a while. I used to always explain it to clients on the basis that it is costing them a lot less to stay at home than it does to go to work. So, as a matter of pure theory, there is no reason why it should not drop straightaway, because once you are at home on

WorkCover you are financially better off (being at home on WorkCover) than going back to work. There is a cost involved in going to work, whether that be public transport fares or lunches and coffees, or whatever it might be—there is always some cost in going to work.

The judicious use of redemptions would have solved a lot of the problems. In fact, I think the member for Mitchell mentioned this morning that he thought that we could get rid of a vast sector of the unfunded liability if a sensible approach to redemptions was taken. No-one wants to suggest that redemptions need to be on the basis that people just wait for a redemption, but there are certainly circumstances where it is clear that people will not be able to go back to work, or not go back for a very long time, and redemptions would have been appropriate.

In closing, I reiterate the fundamental thrust of what I want to say: first, this mess is the government's fault; secondly, there is no guarantee of there being lower levy rates for employers and, in my view, there is very little likelihood of an improvement in the unfunded liability under this new scheme; and, thirdly, the problem I see is that it does not actually address the real issue of rehabilitation and return to work.

At the end of the day, legislation is not the best way to address return-to-work rates. Legislation, as I said, has been perfectly adequate for the self-insureds so why should it not work for the WorkCover Board and the rest of the public sector? I do not see why we should be faced with this solution to that particular problem.

Debate adjourned.

*[Sitting suspended from 12:58 to 14:00]*

### SUPPLY BILL 2008

His Excellency the Governor, by message, recommended to the house the appropriation of such amounts of money as might be required for the purposes mentioned in the bill.

### VISITORS

**The SPEAKER:** I advise members of the presence in the chamber today of students from Good Shepherd Lutheran School (guests of the member for Florey) and students from Para Hills High School (who are my guests).

### ANSWERS TO QUESTIONS

**The SPEAKER:** I direct that the following written answers to questions be distributed and printed in *Hansard*.

### BUSINESS AND PARLIAMENT TRUST

**25 Dr McFETRIDGE (Morphett)** (7 June 2007).

With respect to the Business and Parliament Trust:

- (a) how much funding has been allocated to establish and operate the Trust;
- (b) who is appointed to the Trust and what are their roles; and
- (c) what programs are operated by the Trust?

**The Hon. M.D. RANN (Ramsay—Premier, Minister for Economic Development, Minister for Social Inclusion, Minister for the Arts, Minister for Sustainability and Climate Change):** The Department of Trade and Economic Development has advised the following:

(a) No funding was allocated to the Business and Parliamentary Trust in 2005-06. \$25,000 was allocated to the Business and Parliamentary Trust in 2006-07.

(b) A board of management has been established to govern the Trust. This is chaired by two co-chairs: one representing the business community and the other the parliamentary community.

Mr Mike Terlet, AO is co-chair along with the Speaker of the House, Mr Jack Snelling. Dr Bob Such was initially appointed as a co-chair. He retired from this position on the Board when he was replaced as the Speaker by Mr Jack Snelling.

The following people are appointed to the Trust as board members:

- Mr Peter Vaughan, CEO Business SA
- Ms Cheryl Bart, Economic Development Board Member
- Ms Christine Locher, Managing Director, Locher
- Ms Melissa Cadzow, Managing Director, CadzowTech
- Mr Tony Mitchell, CFO, Gro Pep
- The Hon Michelle Lensink, MLC
- The Hon Vickie Chapman MP
- The Hon Carmel Zollo MLC

(c) The Business and Parliament Trust runs two programs:

1. a program for business leaders to attend parliament house for a day to meet with politicians from both sides of politics.
2. a program whereby parliamentarians spend a day in a business learning about the drivers for business.

The program for parliamentarians to spend a day in a business has not yet taken place but is scheduled to occur later this year.

#### **CRIME PREVENTION FUND**

**56 Mrs REDMOND (Heysen)** (31 July 2007). With respect to the Crime Prevention Fund, why has there been an overall reduction in employee benefits and costs from \$657,000 in 2006-07 to \$491,000 in 2007-08, how many staff will be affected and what functions will no longer be performed?

**The Hon. M.J. ATKINSON (Croydon—Attorney-General, Minister for Justice, Minister for Multicultural Affairs):** I have been advised:

The decrease is mainly owing to this program's estimated share of savings associated with consolidating policy, planning and legislative activities across the department. These measures were included as part of the 2006-07 Budget.

In the Attorney-General's Department, policy planning and legislative activities were previously done by these units:

- Justice Strategy Unit
- Office of Crime Statistics
- Crime Prevention Unit
- Strategic Development
- Legislation and Legal Policy

These will now be done by a single Policy, Planning and Legislative Division. This will remove overlap and duplication without jeopardising service delivery in areas such as crime prevention.

Crime prevention is within the scope of almost every activity within the Attorney-General's department, therefore I do not expect that this reduction in funding will cause our attention to crime prevention matters to wane.

#### **LEGAL AID FUNDING**

**62 Mrs REDMOND (Heysen)** (31 July 2007). What are the respective state and federal government contributions to fund Legal Aid in this state in 2006-07 and 2007-08?

**The Hon. M.J. ATKINSON (Croydon—Attorney-General, Minister for Justice, Minister for Multicultural Affairs):** I have been advised:

Total state funding for Legal Aid was \$11.508 million in 2006-07. The amount included in the 2007-08 Budget for state funding for Legal Aid is \$11.781 million.

Total commonwealth funding for Legal Aid was \$13.360 million in 2006-07. The amount included in the 2007-08 State Budget for commonwealth funding for Legal Aid is \$13.599 million.

**FORENSIC SCIENCE PROGRAM**

**63 Mrs REDMOND (Heysen)** (31 July 2007). With respect to the Forensic Science Program:

(a) why is the target to complete investigations within 42 days from lodgement set at 30 per cent, what indicators are used, be adopted;

(b) what was the average completion time for the 73 per cent of investigations not completed cases within 42 days from lodgement in 2006-07; and

(c) what action is being taken to address significant delays being experienced by people awaiting medical reports because of backlogs in the forensic science area?

**The Hon. M.J. ATKINSON (Croydon—Attorney-General, Minister for Justice, Minister for Multicultural Affairs):** A target of 42 days was originally chosen as that is the timeframe required for South Australia Police (SAPOL) investigators to lodge the brief upon charging of a suspect. The 2007-08 target of completing 30 per cent of all cases within 42 days was set as a challenging but achievable internal goal.

The average completion time for the 73 per cent of investigations not completed within 42 days of lodgement of the first items in 2006-07 was 227 days.

Initiatives are being taken to address backlogs in the completion of pathology reports. These include the outsourcing of body conveyancing, thereby freeing up mortuary technical assistance, increased administrative assistance for pathologists, engagement of the Institute of Medical and Veterinary Science (IMVS) to do some post mortem examinations and the continued outsourcing of pathology medical reviews.

There is an international shortage of pathologists and FSSA is currently operating with two vacant pathologist positions. The filling of these positions is fundamental to reducing backlogs in pathology reports and an active recruitment program is underway. The use of short term overseas locum pathologists is also being investigated whilst the recruiting is attempted.

**JURORS PAYMENTS**

**197 Mrs REDMOND (Heysen)** (31 July 2007). What is the actual amount per day by which jurors' payments will increase in 2007-08?

**The Hon. M.J. ATKINSON (Croydon—Attorney-General, Minister for Justice, Minister for Multicultural Affairs):** Before 2007-08 the maximum level of reimbursement for jurors was \$100 per day, plus travel costs at 20 cents per km.

Jurors were paid a base rate of \$20 per day for jury service regardless of whether or not they suffered actual financial loss from attending. This payment was provided to compensate for incidental expenditure that jurors would be expected to incur.

Jurors were able to claim up to a further \$80 per day for monetary loss arising from income forgone or expenditure incurred or both as a direct result of jury service.

To receive this payment, the juror had to provide the Sheriff with proof of loss or expenditure.

The amendments to the Regulations as part of the 2007-08 budget process allowed for jurors to claim up to a maximum of \$125 per day for monetary loss and necessarily incurred expenditure.

The cost of travelling expenses for each kilometre travelled from a juror's home to and from the court has been increased to 60 cents per kilometre.

It is not possible to calculate the exact amount per day that a jurors' payment will increase as that would depend on the individual's personal circumstances

**O-BAHN CORRIDOR**

**283 Dr McFETRIDGE (Morphett)** (23 October 2007). Has the trial of Scania buses on the O-Bahn corridor concluded and, if so, what are the results?

**The Hon. P.F. CONLON (Elder—Minister for Transport, Minister for Infrastructure, Minister for Energy):** I provide the following information:

A tender for the supply of articulated buses to trial on the O-Bahn closed on 1 November 2007. A trial of buses supplied by three companies, including Scania Australia Pty Ltd, will be completed by mid 2008.

### BLACKWOOD PARK ROAD LINK COSTS

**297 Dr McFETRIDGE (Morphett)** (30 October 2007). What is the most current cost estimate to construct a new road to link the Blackwood Park Development (Craigburn Farm) with Shepherds Hill Road via Manson Avenue, Eden Hill or thereabouts?

**The Hon. P.F. CONLON (Elder—Minister for Transport, Minister for Infrastructure, Minister for Energy):** I provide the following information:

The department has not undertaken any planning or cost estimates for such an access and considers the responsibility for any such proposal a council issue.

### EXPIATION NOTICES

**302 Dr McFETRIDGE (Morphett)** (20 November 2007). How many expiation notices were issued to vehicles making right hand turns from Brighton Road into both Wattle Avenue and Dunrobin Road at Hove in each month during 2005-06 and 2006-07?

**The Hon. K.O. FOLEY (Port Adelaide—Deputy Premier, Treasurer, Minister for Industry and Trade, Minister for Federal/State Relations):** The Minister for Police has provided the following information:

The total of expiation notices, including cautions, issued per financial year is a combined total of offences for both locations, Wattle Avenue and Dunrobin Road at Hove.

Number of expiation notices issued in the financial year 2005-06

MONTH	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	March	April	May	June
NOTICES ISSUED	20	1	0	7	6	0	0	4	0	0	5	2

Number of expiation notices issued in the financial year 2006-07

MONTH	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	March	April	May	June
NOTICES ISSUED	1	4	14	12	0	14	0	17	0	0	1	44

The total of expiation notices issued per month is a combined total of both cautions and expiatable notices.

### RAILWAY RE-SLEEPERING

**315 Dr McFETRIDGE (Morphett)** (20 November 2007).

1. What is the plan for the re-sleepering all rail track lines, what are the time frames and in what order will this occur?

2. Will funding for this work come from the recurrent maintenance budget or the capital budget?

3. What is the condition of the bridges on the rail network and what is the budgeted cost of repairs and maintenance?

4. What process and tests are used to determine a safe speed restriction?

**The Hon. P.F. CONLON (Elder—Minister for Transport, Minister for Infrastructure, Minister for Energy):** I provide the following information:

1. The government has committed to concrete re-sleepering the Noarlunga Centre line and the hills section of the Belair line. The Outer Harbor line and some sections of the Belair



and Gawler lines, as well as sections within the Adelaide yard have already been concrete re-sleepered.

2. Re-sleepering work will come from the capital budget.
3. All bridges are maintained in a safe and trafficable condition.

TransAdelaide's Bridge budget for the current financial year is: Capital—\$800,000, Recurrent—\$15,000

4. TransAdelaide maintains its rail and tram tracks in accordance with its own internal Track and Civil Infrastructure Code of Practice which is based on nationally accepted standards. The Code contains quantitative and qualitative requirements that form the basis for the range of inspections conducted regularly over the system.

Where the inspections identify that the track does not conform to a quantitative Code requirement the Code mandates the imposition of a speed restriction to a level that will ensure track safety until repairs are undertaken.

For qualitative Code criteria an assessment is carried out by an experienced track inspector applying knowledge and judgment to determine the appropriate restriction to ensure that safety is not compromised.

### TRANSADELAIDE ASSETS

**325 The Hon. I.F. EVANS (Davenport)** (20 November 2007). Has TransAdelaide transferred any of its assets to the Department for Transport, Energy and Infrastructure or intends to transfer and, if so, why and what are the relevant dates?

**The Hon. P.F. CONLON (Elder—Minister for Transport, Minister for Infrastructure, Minister for Energy):** I provide the following information:

In November 2007, I announced that cabinet approved a multi-faceted reform agenda for TransAdelaide aimed at enhancing customer service.

As you would be aware, the original corporate structure of TransAdelaide was created by the former liberal government as a precursor to privatisation.

These changes confirm our opposition to privatisation by bringing asset ownership back to government with the state government taking responsibility for rail assets currently owned by TransAdelaide and responsibility for new major rail infrastructure works.

We are also establishing a Rail Projects directorate within DTEI's Office of Major Projects and Infrastructure. Future rail planning will also be integrated with the department's policy and planning division.

The transfer of assets from TransAdelaide to the Minister for Transport was gazetted on 13 December 2007 and came into operation on 1 January 2008.

### METROPOLITAN FIRE SERVICE LAND PURCHASE

**328 The Hon. I.F. EVANS (Davenport)** (20 November 2007). Has the Metropolitan Fire Service purchased or leased any land or building, or made an offer to purchase or lease any land or building in the following suburbs—Blackwood, Glenalta, Hawthorndene, Belair, Coromandel Valley, Eden Hills, Bellevue Heights, Flagstaff Hill, Craighburn, Craighburn Farm, Panorama, Pasadena or Bedford Park and, if so, what are the details of each acquisition including:

- (a) the address;
- (b) the date of acquisition;
- (c) the purchase price;
- (d) the terms and costs associated with any lease; and (e) the purpose of acquisition?

**The Hon. M.J. WRIGHT (Lee—Minister for Industrial Relations, Minister for Finance, Minister for Government Enterprises, Minister for Recreation, Sport and Racing):** I am advised by the Minister for Emergency Services that:

The South Australian Metropolitan Fire Service (MFS) has said that it has not purchased or leased any land or building or made an offer to purchase or lease any land or building, in the suburbs of:

- Blackwood
- Glenalta
- Hawthorndene
- Belair
- Coromandel Valley
- Eden Hills
- Bellevue Heights
- Flagstaff Hill
- Craighburn
- Craighburn Farm
- Panorama
- Pasadena
- Bedford Park

The MFS and the SA Fire and Emergency Services Commission (SAFECOM) continue to monitor changes in risk profile across Metropolitan and Regional Centres in order to provide an appropriate emergency service response coverage

#### **CRUISE SHIP INDUSTRY**

**346 Mrs PENFOLD (Flinders)** (12 February 2008). What is being done to develop the Cruise Ship Industry in South Australia?

**The Hon. J.D. LOMAX-SMITH (Adelaide—Minister for Education and Children's Services, Minister for Tourism, Minister for the City of Adelaide):** The South Australian Tourism Commission has provided the following information:

The South Australian Cruise Ship Strategy developed in 2005 has a vision 'to increase the number of cruise ship visits and provide greater economic benefit for South Australia, as well as enhancing our reputation as a highly desirable and quality destination.'

There are a number of objectives that have been identified to ensure the development of the cruise ship industry in SA, including:

- Raising the profile and awareness of South Australia by targeting cruise ship companies and itinerary planners. The South Australian Tourism Commission (SATC) has developed a cruise ship industry sales kit and makes one on one sales calls to cruise ship companies and inbound tourism operators involved in the cruise industry along the east coast of Australia.
- The SATC is currently discussing opportunities for cruise ships visits to regional ports and anchorages with Flinders Ports which would mean ships would be able to berth in the regions and create an increase in regional tourism expenditure.
- Development of quality shore excursions with local operators and inbound tour operators to ensure the products and services offered, meet the needs of the consumers.
- Sustain the quality of passenger terminal infrastructure. South Australia is one of the very few states that has purpose built facilities. The SATC has a contract with Flinders Ports to ensure the facilities are safe, clean and provide basic facilities (toilets, drinking water, sheltered outdoor areas, transport options)
- Meet and Greet service to passengers. South Australia provides the best meet and greet service in Australia. There are many volunteers to welcome passengers on arrival and to assist them with enquiries. There is a retail trade village in the terminal for passengers and transport is provided from the terminal for passengers who wish to explore the city. SATC funds a shuttle for elderly and disabled passengers from the terminal door to the train station platform. This service has been very successful on arrival days.

- The SATC is a platinum member of the national Cruise Down Under Association to ensure all national marketing and development activities are included. This membership also ensures South Australian representation at the largest cruise ship trade event in the world, 'Seatrade' held annually in Miami.
- The SATC undertakes research biannually of the cruise ship season to determine economic impacts and receive passenger feedback on South Australia. The information collected is used to assess the characteristics of passengers which providing critical feedback on the services for improvements in the future.

South Australia 2007-08 season comprises of 7 ships, 4 of these arrivals are large ships with over 2,000 passengers. Next season 2008-09 will be a recording breaking season currently with 19 arrivals booked in from November 2008 to March 2009.

#### **PUBLIC SERVICE EMPLOYEE NUMBERS**

In reply to **Mr HAMILTON-SMITH (Waite—Leader of the Opposition)** (3 July 2007).  
(Estimates Committee A).

**The Hon. K.A. MAYWALD (Chaffey—Minister for the River Murray, Minister for Water Security, Minister for Regional Development, Minister for Small Business, Minister Assisting the Minister for Industry and Trade):**

Surplus Employees as at 30 June 2007

Minister for River Murray

Department/Agency	Position Title	Classification	TEC Cost
Department of Water, Land and Biodiversity Conservation	Professional Officer	PO3	\$82,231
Department of Water, Land and Biodiversity Conservation	Nursery Worker	OPS1	\$31,911
Department of Water Land and Biodiversity Conservation	Field Officer	AS02	\$45,488

As at 30 June 2007, the Department of Water, Land and Biodiversity Conservation had three surplus employees of which two have been placed in long term roles and one is on leave without pay until June 2008.

Minister for Water Security

Department/Agency	Position Title	Classification	TEC Cost
SA Water	Administrative Services	AS05	\$83,996.26
SA Water	Administrative Services	AS04	\$69,948.40
SA Water	Administrative Services	AS03 x 2	\$125,640.22
SA Water	Administrative Services	AS02	\$54,767.83
SA Water	Administrative Services	AS01	\$47,577.92
SA Water	Operational Services	OPS3	\$62,820.11
SA Water	Professional Services	PS01	\$27,979.35
SA Water	Construction & Maintenance	CM3	\$46,222.76
SA Water	Construction & Maintenance	CM2	\$45,038.70
SA Water	Plumbing other Construction	Level 1	\$50,938.46

Minister for Regional Development

Minister for Small Business

## Minister Assisting the Minister for Industry and Trade

Department/Agency	Position Title	Classification	TEC Cost
Department of Trade and Economic Development – Office of Small Business	-	-	-
Department of Trade and Economic Development – Office of Regional Affairs	Project Officer (1)	AS04	\$57,230
Department of Trade and Economic Development	Area Manager (2)	AS07	\$87,391
Department of Trade and Economic Development	Area Manager	AS07	(\$86 596)*

\* DTED surplus employees placed in temporary appointment in DFEEST to 30 June 2008. Not paid by DTED.

Nil employees in the Office of Small Business were deemed surplus as at 30 June 2007.

A total of three Office of Regional Affairs employees were deemed surplus as at 30 June 2007. Of these, 1 has been placed in another agency and 2 are placed in other positions within DTED.

Please note: These figures have also been included in the overall response for the Department of Trade and Economic Development.

**PUBLIC SERVICE EMPLOYEE NUMBERS**

In reply to **Mr HAMILTON-SMITH (Waite—Leader of the Opposition)** (3 July 2007). (Estimates Committee A).

**The Hon. K.A. MAYWALD (Chaffey—Minister for the River Murray, Minister for Water Security, Minister for Regional Development, Minister for Small Business, Minister Assisting the Minister for Industry and Trade):** Conservation did not abolish or create any positions with a total estimated cost of \$100,000 or more.

POSITIONS ABOLISHED—TEC of \$100,000 or more:

Department/Agency	Position Title	TEC Cost
SA Water	-	-

POSITIONS CREATED—TEC of \$100,000 or more:

Department / Agency	Position Title	TEC Cost
SA Water	Manager Corporate Land Use and Rehabilitation	\$122,000
SA Water	Change Manager	\$115,000
SA Water	Principal Consultant, Corporate Governance	\$107,000
SA Water	Senior Policy Advisor	\$170,000

Minister for Regional Development

Minister for Small Business

Minister Assisting the Minister for Industry and Trade

## POSITIONS ABOLISHED—TEC of \$100,000 or more:

Department/Agency	Position Title	TEC Cost
Department of Trade and Economic Development	Principal Policy Officer, EAP, EXA	\$112,214
Department of Trade and Economic Development	Workforce Director Defence	Never filled
Department of Trade and Economic Development	Director, Office of Manufacturing EXA	\$112,241

## POSITIONS CREATED—TEC of \$100,000 or more:

Department/Agency	Position Title	TEC Cost
Department of Trade and Economic Development	Director, Competitiveness Council, OEDB, EXA	\$112,241
Department of Trade and Economic Development	Manager Local Industry Participation, Olympic Dam Task Force, EXA	\$162,500
Department of Trade and Economic Development	Chief Operations Officer, Defence Unit, EXB	Not yet filled
Department of Trade and Economic Development	Director, Case Management Secretariat, EXA	\$127,785*
Department of Trade and Economic Development	Chief Executive, Olympic Dam Taskforce, EXF	\$296,061 <sup>o</sup>

\* Funded by PIRSA

<sup>o</sup> Transferred position from DPC-DAIS—Funded by DPC

**CHILDREN IN STATE CARE INQUIRY**

**The Hon. M.D. RANN (Ramsay—Premier, Minister for Economic Development, Minister for Social Inclusion, Minister for the Arts, Minister for Sustainability and Climate Change) (14:04):** I seek leave to make a ministerial statement.

Leave granted.

**The Hon. M.D. RANN:** The Mullighan inquiry itself was an important part of the process of healing for victims of child sexual abuse while in care, and that was made very clear yesterday in interviews, comments and statements made by survivors. The opportunity to break the silence, in many cases for the first time, allowed the healing process to begin.

I said yesterday that this report must make us listen, must make us understand, and must make us act with resolve. In part, our actions will ensure that the DPP has the resources to bring to justice the perpetrators of these vile indecencies on vulnerable, innocent children. Understandably, any consideration of these issues must also turn to the question of reparation. People who were abused while in state care as children should and will receive compensation. Let me repeat that, because it seems that some people did not listen carefully yesterday. People who were abused while in state care as children should and will receive compensation. Any person who was sexually abused while in care is eligible to immediately seek compensation through the Victims of Crime Fund that has \$22 million available for victim compensation.

Victims of sexual abuse of children in state care are eligible for payment of up to \$50,000 without having to suffer again by being dragged through the court process. This fund is available to survivors now. In his report, Commissioner Ted Mullighan did not specifically recommend a compensation scheme, but asked for the state to examine how other jurisdictions have dealt with the issue. This government will offer an apology to survivors and will respond to all of the report's 54 recommendations by June this year.

While the state government will be considering what has happened interstate, survivors who want to pursue a civil settlement against the state and other non-government organisations that may be involved in their case are free to do so through the court process. The report deals with many cases of alleged abuse that involve non-government institutions, including churches. Consideration of reparation issues that should, of course, also involve these parties. The state government is committed to acting as a model litigant, and any civil claims by survivors will of course be dealt with compassionately and expeditiously. Let me make that quite clear: we have a recommendation that relates to compensation, and we will respond to that recommendation. There is also recourse under the civil law, but there is now \$22 million in the victims compensation scheme, and that is available for application immediately.

#### MURRAY-DARLING BASIN

**The Hon. M.D. RANN (Ramsay—Premier, Minister for Economic Development, Minister for Social Inclusion, Minister for the Arts, Minister for Sustainability and Climate Change) (14:06):** I seek leave to make a second ministerial statement.

Leave granted.

**The Hon. M.D. RANN:** I informed the house yesterday about key elements of the memorandum of understanding between the federal government and the Murray Darling Basin jurisdictions for the reform of the management of the basin system. The agreement reached meets the conditions I set when I attended the water summit in February 2007, convened by former prime minister John Howard, and supported a national plan.

*Mr Hamilton-Smith interjecting:*

**The Hon. M.D. RANN:** The leader of the Liberal Party is now describing John Howard's plan as a 'scam'. He did not say that at the time: he urged us to sign it. He asked us to sign the deal last week because he believed it was not on the agenda.

*Members interjecting:*

**The SPEAKER:** Order!

**The Hon. M.D. RANN:** To his eternal disappointment, we have got the deal that he believed we could not get.

*Members interjecting:*

**The Hon. M.D. RANN:** Physical violence and abuse don't get you a deal; being a grown up and painstaking negotiation get you a deal.

*Members interjecting:*

**The Hon. M.D. RANN:** I agree: he is selling out South Australia's interests. The Leader of the Opposition will put his party interests and more importantly his personal interests before our state's interests, and that is the difference.

*Members interjecting:*

**The SPEAKER:** Order!

**The Hon. M.D. RANN:** What a divided lot!

*Members interjecting:*

**The SPEAKER:** Order!

**The Hon. M.D. RANN:** It is very important to recognise that the agreement reached is in the interests of the health of the River Murray, and anything that is in the interests of the health of the River Murray is in the interests of South Australia as the end of the line on the river. The focus of the agreement is the development, implementation and monitoring of a basin plan that will deliver enhanced environmental flows, provide for sustainable industry needs and critical human needs, including for Adelaide and other South Australian domestic users.

The governance arrangements that I outlined yesterday will mean that the basin plan will be prepared by an independent authority on the basis of scientific knowledge and objective conditions. The Murray-Darling Basin is a national asset, and it must be managed in the national interest. No state jurisdiction (and this is where they got it wrong yesterday), whether it be the ACT,

New South Wales, Queensland, Victoria or South Australia, will have the power to block or veto the basin plan.

