

## HOUSE OF ASSEMBLY

Tuesday 28 October 2008

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

### STATUTES AMENDMENT (PROHIBITION OF HUMAN CLONING FOR REPRODUCTION AND REGULATION OF RESEARCH INVOLVING HUMAN EMBRYOS) BILL

Adjourned debate on second reading.

(Continued from 24 September 2008. Page 243.)

**Ms CHAPMAN (Bragg—Deputy Leader of the Opposition) (11:01):** I rise today to speak on this bill and, in doing so, I indicate to the house that the opposition has determined that it will not have any party position on this matter and that, as is always the case for the Liberal Party, it will be a matter of conscience as to how members ultimately determine their vote. To ensure that they feel absolutely free in that regard, we have determined that we will not have a party position on this matter, and I understand that a number of members of the opposition wish to contribute to the debate. The bill was introduced by the Minister for Health in September this year, and it has some history, to which I propose to refer during the course of my contribution.

This week, we celebrate Breast Cancer Week, and I say 'celebrate' because it is important that, during this week, we remember those we have loved and lost to cancer, particularly breast cancer; that we continue to support those who are suffering and facing the challenges of this disease; and that we work hard to ensure that we find suitable treatment, assessment and a cure for this disease. Certainly, we should celebrate the victories that have been achieved to date in research to battle this important disease.

Yesterday, in many places around South Australia people came together to recognise this important event, and I was in Mount Gambier to join with some 250 women who met to celebrate the life of those they have lost and also to work hard for fundraising. On that occasion, which was one of so many around the state, they raised some \$14,000 for research.

Kay Holloway—the chair of the committee—along with Evan Kosch, Claire Gunn, Kaye Chalk, Lynette Hirth, Jan Rothell—convened this important event. It was emceed by the indomitable Stan Thompson from the ABC in Mount Gambier. They also worked hard with those in the district who currently suffer from the disease. They have come together and have met annually since the loss of their dear friend, Leanne Kosch. Leanne's mother, Mrs Hurley, was present at yesterday's function, the great trooper that she is. It is just an example of one family's very distressing loss and their commitment to continue to work towards cancer awareness and, ultimately, its cure.

I especially acknowledge this disease because this week is Breast Cancer Awareness Week. That is not to say that there are not many other diseases that need our attention. As I will indicate, the bill that we are considering today relates to the issue of disease, cure and treatments, and it is front of mind for me in contributing to this debate.

Having identified breast cancer particularly for the purposes of my contribution to the parliament, I point out that one in eight women will be diagnosed with breast cancer. There were 1,000 last year in South Australia. Some 100 men across Australia were also diagnosed with breast cancer. On average, that is between six to eight—and sometimes more—men in our own state who suffer from this disease. It is clearly the single biggest killer of women and, whilst men have to face prostate cancer as their single biggest cancer killer, it is one which is at the fore for women.

Early diagnosis and techniques have been advanced and are currently operational in services such as BreastScreen SA, which are to be commended for their tremendous influence on ensuring that we have a significant reduction in fatalities—some 41 per cent of women diagnosed with breast cancer—in the 15-odd years that we have had breast screening in South Australia. That is an enormous advancement, and it is one to be celebrated.

Whilst an enormous amount of scientific energy is put towards the advancement of treatments—and there have been some terrific gains—they are still very often invasive. Whilst chemotherapy has been advanced to the point where we are able to direct the treatment to the offending cells and medications now have fewer side-effects, I think it is still fair to say that it is