*An honourable member interjecting:*

**The Hon. M.D. RANN:** Western Australia is not part of the Murray-Darling Basin. What an incredibly idiotic thing—he will be asking me about Tasmania next.

*Mr Williams interjecting:*

**The SPEAKER:** Order!

**The Hon. M.D. RANN:** No state jurisdiction, whether it be the ACT, New South Wales, Queensland, Victoria or South Australia, will have the power to block or veto the basin plan. Parochial or state interests will no longer prevail over the national interest and the health of the River Murray. The commonwealth minister is the final decision maker on the basin plan—as it was under John Howard, when you told me to sign it. The big difference is that I managed to get an independent authority in between. The states will manage their share of the water resource—

*Members interjecting:*

**The SPEAKER:** Order!

**The Hon. M.D. RANN:** —within the cap and environmental flows set by the independent authority. The commonwealth government has agreed in principle to fund up to \$1 billion for the Victorian Food Bowl project (stage 2) subject to a joint due diligence assessment. The Food Bowl infrastructure project will significantly improve water efficiency in the Victorian irrigation districts.

*An honourable member interjecting:*

**The Hon. M.D. RANN:** So, you do not believe that money should be spent on the other states? It is about gravity: don't you get it? It is about getting more water over the border. This infrastructure investment will capture—

*Members interjecting:*

**The SPEAKER:** Order!

**The Hon. M.D. RANN:** —and return to the system water losses through inefficient plant, inefficient practices and irrigation infrastructure, seepage and evaporation. The project is expected to return 100 gegalitres—that is, 100 billion litres—of water to the system in environmental flows, in addition to the 100 gegalitres to be reinvested in sustainable industry. This is great news for South Australia and, in particular, the Lower Lakes, where increased flows are critical for the environmental—

*Members interjecting:*

**The SPEAKER:** Order!

**The Hon. M.D. RANN:** —and economic survival of that important area. In fact, because of my insistence, the Ramsar and other icon sites in that region, including the Coorong, the Lower Lakes and the Murray Mouth, are the only areas to be specifically mentioned by name in the memorandum of understanding in the context of the need for improved environmental outcomes for the river system. The Leader of the Opposition said, 'Put Brumby in a headlock and make him sign the deal.' Now we have got the deal—because he did not think that that would happen; he does not like it. He put himself in a headlock on national TV.

*Members interjecting:*

**The SPEAKER:** Order!

**The Hon. M.D. RANN:** It is vital for South Australia that infrastructure projects such as the Food Bowl project in the upstream states—especially New South Wales and Victoria—are developed and funded from the commonwealth \$10 billion infrastructure fund. The water savings generated by these projects will deliver real benefits to South Australia and will help to ensure the survival of the River Murray. That is what John Howard told us. That is what you asked me to sign when it did not have an independent authority and when it did not mention the Lower Lakes or the Coorong. The purchase, or buyback, of overallocated licences in the upstream states from funds allocated in the \$10 billion pool is also essential.

South Australia, too, needs its share of infrastructure funding from the \$10 billion allocation. As you know, and as I am sure you will acknowledge in your retirement, I fought for an independent

authority to manage the River Murray in the national interest. Now I intend to fight for our share, South Australia's share of the infrastructure funding so that we can help secure the future of our sustainable river-based industry.

*Members interjecting:*

**The SPEAKER:** Order!

**The Hon. M.D. RANN:** As a first priority—

**Mr Pengilly:** We've stopped listening to you, Mick.

**The Hon. M.D. RANN:** No, the River Murray does not flow on Kangaroo Island. Didn't you know that?

*Mr Pengilly interjecting:*

**The Hon. M.D. RANN:** No, you didn't know that; okay. As a first priority, I have given instructions that a range of projects, including projects that are driven by local communities, be developed for consideration at the July 2008 COAG meeting. I expect that projects will be submitted across all areas that depend on River Murray water. Our agricultural industries in the Riverland that depend on irrigation will be a prime area for consideration. I understand officers from Primary Industries and Resources SA and the Department of Water, Land and Biodiversity Conservation are involved in developing projects in these areas.

The Lower Lakes is another priority area. I visited this region in early February with the Minister for Water Security and the Minister for Agriculture, Food and Fisheries, and again last week with the federal Minister for Climate Change and Water, Senator Penny Wong, and also the Hon. Karlene Maywald. I was very concerned about the condition of the lakes and on the impact on local communities, industry and the environment. I was, however, heartened by the positive response from the people we met because they recognise, unlike the Leader of the Opposition, that we cannot make it rain. Although, I am sure that will be a feature of the leader's future announcements, given things that he has said in the past.

The degree of thought, organisation and commitment to deal with these issues is remarkable. Let us today, in a bipartisan way, pay tribute to a former premier. They were very capably assisted in their endeavours by my special adviser on the drought, the Hon. Dean Brown AO, because he puts his state before his party. A number of projects are being developed specifically to assist the Lower Lakes region that may attract commonwealth funding. Those projects potentially cover areas such as Langhorne Creek, Currency Creek, Raukkan, Narrung and Meningie.

In conclusion, I wish to acknowledge the contribution of our Minister for Water Security and Minister for the River Murray. Her insight and knowledge on Murray-Darling Basin issues was invaluable and her local and national contribution was also invaluable. I also want to record my appreciation for the work of minister Wong. The fact that she was able to broker an agreement in three months in the portfolio where the former prime minister and Malcolm Turnbull could not speaks volumes of her ability and commitment.

*Members interjecting:*

**The Hon. M.D. RANN:** Members opposite said, 'Oh that is because of the \$1 billion.' Well, \$10 billion was put up by John Howard: not one cent spent and not one drop of water came across the border.

## DRUGS, PENALTIES

**The Hon. M.J. ATKINSON (Croydon—Attorney-General, Minister for Justice, Minister for Multicultural Affairs) (14:19):** I seek leave to make a ministerial statement.

Leave granted.

**The Hon. M.J. ATKINSON:** Today I shall be announcing plans to legislate to increase penalties against the cultivation of hydroponic cannabis and require courts to treat amphetamines alongside the most serious category of illicit drugs. I will be giving notice to parliament that I will introduce the Controlled Substances (Controlled Drugs, Precursors and Cannabis) Amendment Bill 2008, the latest step in the government's largest review of drug laws in 25 years. These reforms will make it difficult—

*Mr Williams interjecting:*



**The SPEAKER:** The member for MacKillop will come to order!

**The Hon. M.J. ATKINSON:** These reforms will make it more difficult for drug barons to source the chemical ingredients needed to fuel their death-dealing drug labs. They also introduce major new offences aimed directly at those who are operating drug laboratories.

The Commissioner of Police has argued that the Controlled Substances Act 1984 and the amending Controlled Substances (Serious Drug Offences) Amendment Act 2005 'do not adequately provide intervention opportunities necessary to effectively prevent the manufacture of illicit drugs'. The Police Commissioner wants an offence of possession of precursor chemicals without lawful excuse.

The proposed changes build on measures already adopted by this government to crack down on organised crime, particularly motorcycle gang crime. The government is determined to combat illegal drug use and offenders in this state, and will continue to change the law as and when needed. The proposed law changes make an offence of possession of any amount of any listed precursor chemical or an item of prescribed drug equipment with the intent to manufacture a controlled drug. The applicable maximum penalty is to be five years' imprisonment or \$15,000.

The proposed changes honour election pledges that this government will create a specific offence of cultivating cannabis hydroponically. The government also pledged before the previous state election to legislate to ensure that courts treat the manufacture, sale and distribution of amphetamines, ecstasy and similar drugs at the upper level of the penalty range rather than the middle. The bill also honours an election pledge to make the possession of firearms, in conjunction with drug offences, an aggravating feature of the drug offence, attracting higher penalties.

The changes reinforce the strong anti-drug laws already adopted by the Rann Labor Government in parliament, including new maximum penalties of life imprisonment and million dollar fines for trafficking drugs to children. Since December people found with large commercial quantities of precursor chemicals also now face up to 25 years in prison, rather than the previous penalty of a fine of up to \$5,000.

#### **PUBLIC WORKS COMMITTEE**

**Ms CICCARELLO (Norwood) (14:23):** I bring up the 290<sup>th</sup> report of the committee on the Playford North Urban Renewal Project—Munno Para Stages 1A to 1D.

Report received and ordered to be published.

#### **LEGISLATIVE REVIEW COMMITTEE**

**Mrs GERAGHTY (Torrens) (14:24):** I bring up the 15<sup>th</sup> report of the committee.

#### **QUESTION TIME**

##### **HEALTH SYSTEM**

**Mr HAMILTON-SMITH (Waite—Leader of the Opposition) (14:25):** My question is to the Premier. What action will he take as Leader of the Government to contain the disproportionate and uncontrolled cost increases in the health system during the time that the present minister has had responsibility for the portfolio? On page 7 of the general summary of the Paxton report into the state's health system, it says:

The last three financial years have shown financial trends that are disproportionate to service outputs and uncontrolled cost increases that are not relative to service outputs.

In other words, mismanagement.

**The Hon. M.D. RANN (Ramsay—Premier, Minister for Economic Development, Minister for Social Inclusion, Minister for the Arts, Minister for Sustainability and Climate Change) (14:25):** Here is the man who is constantly calling for more money to be spent. Let me just tell him where money in the health budget goes. What is the difference between Labor and Liberal on health care? The difference is, I am advised, that there are now 699 more doctors in the system than there were when you were in cabinet. I am advised that there are about 2,400 more nurses than there were.

**Mr Pengilly:** They are all doing clerical work.

**The SPEAKER:** Order!

**The Hon. M.D. RANN:** Now they are insulting our nurses—they are all doing clerical work. There are nearly 700 more doctors and 2,400 more nurses in the system compared to when the Liberals were in power, because the only policy they had was to privatise our hospital system. We saw what they did to Modbury, and we have taken it back into the public fold; and we know what they had planned for the QEH. The difference is that we are spending hundreds of millions of dollars rebuilding our hospitals.

Go up to the Lyell McEwen and see what is happening there—there is almost a doubling of the number of beds. Go out to the QEH and see what is happening there—it is like a building site, with brand new wards and theatres and emergency departments. And then go down to Flinders Medical Centre and look there. And have a look also, while you are there, at the new mental health facilities. And, of course, you also have a commitment for a \$1.7 billion new hospital rather than rebuilding one that would disrupt patients and cause a total mess on North Terrace. Because that is the difference. We are committed to health: you are committed to privatisation.

*Members interjecting:*

**The SPEAKER:** Order!

### SPORTING EVENTS, INTERNATIONAL

**Ms PORTOLESI (Hartley) (14:27):** My question is to the Premier. Can he update the house about the next international sporting event to be hosted in Adelaide?

**The Hon. M.D. RANN (Ramsay—Premier, Minister for Economic Development, Minister for Social Inclusion, Minister for the Arts, Minister for Sustainability and Climate Change) (14:27):** Now here is one on which the Leader of the Opposition and I might agree with.

**Mr Hamilton-Smith:** Possibly.

**The Hon. M.D. RANN:** It would be fantastic, wouldn't it, to see just one thing that he supports in this state?

**Mr Pengilly:** No, I wouldn't count on it.

**The Hon. M.D. RANN:** He said he would not count on it. Neither would we. Do not count on it! What an indictment of his leader, because he is against everything. We get a record jobs figure: he is up in his office absolutely on his nervous edge because he knows that is good news.

**Mr Pengilly:** Why don't you tell us what it's all about?

**The Hon. M.D. RANN:** You made the interjection. You are the one who dobbed the leader in. Do not count on his supporting a sporting event! Okay! With friends like that, who needs supporters?

Already this year, Adelaide has hosted some phenomenal sporting events. In January we held the hugely successful Tour Down Under. The Tour Down Under was attacked by the other side; I acknowledge that. There is a real partisan divide. If you like the Tour Down Under, vote Labor. If you agree with Duncan McFetridge, then you oppose the Tour Down Under—the first ProTour event ever to be held outside Europe. Then we had the biggest and best ever Clipsal 500, with record crowds. I pay tribute to the Deputy Premier, who is the minister for motor sport; and I guess everyone knows that, whilst he is more Jimmy Barnes and I am more WOMAD, we are both petrol heads from way back.

Only last weekend, for the first time, Glenelg—and wait for the local member: it would really be nice to hear him support an event in Glenelg—hosted the beach volleyball world tour, with Moseley Square turning into a world class volleyball stadium. I congratulate Brazil. It was great to meet the Brazilian team. The Brazilian men won and the Chinese were second. But in the women's beach volleyball competition, No. 1 was Brazil, No. 2 was Brazil and No. 3 was Brazil. The feedback from all the beach volleyballers I met is that they just loved it here in Adelaide. I am sure it will build a massive worldwide audience.

Last night, I joined with the Minister for Tourism, Australian Sevens assistant coaches and ambassadors, David Campese—for the benefit of those opposite, the world-famous Wallaby rugby player—Mark Ella, and all 16 team captains up on the hill for the launch of the International Rugby Sevens. The Colonel Light statue—and everyone knows that I share Light's vision—formed the centrepiece of a laser lights display which illuminated Adelaide Oval to mark the beginning of a week-long rugby festival in the city. I attended the Sevens last year and it was one of the great carnival atmospheres. There is a new match every 22 minutes with 45 matches over the week.

There are those of us who have played rugby union and know that the member for Newland represented Australia. Where did you represent Australia?

**Mr Kenyon:** Parliamentary team.

**The Hon. M.D. RANN:** The Australian parliamentary team. Where?

**Mr Kenyon:** In France.

**The Hon. M.D. RANN:** In France. I played for the Mangakino Primary School rugby team and then played at Matamata. I did not exactly play for Waikato, but I played in the Waikato, and I am delighted that I will be there at the weekend. Sixteen teams are participating, including the top 12 ranked countries and four invitational teams.

*An honourable member interjecting:*

**The Hon. M.D. RANN:** I heard that interjection from one of my colleagues, and the fact is that I was the last one chosen for the team, but it was often that they left the best till last. The tournament is not just for fans of rugby union. Its fast-paced style and carnival atmosphere make a great outing for anyone. We can head down to Adelaide Oval on Saturday and Sunday to see teams, including France, the world champions; New Zealand, the current world champions who just last weekend won in Hong Kong; South Africa; Tonga; Fiji; England; Argentina, and many others. It is being broadcast to over 200 million people worldwide, and I am told that the inaugural Adelaide event saw 175 hours of coverage. With that sort of audience seeing our picture postcard Adelaide Oval, it is the sort of tourism advertising for our state that money cannot buy.

Last year's event attracted more than 25,000 fans, and this year, I am told, organisers are on track to meet their target of a crowd of 30,000, and already about 18,000 tickets have been presold, with more than 3,500 interstate and overseas rugby fans coming to Adelaide. Fans from as far afield as Edmonton and Toronto in Canada, Suva in Fiji, Cork in Ireland, San Diego in the United States and also, of course, Christchurch and Auckland, Singapore, and every state in Australia, are coming to our rugby festival this weekend.

We expect to keep the event growing. From memory, I think we beat Singapore to win the rights to stage this event. I urge bipartisan support and, who knows, rather than just an annual cricket match, we might even have a Liberal/Labor rugby match, which is where the headlock might come in order.

#### HEALTH FUNDING

**Mr HAMILTON-SMITH (Waite—Leader of the Opposition) (14:33):** I accept the Premier's invitation to a rugby game. I think I know who would come out on top, sir. We have a couple of scrubbers over on our side.

*Members interjecting:*

**The SPEAKER:** Order!

**Mr HAMILTON-SMITH:** What action will the Premier take as Leader of the Government to change the health minister's culture of not managing his department's expenses within allocated targets? On page 8 of the Paxton report into the efficiency of our hospitals, it states that increased costs associated with peak demand such as winter illnesses are met by 'the allocation of top-up or bailout funding'. The report then states that this bail-out funding process has become a generally expected annual process and fostered a culture of not having to manage within targets; in other words, mismanagement at the top.

**The Hon. P.F. CONLON:** On a point of order, the question is disorderly. Given the difficulty of getting an orderly question, I do not think that we should rule it out, but it is impossible for us not to engage in debate if the question itself is nothing more than an inflammatory statement.

*An honourable member interjecting:*

**The SPEAKER:** Order! I have said previously to the chamber that in judging the orderliness of an answer I will take into account the nature of the question.

**The Hon. J.D. HILL (Kaurua—Minister for Health, Minister for the Southern Suburbs, Minister Assisting the Premier in the Arts) (14:35):** I will resist the temptation to use the leave that you have implied in your statement then, Mr Speaker, in relation to this question. I thought it was a reasonable question except for the last comment, which associates the issues that are

before the health system with me personally. What this report is really about is looking at the way that health has been managed over many years under governments of both sides. If we try—

*Mr Williams interjecting:*

**The SPEAKER:** Order!

**The Hon. J.D. HILL:** If the opposition wishes to be treated seriously in relation to this issue or indeed any other issue, it must look—

*Mr Hamilton-Smith interjecting:*

**The SPEAKER:** Order!

*Members interjecting:*

**The SPEAKER:** Order!

**The Hon. J.D. HILL:** I would say to the pretend leader of the government, the would-be leader of the government, that if he seriously wants to hear an answer to the question, he should resist the temptation to intervene and interject every time I say something. I want to say something serious to the house about this issue.

**Honourable members:** Hear, hear!

**The Hon. J.D. HILL:** It is a serious issue for us as a state, not just on this side, because at some stage when you are in government you will have to deal with the same kind of issue. It is important for the future of our state and the sustainability of our health system that we actually get these things right. What we are doing in South Australia and what we have been doing for the six years that we have been in government is trying to make our health system sustainable.

The first act was to have the Generational Health Review. That review created a strategic platform for the reform processes that we are going through. It said, in part, that we needed to have a much greater emphasis on primary health care; it said that we should make our hospital systems more efficient and streamlined and get rid of overlap and duplication. Then last year, as part of our budget, we introduced a healthcare plan which did a lot of what John Menadue in his report had called for us to do.

In addition, the Health Care Act has been passed by this parliament which fixes up the government's issues which Menadue pointed to as well, so those are the big picture items that we needed to get in place. All of the time that we have been going through this process, of course, the opposition has opposed every single one of those initiatives. Every step of the way, members opposite have objected; every step of the way, they have attempted to play politics. I have to say that they have failed.

They have not connected with the community whatsoever, and the evidence of that, of course, is that at the last federal election a number of their candidates tried to pick up these issues to run their campaigns on and they failed spectacularly, because the people of this state are too smart. They understand that this is a government that is dealing seriously with the issues of health.

This report brings to our attention a key issue which all of us in this parliament and all governments indeed in Australia have to deal with when it comes to health, and this is certainly one of the issues we need to deal with seriously as a community. There are two contradictory forces that apply to the hospital system—the public health system. On the one hand we have an agreement with the commonwealth government that everybody who turns up to a hospital has to be given treatment.

That is an uncapped liability that we start with every financial year, because we can never predict how many people will turn up and what complications or what needs they will have. Every year to date that this party has been in office there have been more people coming to our hospitals seeking services than in the year before. We have to deal with every single one of them, even if it is a person with a sore eye who could go to see a GP. If they choose to go to a hospital, we have to deal with them and we have to pay for those services. That is one pressure.

The second pressure—which is what Treasury, cabinet, the parliament and the public expect—is that health operates within its annually granted budget. Those two things are absolutely in contradiction. How do you resolve that? We could set a cap on the number of people seen in the emergency department at a particular hospital and, once that cap is reached, we say no. We do not do that at all in relation to emergency departments, and that is the central—

*Ms Chapman interjecting:*

**The Hon. J.D. HILL:** For the benefit of people who may think that the Deputy Leader of the Opposition might actually know what she is talking about, I say that she is talking absolute rot. If she comes to that conclusion then she has not read this report.

*Members interjecting:*

**The SPEAKER:** Order!

*Mr Williams interjecting:*

**The Hon. J.D. HILL:** I would welcome a question from you on that point, Mitch, and I do hope you get around to getting a question up, I really do. The central point that this report makes is that that inherent contradiction has to be resolved. What we have done is ask these experts to look at how our hospitals operate, to drill down into the detail—to the ward level, the surgery level, the procedure level—to see how those hospitals compare with all the other hospitals in Australia, the national benchmark.

That is something that Kevin Rudd and his government are insisting all states do in order to apply for extra funds which they say they want to put in. We are doing this in advance of that request, but we know that is where we are going. We put up our hand for this and said, 'This is good government, this is good public policy, this is the right way for us to proceed.'

*Ms Chapman interjecting:*

**The Hon. J.D. HILL:** Will the Deputy Leader of the Opposition please listen for a while? You can ask any number of questions you like—

*Members interjecting:*

**The SPEAKER:** Order!

**The Hon. J.D. HILL:** I would like to extend an invitation to opposition members: they can ask every question they like, but I have to be given a chance to answer those questions seriatim.

*Members interjecting:*

**The SPEAKER:** Order!

*An honourable member interjecting:*

**The Hon. J.D. HILL:** There is nothing glass about my jaw, my friend; nothing at all. Now, we have asked Paxton Partners to drill down and look at how individual hospitals compare one with the other and with national benchmarks, and it is not surprising that not every hospital is doing everything in the most efficient way. That is clearly a result of the different cultures, different arrangements, different circumstances and different processes that are in place in our system. If you went into private enterprise and asked an outside consultancy to look at every franchisee of a particular chain they would come up with similar kinds of results.

We have done that, and we will now be able to work through this report with the individual hospitals and their managers, doctors and nurses and allied health workers, to get the efficiency dividends so that we can reinvest that money back into the health system. Let me put this in perspective for the house—

*Ms Chapman interjecting:*

**The SPEAKER:** Order! I warn the Deputy Leader of the Opposition.

**The Hon. J.D. HILL:** Mr Speaker, I am sorry for going at it for some time but this is an important issue. Let me put this into perspective for the house. This report recommends, in toto, savings of about \$50 million to \$51 million dollars. That is a lot of money in anyone's business; however, it is a very small proportion of the amount of money that we spend on public health in South Australia every year. We spend \$3.4 billion each year, so \$50 million is, I think, less than 2 per cent (doing some rapid mental maths). If there are only 2 per cent efficiency gains to be made in our hospitals, what we are saying is that our hospitals are very efficient—but our goal is to make them 100 per cent efficient, not just 98 per cent.

If you think that is bad policy, please go out there and say so. I predict that the opposition will come in here, say that the hospitals are in a mess and are inefficient and that we should make them work better, but when they go outside into those communities they will attack every single

one of these initiatives, defend the practice that is currently in place and say that any change to that will be detrimental to the local community. I make that prediction and I know it will happen.

### **TECHNICAL AID FOR THE DISABLED**

**Mr KOUTSANTONIS (West Torrens) (14:44):** My question is to the Minister for Disability. Can the minister outline how the government supports the volunteer group Technical Aid for the Disabled?

**The Hon. J.W. WEATHERILL (Cheltenham—Minister for Families and Communities, Minister for Aboriginal Affairs and Reconciliation, Minister for Housing, Minister for Ageing, Minister for Disability, Minister Assisting the Premier in Cabinet Business and Public Sector Management) (14:44):** This group, Technical Aid for the Disabled, is one of the quiet achievers in the community. It is a volunteer group of mainly men (often retired engineers) who are the type of people who like to keep themselves busy in their retirement by coming up with innovative and pretty amazing solutions to the equipment needs of people with a disability or the frail aged. I recently invited their members to an afternoon tea here at Parliament House to help them celebrate their 30<sup>th</sup> anniversary, and it was a great pleasure to host them.

We give them a small amount of money each year—about \$23,000, and we gave them some once-off money of \$100,000 last year—but it is largely a volunteer organisation. They come up with some fantastic one-off solutions. One solution was an aid for a one-armed fishermen—which can be important. They modified a remote control for a car so that it could be used by someone with a disability. In another case, members repaired a baby alarm light for deaf parents, and they also built a walker for a child with a disability. In one special case, members created a timer for a woman's microwave because she had the unfortunate habit of putting unopened tins in the microwave; it provided a locking device for that.

No job is too small, and every job makes an incredibly important difference to the life of a person with a disability. There is a very interesting side benefit. A number of women came up to me at this 30<sup>th</sup> anniversary and said, 'Thank you very much for what you do to support this organisation because we'd be divorced if we couldn't send our husbands out of the house, in their retirement, to do these very interesting things.'

But they never give up. Whenever they are confronted with a difficulty, they always manage to solve the problem. It is group of intelligent, innovative and very skilled people. They are always on the lookout for volunteers. I want to place on record the government's appreciation for the work that this tremendous group of volunteers does.

### **NURSES' DUTIES**

**Ms CHAPMAN (Bragg—Deputy Leader of the Opposition) (14:47):** What steps will the Premier take to fix the health system that uses nurses to carry out clerical tasks during a nursing shortage? On page 9 of the Paxton report into our health system, it states:

Nursing staff at the hospitals currently perform a material amount of non-nursing duties, which could be carried out by clerical staff.

The report recommends that these activities should be re-evaluated and, where relevant, substituted with more appropriate staff.

**The Hon. J.D. HILL (Kaurua—Minister for Health, Minister for the Southern Suburbs, Minister Assisting the Premier in the Arts) (14:48):** I thank the deputy leader for the question. I would have thought that the answer to that is patently obvious. We conducted a survey of what happens, we produced this report, we published it, and we are now going to work through the findings with the relevant bodies.

One of the issues, of course, in relation to the nurses—if we go down this track, and I sincerely want us to do this—is that we will reduce the amount of clerical work done by nurses. But, of course, it will have to be done by somebody else. They will have to employ more clerical people, and what will happen, of course, is that those opposite will say, 'You're spending more on clerical assistants and less on nurses.' That is what they will say. But, let me tell you, it is the right thing to do and we will do it.

Of course, there are obviously industrial issues associated with this, and we have to work them through in appropriate industrial ways. It makes no sense at all—and I agree with the import of the member's question—for people who are trained nurses to be doing clerical things. If you think that this occurred just in the last few years you are totally wrong: this process has been in

place for decades. We are fixing it up—facing things, fixing them up and releasing reports. We do not hide things: we put them out there and we get on with the job.

**Mr Hamilton-Smith:** Take some responsibility for something.

**The SPEAKER:** Order!

### HEALTH SYSTEM

**Mr HAMILTON-SMITH (Waite—Leader of the Opposition) (14:49):** My question is to the Premier. What action will he take, what responsibility will he take, to control overpayments and inefficiencies in the health system, identified in the Paxton report? As well as concerns raised about time and cost wastage from inappropriate workloads for nurses and the culture of bailout funding, the Paxton report further identifies problems with demand and capacity management—lack of clear direction for regional hospital management, and over-award clinical payment arrangements. Who is responsible?

**The Hon. J.D. HILL (Kaurna—Minister for Health, Minister for the Southern Suburbs, Minister Assisting the Premier in the Arts) (14:50):** All I can say is that I think the taxpayers of South Australia are lucky that we are responsible, and not the other side, because we have faced the issue of efficiency in our hospitals and we are going to deal—

*Ms Chapman interjecting:*

**The Hon. J.D. HILL:** Ask any number of questions you like. Wait until I have stopped speaking, though, Vickie, because I cannot hear you, for a start. You are just making noise. What I would say to the house is that we are working through these recommendations in a serious way with those in the workforce. We do have issues with over-award payments, and part of the culture (which we have now changed by the Health Care Act) is that we now have a department which runs the health system and we do not have individual hospital management which makes sweetheart deals with workers in particular circumstances. There will be one set of industrial arrangements in place, not multiple-sited industrial relations. That is what happened in the past, and it is not to the good of the system.

### MARJORIE JACKSON-NELSON HOSPITAL

**Mr HAMILTON-SMITH (Waite—Leader of the Opposition) (14:51):** My question is again to the Premier. Given the inefficiencies—

*Members interjecting:*

**The SPEAKER:** Order, members on my right!

**Mr HAMILTON-SMITH:** —cost overruns and fiscal mismanagement revealed in the Paxton report, how can the Premier further weigh down the health budget with unfunded finance costs for a \$1.9 billion privatised hospital in City West? It is a private hospital you are building.

**The Hon. M.D. RANN (Ramsay—Premier, Minister for Economic Development, Minister for Social Inclusion, Minister for the Arts, Minister for Sustainability and Climate Change) (14:51):** Privatised hospital? This is the big difference—let me go through it again. The only people who privatised—

*Members interjecting:*

**The SPEAKER:** Order!

**The Hon. M.D. RANN:** —the hospital were the Liberals. They had a plan to go ahead with the QEH—

*Members interjecting:*

**The SPEAKER:** Order!

**The Hon. M.D. RANN:** —and they were caught out. Basically, they decided to back off before an election threw them out. That is the difference. If you want to talk about the difference between Labor and Liberal on hospitals, then go out to the Lyell McEwen and see the massive amount of building work. It is basically doubling in size. Go down to the QEH and see a new hospital being built there. And the \$1.7 billion central hospital, now you are opposing it. The only people who would try to privatise that is you.

### SCHOOL FACILITIES

**Ms SIMMONS (Morialta) (14:52):** My question is to the Minister for Education and Children's Services. What action is the government taking to improve facilities at state schools?

**The Hon. J.D. LOMAX-SMITH (Adelaide—Minister for Education and Children's Services, Minister for Tourism, Minister for the City of Adelaide) (14:52):** I thank the member for Morialta for her question. She knows that in 2002 our schools faced an infrastructure maintenance backlog, and we have worked very hard to reduce that problem. Our first large initiative was an extra \$25 million, which we called the School Pride program, which invested money in schools around the state and was the largest and significant one-off injection of maintenance funding in over a decade.

I am delighted to announce that I have recently approved a program, which is a new initiative, which brings our overall investment in school capital works and maintenance since coming to power to \$655 million. Under this newest program announced, the South Australian government will allocate \$36 million of school asset maintenance funds over three years. Our aim with this targeted funding is to deal with certain specific issues, and we particularly targeted roof replacement and repairs, plant heating/cooling replacement and upgrades, pavement replacement and upgrading of hard play areas, as well as car parks. We have targeted asbestos removal, and there is a particular investment in bushfire prevention for schools in high fire risk areas.

In addition, science laboratory upgrades have been recommended, in line with occupational health and safety requirements in laboratories, and we will demolish or remove those surplus relocatable buildings that are both unsightly and difficult to maintain. In addition, in a new scheme, in which we have not to date invested money, we will be supporting maintenance of community childcare centres, because we know that many of them struggle to maintain their facilities, some of which are quite old.

Our school facilities are also being improved under the Schools Capital Works program, which includes construction projects for new schools, new buildings in existing schools and significant modernisation of existing older buildings. Last year, the government announced \$31.4 million in this category. We believe as the Rann government that education is one of the key priorities and we want to put our money where it is needed most. As an example, this year we expect new teaching areas to be completed at Birdwood schools in the area of home economics, visual arts and technical studies. It will cost \$4.7 million.

In the Mount Gambier area, McDonald Park schools will receive \$5.45 million for a new administration area and six general classrooms, as well as a new consolidated resource centre and activity hall. The Rann government is very proud of our \$655 million investment into government schools. It will ensure that students are well equipped for future challenges and this government is committed continually to improving school learning facilities.

*Mr Williams interjecting:*

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

### GLENSIDE HOSPITAL REDEVELOPMENT

**Ms CHAPMAN (Bragg—Deputy Leader of the Opposition) (14:56):** My question again is to the Premier. Why is the Premier allowing the sale of nearly half of the Glenside Hospital, preventing an expansion of mental health services, when the Paxton report states that this issue is adversely affecting other general public hospitals? The Paxton report into the efficiency of our health system has identified the urgent need to deal with increasing demands from mental health. It states that 'increasing mental health demand is adversely impacting on the efficiency and cost profile of emergency departments in the hospitals reviewed'. The report goes on to say that 'the flow-on operational effects of this demand have been identified as being problematic, requiring urgent specific focus'.

**The Hon. J.D. HILL (Kaurana—Minister for Health, Minister for the Southern Suburbs, Minister Assisting the Premier in the Arts) (14:57):** To draw a connection between what Paxton had to say and the proposals the government has for the Glenside site is drawing such a long bow that I think even Robin Hood would blush. The fact is that the Paxton report talks about the efficiencies operating in the RAH: they did not look at the Glenside Hospital. If the Deputy Leader of the Opposition genuinely and honestly thinks that leaving a 19<sup>th</sup> century building to house mental health facilities on a large lump of land is the best thing we can do for mental health in South Australia, well pity help the public of South Australia if she were ever to become minister.



Our government strategy is to modernise and contemporise the facilities at Glenside to make them relevant to the current generation of mental health patients, in part, to support that change by selling off some of the land for community purposes, which will give great benefit to her community, which will give her even more electors to look after in her electorate and which will create a new facility for this state. If she seriously thinks that the current arrangements at Glenside are world class, she is deluded.

### CHILDREN'S LITERATURE

**Ms CICCARELLO (Norwood) (14:58):** My question is to the Minister Assisting in Early Childhood Development. Will the minister advise the house of the contribution of Mem Fox, the author of *Possum Magic*, in promoting the importance of literature and reading in the early years?

**The Hon. J.M. RANKINE (Wright—Minister for State/Local Government Relations, Minister for the Status of Women, Minister for Volunteers, Minister for Consumer Affairs, Minister Assisting in Early Childhood Development) (14:58):** This week is a particularly significant week for children's literature. Today we celebrate International Children's Book Day and it is Hans Christian Andersen's birthday, and yesterday was the 25<sup>th</sup> anniversary of *Possum Magic*. The member for Norwood mentioned to me yesterday that, when she started work at the State Library, one of the first children's book she read was *Possum Magic*. So, that was 25 years ago.

Mem Fox is arguably Australia's most highly regarded children's picture book author and *Possum Magic* is the best selling children's book published in Australia, with sales reaching well over the three million mark and still selling. Impressively, Mem has a book *Time for Bed* on Oprah's list of the 20 best children's books of all time.

*Mr Koutsantonis interjecting:*

**The Hon. J.M. RANKINE:** She made Oprah's list. She has written about 30 picture books for children and five non-fiction books for adults, including *Reading magic: how your child can learn to read before school—and other read-aloud miracles*, which is aimed at parents of very young children. This focus is very much supported by the Rann government.

This government is very passionate about the importance of early years literacy, and it has a number of valuable and effective programs in place to support these endeavours. The Premier's Reading Challenge (which continues to grow) saw over 100,000 students complete the challenge in 2007 by reading 12 books. Mem Fox has also played a crucial role in promoting the Premier's Reading Challenge. She has been an ambassador for the challenge since 2004, spreading the word whenever and wherever she can about the importance that books and stories play in the development of our young children.

Further evidence of this government's commitment to literature in the early years has been through the Rann government's million dollar book program, with more than 83,000 books, including Mem's books, being distributed across the state to over 700 children's centres and kindergartens. This program complements the \$35 million early year literacy program in our schools. The government believes that a strong beginning for children in their early years lays the foundation for their learning ability, employment prospects, whether or not they might enter the justice system and their long-term health outcomes. It is an economic and social issue.

On Friday, along with my colleague the member for Chaffey, I will be opening the Renmark Children's Centre, which is the first to be established in a regional city through the state government's \$28.8 million program to develop 20 children's centres across South Australia by 2010. Renmark Children's Centre, like other children's centres currently operating at Keithcot Farm, Hackham West, Elizabeth Grove, Angle Vale and Café Enfield, will provide a range of services focused on the needs of children and their families. Like Mem Fox, we are committed to getting out the message that reading books with young children in a caring environment contributes to not only their intellectual development but also their social and emotional development. Today I offer our sincere best wishes to Mem on another important milestone in her career

### HEALTH FUNDING

**Ms CHAPMAN (Bragg—Deputy Leader of the Opposition) (15:02):** My question is to the Minister for Health. Where is the rest of the Paxton report, including all the accompanying documents in support of the report? In parliament on 12 February 2008 I asked the minister to release the report publicly and to advise the cost of the report. The minister took the question on notice. We have not yet received any advice as to the amount paid to Paxton Consulting for this report. Yesterday, the minister tabled a document titled, 'SA Metropolitan Hospital Efficiency and

Performance Review'—dated 14 days after we had received the report—the summary of which the minister says was presented to cabinet yesterday. The opposition remains informed that these documents are in the possession of the government and we seek their release.

**The Hon. J.D. HILL (Kaurua—Minister for Health, Minister for the Southern Suburbs, Minister Assisting the Premier in the Arts) (15:03):** I am not entirely sure what the honourable member is saying, but I will have a closer look to see whether there is any way in which I can assist her. I assure the honourable member that the report I tabled yesterday is the Paxton report. It is the report that went to cabinet on Monday, and I have tabled it here in this house. It is the Paxton Partners report into all the health services. All the recommendations that Paxton made are in the report and all the recommendations will be worked through.

#### VINING, DR R.

**The Hon. S.W. KEY (Ashford) (15:04):** Will the Attorney-General inform the house about the recent appointment of a new Director of Forensic Science in South Australia?

**The Hon. M.J. ATKINSON (Croydon—Attorney-General, Minister for Justice, Minister for Multicultural Affairs) (15:04):** I am pleased to tell the house that one of Australia's leading scientists, Dr Ross Vining, was appointed recently as the new Director of Forensic Science SA. He took up his position on 3 March. Dr Vining replaces Dr Hilton Kobus, who retired late in 2007 after leading the service for 10 years.

The appointment of Dr Vining represents a genuine recruiting coup for our state. Internationally, there is a shortage of experienced forensic scientists and pathologists, and in this highly specialised field Dr Vining is widely regarded as one of the foremost members of his profession in the country. Most recently, Dr Vining was director of the New South Wales Institute of Clinical Pathology and Medical Research, which incorporates the state's forensic science service. He has been director for more than three years, and before that was deputy director for 10 years. He has won national recognition and many scientific prizes for his work. His experience, proved leadership qualities, national profile and energy for the task augur well for the future of Forensic Science SA in its progression towards becoming the leading organisation of its kind.

Forensic Science SA has most recently been the focus of media attention for its role in collating and storing the state's fast-growing DNA database. That is the database that the member for Bragg thinks should not include the DNA profile of Bevan Spencer von Einem. This database continues—

*Ms Chapman interjecting:*

**The Hon. M.J. ATKINSON:** Well, the member for Bragg cannot help herself. She is always putting her foot in it. The database continues to grow quickly, thanks to the state government's new DNA laws that came into force in May last year, allowing the collation and retention of samples from any person suspected of having committed an indictable offence, or any summary offence punishable by imprisonment. The data are also being uploaded daily into the national DNA database, CrimTrac, with links to many historic crimes already identified and passed on to police for further investigation.

In the current state budget the government included a further \$1.4 million for a robotic system at Forensic Science SA to give the state the most modern system for handling DNA samples. The appointment of Dr Vining further demonstrates this government's support for the valuable and developing role of forensic science in this state. And, who knows, Mr Speaker, perhaps Dr Vining's reputation is so high that he will attract other forensic pathologists to work here in South Australia.

#### HEALTH SYSTEM

**Ms CHAPMAN (Bragg—Deputy Leader of the Opposition) (15:08):** My question again is to the Minister for Health. Will the minister be closing the Acute Referral Unit (that is, the emergency department) at the Repatriation General Hospital, as recommended in the Paxton report; and, if so, how will it absorb the 5,600-odd attendances at the emergency department each year? How will those be absorbed at the Flinders Medical Centre, or anywhere else?

**The Hon. J.D. HILL (Kaurua—Minister for Health, Minister for the Southern Suburbs, Minister Assisting the Premier in the Arts) (15:08):** Mr Speaker, this is truly an extraordinary question, because I predicted after the first question that what they would do was attack the government for running a shambles of a system, being an inefficient system; and I predicted that,

before too long (expecting some time next week), that they would be out there defending every single bit of territory that the report is suggesting would change. But, no, I did not have to wait that long. We only got 45 minutes into question time. But that is all right: defend the system which Paxton, you have already agreed, shows is not working properly. You defend all the incidental bits.

What I have said in the media, what I said in the house yesterday and what I say today is that all those recommendations will be worked through at the grassroots level with the hospital staff to get a good, positive outcome. As I said today in the media, this report is equivalent to a case to answer. Those who wish to argue that something should not change now have to prove why it should not. This is a case to answer. The recommendations are tough; they will make our system work more efficiently, and we are working through them with all the hospitals. The opposition has to make sure it knows what its position is in relation to this support. Does this show that the system is not working efficiently and that we should be condemned; or, are they going to attack the report because of its individual recommendations which will make changes, which some people will not like? I absolutely predict that some people will not like these things because they are tough, they are difficult and they will obviously impose a little bit of pain.

#### NATIONAL YOUTH WEEK

**Ms BEDFORD (Florey) (15:10):** My question is to the Minister for Youth. What support is the government providing to assist young South Australians participating in National Youth Week?

**The Hon. P. CAICA (Colton—Minister for Employment, Training and Further Education, Minister for Science and Information Economy, Minister for Youth, Minister for Gambling) (15:10):** I thank the member for her very important question.

*Ms Bedford interjecting:*

**The Hon. P. CAICA:** Yes, I know; and you look young, too. National Youth Week commences this Saturday and runs for nine days until 13 April. Last week, I had the pleasure of launching the South Australian calendar of National Youth Week events in conjunction with the federal Minister for Youth, the Hon. Kate Ellis. I also acknowledge that the member for Unley, the shadow spokesperson for youth, was also in attendance, along with a couple of other members of parliament who obviously have—as we all do—an interest in matters relating to our young people.

I am really looking forward to working with a fellow South Australian (Kate Ellis) to ensure that our young people get the opportunities they need to actively participate in their communities. In the short time that this federal government has been in power, it has been an absolute pleasure to see the development of a cooperative working relationship based on respect—somewhat different from that which existed before November last year—and I welcome that.

Each year, National Youth Week provides a platform to recognise and celebrate the invaluable contributions made by young South Australians to their local communities and, indeed, for the benefit of our state as a whole. It also provides an opportunity for young people to engage with other people in their communities, to learn practical skills, to speak their mind on a variety of issues important to them, and also to have a lot of fun while they are undertaking these activities.

The government provides approximately \$100,000 in funding to support National Youth Week events. This year, it is expected that over 15,000 young South Australians will take part in 112 official events, the highest number of events planned this year in any of the states throughout National Youth Week. This is a significant achievement and it reflects the strong partnerships being forged between youth advisory committees, local councils and the Office for Youth right across our state.

Through 59 youth advisory committees, young people are actively involved in the planning, implementation, management, participation and evaluation of all national youth events. They are events organised by young people for young people in their communities. Over 70 per cent of youth advisory committees are located in regional or remote South Australia, and every one of those committees is participating in National Youth Week 2008.

I am very pleased to report that this year the Roxby Downs community is participating in National Youth Week for the first time. This is a community with a significant youth population, and they are seeking to involve themselves in community activities and decision making, and any support that can be provided to them through the Office for Youth and through their local community is a very good thing.

National Youth Week also promotes collaboration between regional centres. Fifteen bands from Roxby Downs and towns in the Copper Triangle and the Riverland will be heading to

Balaclava for the Battle of the Bands. This event has been made possible with the support of the Wakefield, Light, Goyder, Clare and Gilbert Valley regional councils, an outstanding collective cooperative.

There is always a wide range of events on offer as part of National Youth Week, such as workshops ranging from stand-up comedy to women's safety, mega-skate competitions, a mediaeval games, metal human sculptures, various forms of art and photographic competitions, learning how to publish a street magazine, and a host of music events, including several regional 'Small Days Out'.

This year's National Youth Week slogan, 'Shout. Share. Live. Unite.', aptly embodies a sense of community spirit, and I encourage all members in the chamber to support events in their local areas.

### PATIENT MEDICAL COSTS

**Ms CHAPMAN (Bragg—Deputy Leader of the Opposition) (15:14):** My question again is to the Minister for Health. Will the minister ensure that medication and medical costs are paid to a patient who went to a public hospital to have a baby and left with her leg amputated?

*Members interjecting:*

**Ms CHAPMAN:** You might think it's funny, but she doesn't.

*Members interjecting:*

**The SPEAKER:** Order!

**Ms CHAPMAN:** On 13 March, I wrote to the minister requesting that he at least meet the medical costs for a patient who attended the Women's and Children's Hospital to have her baby in January this year. She was subsequently transferred to the Royal Adelaide Hospital after the birth of her baby and, after a series of medical mishaps, her leg was poisoned requiring emergency amputation.

She is currently having rehabilitation and will have future prosthesis costs. The family has been left with medication costs of \$130 a week, with no insurance, no Centrelink benefit and a mortgage to pay. The father, I have advised the minister, has had to reduce his employment to support his wife and infant child and so far, after these weeks, the only thing we have received from the minister is a letter of acknowledgement.

**The Hon. J.D. HILL (Kaurua—Minister for Health, Minister for the Southern Suburbs, Minister Assisting the Premier in the Arts) (15:16):** As the member would know, the family is very reluctant for these matters to be brought into the public arena.

**Ms Chapman:** I've spoken today because you won't answer.

**The SPEAKER:** Order!

**The Hon. J.D. HILL:** The Deputy Leader of the Opposition's standards in this place are just appalling.

**Ms Chapman:** That's why I wrote to you.

**The Hon. J.D. HILL:** Yes, I am aware of your letter to me. I was aware of the case anyway. I think some of the claims you make in relation to this, if you were to say them outside, might be defamatory, so I caution you on how you describe this set of circumstances.

*Mrs Redmond interjecting:*

**The Hon. J.D. HILL:** Doctors who might have been involved. She used language about what she described as the medical treatment of this person. This is a very sad case, involving a lot of circumstances which I will not go through to the house, unless somebody asks me about them and then I will. But I know the family is very keen to have this matter dealt with in a private and respectful way.

When I received the deputy leader's letter in relation to this family I asked a senior person in my office to ring the family and to go through the issues with them and, as far as I am aware, we undertook to provide whatever assistance was necessary to help with the medical costs. As I understood it at the time, the woman in question was in fact in a health facility (a hospital, I think) and the medical costs, of course, were paid by us. But I will once again check the details. I

understood the matter had been sorted out with the family. If it has not been, I will make sure that it is.

### ARTS, REGIONAL CENTRES

**Ms BREUER (Giles) (15:18):** My question is to the Minister Assisting the Premier in the Arts. How is the government promoting the arts in country South Australia?

**The Hon. J.D. HILL (Kaurana—Minister for Health, Minister for the Southern Suburbs, Minister Assisting the Premier in the Arts) (15:18):** I thank the member for this very important question. During the parliamentary recess, along with about 3,000 Port Augusta locals, I attended the opening of the Adelaide Fringe at the crossroads in Port Augusta. The show, *Smoke on the Water*, featured a light installation and music performances on the old bridge. The Fringe performances of comedy, theatre and cabaret presented over the following two days were all sell-outs. I hope the member for Stuart was able to attend part of that.

Earlier in February, the Adelaide Festival of Arts also held numerous successful events in Port Augusta. These Fringe and Adelaide Festival of Arts programs were only the beginning of what will be a very big year for the arts in Port Augusta. Port Augusta is the inaugural South Australian Regional Centre of Culture.

The South Australian Regional Centre of Culture Initiative targets one regional centre biennially for major investments in cultural infrastructure and a year-long program of cultural activities. The program is a partnership between state and local governments with support from the private sector. Port Augusta is becoming the cultural crossroads of South Australia through its year of celebration, entertainment and cultural exchange presented under the broad banner 'Port Augusta Re-imagines!'

The state government, through Country Arts SA and the Office of Regional Affairs, has been working with the Port Augusta City Council to establish a cultural precinct in the centre of Port Augusta with buildings and an open space being transformed into a community and cultural area. The total cost of this capital development is \$1.55 million. The state government has contributed \$950,000 and \$600,000 has come from the Port Augusta City Council. Work on the development of the cultural precinct is nearing completion, and it will be officially opened on 10 May this year.

In addition, approximately \$850,000 is being spent on delivering Port Augusta's year-long program of cultural activities. This includes a state government contribution of \$550,000 as well as funds received from principal sponsor Flinders Power and other arts grants funding agencies. The exciting year-long program is immense, and comprises:

- 15 exhibitions with associated events and workshops;
- over 50 performances of at least 30 productions;
- 19 exhibitions and performances with schools components, including professional development of teachers;
- nine individual festivals and celebrations; and
- many workshops for all age groups in art, drama, circus, dance, music and history.

Port Augusta 2008 is just the beginning of the government's Regional Centre of Culture program. Twelve expressions of interest were received from other regional communities wishing to become the 2010 Regional Centre of Culture. Arts SA has set up an independent panel of people with broad arts and regional perspectives to consider all the applications. I am advised by Arts SA that four regional communities have been shortlisted by this selection panel, and I am pleased to announce here today, for the very first time, that those shortlisted are Mount Gambier, Coffin Bay, Goolwa and Murray Bridge.

I anticipate that the state's 2010 Regional Centre of Culture will be officially announced on 10 May this year. That announcement will coincide with both the eagerly anticipated opening of Port Augusta's new cultural precinct and with the Adelaide Symphony Orchestra's Symphony Under the Stars concert, which will be held on the No. 1 fairway of the Port Augusta Golf Club.

I would like to draw the attention of the house to a letter to the Editor of *The Advertiser* today that was written by Barbara Rasmus of Port Augusta. I will not go through the opening sentence (which heaps some praise on me) but she goes on to say that the concert:

...by State Opera South Australia was an absolutely beautiful night. The acoustics were perfect and it was a full house. The singing was wonderful. Port Augusta is proud to have such a unique setting.

Hear, hear to that.

### WATER RESOURCES

**Mr WILLIAMS (MacKillop) (15:22):** Can the Premier confirm that we will continue with the current water arrangements and water restrictions—

*The Hon. K.O. Foley interjecting:*

**Mr WILLIAMS:** It is important to a lot of people, Kevin. Premier, can you confirm that we will continue with the current water arrangements and water restrictions until at least 2011, when it is proposed that a new water plan will be in place, or do we need to wait until 2019 when Victoria's plan expires? The memorandum of understanding signed by the Premier on 26 March provides for a basin plan to be completed by 2011, but it also states that the commonwealth agrees to honour all existing water resource plans in all jurisdictions, including Victoria's plans, which continue until 2019.

**The Hon. M.D. RANN (Ramsay—Premier, Minister for Economic Development, Minister for Social Inclusion, Minister for the Arts, Minister for Sustainability and Climate Change) (15:23):** It was made patently clear last week, yesterday and indeed today in a ministerial statement. Some people say, 'Oh, the basin plan, which is going to be prepared by 2011, which is a whole basin-wide plan that includes not only a cap but—'

*Mr Williams interjecting:*

**The Hon. M.D. RANN:** You asked a question; do you want me to answer it or not?

*Mr Williams interjecting:*

**The Hon. M.D. RANN:** You want me to answer the question. The point of the matter is that not only does the authority have the power to do what John Howard wanted, what I wanted, and what the Leader of the Opposition called for, suddenly there is a basin-wide plan that, for the first time, covers groundwater (which it never has before)—including issues such as groundwater usage, diversions, and a whole range of things—but that, as well, covers a whole range of activities that can be funded under the \$10 billion plan and that can occur before the basin-wide plan. I think that was made patently clear last week, but there are some people who were obviously too slow to either listen or learn.

### WATER RESOURCES

**Mr WILLIAMS (MacKillop) (15:24):** I have another question for the Premier. Did the Premier fail to ensure South Australia's best interests when he rushed to agree to sign up to the memorandum of understanding on 26 March? On 28 February this year, the Premier advised the house that:

There should be one commissioner, not a River Murray authority with veto powers by various states. There needs to be one independent commissioner running the River Murray, which is empowered to make all the hard decisions, not just the day-to-day running of the River Murray but also covering everything from entitlement flows to environmental flows, to buyback rights across the system. But the memorandum of understanding, sir, of clause 10 states, as provided in the Water Act, the commonwealth minister is the decision maker of the basin plan.

**The Hon. M.D. RANN (Ramsay—Premier, Minister for Economic Development, Minister for Social Inclusion, Minister for the Arts, Minister for Sustainability and Climate Change) (15:25):** And he really thinks that's clever. In the John Howard plan that you urged me to sign up with immediately, it talked about handing over power from the states, which had a veto power, to one federal minister, who would be under the influence of his or her colleagues. Right?

*Mr Williams interjecting:*

**The Hon. M.D. RANN:** Are you going to listen to me or not? The difference is that what I did, attacked by the Liberal opposition, is to say that I would not sign the plan unless there was an independent commission with experts rather than another group of politicians, and that, if, of course, the federal minister decided to go over the top, it had to report to the parliament to explain why it was going against the advice of the experts. That was then accepted by—

*Mr Williams interjecting:*

**The Hon. M.D. RANN:** No; it doesn't. It was accepted by prime minister John Howard. The difference is that—

*An honourable member interjecting:*

**The Hon. M.D. RANN:** You are totally wrong. The advisory council of the states no longer has a veto power. So, the independent commission, which has been given extraordinary powers, can be overridden in the democratic process only by a federal minister. But, if the federal minister dares to go against its advice, they have to table the reasons for doing so and reveal that they are doing so in the federal parliament. That is what I argued last year; that is what I won from John Howard; and that is what we won last week.

*Members interjecting:*

**The SPEAKER:** Order!

**DOWIE, MR J.**

**The Hon. J.D. HILL (Kurna—Minister for Health, Minister for the Southern Suburbs, Minister Assisting the Premier in the Arts) (15:27):** I seek leave to make a ministerial statement.

Leave granted.

**The Hon. J.D. HILL:** I wish to remind the house about the life of an outstanding South Australian, the late John Dowie, who died on 19 March this year, and who will be fondly remembered as an artist of 'the people'. He was one of South Australia's best loved artists and expressed an infectious exuberance for art and life. His popular Adelaide sculptures, such as the Girl on a Slide in Rundle Mall, Alice in Rymill Park, and the iconic Three Rivers fountain in Victoria Square have become synonymous with the City of Adelaide and made him a household name. Subsequent major public art commissions, such as that of Her Majesty Queen Elizabeth II for Parliament House, extended his artistic reputation into the national realm.

Dowie first studied architecture at the University of Adelaide and later followed his keen interest in fine art, returning to the South Australian School of Art, where he had previously commenced artistic studies in 1925 at the precociously young age of 10. At the art school he worked under the tutelage of great European-trained South Australian artists Ivor Hele and Marie Tuck. He later travelled to Europe to further refine his skills, enrolling in sculpture at Sir John Cass College in London and then at the Porta Romana College at the Academia in Florence. On his return to Adelaide in 1953 he was offered a part-time teaching position at the South Australian School of Art, and by 1962 he was able to practise as a full-time artist.

John Dowie's convivial personality disarmed many of his notable subjects, leading to the creation of bronze portraits of many distinguished identities of the 20<sup>th</sup> century, including Sir Edmund Hillary, Sir Hans Heysen, Sir Robert Helpmann, Sir Mark Oliphant, Lloyd Rees and Hubert Wilkins.

It was my pleasure to assist in the unveiling of the Hubert Wilkins sculpture in the State Library of South Australia a year or so ago with John Dowie. I met him on a couple of occasions. One memorable occasion was when I visited his house, which was also his studio, a place where he lived, I think, pretty well all of this life, and saw the amazing works of art, not only on canvas and under construction but also on his ceilings and walls. He was truly a gifted and committed artist.

The generally optimistic tenor of his work rarely revealed the harsh realities of his five-year service during World War II, with the 2/43rd Battalion of the AIF in Libya, as a Rat of Tobruk and in Palestine, Egypt and New Guinea. Although he became best known as a sculptor, Dowie was also a talented draftsman and painter, and drew prolifically through his productive career. His public art can be found in locations across the country, and he is represented in the art collections of nearly all major states and in the Australian War Memorial in Canberra.

In 1981, his services to Australian art were recognised, and he was awarded a Member of the Order of Australia (AM). In 2001, John Dowie's outstanding 80-year contribution to the visual arts in South Australia was commemorated by the state government's commissioning of a monograph and the staging of an enormously successful retrospective exhibition at Carrick Hill. Further accolades followed. In 2004, he was given an honorary doctorate by the University of Adelaide, and in 2005 he was named South Australia's Senior Australian of the Year.

Despite his frail health, John Dowie continued to draw in the days before his death at the age of 93. John Dowie was an inspiring South Australian. He is survived by his brother, Dr Donald

Dowie, his sister, Ms Jean Dowie, and his extended family of nephews and nieces, and I am sure the house would join me in passing onto them our condolences.

**Honourable members:** Hear, hear!

## GRIEVANCE DEBATE

### MIDDLE RIVER DAM

**Mr PENGILLY (Finniss) (15:31):** From time to time members on both sides of this house have expressed concerns about the activities and the lack of action coming out of the natural resources management boards in South Australia. Last week, the member for Bragg, the member for Hammond, the Hon. Michelle Lensink from another place and I attended a public meeting held at the Kingscote Town Hall about the issue of water. I will come back to that in a minute but, out of the chaos and misinformation last week in what was, generally speaking, a poor meeting, in my view, has come a bit of good, because the board voted on Monday not to proceed with this foolish prescription mechanism for the Middle River dam.

A few things that happened on that night caused me a good deal of angst, and I was most concerned about the patronising and condescending manner of some of the speakers when they spoke to the 300-odd people in the audience that night. I do not think that Mr Michael Good, who is a planner for the KI NRM board, really has a grip of what is taking place on Kangaroo Island. Mr Good is charged with the NRM plan for the island. I have received nothing but poor reports from residents across the island about the activities of Mr Good, and I think that is most disappointing. In fairness to Mr Good, I do not think that he was condescending to the audience that night.

However, I was extremely disappointed about the way in which Mr Claus Schoenfeldt conducted himself that night. He gave quite a performance on the laws but, unfortunately, when he was taken to task or asked a question, he put people down—and, in fact, he put down the member for Bragg. I think that it is inappropriate for a public servant to put down a member of parliament in a public meeting. Frankly, I think it was quite disgraceful. However, Mr Steve Rose from SA Water was very good. He is on the operational side of SA Water, and he was particularly good and spoke very well, and I thought that his performance was excellent.

*An honourable member interjecting:*

**Mr PENGILLY:** Yes, he is probably done after that. A lot more questions were left unanswered, in my view, than were answered. We simply wanted to know who had put forward the idea that the Middle River catchment should be prescribed. Its current capacity is 700 megalitres, and it is interesting to note that, in a good year, 15,000 megalitres go through Middle River and out to sea. However, there is some concern about what water will or will not be used by the Middle River dam, which was built in the early 1960s. This has a long way to run. Fortunately, now, they will do a considerable amount of homework on it.

The general manager of the KI Natural Resources Management Board, Ms Jeanette Gellard, spoke at the end and made a few points about where the board is heading. This is what really worries me: she claimed that they are bringing in \$3 million to the island. Most of it is going into salaries and projects, some of which would have to be considered a bit dubious. The reality is that it is costing \$900,000 a year to run the Kangaroo Island Natural Resources Management Board. As one farmer said to me, his farm turns over \$1.2 million with him and a couple of sons. An enormous amount of money is going into this administration and plans across the state.

However, as I said, I am pleased that, out of this foolishness and the way that things went that night, they have come to their senses and, on Monday, a majority of board members, I understand, moved not to proceed at this stage but to do a lot more work. It needs to be driven from the bottom up, not the top down. We have to stop having this top down mentality, which is coming from government departments and places such as NRM boards. They are driving it down and telling people what they have to have. I do not think it is right, and I am sure that other members in this place agree with me. If you cannot get it coming up from the bottom, there is not much point in having it.

Fortunately, the Middle River landcare groups and a few others will get together to try to drive this from the bottom. It is a step in the right direction. I hope that some commonsense will come out of it all and, at the end of the day, we will find out what water is needed, what water can be used where and, indeed, what needs to happen.



**DOWIE, MR J.**

**Ms BEDFORD (Florey) (15:37):** Following on from the remarks of the Minister Assisting the Premier in the Arts, I also pay tribute to John Stuart Dowie, painter, sculptor and teacher, who passed away on 19 March this year, following one of a series of strokes. Born in Adelaide in 1915, he was a prolific creative talent who made an extraordinary contribution to the arts in South Australia especially, but also, as the minister said, nationally for more than six decades. In December 2004, at the time he received the University of Adelaide's Doctor of the University (honoris causa) Degree, the university put out a media release detailing his brilliant career.

He first studied art in the mid-1920s at the South Australian School of Art and later worked with Marie Tuck and Ivor Hele. He studied architecture at the University of Adelaide between 1936 and 1940, while working with Hubert Cowell & Company as a draftsman and still studying at night at the School of Art. When the war started, Dowie interrupted his work and enlisted in June 1940, serving in Palestine, New Guinea and Tobruk. He was one of the famed Rats serving in the 9<sup>th</sup> Division 2<sup>nd</sup>/43<sup>rd</sup> Battalion. After service with the Military History Section of the AIF and a time assisting the official war sculptor, Lyndon Dadswell, Dowie studied sculpture in London and Florence and, on his return to Australia, he lectured at the South Australian School of Arts and Crafts from 1954 to 1962.

In 1954, he was commissioned to carve a stone sculpture for Michelmores War Memorial Chapel at Roseworthy. This work and his 1957 sculpture of Sir Ross and Keith Smith for Michelmores memorial at the Adelaide Airport led to many commissions that formed the body of his public and private works. Dowie will always be remembered for his public sculptures, including more than 50 commissions which can be found (as the minister said) throughout Australia. Nationally, as he said, the statue of Queen Elizabeth II is a feature of the grounds of Parliament House in Canberra.

His works in Adelaide include: Alice in Rymill Park; Girl on a Slide in Rundle Mall; busts of Sir Douglas Mawson, Sir Robert Helpmann, Sir Mark Oliphant and, of course, my favourite, Lord Florey. Sir Thomas Playford, as we know, is in the hall outside the House of Assembly in Parliament House. Dowie was responsible for the Pan fountain amongst the roses in South Terrace and the iconic Three Rivers fountain in Victoria Square. All three universities in South Australia proudly include his works in their collection.

In 1981, he was made a member of the Order of Australia for services to Australian art, and in 2005 he was named South Australia's Senior Australian of the Year. Although known mostly as a sculptor, he was also a talented painter and it was here his connection to one of my favourite places, Carrick Hill, is well known. Sir Edward and Ursula Hayward's home was a haven for artists and art. Sir Edward was actually Dowie's transport officer during the war, when their friendship blossomed. Ursula attended many Dowie classes and arranged for him to give tuition in sculpture at Carrick Hill to her and a group of her friends. His 1945 painting *St Vincent's Gulf—Noon* is part of the collection. A Dowie retrospective was held in Carrick Hill and the book *John Dowie—a Life in the Round* was printed and should still be available through the Art Gallery of South Australia.

Samela Harris knew him and interviewed him in his Dulwich home in 2006. Her article in *The Advertiser* of 20 March states:

Despite several strokes, he had kept working from his Dulwich home until only last year when he was moved to a rest home. He was, however, able to return for a recent sojourn in the old house which had been the centre of his creative universe. He had lived there since 1917. From its airy studio, he produced the many sculptural works...

She went on to speak of his other great claim to fame—the Dowie character. During the interview he lamented the uglification of Adelaide by developers whose works had undermined the symmetry and proportions decreed by that 'great man who planned the city', Colonel Light. He said that what was 'old and strong and beautiful' now is 'destroyed by people building huge and absolutely ordinary things, ugly and commonplace'.

Anyone who has seen his work knows that he has done his best to represent all that is wondrous and of beauty. I pass on my condolences to John Dowie's family. It was my privilege to meet him once in Parliament House and to speak to him about his works. He was truly inspirational and, even from a person who cannot draw a cat with circles and Ms, his art was something I truly admired from my first visit to Carrick Hill.

## COOPER DISCOVERER CRUISES

**The Hon. G.M. GUNN (Stuart) (15:41):** I wish to draw to the attention of the house, the Minister for Environment and Conservation, and others, a copy of a letter I received from Peter Ware, Cooper Discoverer Cruises, which states:

Dear Sir

It is with sincere apologies and deep regret that I am writing to you on this occasion to inform you that I have been forced to cease my cruise boat operation on Cooper Creek at Innamincka.

The constant financial harassment from National Parks and their continual demand of 10 per cent of my turnover—which is far greater than the percentage incurred by the majority of operators.

This, combined with a lack of help with this situation from Tourism SA over the past six years, has forced me into this position of having to cease operation.

Unfortunately, there seems to be no incentives to operate in these harsh, remote environments—just very large disincentives.

I take this opportunity to sincerely thank you for your business and support in past years and apologise profusely to those operators with tentative bookings for the 2008 season. I hope this still allows you enough time to alter your itinerary destinations if so desired.

Following my attempts to negotiate with National Parks all have failed. If you wish to pen a letter in support of my situation, please send direct to federal counterparts, i.e. the federal Minister for Tourism or the federal Minister for Environment, as I have found over the last six years on state level that you will only get a 'Yes minister' response, if any at all.

He also, of course, had terrible difficulties with trying to get a decent lease over the depot he had at Innamincka. I have two letters here, one dated 7 March 2008 and the other dated January. The second letter states:

Again I remind you that you are required to pay the visitor use fees in accordance with your licence...Please note the final date for payment is 30 April 2008. If payment is not received by this date, DEH will take further action to recover the invoiced amount through its normal debt recovery process. Future Commercial Tour Operator licence applications will only be considered once the payment is received.

Regarding your inquiry about the three year-plus lease on your land, at this point DEH is only able to issue such licences on an annual basis.

Well, that's nonsense. It continues:

DEH trusts this matter can be resolved in the very near future.

They have had years to try and do something about it. They are more intent on dipping their hands in this poor fellow's pocket. There are lots of people who want to go down this path. It will be a crying shame if this person is continually put out of business. It is not in the interests of tourism and not in the interests of the people of Innamincka. I tried to ring on about three occasions the manager at the Department for Environment and Heritage and just got a recorded message. So, the only alternative for me was to raise the matter in this house, and I call upon the minister to act immediately and deal with this situation, because it is a bureaucratic nonsense that should not be occurring.

The second issue I want to raise is this. When I went to Oodnadatta last week with the leader and some of my colleagues, I was given the following statement by a concerned resident, and it says:

Problems in Oodnadatta.

Inadequate and insufficient housing.

Lack of regular maintenance, air conditioners, septic tank repairs.

Contaminated water from the salt drain-off from air cons.

Public toilets not open, ?? Cause, lack of funding ??

Oodnadatta Hospital & Health Service...

Apart from the Progress Association little work is seen to be done as far as maintaining a clean, healthy community is concerned.

Aged care units either have no hot water or water at all. Holes are dug and left open and debris not cleared away, the area is more of a health hazard than a safe haven for elderly people. Condemned buildings are a hazard, the debate arises as to who is responsible, Aboriginal Housing Trust or Bungala.

Bad skin infections are common in the community, primary health care is nonexistent. If there is genuine concern regarding Aboriginal health, I can say from experience that some more remote areas, Anangu Pitjantjatjara

Lands for example have a good standard of care, administered by the Nganampa Health Council, care which would surpass some non-indigenous centres. Communication regarding history and care of indigenous people would benefit if all health services dealing with indigenous health were linked into Communicare. Currently a great deal of difficulty is encountered trying to find out the medication, and chronic disease status of a client in order to treat efficiently or provide any ongoing, sustainable care.

Time expired.

### ADELAIDE CITY COUNCIL

**The Hon. L. STEVENS (Little Para) (14:46):** One of the most enjoyable events of the recent Festival of Arts, in my opinion, was the Northern Lights exhibition on North Terrace. I visited it on two occasions, with friends, and both times that section of North Terrace was crowded with enthusiastic, interested people. I have spoken previously in the house about how good I believe the changes to North Terrace have been, and certainly I have previously in the house congratulated both the state government and the Adelaide City Council on the partnership that has led to these outstanding results.

I was also pleased to see that the Adelaide City Council has released its strategic vision for the city and, with that, has sought feedback from citizens, whether they live in the City of Adelaide or outside. I brought up its website and looked at some of the matters contained in that vision statement. They start with stating that their vision is of 'Adelaide being a vibrant, prosperous capital city, built upon Adelaide's heritage and lifestyle' and, in particular, they look at a range of categories and particular aspects that they are going to work on, including things such as native fish in the River Torrens; Adelaide's squares (particularly Victoria Square) being significantly changed and reinvigorated; having a concept of Victoria Park being a great urban park; and recycled water coming from the Glenelg area to water the parklands. There was a range of other things and, I think, very interesting things that they have put out for consultation.

I am sure we will get more suggestions from other people, and it is good that this should be the way that such a document is approached. I must say, I was very surprised, then, to see the very smartypants put-downs of the plan by Mike Smithson in a *Sunday Mail* article on 16 March. He noted that of course he had only had a quick glance at the strategic directions paper of the council, and I might recommend that perhaps he give more than a quick glance at topics that he covers in his articles.

**The Hon. S.W. Key:** Generally.

**The Hon. L. STEVENS:** Generally, and specifically in relation to this one. One of the things he said, for instance, was in relation to returning native fish to the Torrens. This is the smartypants comment. He says:

Have these councillors ever taken a stroll along the river between the zoo and the weir? If the plastic bottles, slime and other pollution don't kill the new fish, then the blue-green algae surely will.

What a smartypants remark that was. Does he not know that, for instance, in Germany the river Rhine was one of the most polluted rivers in Europe? It has now been cleaned out and, as an indicator of how that river has been cleaned up, native fish have been returned to it.

I think that this state deserves a media that, first of all, does its homework and, secondly, encourages innovation, encourages ideas and encourages people to be proactive, and not make smartypants remarks—really quick, cheap shots that are not helpful.

One of the reasons that I was pleased to see this was that I have long thought that Adelaide needs to be revamped. I was in Brisbane over the weekend for a family celebration and, again, I could not help but notice just how vibrant and alive the city of Brisbane is. It has a beautiful river going through the centre, which it has made the most of. The Torrens is a very important feature in Adelaide that needs to be revamped. It needs to be cleaned up, it needs the native fish back, and we need to make the most of its surrounds for public recreation, public involvement, for the fun of children, right along the banks of the Torrens, from the Zoo right through to—

**The Hon. I.F. Evans:** Gumeracha.

**The Hon. L. STEVENS:** Well, perhaps Gumeracha could be a bit of a stretch for the Adelaide City Council, but certainly from the Zoo right through to Port Road.

### WESTERN AUSTRALIAN PARLIAMENTARIANS

**Mr VENNING (Schubert) (15:51):** It is with some sadness that I give this speech today, acknowledging the lives of two great Western Australian parliamentarians known to many of us: the

Hon. Trevor Sprigg and the Hon. Fred McKenzie. I think it is very important to acknowledge these two men and their contribution to Australian politics.

Both these men were whips from each side of politics—one Liberal, one Labor. I knew both men personally and was proud to call them friends. Trevor was a member of parliament and Fred was retired. I think it is important to recognise the service these two men gave to Australian politics generally, and to offer sympathy to their families, and to honour their memories in the future.

In January this year, I played in the annual interstate Parliamentary Bowls Tournament, a tournament in which both Mr Sprigg and Mr McKenzie were playing, and I was deeply saddened to hear that both had passed away shortly after we had enjoyed time together. I had known Fred for approximately 10 years and Trevor for approximately three.

The Hon. Trevor Sprigg was born in 1946 and passed away on 17 January this year, aged 61. Trevor was the member for Murdoch, following the election of 26 February 2005. He also had the role of Liberal Party whip from 27 August 2006, he was a member of the Parliamentary Services Committee and was the opposition spokesperson for sport and recreation.

The attendance of 1,200 people at his funeral service was a testament to the way in which Trevor was valued as a family man, friend, sportsman and colleague. Trevor enjoyed a successful sporting career prior to entering the Western Australian parliament, playing football for East Fremantle Football Club and Glenorchy Football Club, and representing both Western Australia and Tasmania respectively. Trevor also excelled in playing cricket for Fremantle.

Prior to entering politics, Trevor had a career in the media as a football commentator and columnist, employed by the ABC, commercial radio stations and newspapers. Trevor was a truly great person—a family man, a loyal friend, great sportsman and notable parliamentarian—who will be greatly missed. He was a man who achieved many things in his life: in sport, in the media and in politics. His help to me, especially as whip, will be appreciated and long remembered. As a member of the Parliament of South Australia, I express my deepest sympathy and condolences on the passing of such a wonderful and well-respected man to Trevor's wife Lyn and to the Sprigg family.

The Hon. Fred McKenzie was born during the great Depression and passed away on 18 March this year, only a few days ago. Fred McKenzie was a Labor member of Western Australia's upper house for 16 years. He was elected in 1977 and retired in 1993. Fred served three years as the opposition whip and was the government whip from 1983 until his retirement from politics in 1993, a period of 10 years. Fred is remembered by his colleagues in Western Australia as an exemplary government whip and a person who was sincere and honest in his work. He has also been paid tribute for his qualities as a strong supporter of the rules and for due process.

Fred's earliest career was in the building industry, followed by military service. From 1954, Fred dedicated his life to working with rail, beginning as a trainee guard, serving on executive committees of a rail company and serving in leadership positions in the Australian Railways Union.

His love for rail permeated many aspects of his life, and he has been remembered by his colleagues in Western Australia as someone who could turn any speech into a speech about railways. I have some empathy with that. Fred gave enormously to the community throughout his life, beginning with his national service and his involvement with the railways, right through to his work as a parliamentarian and his voluntary service with the Meals on Wheels organisation.

Fred was also known as being a true family man, having a tremendously strong bond and relationship with his wife, Helen, and his two children, and he will also be remembered for this. He will be dearly missed. I rang Helen last week to pay my respects and reflected on what a wonderful man Fred was. I also rang Heini Becker, who expressed his wish to extend his and Marlene's condolences, as do Kevin and Maureen Hamilton and the Weatherill family.

I extend our sympathies and condolences to Fred's wife, Helen, and to his son, Scott, and daughter, Terri-Ellen. Fred was a lovely man in every way to me, irrespective of his politics. Here again is proof: good men and good women share friendships both across the political divide and across state borders. Rest in peace.

**Honourable members:** Hear, hear!

### SOLAR PANEL CONNECTIVITY

**Mrs GERAGHTY (Torrens) (15:56):** Recently I had a couple come and visit me who were having some problems—and, I might say, some significant problems—connecting their solar power panels to the electricity grid. The couple had decided to have solar panels installed and connected to the grid, because they felt very strongly about doing their bit for the environment to help reduce greenhouse gas emissions.

Unfortunately, the couple experienced difficulties from the beginning. Back in October last year, the couple engaged an energy consultant to give them advice on installing a solar power system. The couple live in a strata title unit, so there were other issues that needed to be resolved before they could proceed with the new solar installation. Obviously, they needed approval from the strata corporation, and this required at least two-thirds of the unit holders to approve of the installation via a special resolution of the strata corporation. I am pleased to say that was done.

The couple's unit faces north but, unfortunately, their unit did not have enough north-facing roof to enable the installation of solar panels, so the consultant suggested that the western-facing roof would, at a pinch, enable the installation of six 155 watt solar panels, albeit that the panels would be less efficient than if they were facing north.

Based on the assessment of the consultant, the couple proceeded with the quotation and received approval from the federal Department of Environment and Water for the government rebate of \$7,440. They also received, through the consultant, a letter from ETSA stating that they had permission to connect the grid interactive inverter and solar panels installation to ETSA's distribution network.

In early December, an electrician was contracted by the energy consultant, and he came to install the solar system. He identified immediately that there would be problems in installing the panels on the western-facing roof and suggested that the eastern-facing roof would be more suitable. The electrician even suggested that the solar panels would be more efficient on this side of the roof, as higher temperatures can diminish the efficiency of the solar panels.

This presented the couple with a dilemma, as they had actually sought and received approval from the strata corporation to place the panels on the western roof but not the eastern side. Eventually that problem was resolved. The change of placement for the solar panels did cause the couple some trepidation, but they were assured by the energy consultant and electrician that all would be okay. By doing that, it allowed the couple to have a number of additional panels installed which, I have to say, pleased them greatly.

When the electrician began putting the warning signs in the meter box, he expressed a vague concern that the meter box might be a little small, but he said that he would discuss that with ETSA. For a number of reasons, there was a delay with ETSA in attending to install the import-export meter, and it was only then that the couple found out for the first time that there was a problem installing the meter. It appears that the existing meter box was of a special type, a moulded internal construction made for a particular meter very common in strata units, whereas the additional import/export meter is actually quite large. Obviously it would not fit in there, so they had more worry and had to approach the strata corporation again to seek approval to have an additional box cut into the wall.

The experience this couple has had to endure clearly shows that there can be significant pitfalls when choosing to install a grid-connected power system. One would have thought that if a proper assessment of the installation had been done by the energy consultant at the initial inspection stage most of the trauma experienced by the couple could have been avoided. Thankfully, I am very pleased to say that the problems have now all been resolved and the couple is very happy with the system.

However, I suggest that people request a full and proper examination of the site at which they are to have the panels installed, and also ensure that their meter box is of a size that will take the import/export meter (although I assume that those in most homes would be of that size). I believe it is very important that people have a proper assessment of their site. I am about to have solar panels installed and the inspection of my place, as far as I understand it, is by a Google search to find out if our roof size is big enough. So, be warned.

### WORKERS REHABILITATION AND COMPENSATION (SCHEME REVIEW) AMENDMENT BILL

Adjourned debate on second reading (resumed on motion).

(Continued from page 2451.)

**The Hon. I.F. EVANS (Davenport) (16:02):** I wish to make some comments in relation to workers compensation in my contribution to the debate on the government's proposed reform to WorkCover. So that the Labor Party cannot characterise my comments as representing Liberal Party policy I would like to clarify that the following comments are not Liberal Party policy. However, I will take up the challenge issued by the member for Enfield and throw out some ideas about workers compensation so that when this matter is revisited over the next few years (as I am sure it will be) those ideas can be considered and worked up by either side as part of their policy considerations.

Before I do that I would like to put a case as to why we are here. The member for Enfield and others have said that it is about the unfunded liability and, while that is true in part, I have a slightly different view—that is, the real reason we are here debating WorkCover is because it is a government-run scheme. It is my view that over the next few years it is time the concept of government-run workers compensation be reconsidered. Given the improvements in corporate reporting requirements now on insurance companies and the like, I think there is an opportunity to revisit whether government-run workers compensation is actually good for the worker.

I say that in the sense that I see an opportunity to run workers compensation similar to industrial relations—that is, legislate for the required minimums that employers must provide for protection for the worker (protection of the worker is what we all want), but then allow businesses to buy that insurance from any insurance company that offers the service. Proper protection would need to be in place, of course, for market failure, but there has been significant reform in this area with governments stepping in, and I give the example of the federal government now stepping in when there is market failure on employees' entitlements when businesses go broke. That is a recent reform.

The reason we are talking about workers compensation reform today is that we have a political problem because the workers compensation scheme is government run. Because it is government run we have a minister who is responsible, and because we have a minister who is responsible the opposition will, quite rightly, hold the government and the minister to account for that scheme. If it was outside of government, and the worker was protected through legislation (just as they are in IR), would we be asking the minister questions about unfunded liability in the workers compensation scheme? I suggest not. That unfunded liability would be spread across eight, 10 or 15 insurance companies with \$70 million or \$80 million each, and would we be asking questions on that? Probably not. Would the minister be going through the pain he is now going through? Probably not.

The reason we are here is that 20 or 30 years ago (or whatever it was) parliament decided to centralise workers compensation, make it government run and have a minister accountable for it. That is why we are debating this bill today. I stress that is not the Liberal Party's position nor its policy, but it is an observation I make as someone who opposed the formation of WorkCover. I was running a business at the time, and it denied me the right, as a businessman, to go out and buy my insurance from any insurance company I wished as long as I met a guaranteed minimum entitlement for the worker. As long as you have a guaranteed minimum entitlement for the worker I do not believe it really matters whether it is publicly or privately run; as long as the worker is protected through proper entitlements in the legislation.

It is a very similar principle to industrial relations, where the worker is protected through legislated minimums. I hold the view that in the next five or 10 years, whenever this matter comes up again (and it certainly will not be part of this debate because the two sides have agreed on a position, so this bill will go through as it is), with the reforms to corporate reporting, the increased powers of ASIC, and all the measures taken federally, there are enough protections in place to prevent market failure in that sense.

The member for Enfield asks whether we have any ideas. I have an idea for the member for Enfield, and that is that he should be minister and this minister should have resigned. If ever a minister should have resigned, it is this minister over the handling of WorkCover. There is no other portfolio that has had the disaster of the management that this portfolio has, and it is everyone else's fault, according to the government, other than the minister's. They put in a new board about five or six years ago; they put in a new CEO; they put in a new chair; and the scheme itself is basically untouched. The legislation is basically untouched from when we were last in government.

The minister sat there over the top of the scheme and saw the unfunded liability blowing out quarter after quarter for six years—24 quarters—and, in my view for crass political purposes, did nothing until after the federal election. They delayed the introduction of this bill until after the

federal election so that Kevin Rudd was not faced with the dilemma that he was running an argument that Howard was going to cut workers' entitlements and benefits but that the South Australian government wanted to do it as well. So, for crass political purposes, they delayed the introduction of this legislation until after the federal election. It is my view that this minister should have resigned over the handling of workers compensation.

There are other issues that could have been considered as part of the reform. Section 54 of the bill, which allows WorkCover to claim back against employers the cost of claims when they are at fault, that even though they may be only 1 per cent at fault they can claim back 100 per cent of the costs, is wrong in principle. The Liberal Party has previously moved amendments to correct that issue.

To explain it to the house, if WorkCover pays money to a worker under the act, WorkCover can sue to recover the whole amount paid from a third party that might have been negligent and caused the damage. The whole amount is payable to WorkCover even if the third party was only 1 per cent responsible for the injuries arising from the incident. This is particularly relevant in the case of two scenarios: group training schemes and labour hire arrangements.

I have rung the business groups concerned, and they still have major concerns with that particular section of the act, and there is no change to it being proposed in this legislation. I can tell the minister—this is not news to the minister; the minister knows this—there are insurers out there saying to people, 'Don't employ under those circumstances because you will be liable for the costs.' So, employers are saying, 'I won't take on apprentices and trainees' because of the advice of their insurance companies.

But this government, after six years—and this would have been in the first day briefs—will not deal with that issue. Why should somebody be 100 per cent liable if they are only 1 per cent responsible? Where is the fairness in that principle? Section 54 could have been addressed as part of this; hopefully, it will be addressed at some stage in the future when this particular matter comes up before the house again.

There are other positive things that could have been done within the legislation. Other states exempt WorkCover levies on apprentices (I think it is Victoria and New South Wales, for those staffers who want to check it). Victoria and New South Wales exempt for a period of time or for the term of their apprenticeship (I am not sure of the exact detail) the WorkCover levies on apprentices to try to get people to employ more apprentices.

I think we could go one step further. As a policy, whoever is administering the scheme could look at, for example, exempting the WorkCover levy if employers employ people from a disabled pension on a part-time or full-time basis, as a way of getting people off the disability pension and into the workforce. The scheme could incorporate that cost and not charge it, as a direct incentive, if you like, and a positive measure in the community to drag people back into the workforce, to provide the opportunity for people to come back into the workforce. I think that that possibly would have been a good measure to have within this sort of legislation.

The other issue is the way WorkCover charges its levy on what it defines as wages. My understanding of it is that WorkCover still defines superannuation as part of the wage, but when a person gets injured no superannuation component is paid. How is that fair and reasonable? How is it fair and reasonable that the employer gets charged on the superannuation component of the salary, because that is what the legislation provides, and then when the worker gets injured the superannuation is not paid? That, to me, in principle is not right. And there is an opportunity now and in the future possibly to deal with that particular issue.

The other point I wish to raise about the whole concept of the scheme, which I raised earlier, is about legislating for defined benefits to protect the workers, and then who runs it after that is not such an issue, to my mind. The reason I argue that is: look at the self-insureds. They clean up WorkCover on every measure available between the two systems. Pick any comparative measure, and the self-insureds clean up WorkCover lock, stock and barrel. Why then are we saying that there should not be more self-insureds? What we are actually leaving in the legislation is the employee number level, which I think from memory is 200. You have to have 200 employees before you can apply to be self insured. What has the number of employees got to do with it? Absolutely nothing. It is about your capacity to manage the rehabilitation of the injured worker. So, more people should be encouraged to become self-insured, because the government-run system has become a very congested and bureaucratic organisation.

Members should read the member for Enfield's contribution, and read between the lines. I think it is pretty obvious that the member for Enfield has some question marks about the benefit of

a government-run scheme. I accept the member for Enfield's argument that the community was better off when the private insurers had their own inspectors running around educating employers and saying, 'You don't fix that and your insurance premium is going up.' It was a better system to protect the worker than how it is currently being done by SafeWork SA or, indeed, WorkCover.

The last issue that I wish to float for future policy development is this principle. I have worked on building sites (I am a project manager by trade), and the issue of drug and alcohol use in the workforce has always concerned me. This place has decided that, when people reach a certain alcohol or drug content limit, they should not be driving a car, and they suffer big penalties. So, I wonder whether, down the track, some policy should be considered and at least investigated to see whether there would be any benefit at all, in cases where workers were hospitalised—so, not every worker, but those who are seriously enough injured to be hospitalised—for them to be drug and alcohol tested and, if they reach the same prescribed level as the drivers, a penalty is involved—not with respect to their medical expenses, but on their wage claim, if you like.

The reason I argue that is not to hurt the worker at all. I would give two or three years' notice before that sort of policy was introduced. The reason I raise it is that it would send a very strong message to the workforce that alcohol and drug use in the workforce will not be tolerated, just as it is not tolerated when driving a vehicle, and that individuals are responsible for their own actions. A worker who is affected by drugs or alcohol is a big risk to their fellow worker, particularly on building sites and in heavy manufacturing areas where there is complex equipment. The member for Enfield, in his contribution (which I thought was one of the better contributions on this topic), raised the challenge of some ideas on workers compensation. I hope that he reads *Hansard* and enjoys the various ideas that I have put forward about what we might be able to do with respect to workers compensation.

However, I come back to the central point. My view is that you can argue about the board, you can argue about the chairman and you can argue about how well the claims manager is working. However, at the end of the day, my view is that the minister should have resigned, because the unfunded liability has blown out over a six-year period, and if the minister does not resign over this sort of performance of WorkCover, the minister has not really—

**The Hon. K.O. Foley:** It's a legislative problem; you know that, Iain.

**The Hon. I.F. EVANS:** Kevin, it is not a legislative problem.

**The Hon. K.O. Foley:** Why didn't you change it yourself, then?

**The Hon. I.F. EVANS:** We did change WorkCover. I can remember sitting here—

**The Hon. K.O. Foley:** Not enough.

**The Hon. I.F. EVANS:** Oh, not enough? Where were your amendments? My view is that, at the end of the day, the minister should have resigned. This is a problem of the minister and, unfortunately, what will happen is that the workers will pay the penalty as a result.

Debate adjourned on motion of Mrs Geraghty.

#### **PAY-ROLL TAX (HARMONISATION PROJECT) AMENDMENT BILL**

**The Hon. K.O. FOLEY (Port Adelaide—Deputy Premier, Treasurer, Minister for Industry and Trade, Minister for Federal/State Relations) (16:20):** Obtained leave and introduced a bill for an act to amend the Pay-roll Tax Act 1971. Read a first time.

**The Hon. K.O. FOLEY (Port Adelaide—Deputy Premier, Treasurer, Minister for Industry and Trade, Minister for Federal/State Relations) (16:20):** 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 Pay-roll Tax (Harmonisation Project) Amendment) Bill 2008 makes amendments to the Pay-roll Tax Act 1971 ('the Act').

The Bill makes a number of amendments to the Act following commitments made by the Government at the March 2007 meeting of the States Only Ministerial Council for Commonwealth-State Financial Relations. All jurisdictions agreed to implement changes to pay-roll tax legislation and associated arrangements to improve inter-jurisdictional consistency and cut red tape for businesses.



The changes are the result of an extensive collaborative effort between the respective Treasuries and Revenue Offices of each State and Territory, and the outcome of a separate review of pay-roll tax provisions undertaken by New South Wales and Victoria.

The Bill does not alter South Australia's pay-roll tax rate, which from 1 July 2008 will be equal second lowest in Australia, or the tax-free threshold.

The Bill makes the following changes:

Firstly, all States and Territories have agreed to introduce standardised exemption thresholds for motor vehicle and accommodation allowances based on rates used by the Australian Taxation Office ('ATO').

Currently, motor vehicle and accommodation allowances paid to employees are liable for pay roll tax on amounts in excess of threshold levels that vary across jurisdictions.

The Act is to be amended to align the rate to the ATO large car rate using the 'cents per kilometre' method, and in respect of accommodation allowances, the Act is to be amended to align the exempt rate to the total reasonable amount for daily travel allowance expense as determined by the ATO for the lowest capital city in the lowest salary band.

Secondly, the Act is to be amended so that when fringe benefits are grossed up for pay-roll tax purposes, only the lower gross-up factor (Type 2) under Fringe Benefits Tax legislation is used.

Thirdly, the Act is to be amended to allow the exemption for taxable wages paid or payable in respect of services performed wholly in another country for a continuous period of more than 6 months to apply from the date that period of overseas service commences.

Fourthly, the Act is to be amended to include superannuation contributions for non-employee directors in the pay-roll tax base. Currently, South Australia and Queensland are the only jurisdictions not to include contributions to non-working directors in their tax bases.

Fifthly, the grouping provisions of the Act will be amended.

Pay-roll tax grouping provisions are an anti-avoidance measure to prevent the exploitation of the tax-free threshold. Corporations are grouped if they meet related corporations provisions in the Corporations Act 2001 (Commonwealth). Non-corporate entities are grouped either because a person or persons control the interests of two or more businesses (referred to as commonly controlled businesses) or because there is significant inter-use or sharing of employees.

In order to provide for inter-jurisdictional consistency, the grouping provisions will be amended in the following areas:

- the definition of 'business' is to be amended to include 'the carrying on of a trust (including a dormant trust)' and 'the activity of holding any money or property used for or in connection with another business';
- the criteria for groups arising from the use of common employees are to be amended to align with the New South Wales/Victoria legislative regime;
- the control test is to be changed from '50 per cent or more' to 'greater than 50 per cent'; and
- the adoption of the New South Wales/Victoria tracing provisions to provide for the grouping of entities with a corporation if the entity has direct, indirect or aggregate ownership connections exceeding 50 per cent in the corporation.

South Australia is to retain the Commissioner of State Taxation's discretion to disallow grouping except for related corporations pursuant to the Corporations Act 2001(Commonwealth).

Sixthly, the Act is to be amended to include specific provisions on employee share acquisition schemes to ensure consistency of treatment with other forms of remuneration.

An employee share acquisition scheme is a scheme by which an employer provides shares or rights to acquire shares, or units in a unit trust or rights to acquire units in a unit trust, to an employee in respect of services performed or rendered by the employee.

South Australia currently taxes employee share acquisition schemes through general provisions in the Act relating to the definition of wages. The amendments will make the pay-roll tax treatment of employee share acquisition schemes more transparent.

Seventhly, consistent with harmonised positions in New South Wales and Victoria, South Australia will introduce exemptions, from 1 July 2008, for:

- wages paid in respect of maternity and adoption leave (not including other forms of leave taken in conjunction with maternity or adoption leave);
- wages paid to bushfire and emergency service workers while performing volunteer activities;
- wages paid by charities in respect of employees directly undertaking the charitable activities of the organisation; and
- wages paid under the Community Development Employment Projects Program.

Finally, the opportunity is being taken to make an administrative amendment to change from the use of the term 'eligible termination payment' to 'employment termination payment' and 'termination payment'. The need for this change arises as a result of Commonwealth Government superannuation reforms, which were introduced with effect from 1 July 2007.

This Bill enacts legislative changes to enhance harmonisation, but it is only the starting point in achieving greater consistency. South Australia remains committed to pay-roll tax harmonisation with all States and Territories.

To this end, it is the Government's intention that South Australia, with effect from 1 July 2009, will adopt the uniform pay-roll tax legislative model operating in New South Wales and Victoria. This will maximise the degree of harmony with New South Wales and Victoria and also with Queensland and Tasmania who have announced that they are also adopting the uniform pay-roll tax legislative model of New South Wales and Victoria.

National reform will bring even greater benefits to a greater number of taxpayers and further drive down the cost of doing business across jurisdictions.

I also take this opportunity to thank the members of RevenueSA's consulting groups and Business SA who have taken the time to provide valuable assistance in the formulation of the Bill.

I commend this Bill to the House.

#### Explanation of Clauses

##### Part 1—Preliminary

###### 1—Short title

This clause is formal.

###### 2—Commencement

The measure will be brought into operation by proclamation.

###### 3—Amendment provisions

This clause is formal.

##### Part 2—Amendment of Pay-roll Tax Act 1971

###### 4—Amendment of section 3—Interpretation

A number of amendments in this clause set out definitions that are connected to substantive amendments to be made by this measure or update existing terms.

A key definition under these amendments will be termination payment, which will be in line with the New South Wales and Victorian Acts and provide consistency with Commonwealth legislation. In particular, the amendment defines termination payment as a payment made in consequence of the retirement from, or termination of, any office or employment of an employee. This includes—

- unused annual leave and long service leave payments; and
- employment termination payments (within the meaning of section 82 130 of the Income Tax Assessment Act 1997 of the Commonwealth) that would be included in the assessable income of an employee under Part 2 40 of that Act, including transitional termination payments within the meaning of section 82 10 of the Income Tax (Transitional Provisions) Act 1997 of the Commonwealth, and any payment that would be an employment termination payment but for the fact it was received more than 12 months after termination.

The definition of termination payment also includes amounts paid or payable—

- by a company as a consequence of terminating the services or office of a director; or
- by a person who is taken to be an employer under the contractor provisions of the Act, as a consequence of terminating the supply of services by a person taken to be an employee under those provisions.

Other amendments revise various provisions associated with the concept of wages. For example, the method for determining the exempt component of a motor vehicle allowance will now be set out in Schedule 1 of the Act, as will the rules associated with accommodation allowances. Another amendment will set out the method for determining the value of taxable wages comprising a fringe benefit.

Finally, the treatment of superannuation benefits will extend to directors whose wages are subject to pay-roll tax and wages will be taken to expressly include the grant of a share or option to an employee by an employer in respect of services performed by the employee.

###### 5—Amendment of section 8—Wages liable to pay roll tax

This amendment will allow the exemption for taxable wages paid or payable in respect of services performed wholly in another country for more than 6 months to apply from the date that the overseas service commences.

###### 6—Amendment of section 12—Exemptions

This clause revises and extends exemptions under the Act. A new exemption will relate to wages paid to an employee while engaged as a volunteer member of an emergency services organisation under the Fire and

Emergency Services Act 2005 in responding to an emergency situation under that Act. Another exemption will relate to wages paid to an employee in respect of maternity leave or adoption leave. Employers providing paid maternity or adoption leave will be entitled to an exemption from tax for any wages paid or payable to an employee, up to a maximum of 14 weeks maternity leave or adoption leave. The maternity leave exemption is available in respect of leave provided to female employees. The adoption leave exemption is available in respect of leave provided to employees of either gender.

#### 7—Substitution of sections 18A to 18D

This clause provides for a revised set of grouping provisions.

New section 18A provides definitions of business and group for the purposes of this Part.

New section 18B ensures that when 2 or more groups form part of a larger group, the 2 or more smaller groups are not considered as groups in their own right.

New section 18C provides that corporations constitute a group if they are related bodies corporate within the meaning of the Corporations Act. The Commissioner has no discretion to exclude such corporations from a group constituted under this clause.

New section 18D provides for groups arising from the inter-use of employees. Where—

- 1 or more employees of an employer perform duties for 1 or more businesses carried on by the employer and 1 or more other persons; or
- 1 or more employees of an employer are employed solely or mainly to perform duties for 1 or more businesses carried on by 1 or more other persons; or
- 1 or more employees of an employer perform duties for 1 or more businesses carried on by 1 or more other persons, being duties performed in connection with or in fulfilment of the employer's obligation under an agreement, arrangement or undertaking for the provision of services to any of those persons,

the employer and each of those other persons constitutes a group.

New section 18DA provides for groups arising through common control of 2 businesses. Under this section, a group exists where a person, or a set of persons, has a controlling interest in each of 2 businesses. The entities carrying on the businesses are grouped. The rules for determining whether a person (or set of persons) has a controlling interest in a business vary depending upon the type of entity conducting the business (e.g. a corporation, partnership or trust), and generally relate to the level of ownership or control of the business, or of the entity conducting the business. The level of ownership or control required for an interest to be a controlling interest is 'more than 50 per cent'.

In some circumstances, a person or set of persons will be taken to have a controlling interest in a business on the basis that a related person or entity has a controlling interest in that business. More specifically—

- if a corporation has a controlling interest in a business, any related body corporate of the corporation (within the meaning of the Corporations Act) will also be taken to have a controlling interest in the business;
- if a person or set of persons has a controlling interest in a business, and the person or set of persons who carry on that business has a controlling interest in another business, the first-mentioned person or set of persons is taken to have a controlling interest in the second-mentioned business;
- if a person or set of persons has a controlling interest in the business of a trust, and the trustee(s) of the trust has a controlling interest in the business of another entity (being a trust, corporation or partnership), the person or set of persons is taken to have a controlling interest in the business of that other entity.

New section 18DB provides for groups arising from the tracing of interests in a corporation. Under this section, an entity (being a person or 2 or more associated persons) and a corporation form part of a group if the entity has a controlling interest in the corporation. Such a controlling interest exists if the entity has a direct interest, an indirect interest, or an aggregate interest in the corporation, and the value of that interest exceeds 50 per cent.

New section 18DC applies new Division 3 for the purposes of section 18DB.

New section 18DD provides that an entity has a direct interest in a corporation if the entity can directly or indirectly exercise, control the exercise, or substantially influence the exercise of voting power attached to voting shares in the corporation. The section also provides that the percentage interest of voting power which an entity controls is the percentage of the total voting power which the entity can exercise, control the exercise of, or substantially influence the exercise of.

New section 18DE provides that an entity has an indirect interest in a corporation (called the indirectly controlled corporation) if the entity is linked to that corporation by a direct interest in another corporation (called the directly controlled corporation) that has a direct and/or an indirect interest in the indirectly controlled corporation. The section also provides that the value of an indirect interest in an indirectly controlled corporation is determined by multiplying the value of the entity's direct interest in the directly controlled corporation by the value of the directly controlled corporation's interest in the indirectly controlled corporation.

New section 18DF provides that an entity has an aggregate interest in a corporation when it has either a direct interest and 1 or more indirect interests, or 2 or more indirect interests. The section also provides that the value of an entity's aggregate interest is the sum of the entity's direct and indirect interests in that corporation.

#### 8—Insertion of heading

9—Repeal of section 18H

These clauses are consequential.

10—Substitution of section 18I

New section 18I, to be enacted by the amendment in this clause, provides the Commissioner with a discretion to exclude a member from a group if satisfied that the business conducted by that member is independent of, and not connected with, the business conducted by any other member of the group.

In considering the application of this discretion, the Commissioner will have regard to the nature and degree of ownership and control of the businesses, the nature of the businesses, and any other relevant matters. The discretion is not available for corporations that are related bodies corporate under section 50 of the Corporations Act.

11—Insertion of Schedules 1 and 2

This clause inserts new Schedule 1, relating to motor vehicle and accommodation allowances, and new Schedule 2, relating to shares and options.

Debate adjourned on motion of Mr Venning.

### **LOCAL GOVERNMENT (SUPERANNUATION SCHEME) AMENDMENT BILL**

**The Hon. K.O. FOLEY (Port Adelaide—Deputy Premier, Treasurer, Minister for Industry and Trade, Minister for Federal/State Relations) (16:21):** Obtained leave and introduced a bill for an act to amend the Local Government Act 1999. Read a first time.

**The Hon. K.O. FOLEY (Port Adelaide—Deputy Premier, Treasurer, Minister for Industry and Trade, Minister for Federal/State Relations) (16:21):** I move:

That this bill be now read a second time.

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

Leave granted.

This Bill seeks to make amendments to the Local Government Act 1999, for the purpose of enabling a restructuring of the Local Government Superannuation Scheme.

At the present time, the Local Government Superannuation Scheme is established under the Local Government Act, with the rules being prescribed in regulations. The Local Government Act currently contains reasonably extensive provisions dealing with governance issues relating to the scheme.

The scheme is administered by the Local Government Superannuation Board, which conducts its business under the name of Local Super (SA NT).

Whilst the scheme is established under the Local Government Act, and the legislation currently provides a number of links with the State Government (for example, the scheme's accounts are subject to audit by the Auditor General; the Minister nominates two persons to the Board; and annual reports and actuarial reports are to be tabled in the Parliament), the scheme operates essentially like a private sector scheme and the State Government has no financial responsibility for the scheme. In 1994, the Local Government Superannuation Board elected to become a Commonwealth regulated fund, and as a result the scheme is subject to regulation under the Superannuation Industry (Supervision) Act 1993 of the Commonwealth.

As background, the scheme has around 20,700 members and the number of members continues to grow. 'The scheme' is actually made up of several schemes, both defined benefit and accumulation in style, with all schemes being fully funded.

The scheme has 172 active participating employers that include the 68 South Australian councils, as well as numerous other employers that have been declared by the superannuation scheme to be an authority or body to which the scheme applies. Of these other entities, 20 are Northern Territory councils and 84 are other non council employers. A significant number of the non council employers are private hospitals.

As Local Super already provides superannuation services to a significant number of employees who do not work in Local Government, and in an environment where a large portion of the workforce can now choose the superannuation scheme into which their employer financed contribution is directed, the Local Government Superannuation Board has approached the Government seeking amendments to the Local Government Act so that the scheme can operate under a governance arrangement more akin to a private sector scheme. Most schemes operating in the superannuation industry operate in terms of a Trust Deed, and the legislation contained in this Bill provides for the existing scheme to be continued but subject to a Trust Deed.

As part of the restructure provided for in this Bill, the terms, conditions, and benefit structure of the scheme immediately before the amendments to the Local Government Act 1999 take effect are to be replicated in the Trust Deed. In other words, there will be no change in the schemes, or in the entitlements of members, when the scheme is established under a Trust Deed. From a member perspective, there will be a "seamless transfer" to the new governance arrangements.

In order to comply with the requirements of the Superannuation Industry (Supervision) Act 1993 (Commonwealth), the trustee will be a constitutional corporation, and the legislation provides for the directors of the

company that will act as trustee of the fund to be the same persons holding positions on the Local Government Superannuation Board at the date the restructure comes into operation.

As the Board will be responsible for establishing the company to perform the duties of trustee of the scheme, as well as preparing the Trust Deed in accordance with requirements of this legislation and to the satisfaction of the Treasurer, it is envisaged that the Board will reflect the existing representation on the Board in the company director structure.

The plan of the Local Government Superannuation Board is for the scheme to also become a 'public offer fund' three years after the governance restructure in the Bill comes into operation. As a public offer fund, Local Super will be able to provide its services to any employee and employer. One of the other benefits of being a 'public offer fund' will be that employees who resign from council employment will be more attracted to leave their accrued benefit with Local Super and request their new employer to direct future superannuation contributions back to Local Super as their scheme of choice. As a trade off for becoming a public offer fund, the Local Government Superannuation Board has acknowledged that it will need to forgo the benefit of the existing mandatory requirement for South Australian councils to direct all their new employees into the scheme. In other words, it is proposed that in three years time, Local Super will operate in the Commonwealth's full choice of fund regime, and all new council employees will be able to select the superannuation scheme of their choice. One of the other consequences of moving out into the private sector and competing for new members, is that Local Super also accepts that it will need to allow existing members of the scheme, as an option, to request their employer to direct future employer financed contributions to an alternative fund of their choice.

The Local Government Act, as amended by the Bill, will continue to refer in Part 2 of Schedule 1 to the continued existence of the Local Government Superannuation Scheme. This will enable the existing exemption from the Commonwealth's choice of fund arrangements to continue. Regulations under the Superannuation Guarantee (Administration) Act 1992 (Commonwealth) prescribe members of a scheme established under the Local Government Act as being exempt from the Commonwealth choice of fund arrangements. It is the intention to have this provision expire on the making of a proclamation three years after the restructuring facilitated by the Bill comes into operation, to enable the choice of fund arrangements to come into operation for new local government employees and members of the Local Super accumulation schemes.

The Local Government Superannuation Board and the Local Government Association support the proposal contained in this Bill.

I commend the Bill to Members.

#### Explanation of Clauses

##### Part 1—Preliminary

###### 1—Short title

This clause is formal.

###### 2—Commencement

Operation of the Act is to commence on the day on which it is assented to by the Governor. However, section 4 is to come into operation on a day to be fixed by proclamation.

###### 3—Amendment provisions

This clause is formal.

##### Part 2—Amendment of Local Government Act 1999

###### 4—Amendment of Schedule 1—Provisions relating to organisations that provide services to the local government sector

This clause deletes Part 2 of Schedule 1 of the Local Government Act 1999 and substitutes a new Part. Part 2 currently contains provisions relating to the Local Government Superannuation Scheme, including provisions dealing with such matters as the continuation of the Local Government Superannuation Board (the Board), investment of funds, auditing of accounts and reporting requirements.

Those provisions are to be deleted and a new clause substituted in their place. New clause 3(1) provides that the Local Government Superannuation Scheme continues in existence. This subclause applies subject to the operation of Schedule 1 of the Local Government (Superannuation Scheme) Amendment Act 2008, which provides for the continuation of the scheme under a trust deed. The Local Government Act 1999 and the Local Government (Superannuation Scheme) Amendment Act 2008 are to be read together as if they form a single Act. A contribution by an employer for the benefit of an employee who is a member of the Local Government Superannuation Scheme will therefore be a contribution under the Local Government Act 1999.

The new Part is to expire on a day to be fixed by proclamation.

##### Schedule 1—Transitional provisions

###### 1—Interpretation

This clause provides definitions for a number of terms used in the Schedule of transitional provisions.

The new scheme is the Local Government Superannuation Scheme continued in existence under a trust deed as required under the Schedule. The old scheme is the Local Government Superannuation Scheme under the

Local Government Act 1999 before the day on which section 4 comes into operation (that is, the day on which Schedule 1 Part 2 is repealed and replaced by a new Part).

#### 2—Continuation of Local Government Superannuation Scheme

This clause provides for the continuation of the Local Government Superannuation Scheme under a trust deed. A council or other authority or body that is a participating employer under the old scheme immediately before the day on which the amendment to Schedule 1 of the Local Government Act 1999 made by section 4 comes into operation (the relevant day) is to be a participating employer in the new scheme and will also be taken to be a signatory to the trust deed.

Councils and other relevant authorities or bodies are required under subclause (3) to continue to be participating employers for at least three years after the trust deed commences.

#### 3—Making and commencement of trust deed

The Board is required under this clause to prepare the trust deed, which is to commence on a day specified by the Treasurer by notice in the Gazette. The notice may not be issued until the Treasurer is satisfied that a company has been established for the purpose of administering the scheme (as required under clause 4) and that the trust deed prepared by the Board meets certain requirements specified in clause 5.

#### 4—Establishment of company

The Board is required under this clause to establish a company to administer the scheme in accordance with the trust deed.

The members of the Board on its dissolution are to be members of the board of directors of the company on the day on which the amendment to Schedule 1 of the Local Government Act 1999 made by section 4 comes into operation.

Any legal obligation of the Board at the time of its dissolution will become a legal obligation of the company, unless the obligation is excluded by the Treasurer.

#### 5—Requirements for new scheme and trust deed

The terms, conditions, benefit structure and membership of the old scheme are to continue under the new scheme unless varied in accordance with the terms of the trust deed. The company established under clause 4 will be the trustee for the new scheme and is to continue to hold office as trustee unless and until another company is appointed to the role of trustee in accordance with the trust deed.

#### 6—Dissolution of Local Government Superannuation Board

The Local Government Superannuation Board will be dissolved when section 4 comes into operation, that is, when the existing provisions of Schedule 1 Part 2 of the Local Government Act 1999 are replaced with a new Part. The new Part continues the superannuation scheme subject to the operation of Schedule 1 of the Local Government (Superannuation Scheme) Amendment Act 2008, which continues the scheme under a trust deed.

#### 7—Transfer of assets and liabilities

When the trust deed commences, the assets and liabilities of the old scheme will be transferred to the company for the purposes of the new scheme.

#### 8—Stamp duty

Stamp duty will not be payable in respect of a transfer of assets or liabilities arising out of the operation of these transitional provisions.

#### 9—Revocation of regulations

Any regulations made under Schedule 1 Part 2 of the Local Government Act 1999 are to be revoked.

#### 10—Saving provision

This clause makes it clear that nothing done under the transitional provisions will—

- constitute a breach of, or default under, an Act or other law; or
- constitute a breach of, or default under, a contract, agreement, understanding or undertaking; or
- constitute a breach of a duty of confidence; or
- constitute a civil or criminal wrong; or
- terminate an agreement or obligation or fulfil a condition that allows a person to terminate an agreement or obligation, or give rise to any other right or remedy; or
- release a surety or other obligee wholly or in part from an obligation.

#### 11—Application of Schedule

This clause expresses the intention of Parliament that the Schedule comprising the transitional provisions apply within the State and outside the State to the full extent of the extra territorial legislative capacity of the Parliament.

## 12—Other provisions

This clause authorises the making of regulations of a saving or transitional nature consequent on the enactment of the Act.

Debate adjourned on motion of Mr Venning.

**ENVIRONMENT PROTECTION (BOARD OF AUTHORITY) AMENDMENT BILL**

Second reading.

**The Hon. J.D. HILL (Kaurua—Minister for Health, Minister for the Southern Suburbs, Minister Assisting the Premier in the Arts) (16:22):** I move:

That the bill be now read a second time.

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

The purpose of this Bill is to separate the roles of the Chief Executive and the person who presides at meetings of the Board of the Environment Protection Authority.

This Government introduced amendments to the Environment Protection Act 1993 in 2002, with the aim of strengthening the independence of the Environment Protection Authority. At the time the Premier said that the EPA had not been meeting the expectations of the community for some time. He stated that a fundamental part of the government's environment policy was strengthening the powers of the EPA to investigate and prosecute environmental offenders, and that for this reason the Authority was to be recast as a truly independent body. That remains the Government's position today, and this Bill will reinforce that independence by improving the Authority's governance.

The Bill will improve the governance of the EPA, in line with current governance theory, and reinforce the independence of the Board and its power to direct the activities of the administrative unit which supports it, in all matters relating to its statutory functions. The Bill now before the House preserves the requirement for the Chief Executive to give effect to the Board's policies and decisions related to its functions under the Act, but no longer gives him or her any vote on what those policies and decisions will be.

The Bill provides for the Board of the Authority to continue to have up to nine voting members. One will be appointed by the Governor as the presiding member, and a deputy may also be appointed to preside in the absence of that person. The Chief Executive will be an additional member of the Board, so that he or she is available to contribute to the discussions of the Board. However, the Chief Executive will not have a vote on any resolutions.

A consequential amendment removes the requirement for the Chief Executive to preside at round table conferences, which assist the Minister and the Authority to assess the views of interested persons. In future it may be that the chair of the Board will want to preside at such functions, and so the Act is being made less prescriptive to allow for this. The Act continues to require the Chief Executive or a member of the Board to be present at a round table conference.

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 Environment Protection Act 1993

## 4—Amendment of section 3—Interpretation

This clause amends the definition of Chief Executive in the interpretation section in the principal Act. The amendment is consequential upon the substitution of section 14A.

## 5—Amendment of section 14—Powers of Authority

This clause amends paragraph (b) of section 14 of the principal Act to authorise the Authority to make use of the services of the employees and facilities of an administrative unit of the Public Service with the approval of the Minister administering the administrative unit. The amendment enables the Authority to make use of the services of the employees and facilities of more than 1 administrative unit with the approval of the relevant Ministers.

## 6—Substitution of section 14A

This clause deletes the existing section 14A to remove the requirement for a separate appointment of the Chief Executive of the Authority under this Act.

## 14A—Chief Executive

Proposed section 14A provides that if the Authority makes use of the services of the employees and facilities of an administrative unit and the Minister administering that administrative unit approves the application of

the provision to the position of chief executive of that administrative unit then the person for the time being holding or acting in the position of chief executive of that administrative unit will be taken to be the Chief Executive of the Authority.

7—Amendment of section 14B—Board of Authority

This clause makes amendments to section 14B of the principal Act to facilitate the appointment of a presiding member and deputy presiding member of the Board of the Authority. This reflects the amendment to section 16(2) to provide that the Chief Executive of the Authority will no longer be the presiding member of the Board. The proposed amendments to section 14B(2) and 14B(3) provide that the Board is to consist of 7 to 9 members appointed by the Governor and the Chief Executive who is a member of the Board *ex officio*. Proposed section 14B(3a) and 14B(3b) respectively provide that 1 of the appointed members of the Board will be appointed by the Governor to be the presiding member of the Board and another appointed member will be appointed to be the deputy presiding member of the Board. Proposed section 14B(8) clarifies that a deputy of a member may act as a member of the Board during any period of absence of the member.

8—Amendment of section 16—Proceedings of Board

The proposed amendments to section 16(2) and 16(2a) are consequential upon the amendments to section 14B. The proposed amendment to section 16(6) is consequential upon the insertion of section 16(6a), which provides that the Chief Executive of the Authority is not entitled to vote at a meeting of the Board.

9—Amendment of section 19—Round table conference

This clause deletes section 19(5) and is consequential on the deletion of section 16(2).

Debate adjourned on motion of Mr Venning.

### **WORKERS REHABILITATION AND COMPENSATION (SCHEME REVIEW) AMENDMENT BILL**

Adjourned debate on second reading (resumed on motion).

(Continued from page 2486.)

**Mr GOLDSWORTHY (Kavel) (16:23):** I, too, am pleased to make a contribution to the legislation which the parliament is currently debating. Arguably, this piece of legislation did not necessarily need to come before the house for debate. As we have heard other members on this side of the house, the current legislation, if it was managed and administered properly and prudently, adequately meets the needs of workers compensation and workers rehabilitation, because it was under that legislation that the previous Liberal government operated quite competently. When the previous Liberal government was voted out in 2002 by deals done by the previous member for Hammond and the then leader of the opposition and so on, the unfunded liability was at \$56 million, a mere fraction of what we are dealing with today.

A real crisis is before the state in relation to the mismanagement and the maladministration of the scheme. As I said, the previous Liberal government had the scheme under control. The liability was \$56 million: it was quite manageable and things were ticking along very well indeed. What figure are we faced with today—\$1.3 billion if you add in the public sector liability of \$400 million, trending up towards \$900 million, almost \$1 billion dollars. We have seen this government let the scheme deteriorate to this point. The Premier, the Treasurer and the current minister sitting on the other side of the chamber are responsible for this absolute crisis.

They cannot blame the board. Over the years, the board has raised issues about problems. They have had reports, reviews and a lot of investigation into the scheme, yet they have ignored it. It is typical of state Labor governments, particularly in this state of South Australia; that is, they ignore the problems and the warning signs. The Labor Party, when in government in this state, has form on this: it has history. I will explore some of that history over the next few minutes. Not long after this government came to power in 2002, this issue of WorkCover was raised in the parliament. Some questions were asked.

If we look through *Hansard* over the past five or six years, we will see how many questions were asked and speeches made concerning this issue. It was first raised not long after the government came into power and we could see the adverse signs starting to trend. Admittedly, the media was not particularly interested in it at that stage. It was really only when a previous upper house member, the Hon. Angus Redford, started raising the issue in the upper house and the member for Davenport, when he was the leader last year, finally got some traction on this in the media and it started to take notice. It is certainly taking notice of the dire situation in which we are finding ourselves now.

As I said previously, what was the government doing over those five plus years to avoid the crisis we are in now? It was ignoring it. It was sweeping it under the carpet. It was hoping it would go away. As we know, history has shown us that these problems do not go away, and that the



Labor Party (when it forms government) has serious issues in terms of economic management and managing the finances. WorkCover is just that: it is another part of the financial management of the state.

Let us look at some of the recent history of ALP governments in this state. We have had the Scrimber shambles. It was well before I came here, but I was certainly aware of the issues with Scrimber and the ridiculous deal that the then Bannon government cobbled together—some investments that they thought would bring returns to the state. All that did was lose the state tens of millions of dollars. We had the loans to the Belgium dentists. We were paying them an exorbitant interest rate. The coup de grace, as we all know, was the State Bank. The State Bank was the icing on the cake.

It will take generations of members in this place before the State Bank is allowed to die. Whenever there is an opportunity to criticise any Labor governments now and into the future that will be raised. It is etched into the financial history of this state. That was the icing on the cake. There were warning signs and questions were raised in the house a year or two out from when the final crisis hit. But what did they try to do? They tried to make excuses and sweep it under the carpet.

**Mr RAU:** I have a point of order, Madam Deputy Speaker. I realise that you indulge members by giving them broad latitude when they are debating a matter before the chamber, but it appears that the honourable member is now moving into something of an inaccurate historical perspective, which does not appear to have any relevance at all to matters before the parliament. I object on the basis of relevance.

**The DEPUTY SPEAKER:** I ask the member for Kavel to return to the bill under consideration at present.

**Mr GOLDSWORTHY:** Thank you, Madam Deputy Speaker. I was merely trying to demonstrate the history of the government in terms of managing the finances of this state. The point is that this government has brought about the crisis with WorkCover and the situation in which working men and women of South Australia will find themselves as a consequence of the crisis.

It was only yesterday that the Treasurer made an announcement that there is a potential \$120 million deficit in revenue in his budget; and he gave a ministerial statement, as he usually does in this place. It was more of a warning to his own front bench, his own ministers and his back bench to say, 'What you might have put up in the bilaterals through the budget process, I'm sorry guys, but what you want is really a wish. We do not have the money to meet your needs.' He has said that the subprime market is the reason for the effect on equities. The reason for that is poor lending practices and poor financial management, and people not being able to manage their business properly, which is in direct comparison to the way in which the government has mismanaged the WorkCover issue. It comes back to poor lending practices within financial institutions, particularly in the United States.

As we know, in the late 1980s, early 1990s, we in Australia suffered a similar situation. At that time Australian financial institutions embarked on some poor lending practices, and the result was that the share price of some of the major banks plummeted to catastrophic levels. I recall that Westpac Bank posted two successive losses and the ANZ Bank posted a loss as a result of those poor management practices.

I want to make some comparisons—and I do ask for some indulgence here, Madam Deputy Speaker. I understand the point of order the member for Enfield raised, but my examples go to the core of Labor governments' management of financial matters. I want to make a comparison with the federal scene and the current dire economic situation we face nationally, with spiralling interest rates and spiralling inflation. It seems a coincidence that since the federal election and the change of government from Liberal to Labor, all of a sudden these problems have beset us.

A number of years ago when Peter Costello was treasurer we saw an economic meltdown in the Asian region. Because our economy was strong and Costello was managing the economy and managing the budget well, had sound practices and principles in place, the nation was able to withstand that economic meltdown in our region. It is hypothetical because the Liberal Party is not in government, but I would say that if the Liberal Party was still in power federally the country would not be experiencing the tough economic times that it is. Obviously, that is a point of debate and discussion and it is hypothetical. I understand that. However, history proves that if you are sound in managing your money, if you are sound in administering financial matters, then things flow. It is no different from business—and government is like business.

Members on this side have owned and operated businesses. I do not know how many members on the government benches have owned and operated their own business. We have farmers, veterinary surgeons, furniture manufacturers and senior partners in law firms, all of whom have made decisions in relation to financial issues. It comes back to the principle that if one does not manage one's money correctly then one will be in real trouble; and that is what we are experiencing now. This government is not managing its finances correctly.

As I said, the Treasurer came in yesterday and made a ministerial statement saying he has a hole in his budget of \$120 million, and therefore the budget processes of the other ministers are basically out the window. So it is vitally important that when the warning signs are there, the warning bells are ringing and the alarms are going off, as has been the case with WorkCover for a number of years, remedial action is taken at that time. It cannot be ignored. As I said, we saw the outcome of the State Bank situation: it basically bankrupted the state. People say that the Victorian economic situation was the worst in the country before Jeff Kennett came to power but, in actual fact, if you look at the situation accurately, South Australia was in a worse financial position than Victoria.

The only reason that situation was remedied was the quite unpopular public policy decision the previous Liberal government took in leasing our electricity utilities for a long period. That unpopular decision is the reason for this state pulling itself out of the economic doldrums. That is the only reason we currently are enjoying a AAA rating.

**The DEPUTY SPEAKER:** Member for Kavel, can you start on the WorkCover issue, please?

**Mr GOLDSWORTHY:** Thank you, Madam Deputy Speaker. I want to highlight that it is all about financial management, financial administration and understanding that corrective action needs to be put in place before a crisis hits us. We are in crisis, and that is why we have this legislation before the parliament.

It is our position, extremely well articulated yesterday in the house by the state Liberal leader, that it is Labor's mess. You have got yourself into this problem. The Premier, the Deputy Premier and the minister sitting over there: it is your responsibility. We are in this mess because of you. Nobody else. It is not the board's problem and it is not the board's fault. It is your mistake. We are not, as we have on many occasions, looking to fix up your mess and looking to amend scrappy legislation. We are not getting you out of your mess this time. You have made your bed and you have to lie in it. That is the situation. When we go to the next election we will come up with our own policy direction in relation to WorkCover and a workers compensation scheme. The government has made this mess, it is of their doing and it has to fix it.

**Mr PISONI (Unley) (16:40):** The opposition has obviously indicated that it is not opposing these changes—but, of course, that means we will be voting for it but we are not opposing it. I found it amusing to hear the member for Enfield this morning suggesting that it was outrageous that we would not bring amendments into this bad legislation, as if it is our fault. This is not our fault. This is the fault of the minister, minister Wright. There are three things that should be done in order to rectify the whole WorkCover system in South Australia. This is a Labor legacy of the mid 1980s, do not forget. It was the minister's very own father who introduced this no-blame legislation, this no-blame workers compensation scheme for South Australian workers.

I suppose in those days Labor politicians were more interested in the rights of workers than they are these days. These days it seems to be that religion plays a very big part in the decisions of the Labor Party. However, it would be even harder to suggest that some of the acts that occur as a result of this legislation would be Christian.

However, I digress. What we need to do to fix this legislation and fix this WorkCover system is, first and foremost, to sack the minister. The minister has been absolutely outrageous in his denial that there has been a problem with this system. Just remember that he will blame everyone else but himself. He will blame the board that he appointed, the CEO whom he appointed, and the legislation that he has been presiding over for the past six years as minister, but he will not blame himself. And this is not the first time the minister has denied any sort of responsibility. We saw what happened when he was in charge of water. He even had difficulty understanding his own water restrictions, so I can understand that maybe he does have a problem understanding the WorkCover legislation. Maybe that is what the problem is.

We heard the member for Enfield saying, 'You guys can see this is bad legislation, but you are just standing there letting it go through.' Well, this is not our mess. We will fix this mess. We will

develop our own legislation, our own WorkCover scheme, that we will take to the next election. We will put it against yours and let the people decide who can run workers compensation better in this state: the Labor Party or the Liberal Party. We have a record of running an effective workers compensation program.

We had the unfunded liability under control. We had more workers going back after being rehabilitated than this government has had. We managed under the same rules that this minister cannot manage under. It certainly would be interesting to sit around some of the dinner tables or lounge rooms and hear the conversations of Labor members and their trade union partners and friends. We have the trade union movement out there saying that this is a terrible situation for workers.

*Mrs Geraghty interjecting:*

**Mr PISONI:** I note that the member for Torrens is interjecting. We have the trade union movement telling us that this is a terrible situation for workers and we have the government telling us that this is great legislation. 'But, hang on, you guys over there with a business sense can see that it is not going to work, you can see it is not going to fix it, come and fix it up, where are your amendments?' 'Where are your amendments?' they are saying. The member for Enfield said that in his speech today.

When we deal with this mess, when we are in government—and we will not hide things for 14 to 16 months like the minister did. We saw the Labor Party and the trade union movement planning a big campaign against the Howard government based on workers' rights and, at the very same time, they planned to cut workers' entitlements, but they did not tell anybody about that. As a matter of fact, I think the minister was running around telling everybody, 'No, don't worry about it; we are not going to cut workers' entitlements.'

I think I heard some radio about that. One of the trade union officials was saying that he had had an assurance from the minister, and he believed the minister because the minister was 'a man of his word'. That is what this trade union representative said. So, I wonder just how well he knows the minister, because what we see today is cuts to workers' entitlements—the very thing that the trade union movement fought against at the last election. The only difference is that at the last election they were perceived cuts; in this legislation they are real cuts. That is a big difference.

*Mrs Geraghty interjecting:*

**Mr PISONI:** I have always been a supporter of the workers. I am a worker myself, member for Torrens. The only difference is that, with the skills I developed on the factory floor, I went and started my own business. I did not fall for the three-card trick: thinking that I needed somebody else to be in control of my life and so I needed to join a trade union. I did not fall for that.

I think we should probably talk about some of the detail of the legislation. The importance of early positive action is recognised in the bill but it is not followed through with any changes to rehabilitation practices. Section 32A is a provision for the payment of medical expenses after initial notification of disability even before a determination is made about compensation.

Section 29 of the bill provides for the insertion of part 4, division 7A, which is a similar provision for the commencement of weekly payments after the initial notification of disability and before formal determination of the claim is made. It is curious, though, that there is no similar express provision to allow for the provision of rehabilitation services in similar circumstances.

Proposed new sections 35A, 35B and 35C are likely to have the greatest impact upon benefits currently being claimed by injured workers. These provisions seek to draw a distinction in the way in which workers who are totally incapacitated for work are treated in comparison to workers who are partially incapacitated for work. The difference is most dramatic at the expiry of what is referred to as 'designated periods'.

In circumstances where a worker has no current work capacity, and that is likely to continue indefinitely, the worker will continue to receive weekly payments at the rate of 80 per cent of the notional weekly earning rate. In practical terms, there should be no difference from the way such workers are treated at present.

However, in the case of partially incapacitated workers, section 35B(1) provides that, at the end of the designated periods, weekly payments of income maintenance will cease; that is, unless the worker establishes total incapacity pursuant to 35B, or brings himself within section 35C(2) in cases of partial incapacity. To bring himself within section 35C(2), the corporation needs to be satisfied that the worker is in employment and the compensatable disability is likely to continue and

the worker is likely to be indefinitely incapable of undertaking further or additional employment or work which would increase the workers current weekly earnings.

It would seem that the aim of the provision is to provide a strong incentive for partially incapacitated workers to secure at least some form of part-time employment within the first two and a half years of incapacity. However, there is the potential for anomalies. What if the worker was not undertaking part-time work in consequence of an employer, when the worker has sustained an injury, unreasonably refusing to provide such duties? What if the worker is doing everything that could reasonably be expected of him to secure such employment but cannot?

What about the situation of a worker who, on medical advice, will forever be confined to working no more than 20 hours per week? Why should his entitlement to top up the weekly payments be dependent upon whether he can actually find work matching his capacity?

Why is there a reference in the heading of section 35C to 'current work capacity' when the definition of 'current work capacity' refers at present to inability arising from compensatable disability, and not a return to the employment undertaken at the time of the disability, but being able to return to work in suitable employment? And 'suitable employment' is then defined to be work that the worker is suited for.

What if a partially incapacitated worker is performing some part-time work and the employer terminates his contract of employment in circumstances which are harsh, unjust and/or unreasonable? Why should that employer's inappropriate action have the result of an innocent injured worker losing his entitlement to weekly payments of income until he can find another suitable position of employment?

These are all questions that I am hoping the minister might address in his reply to the second reading speeches. When looked at as a whole, there seems to be an underlying assumption that the only reason why a worker would still not be performing some work 2½ years after their injury is a lack of desire on the part of the worker to find work.

I am not sure that I have come across anybody who enjoys being on workers' compensation. I know that there are probably some out there who will go for a ride on WorkCover. They may have a very unsatisfying job, not a lot of motivation to go out and look for something else and not a lot of motivation to actually increase or explore their potential in life. However, I think it is unfair to suggest that that is the norm for workers who are on disability. Remember, this is a no-blame workers' compensation system.

So, there is nothing in the legislation to strengthen the role of the rehabilitation consultants so far as to provide a practical means of assisting such workers back to work. It is claimed that the partially-incapacitated workers are a substantial drain on the fund and yet there is no clear current incentive to employ such workers. That is something that is a big issue for small business in particular. There is no incentive.

I had a situation many, many years ago when my business was only a few years old and I was quite new as an employer. I always had the view that I was not terribly interested in somebody's history when I was going to employ them. If they had made a couple of mistakes in their life or if they had had a blue with a previous boss, I did not see that as being an issue for me. I was always happy to make a fresh start as an employer. It is a risky strategy, I know, but I like to live on the edge.

I did pay the price for that strategy back in about 1990 when I employed somebody in the French-polishing field who looked as though they could do the work really well—and they could do the work really well; they were a very good tradesman. However, it was obvious that they did not enjoy the work. I did not ask them if they had any previous WorkCover history. Within a couple weeks of being employed by me, I had a WorkCover claim for RSI.

RSI is an interesting ailment. A doctor said to me many years ago, 'It's interesting about RSI, David; it's about the only ailment that is diagnosed by the patient. They come in, make an appointment to come and see me and I'll say to them, "What's the problem, patient?" and the patient says, "Doctor, I've got RSI.'" That was the situation that I was hit with, unfortunately. Because it was a recurring injury, I was the one who was punished.

*Mrs Geraghty interjecting:*

**Mr PISONI:** Did you self-diagnose your RSI, member for Torrens?

**Mrs Geraghty:** No.

**Mr PISONI:** Well, that is my point. The member for Torrens did not self-diagnose her own RSI. The doctor diagnosed it, I suspect?.

**Mrs Geraghty:** Several doctors.

**Mr PISONI:** Several doctors. We have confirmation from several doctors that the member for Torrens has RSI. I congratulate the member for Torrens, having had RSI and then finding an occupation that she could do with RSI. It is great having a secretary and a PA and all that sort of thing. You do not have to do all that writing. I am enjoying it.

The point I was making was that I was an employer who took somebody on in good faith, and yet I had an ongoing WorkCover claim that went on for months and months that was a recurrence of a claim that this employee had had previously. Small business is a learning exercise; every day you learn something new in small business.

One of the things you learn very quickly in small business is that there is probably no other type of occupation that is more stressful than small business, and I must say that I agree with that. A number of people comment to me, 'David; you are in the parliament there. You are a local member and a shadow minister; it must be a stressful position.' I say, 'No; you obviously haven't been in small business. If you think being an MP is stressful, you haven't been in small business.' Small business is the most stressful thing—and I do not exclude farmers from that. In small business you have to worry about customers; as a farmer, you have to worry about the weather as well.

*Mrs Geraghty interjecting:*

**Mr PISONI:** Worrying about constituents is a very easy thing. Well, I don't worry about constituents, because I help them. When you help them, you don't have to worry about them.

**Mrs Geraghty:** A strange philosophy.

**Mr PISONI:** A strange philosophy, the member for Torrens says. I help my constituents, and it is a strange philosophy. I can understand that. It is probably why so many Labor members do not live in their electorates.

Then we have section 35C, which refers to the issue of working capacity being referred to a medical panel. There is a danger of confusing a medical opinion about suitability for work on medical grounds and incapacity for work. Incapacity for work in the relevant legal sense is a reduction in one's ability to sell labour from the open labour market. In cases like Yacob, the High Court decided that a worker who, in his usual job, did not have to climb stairs and his only real restriction in working capacity generally was in relation to a job which involved the climbing of stairs, nevertheless had a partial incapacity for work.

Workers who have retained the ability to undertake some duties, but of such an unusual type that it could not be expected that any employer would realistically tolerate the restrictions, can, as a matter of law, be considered to be totally incapacitated for work rather than particularly incapacitated for work. Decisions refer to the so-called 'odd lot' category of total incapacity for work. These are legal concepts which would not readily be understood by medical practitioners. I believe these are very interesting points. Are we now asking medical practitioners to actually make judgments of law in this situation? It is difficult to understand why such legal concepts would be allocated to medical practitioners to determine. I have enormous respect for medical practitioners.

Time expired.

**Mr GRIFFITHS (Goyder) (17:01):** It is a pleasure to make a contribution to this debate, and I acknowledge and commend the shadow minister for his efforts in debating the bill yesterday. I believe he spoke for about 3½ hours—

*Mr Bignell interjecting:*

**Mr GRIFFITHS:** No, I tried to listen to it as much as I could. I actually thought it—

*An honourable member interjecting:*

**Mr GRIFFITHS:** No; it reflected the comments and concerns that have been coming to the opposition from the community at large about what WorkCover will actually do. The shadow minister has a rather interesting way of describing the challenge of dealing with this important bill after only holding the portfolio for a relatively short time, but I am too shy to express to the house how he has expressed it to us. However, I think he has risen to the challenge pretty well.

The member for Morphett and other opposition members who have spoken have certainly demonstrated their passion and commitment for the needs of the 775,800 workers in South Australia. The shadow minister has taken the time to read into *Hansard* the comments that we, in opposition, have received. We have consulted (as extensively as we could within the time limits available to us) on what South Australians have said; it is a shame that the same cannot be said of the government. That is the reason the unions, the organisations that have worked so hard to help get the Labor Party elected into government, are upset and the reason they marched on the streets of Adelaide to Parliament House yesterday.

No doubt WorkCover is a monumental problem for the government—indeed, for all South Australians—as it impacts on the productivity of our workforce and on the competitiveness of South Australia nationally and internationally. Far too many injured workers are on WorkCover beyond what would be expected for a normal recovery period, while the average WorkCover levy rate of 3 per cent is the highest in Australia. The Liberal opposition recognises that this has been a problem since Labor took government in 2002, and I am advised that the unfunded liability has increased from a figure of \$56 million when the Liberals were last in office to the 30 June 2007 figure of \$843.5 million.

This liability has increased, and each year we have continued to ask questions on behalf of all South Australians. However, each time we have received an answer from the minister that talked about the new board, the new CEO and about how the unfunded liability would be brought under control. Well, in spite of the minister's words nothing has happened; in fact, the unfunded liability has become far worse. Sadly, the return to work rates (which I believe are the really critical point) also continue to be a disgrace—indeed, they are the worst in the nation. South Australia did not need words from the minister; it needed action and it did not get it.

This is clearly a government stuff-up. We should not be here this week debating this bill at all; something should have occurred long ago to fix the problem. Get the WorkCover scheme back to a level where the funds and investments equal the liabilities, get workers back to work as soon as possible and reduce the cost to South Australian businesses. The minister and the Premier must accept responsibility for this. Their poor performances have let down South Australians.

The government has made a mess of WorkCover over the past six years. It has never dealt properly with the issues and this bill is a poor attempt to fix them. Indeed, by submitting some 13 amendments (I understand) to the opposition the government has recognised some of the flaws of its original bill. However, people have seen through this last-minute effort and now know that this government has no idea how to manage workers compensation in this state. It is clear to me that the backlash against Labor at the 2010 state election will be enormous, and many on the other side of the house will need to find a new career from 20 March 2010.

No worker tries to be injured at work, but when it happens they expect to be looked after financially and to be rehabilitated so that they are back in the workplace and able to have a normal life again as soon as possible. Sadly, this is not happening. Not all workers get the support they need to get work-ready again and these people stay on WorkCover. They do not get the rehabilitation they need, they continue to receive financial compensation, and, in many cases, they also lose their self-esteem and are stigmatised—all through no fault of their own.

Before entering parliament and local government I had 120 people working underneath me at my last employer, and workers compensation claims were made. It was sad to see in some cases that, while every effort was made to rehabilitate people and get them back into less physically stressful positions so that they were able to be part of the workplace again, it could not always happen. I know of a case from when I was general manager of a shire in New South Wales where one chap, a good bloke and a good worker, injured his back at work and the only relief he could find was walking the streets. Now, he did that 20 hours of the day. I know it put a lot of pressure on his relationship with his wife, but I am advised that he has managed to seek a redemption and has rehabilitated himself to some degree.

I also had a great frustration with my last employer when one bloke, who came to work at that council with an ankle injury that was identified as part of the pre-employment medical, subsequently put in a claim after his casual employment had finished. The council was joined in the action by his previous employer, where a redemption figure was offered in the very high tens of thousands. I said that I did not want this payment to be made, I wanted the case to be investigated; however, the payment was made and this chap is back out there. He had a smile on his face and he was rubbing it into everyone. So, we have to get redemptions right, we have to get rehabilitation right, and we have to make sure that workers get healthy again.

I also want to briefly relate the history of a chap who lives in one of the 70 communities of my electorate who asked me to come to see him at his house, which is actually a caravan in the Copper Coast area. This guy had worked in the mining industry and had suffered a back injury eight years ago. He told me quite explicitly that he had been enormously mucked around by his employer and WorkCover. He sought a redemption. The redemption they offered him was far less than even one year's employment. This was very much an angry man. He was in my face; he was trying to intimidate me. He wanted assistance, but he was just so angry that he could never actually develop a relationship with anyone well enough to get that sort of help when he needed it.

There was a story about bikie shootings at Paskeville a few months ago. That chap resides quite close to Paskeville, and I initially thought that if someone had shot someone in that area it would be that bloke, because he was so angry that it would not have surprised me if it was him. Thank goodness it was not, but that man needs as much support as he can get. He does have skills; he is only about 30 years of age, and he should be out there in the workforce.

Anyone who has been involved in managing staff knows that, for workers compensation to work, rehabilitation and return to work is the key. The question that we ask is: why has it been so poor? Is Labor so far out of touch that it does not notice? The WorkCover board knew that things had to change and made a series of recommendations to the government in late 2006. What did the Premier, the minister and the government do? Did they act upon them? No, they did not. They decided to instigate another review—the Clayton Walsh review—but delayed the delivery of the report until after the federal election on 24 November.

I came to this place thinking that governments and the opposition must always make the best possible decisions—not the easy decisions but the hard decisions and, obviously, the right decisions. This Labor government decided that, yes, WorkCover needed some changes, but 'Let's wait until after the November 24 election. Let's try to get federal Labor elected, and then we will do something about it after that.' To me, it has been the most blatant political decision that I have seen. I am only new, but it is disgraceful.

*Members interjecting:*

**Mr GRIFFITHS:** And members on the other side expressed an opinion in agreement with that.

**The Hon. S.W. Key:** The kids overboard, the *Tampa*? Remember that?

**Mr GRIFFITHS:** Well, I was not involved then. All I can say is that, in the time that I have been here, it has been the most blatant political decision. I understand that politics is the art of compromise. I do appreciate that, but WorkCover, I think, has been a disgraceful example of it. Delays bringing in this change will only cost.

The unfunded liability grew by something like \$130 million from 2005-06 to \$843 million in 2006-07. We know now that, with the subprime investment market collapse and the negative returns on in the past three months investments in the past three months, it is likely that the unfunded liability will grow out even more. In his contribution yesterday, the shadow minister confirmed that the actuarial figures on the new level of unfunded liability should be out very soon; so we all await them, but I await them with a lot of sadness, because I am fearful that it will be more of problem than South Australians could possibly imagine.

In answering questions yesterday about the negative returns on state funds and the management and investments, the Treasurer indicated that, over the past five years, the positive return on investments has been in the range of 11 per cent on average. Amazingly, over the same time, the level of unfunded liability has grown by over \$500 million, or half a billion dollars. This is in a period of near-record continued growth.

Obviously, WorkCover does have a lot of funds under management. It has an investment strategy that is designed to ensure the greatest possible return. While those funds are actually receiving a benefit for the scheme and helping to reduce unfunded liability, to me it seems as though the management of WorkCover has created a situation where we are now seeing WorkCover's unfunded liability grow out to \$843 million and potentially in the billion-dollar range that everybody talks about. We have to do something about this.

It seems to me that the Rann government has been asleep at the wheel when it comes to the management of WorkCover. South Australians deserve a lot better than this, and workers compensation really does demonstrate it. WorkCover is responsible for 65,000 registered employers, with 500,000 employees. Sadly, it is letting those people down badly. Self-insurers are

a different case. There are 275,000 who work within the 74 self-managed insurance schemes, and the state government's 95,000 odd employees are also within that figure.

I know a little bit about the local government scheme. Local government has something like 7,000 employees in the 68 councils across the state. It operates a very good scheme that has been in existence for probably at least 20 years. It has the opportunity, based on the claims history of each council, to make bonus payments or, indeed, to charge penalty payments where there is a poor claim history, but it works. It has better than average return-to-work figures. It is not just a mickey mouse scheme that audits itself. WorkCover auditors come in, I think, every three years, when they identify councils across the state that they want to audit. The process is quite stringent. I have been involved in it twice.

The worst performing council is deemed to be the average of the industry, and heaven help anybody who lets it down, because if somebody fails it means that all 68 fail, and then you have a lot to pay for. Local government puts a big effort into ensuring that its workers compensation is managed as well as it can be. Certainly, I know that CEOs are responsible for it legally; it is included in their employment contracts, and they had better make sure that they are supportive, because if they are not they will not last in their jobs too long.

The self-insurers are showing the way. Why is it that WorkCover, with an \$843 million unfunded liability, and the state government, which, we are advised by the chairman of the economic and development board, has a \$400 million claim liability, cannot get it right? Self-insurers operate under the same legislative requirements as WorkCover, but they are getting a right, with liabilities covered by investments that they hold. The government and the minister need to learn from what the self-insurers are doing. They need to make sure that they actually take on board all the good things that happen within self-insurance agencies and that they adopt it as part of the policy for WorkCover and, indeed, the government's management of its own work injuries.

I am pleased to be advised that, amongst the amendments that are introduced by the government, there has been the removal of the proposal to increase the levy cap from 7.5 per cent to 15 per cent. I just could not believe when I saw that, especially with the threat of a 50 per cent penalty on top of that for the poorly performing employers. I would never deny the fact that the poorly performing employers, when it comes to their claims history, need to make sure that they get their act right, but to suddenly increase from a 7.5 per cent cap to a 15 per cent cap, which in many cases would nearly make some employers unviable when it came to being competitive within their industry, truly amazed me. That is one good step that the government has reacted to and in which it has instigated some change.

I am, however, amazed that the legislation does not fix up things such as the fact that superannuation contributions, which under the legislation are required to be made by the employer in the range of 9 to 10 per cent for each employee on their behalf into a superannuation fund, are included when calculating the levy, but when a worker is unfortunately injured and on worker's compensation they do not receive any superannuation contributions. I have had contact from probably half a dozen people in my electorate who are unfortunately on WorkCover. Those people want to get themselves right and want to get back into the work system as quickly as possible, but when they look at the benefits they receive they have been very upset that there is no superannuation contribution.

I also note that the member for Mitchell has presented to us something like 91 amendments that he is suggesting with respect to the bill. Obviously, the committee stage of this bill will be immense and will consume a lot of time. However, I respect him for what he is doing. Let us hope that some of those amendments will be supported.

Another thing that I have also noted (and, again, it has come to me from constituents within the electorate) is that, while the WorkCover levy includes payments based on wages paid to people over the age of 65, if a worker over the age of 65 suddenly falls injured in the workplace and goes onto WorkCover, he does not receive a benefit. That perplexed me, because it would seem appropriate to me that, if it is good enough to ensure that the wages paid to that person are included within the levy calculation, if that person is still working he should receive the benefit of the insurance that his employer is paying on his behalf.

In the portfolio committee that I have sat on with quite a few of the other opposition members, we had a very detailed session for nearly a full day two weeks ago. Presentations were made by the Printing Industries Association, Dr Kevin Purse, the self insurers association, SA Unions, Business SA, the Australian Lawyers Alliance, the Master Builders Association, the



Engineering Employers Association, the Motor Trade Association and the Public Service Association.

*Mr Venning interjecting:*

**Mr GRIFFITHS:** Yes. While I think it is fair to say that not everyone who presented to us held the same position on the government bill, we were surprised that, overwhelmingly from some of the larger groups, there was a very definite push for the Liberal opposition not to get in the way of the bill. They were giving it marks of something like 6½ and seven out of 10, but they wanted the bill to pass as quickly as possible; they did not want us to hold it up. It is interesting now that subsequent amendments have come through from some of those groups. One cannot win sometimes. I also note that the recent full page advertisements in *The Advertiser* supporting this position as it was put to us have been out there—

**An honourable member:** In block letters, 'Do it now.'

**Mr GRIFFITHS:** In block letters, saying, 'Do it now.' The people who are contributing to those advertisements must have spent in the range of \$100,000.

*An honourable member interjecting:*

**Mr GRIFFITHS:** Yes, and then we receive amendments from them. It is very confusing. They are saying, 'Get it through the parliament as quickly as possible,' but it is important that debate occurs and that all of us have the opportunity to put on the record the concerns we have about the bill. Certainly, the shadow minister has done an exceptional job of that.

I want to come back to a point that I made at the start. Case management and rehabilitation really is the key. WorkCover must get it right. If it does, the returns to work will improve, and we all know that the returns to work need to improve. I am advised by other learned people that, over the next 10 years, South Australia will need something like 340,000 workers to replace the large number of baby boomers who will retire within the next 10 years, and also for the jobs that will be created through economic development. We have a population of about 1.6 million.

Our population is increasing by the 10,000, 15,000, 16,000 range each year. However, unless we look to ensure that we place every physically able person back into the workplace, it will affect the productivity and the future of our state. That is why rehabilitation has to be one of the keys. If we get that right, the unfunded liability will decrease and then the potential will exist to reduce the levy rates. We would all like to see that, because it makes our state more competitive, it allows business to ensure that it can bid against interstate companies that operate under a workers compensation scheme that has a far lower levy rate and it will allow South Australians a better future.

Without an emphasis on case management and rehabilitation, South Australia is destined to continue to have a scheme which does not work, which does not get people well and back to work again and which costs far too much. Remember, the self-insurers are making it happen while operating under the same rules. The question that we have continually asked is: why is it that WorkCover cannot do the same?

Make no mistake: this legislation affects every South Australian. We have heard a member from the government side talk about it affecting those families and people who are injured. However, it is more than that. Everyone is covered under the legislation, so it affects all of us. This is not legislation that affects just a few; it affects all of us. It will have an impact on young people if one of their parents is injured at work. It will have an impact upon those who are retired if one of their younger or still working relatives or friends is injured at work. It affects all of us. Sadly, this legislation does not provide the answers that are required. Let us hope that, after the deliberations and contributions from all members, and after consideration of the amendments from the minister and others, we get a WorkCover bill that reflects the true needs of South Australian workers, because they need all the support that they can get.

**Mr VENNING (Schubert) (17:20):** I rise to partake in this very important debate in this house with respect to WorkCover. It is quite clear that the WorkCover scheme is in dire straits here in South Australia, and it needs to be fixed. We on this side of the house have repeatedly warned the government, over the past six years that it has been in office, about the unfunded liability growing out of control, but no notice has been taken until now—and we have heard from the previous speakers. It was amazing, because the problem was getting worse every minute of the day, and the government did not address it. Now the problem is huge. We do not know the exact figure, but we are predicting that it is over \$1 billion today. It has to be fixed.

Due to the Rann Labor government's inaction and inability to deal with the problem in the early stages, South Australia's WorkCover scheme has now reached crisis point. It seems that the state government has dealt with the escalating problems of WorkCover in a very similar way to the way in which it has managed the state's water crisis. After years of warnings about the water crisis and requests by the opposition to build a desalination plant, late last year the government finally decided that the water problems of the state would not go away and that maybe it should slowly start the ball rolling in order to deal with the problem.

That is exactly what we are seeing again with respect to the WorkCover situation. We warned the government to deal with the unfunded liability escalation and to improve support for injured workers, yet it is only now, when the problem is so big, that the Rann Labor government has realised that it will not go away and is attempting to deal with the situation—and in a pretty ham-fisted way, at that.

If the government had reviewed and reformed WorkCover earlier and prevented the unfunded liability from amassing to the total it has, then the reform may not have had to be so severe or drastic and workers entitlements would have been protected and not up for review, as they are now. As my leader said yesterday, this bill is Labor's solution to Labor's mess. It certainly is: you walked into this with your eyes wide open. Let me refresh some figures in our minds. I am sure my colleagues have referred to them—and they have—but I think these numbers illustrate the government's total incompetence regarding WorkCover.

We need reminding that WorkCover is protection for the people whom the government purports to represent. WorkCover's unfunded liability in June 2002, when we the Liberals were last in office, was only \$56 million. Yes, it is a lot of money—\$56 million—but, as the Treasurer said today, it is only two per cent. As of June 2007, the total unfunded liability stood at \$843.5 million. Members know, with the government's own unfunded workers compensation scheme, that is automatically over \$1 billion; and tacking on the 12 months since we have had the figures, it is not unrealistic to think that this could be now blown out to \$1.3 billion. If those figures are not indicative of the state Rann Labor government's complete mismanagement of the WorkCover scheme, then I do not know what is.

I note the member for Davenport's earlier comments about the minister's involvement and the government. I am amazed that the minister has remained in that position for this long and overseen this total debacle. The problems with WorkCover have been compounding ever since the Rann Labor government was elected to office in 2002, in fact, the very minute it got into office. It is also curious to see the increases in the unfunded liability have still occurred over the past years, even though levy revenue has increased and WorkCover claims have decreased. I think that, as pointed out by my leader at the end of February, it is interesting to note the comments made by Premier Rann, the then leader of the opposition in 1995, when we tried to reform the WorkCover scheme.

The press release released by the then opposition leader Rann was entitled 'Liberals must recognise the human cost of their WorkCover cuts'. Well, Premier, if you compare the reform that we were trying to carry out then to the changes you are proposing now, you will see that we were offering workers a much better deal. The changes proposed back then sought to cut the entitlements to injured workers by 15 per cent over 26 weeks, whilst the reform being proposed now in this Rann Labor government's WorkCover bill seeks to cut benefits by 20 per cent after 13 weeks.

Which is better for workers? You do not have to be a great scholar to work this one out, do you? There is a huge difference. Premier Rann in 1995 said:

The Liberal's WorkCover laws would force these people [injured workers] on to pensions, a situation that would see them lose their homes.

Whilst it may appear at first that Premier Rann has forgotten the position he took in 1995, I do not believe this is so. The truth is that the Labor state government has got in so deep with the unfunded liability growing out of control that it has no other choice but to implement the cuts to injured workers' benefits that it is proposing.

It got itself into this mess over the past six years. I wonder how long the injured workers of South Australia will have to wait until it is fixed. On 13 August 2002, minister Wright said:

We are dealing with financial matters relating to WorkCover and the progress of the review of workers compensation.

However, the government has not tried to fix the problem until this bill nearly six years later. For six years, the ship has been going down steadily, leaking all the time, until reaching this situation. One must ask why it has taken so long.

As I stated in my opening remarks, the Liberals have been continuously warning the government that the unfunded liabilities of the scheme were spiralling out of control, but to no avail. Until recently, when Premier Rann and minister Wright had an epiphany and came to the realisation that the system is not only struggling a little bit but it is absolutely failing to cope and is at risk of severely damaging the South Australian economy. When you have a debt of this magnitude—over \$1 billion—it certainly does.

This is the way that the State Bank went. Yes, we can say that it is not the State Bank, but it has every chance of being a mini State Bank from the way it has been going. In this house on 18 September 2003, the now Leader of the Opposition warned the state government and said:

I express my alarm at the minister's mismanagement of WorkCover, the unfunded liability of which has exploded under Labor from \$85.98 million to over \$400 million, while the health system index for WorkCover has toppled from 116 per cent to 59 per cent.

On the same day, the former member for Morialta (Hon. Joan Hall) said, 'I will also mention the looming disaster that is about to engulf WorkCover.'

Again on 23 June 2005, the then leader of the opposition (Hon. Ian Evans) voiced concerns by saying, 'It is time that South Australia woke up and realised that WorkCover is in trouble.' He went on to say:

To give you an indication of how bad the state government is going, the liability in relation to the Public Service has blown out to \$308 million (25 per cent). They (the government) are trying to hide what is a big problem for the state—a \$700 million unfunded liability sitting there in WorkCover.

On 27 September 2006, the member for Unley referred to the unfunded liability of WorkCover as 'skyrocketing'. The government has seen this coming for a long time, yet it has failed to act. And how often does it have to be reminded and by whom?

On 30 May last year, the Premier finally acknowledged that there were problems with WorkCover. He said:

The government has recognised, following advice from the board, that there are issues within WorkCover that need to be addressed to make it more competitive.

However, it was not until 26 February this year that Premier Rann and the government acknowledged publicly that there were massive problems with the WorkCover scheme and proposed legislation to fix the problem. Premier Rann said:

WorkCover's unfunded liabilities now stand at \$843.5 million and at an average three per cent, its levies are amongst the highest and the most uncompetitive in Australia.

We suspect it is now over \$1 billion—a debt of State Bank proportions. Why has it taken a nine months' gestation period for the government to propose legislation to fix WorkCover after it acknowledged in May last year there was a problem. I believe it is a very cynical exercise. I believe it is because of the federal election. It is a very cynical political exercise. Premier Rann was hammering the federal government at the time on WorkChoices, yet in his back pocket he had these reforms which would cause workers much more harm. How hypocritical is that?

One must ask whether Premier Rann is putting people or politics first? This debt has gone so far it needs to be pegged back and the injured workers' payments will have to pay for it. When we were in government the unfunded liability ran between \$50 million and \$100 million—it moved in a cycle up and down—but to be approaching \$1 billion is a disaster of State Bank proportions.

We have a proven track record when it comes to managing WorkCover. The government cannot deny that. As our leader said yesterday, the Clayton report acknowledges that 'the scheme began in 2000 in an apparently healthy position with respect to financial stability and a reputation for forward thinking'.

Our party has decided to spend some time putting together our own WorkCover policy, which will be released within the next couple of years. It will be a proper framework, not a hastily put together bill in an attempt to fix years of mismanagement. We have decided to let the government's bill proceed. It is the mess of members opposite and they have to wear the responsibility to fix it. The government should be ashamed of its attempt to rush through this legislation. It is not for us to propose amendments.

I heard the member for Enfield speak today and I was very interested in what he had to say. He is part of the government and it is their mess. I know the member for Enfield wants us to fix this matter. We will fix it—but in two years, after the next election. In the run-up to the state election in 2010 we will tell people, especially workers in South Australia, how we will return the WorkCover scheme to an efficient system.

We will focus on delivery of service to genuine workers without there being a huge impost on employers and businesses in South Australia—even Business SA that supports this legislation even though it says it is only 60 per cent right. If it is only 60 per cent right, why should we stick out our neck when we think that we have to totally rebuild it. Business SA has spent a lot of money on advertising in relation to this bill, and I am concerned about where it is coming from. It has not supported us and our position.

I also note the comments made by the member for Davenport. Members may think that the member was Davenport was thinking outside the square. He said several times that it was not Liberal Party policy. I will not say that it will never be our policy, because on this side of the house we will debate this issue over the next two years. We will leave no stone unturned in order to get the most efficient service for the workers in South Australia and also the employers who have to pay the costs.

I think the answer lies between comments such as those from the member for Enfield and the member for Davenport. I believe that private enterprise could run this scheme if it wanted to do so. If private insurance companies want to take the risk, they should be allowed to do so. Governments do some things well, but I do not believe they administer schemes such as this very well.

It should never have administered such a scheme because there is too much indirection in there. I have employed people over many years. I, too, have been injured. When you go to the doctor you are asked whether it is a work claim or a private claim. If a person says that it is WorkCover, everyone knows what happens. The costs just pile on. If it is not a WorkCover claim it is a different figure; if it is for a self-employed person it is a different figure.

It has been a wasteful, sad saga which is costing genuine people a lot of hardship. There are workers for whom I grieve. I know several people who have been injured in a workplace by a problem which was not their fault. Someone needs to look after them. What will this legislation do for them? It will cause them and their family a lot of heartache because they have been genuinely injured; and that is why the system has been there.

Finally, I want to say it is a sad day. I do not believe governments should be in institutions such as this. Nowadays governments do not have the checks and balances they used to have, whether it be in relation to building roads or whatever. The government outsources many things these days. I am not saying that the government should not be building roads—because I think it should. The government should be watching everything it does, but in overseeing projects I am happy that the government is there as a watchdog. In relation to delivery of service and the taking of risk, I do not believe the government should be in there. Who will worry because the government will pick up the tab and there are often huge blow-outs?

I congratulate the shadow minister. It has not been easy for him because he is a very compassionate person. All of us on this side feel for the victims, that is, the injured workers. I wish we were not in this mess. The government is making a big effort to fix it—well, I wish them the best of luck. The bottom line is that it is the government's mess and it has to fix it. We await the amendments. I understand the government has amendments for us next week; so we will go home for the weekend—

**The Hon. M.J. Wright:** They are filed.

**Mr VENNING:** Well, we will consider them on Tuesday. Let us hope that in the end we all bring in a system which is not costing taxpayers millions of dollars but which does cover the core reason for having WorkCover; that is, to protect injured workers. I congratulate the shadow minister and my colleagues on their input. We will await the outcomes of the bill. I warn the house that over the next two years this will be a live issue for members of the opposition. With the shadow minister we will be going through the whole issue again so that in 2010 we can put to the people a new regime of a workers compensation scheme for South Australia, whether it be private, government or a mixture of both. I think we need to look outside the square and where we have come from over the last 50 years in relation to workers compensation and put together a package that actually works, covers the workers and does not cost the taxpayers millions of dollars.

**Mr PEDERICK (Hammond) (17:37):** I rise today to join my esteemed colleagues and add my contribution to this debate. It is horrifying that after six years the Labor government has WorkCover in such a terrible situation. The only thing it has achieved in six years is to build a tramway that blocks access to this place for us and everyone who works in it and everyone else who wants to access King William Street and North Terrace. We have a water supply that has just about dried up, so I am sure they are investigating emergency desalination procedures for Adelaide—

**Mrs Geraghty:** Sorry; which bill are you talking on?

**Mr PEDERICK:** No; I am just doing a few general comments. But I will—

**The Hon. R.G. Kerin:** I suppose you can talk about the State Bank.

**Mr PEDERICK:** Yes; I can go back further and get onto the State Bank if you like, and that was the last major debacle that Labor presided over. I would like to get back to the WorkCover debate, and the unfunded liability at 30 June 2007 was around \$844 million. This is at 30 June 2007: I would hate to see where it is now, and I am sure it is well over the billion dollar mark. This was after a loss that year of \$149 million. The unfunded liability when the Liberals were last in office was only \$56 million. I think those figures speak for themselves.

Scheme funding ratios across the country on 30 June 2007 were: 64.5 per cent for South Australia, 103.5 per cent for New South Wales, 134 per cent for Victoria; and 178 per cent for Queensland. These figures were provided by the WorkCover Board, and this shows just how out of step South Australia is in handling workers compensation. The average levy rate is 3 per cent, but many businesses pay up to the present cap rate of 7.5 per cent depending on their industry and work safety record. In regard to average levy premiums, as at the end of June 2007, the New South Wales average levy was 1.77 per cent, Victoria was 1.46 per cent and Queensland was 1.15 per cent. All are well under the average figure in South Australia.

There were 5,040 WorkCover income maintenance claims in the preceding financial year. Active income maintenance claims with a duration of 10 years or more have significantly increased from a figure of 100 in June 2002 to over 400 in June 2007. Long-term claims (injured workers who have been receiving income maintenance payments for longer than three years) account for 28 per cent of all WorkCover claims and approximately 48 per cent of WorkCover claims liability.

Another issue with the management of WorkCover is that there is only a sole claims agent, Employers Mutual, so we have a monopoly interest handling the claims, and I think we would be much better off if we had multiple bodies handling the claims. It is the same with legal services. Minter Ellison Lawyers is the sole provider of legal services. I think there should be freedom of choice there so that we get better outcomes as far as legal requirements are concerned for both employers and employees.

South Australia, as a point of interest, has the lowest return-to-work rates of all Australian states. Under the State Strategic Plan South Australia has fallen well short of achieving the state's strategic plan targets for injury reduction. Joint performance targets have not been met. There was a target of a 4 per cent annual reduction in total new claims for all employers, a 4 per cent annual reduction in income claims per million dollars for remuneration for all employers, and a 4 per cent annual reduction in income claims per million dollars for remuneration for registered employers. In fact, there was a 0.5 per cent increase for all employers to March 2006, which is a figure of new income claims per million dollars in remuneration.

In a press release, as quoted by the member for Schubert, when Mike Rann (the present Premier) was Leader of the Opposition, on 6 February 1995, he commented, 'Liberals must recognise the human cost of their WorkCover cuts.' The then state opposition leader Mike Rann also said, 'The Liberals must recognise the human toll of their draconian WorkCover bill which will be debated when parliament returns this week.' I wonder what the Premier is thinking now when he is proposing draconian laws for the workers of this state.

It is interesting to look at what SA Unions is saying about the proposed legislation, and we all know where a lot of the funding for the South Australian Labor Party and the Labor Party as a whole across this country comes from. I will read from comments on an SA Unions website. 'Defend injured workers' rights' is the call, and it states:

Mike Rann has put a law into parliament that attacks the pay and rights of injured worker. At the same time he wants to give a cut to employer costs. This law will mean that:

- Injured workers will have to live on 80 per cent of their wage after only 13 weeks.

- Most workers will be kicked off the scheme after 2½ years.
- Injured workers will be financially penalised if they want to complain about a decision about their claim.
- The amount injured workers receive for loss of a limb or body function will be less and always at the discretion of the WorkCover board.

The unions call for help to keep a fair workers compensation scheme in South Australia, and they acknowledge that they want workers to get back to work safely and fairly and for the finances of the scheme to improve. They have called on their union members to email the Premier and talk to their local member. The unions have launched another WorkCover public campaign, with the launch of radio advertising featuring the human effect on families.

Another press release of 4 March 2008 on the union website regarding the WorkCover bill referred to hidden nasties. SA Unions said that its reading of the WorkCover bill before parliament shows that it contains some hidden nasties. SA Unions secretary, Janet Giles, said that she has taken the time to read the bill and give it careful consideration. She stated:

Despite what the Premier says, it is our understanding that it is in fact retrospective for many workers. It means that, if this bill gets through in its current form, any worker injured for more than 2½ years would instantly have their support cut off. It is our opinion that this bill goes far further than the recommendations in the Clayton report. We are concerned by suggestions that this issue is being run by Deputy Premier Kevin Foley, the Chair of WorkCover, Bruce Carter, and a tranche of WorkCover lawyers, and that Premier Mike Rann may not have been properly debriefed.

Another quote from Janet Giles is as follows:

The bill should be delayed in order for proper analysis, including the impact of any changes on injured workers. It is untenable that such a huge piece of detailed legislation is passed through the parliament without members of parliament, including the Premier, really understanding its implications.

We have heard all the cries of angst from the people on the other side who Ms Giles supports, and who supposedly represent union supporters. A press release in which outraged unions allege that 'Rann pulls a Howard on hurt workers' states:

Premier Mike Rann has abandoned any pretence of fairness and decency in sacrificing the rights of injured workers in order to prop up business profits.

The Premier's WorkCover legislation introduced this week will cut entitlements to those in need.

Meanwhile, instead of measures to ensure business takes responsibility for reducing workplace injuries, it will be rewarded for its ineptitude with a reduction in WorkCover levies.

That is according to SA Unions. SA Unions Secretary, Janet Giles, said, 'This is a travesty.' I think they have read the impact on employers quite broadly where there is a threat of increased premiums to 15 per cent. The following is a telling comment by Janet Giles:

Mike Rann risks being compared to John Howard by workers. He's stripping away their rights in order to appease the business lobby.

He has entirely reneged on his public commitment of last week. On 18 February he told the ABC that 'We basically want to fix WorkCover, we are going to fix WorkCover and we're going to do it in a way that's generous to workers...'

Stripping worker entitlements is the opposite of generous. The clear message from Mike Rann to workers is 'if you get hurt, don't expect this government to help'. What's more, workers will have no legal recourse. He has hung them out to dry.

As I said before, the government's legislation, if not amended, will cut workers' take-home pay by 20 per cent after 13 weeks if they are injured. It will cut workers completely off the scheme after 2½ years unless they are totally incapacitated, and it will significantly reduce lump sum payments for serious injury and missing limbs. There will be a compulsory review of injured workers' incomes every 12 weeks if they challenge WorkCover, and there is no access to common law rights as exists in other states.

The unions actually surveyed 400 people about their concerns and, obviously, like all of us, they were concerned for the workers. Two out of three people opposed cuts to entitlements in order to reduce the cost to business. People were asked: 'Do you think injured workers deserve (a) more support (b) about the same level of support, or (c) less support?' The result showed that 37 per cent want more support and 44 per cent want about the same level of support. That is over 80 per cent of people who recognise the importance of supporting injured workers to rehabilitate and safely return to productive roles in the workplace. Only 1 per cent wanted less support, and the remaining 18 per cent said they did not know. The following is a telling comment by Janet Giles from SA Unions:

This government risks alienating all South Australians who rely on WorkCover as an insurance against workplace injury. The people of South Australia want and deserve the best workplace protection in Australia, not the worst. Mike Rann must think again.

This is the same Janet Giles who has made this tough call representing the unions, but for what? The unions, through Janet Giles, have already admitted that they are so tough that they will still tip millions of dollars into Labor Party coffers to boost their election campaigns. So, what a lot of noise, and for what? Why do they care? Their own party is not even supporting them in this house. That is the whole point.

People condemn the Liberal Party because it is alleged that we are just here for the business community. At least we know who we represent—but we also represent people out there, the workers. We all must realise that employers need a fair go in this, because if employers do not pay low levy rates they just cannot hire employees, obviously. It just gets too hard. It is just another impediment to small business, and there are enough impediments.

If you employ someone who is paying child support, you get constant calls such as, 'When did you write the last cheque?', especially if you only have seasonal payments, like in the farming community. There is no incentive these days for anyone in a small to medium business to employ someone. So, high WorkCover levies is another point that will put people off employing staff. In closing, I would like to say that the union workers of the state need to think about where their membership dues are going, because they are not being represented in this place.

**The Hon. M.J. WRIGHT:** I move:

That the sitting of the house be extended beyond 6pm.

Motion carried.

**The ACTING SPEAKER (Hon. P.L. White):** The member for Frome.

**The Hon. R.G. KERIN (Frome) (17:52):** You look very good in that chair, madam. It fits extremely well. I think that the current Speaker needs to perform well to keep you out of the chair full time. We are here today, as the previous speakers have touched on, to speak about the debacle of WorkCover. I think that it is a very sad day and, as others have said, I think that we certainly should not be here today. It really shows a history of government lack of action, a government which has been in a state of denial over WorkCover, and that has resulted in injured workers having to pay for that government inaction, incompetence and ignorance with the obvious deterioration of the SA WorkCover scheme during the time that the Rann government has been in power in South Australia.

Personally, I am very disappointed that it has come to this. In the period from late 2002 until 2006, I actually asked dozens of questions which should have alerted the government to a whole range of issues regarding the problems which were growing during that period of time within the WorkCover scheme and with the way that WorkCover itself was being managed.

Those questions are documented in *Hansard* in both question time and estimates committees, and I think that the Labor Party would be pretty happy that I do not have time to read all of those out, because I think that there are some huge reminders there of warnings that were given and warnings which were ignored. Many of those questions came directly from the WorkCover quarterly reports.

I found these reports very interesting, very informative and, really, they rang enormous alarm bells as to what was actually happening to the WorkCover scheme and what was happening with return-to-work rates and a whole range of things, such as workers' consciousness of workplace safety. For instance, in June 2002 for some reason, as a sort of cut, workplace safety ads were pulled, and you can track in the quarterly reports after the pulling of those ads the drop in worker consciousness of workplace safety, and that has then started showing in some of the accident rates.

Really, if people within the government had spent more time reading those reports, then perhaps they would have taken some notice of the questions being asked. They would have been on top of what was actually happening with WorkCover itself, and perhaps we would not be here today having to punish injured workers for the government's lack of action.

Very generously, I shared those warnings with the government at many question times. The response we got was really denial after denial. There was talk about the WorkCover scheme being a mess, and they were going to sort it out and whatever else. Its own report recently showed

that WorkCover had actually performed very well up to the period of time when the government changed, and certainly the deterioration has come since the change of government.

As I said, the quarterly reports should have been invaluable. They really did show that there were multiple and severe problems coming about. It really showed that the funding of the scheme was in trouble. As I said, behind that were a whole range of other issues, which were reported in those quarterly reports. There were goals that were supposed to be met. Time and time again nothing went near those goals, and a lot of the time when there were, say, 11 goals to be met, there were eight or nine that they would miss on in a quarter and, really, there were alarm bells ringing loud and clear.

Perhaps to say that there was no response is a bit cynical, because there was one reaction. The government imposed censorship, and the information in the quarterly reports was seriously cut. Those quarterly reports were doing a damned good job of tracking the problems that were occurring. All of a sudden—I am not too sure whether it was to cut my fodder for question time or whether it was to make sure that they did not have to be alerted to what was happening within WorkCover—for some reason the amount of information that was coming in those quarterly reports was seriously cut. It made it a little bit harder: I had to find a few other sources to get information from. It should also have made it a lot harder for the government. Why on earth you would have a system in place which was giving you good tracking of the performance of WorkCover and all of a sudden cut that is beyond belief. I think that it showed that the government did not want to know about it.

As much effort should have been put into fixing the problem as was put into investigating how I was getting information beyond what was actually in the quarterly reports. I had quite a bit of feedback about the number of questions and the amount of investigation as to who within WorkCover might have been talking to me and giving me information. It was not all that hard, because WorkCover was in absolute turmoil at the time.

One of the major reasons for that, and the reason why WorkCover did go off the rails, was the fact that the government made sure that the former CEO, Keith Brown, did not reapply to have his contract extended. It was made clear that that would not be successful, but what followed from there was really part of the problem which has now occurred. What we saw in WorkCover was that it did not have leadership.

We had an acting CEO, and acting CEOs are not really empowered to make the sort of changes that were needed at the time. We had a stand-off as to the appointment of a new CEO, and the delay that we saw actually very much coincides with where I believe that things went well and truly off the rails. I think that is really one of the issues. If you trace the history of this debacle, the fact that we lost a CEO who was running the scheme well, and all of a sudden we did not have a CEO appointed for a long period of time—a ridiculous period of time, actually—really did see the problems exacerbated.

I am very aware of the range of issues associated with this debate, but I will not use privilege to put details of some of the things I have been told on the record. Whilst that would record a messy situation, it would not help the current situation, and basically what we are trying to do here is fix the mess and get back to where we have a funded WorkCover which will look after workers into the future. I am also aware of a range of relationship issues between the minister and the former board which contributed to the problems.

I note that the minister has recently been referring to putting in a new board to fix the problems. Well, the board has now been there for, I think, 4½ years so we can stop calling it a new board. The 'new board' terminology does not take in the reality that the board has now been there for quite some time, and the only real change is that a couple of people have left.

It is very sad that all the denial, mismanagement and incompetence is now to be worn by injured workers. There is no doubt that the government must fix this mess, and I apologise to those who would love the opposition to heavily amend or defeat this legislation. The government has created a situation, through its own denial mismanagement, that must now be fixed for us to have a statutory WorkCover scheme that delivers what we need for South Australia. Whilst I have reservations on some of the measures, I also believe that the government should be given the opportunity to fix the stuff-up it has made, sad as that is. The government's arrogant denials have brought this scheme to its knees and it must be fixed. If amendments come left, right and centre we will finish up with legislation that is enormously compromised, and doing it piecemeal does not provide the opportunity for something to be fixed. Unfortunately for the workers, that is the reality and the government must now be given the opportunity to fix the scheme.



In fairness I must add that, sadly, the Labor Party is not the only one that would not listen to those early warnings. Over a long period of time I was often surprised at media comment made to me that WorkCover was not a story; it was not sexy and was not really of interest to the general public. I am sure many injured workers would not agree with those sentiments, but many in the media did not see WorkCover as worth looking at or running stories on. I raise this issue, and my growing concerns with a range of industry organisations, and must say that I have always found their acceptance of the government's denials at the time somewhat frustrating. For a long time the opposition was pretty much on its own in trying to highlight the problems it saw with WorkCover.

As I said, we should not be here debating why it is necessary to punish injured workers for the lack of competence of the Labor government. Some will ask what is the difference between the parties if the Liberal Party supports this bill, and my answer to that is in two parts. First, the Labor Party is the government; it has presided over this mess and it must now be given both the responsibility and opportunity of fixing it. As I said, that is not normally brought about by legislation which is full of compromise.

You need an holistic approach to resolve these problems and, whilst I am not totally convinced that what is in the bill (or what is not in the bill), backed by management within the corporation, is the best way, it is also very important to try to get this thing back on the rails. At the end of the day it is the government's responsibility, and I do not think it should be frustrated by others in how it goes about trying to fix that. As I said, it is the government's responsibility to fix it; it should be accountable for our current situation and it should be accountable for ensuring that it does everything possible to fix the scheme at the minimum expense of injured workers.

Secondly, a Liberal government would never have allowed this to happen. In opposition, with few resources, we were able to constantly track the deterioration of WorkCover and alert the parliament regarding what was happening. For the life of me I cannot understand why some people in the government could not see exactly same thing happening and, forgetting politics for a moment, follow what was in those quarterly reports, what was in the annual reports over that period of time, what was happening with all the rates within WorkCover and return to work, and whatever. For a long time it was obvious that what was needed was some pretty major surgery to fix the situation, yet nothing was done and we now have the situation we see today.

It appals me that it has taken six years to get to this stage and it is now injured workers—those whom Labor's rhetoric would always embrace—who have to pay dearly for the incompetence and denial of the Labor government over the last six years. Others have given many figures which have demonstrated the deterioration of the scheme, and others have outlined the concerns of those most affected. Since 2002 *Hansard* records dozens of questions from me and my colleagues, and anyone who wants to go back and look at how all this occurred will see that it is heavily documented in those questions—the problems identified and the denials given. While that is important for history's sake, there is not enough time to read them all—in fact, I will not even quote any of those because I think that, in itself, is a pretty sad recording of what has happened over the last six years.

The quarterly reports are also now historic documents tracking the demise of the scheme, and the reduction of available information within those reports is also an historic record of government censorship of the information available on WorkCover. The more information available on a scheme such as WorkCover the more chance there is of keeping it on track, and I think the censorship of some of that information is, again, a contributor to the sad situation we have today.

None of this is of much comfort to the injured workers. As I said, it is a real pity that what we now have is legislation that, basically, aims to fix the fact that nothing has been done for six years. I feel very sad for the workers who will suffer from that, but we face a situation where, if we are to have a workable WorkCover scheme, we must give the government the opportunity to fix it to ensure that in the future injured workers are looked after. As I said, it is a pity that we are here debating this at all. I believe earlier action would certainly have meant that nothing like this would have been needed to get the scheme back on track.

We also face a situation at the moment, because of what has happened in the share market with a range of investments, whereby, if in fact if there was no action now—say this legislation was defeated—when the actuaries came in again to look at this scheme, and bearing in mind what has happened to the value of and the returns on their investments, the \$800-odd million of unfunded liability in the commercial WorkCover side of it would probably blow out enormously. I think that we would be looking at a figure of well over \$1 billion because of what has happened to investments.

Beyond mismanagement of the scheme, we would be confronting a figure that would be absolutely scary, and that is why action needs to be taken promptly, otherwise we really will face a very serious situation. Having had a good look at the bill, I am aware of the pain that it will cause some people, but I point out that we are not the government on this side. The government has the responsibility, and I think it has the right to try to fix it. I hope that the measures that are brought in, along with some reform of management within WorkCover itself, will see the scheme return to one that is good for both South Australian workers and the South Australian economy.

**Mr PENGILLY (Finniss) (18:08):** Listening to the member for Frome (a former premier of South Australia), I cannot help thinking about how irresponsible this current government is, bearing in mind the shocking manner in which this matter has been dealt with. Quite frankly, it is a total bugger's muddle. Why on earth we should be having to deal with this matter of the government's trying to fix up this mess is beyond me. There is just a total lack of responsibility and accountability from the minister. If he were a minister in South America, he would have been shot by now.

It is almost as if we are descending into some sort of state of Zimbabwe. You really wonder where we are going. As many speakers have noted, numerous questions on this matter have been asked in the house by the opposition since 2002, yet nothing has been done, and we have now descended into absolute chaos, with the government having to introduce this legislation to try to fix up its own mess. I cannot understand how this sort of mess has been allowed to happen; it is just incredible to me.

If we ran our own businesses this way, we would be out of business in about two minutes flat. Instead, we have this arrogant Rann government just totally disregarding everyone, letting this debt blow out, and we have a lack of Westminster tradition and ministerial accountability. They blame everybody else; they do not blame the minister. I am starting to wonder whether the government is indeed full of scoundrels and blackguards, quite frankly; it is a disgrace.

I feel desperately sorry for the workers of this state who will have to endure the pain and suffering that will come out of this. I was flabbergasted yesterday, when the unions held a demonstration at the front of Parliament House, and we had the government in here trying to defend a rather pathetic position. The gallery has been full of union people during the past couple of days. Indeed, we had the Hon. Bob Sneath and the Hon. John Gazzola from another place out there with the unions yesterday. They showed the courage of their convictions; they had a bit of guts and determination, and they stood out there and were counted.

Who knows where we go from here today? I understand that the government has a list of amendments that its caucus has not even seen yet. Well, isn't that going to be a bugger's muddle next week when they have a Caucus meeting!

*Members interjecting:*

**Mr PENGILLY:** All right; I stand corrected. I read in the paper this morning the report about Bob Sneath being out there yesterday. I do not know Bob very well, but he is an honest toiler. Like Bob, I have worked in the shearing sheds for years. I still employ shearers, and I still do a couple of days in the shearing shed whenever I can. I know what it is like to be in the shearing industry, and I know where Bob Sneath is coming from, and there are a few others who have done it as well. I take my hat off to Bob for having the courage of his convictions and getting out there yesterday.

How some of these people who have come up through that hard union background, working in shearing sheds and such industries, can suffer this sort of nonsense, I do not know. It is an embarrassment for them. You only had to look on the other side of the chamber at members ducking for cover to know how they felt; they did not like it. We were picking up the vibes around the house about how Labor Party members felt, and I do not blame them for feeling pretty aggro about it. I think that they have been treated very shoddily. The reality is that the workers of this state are the ones who are being treated very shoddily—disgustingly badly.

**Mr O'Brien:** He doesn't know what he's talking about; he just wants to have a whinge.

**Mr PENGILLY:** Well, if the member for Springfield wants to get up and say a few words, go your hardest. I know what it is like. Out of all this mess I do hope that we get some semblance of order and that WorkCover is fixed up. Once again, I think it is an appalling situation when the parliament has to spend hours and hours fixing up a mess created by an incompetent government.

**Mr O'Brien:** You think your contribution is fixing up such issues; you just want to have a whinge.

**Mr PENGILLY:** Well, if the honourable member wants to have a go, he can get up here and have a crack at it. I have not heard anything on this bill from the member for Napier. I invite you to get up after me and go for it. Take your full 20 minutes and tell us how your government stuffed it up. Come on! I defy you! You get up after me. I will sit down and let you go in a minute.

I say to the house once again that it is a mess and it has to be fixed. Our lead speaker has covered in dramatic form what has taken place in this chamber over a long time. He has taken a lot of points. One only has to look at the figures with respect to the unfunded liability of \$844 million as at 30 June last year, and the loss of \$149 million. We are now in the situation where the unfunded liability of the Public Service, I understand, is well over \$1 billion. Welcome back to State Bank mark 2! They have messed it up, they have stuffed it up, and they have left it for everyone else to fix it up. I hope that it works for their sake, because the working people of South Australia will not forget this mess, and the unions will not forget. I do not think they have even started on you yet. I hope they stick it right up you.

Debate adjourned on motion of Mrs Geraghty.

At 18:16 the house adjourned until Thursday 3 April 2008 at 10:30.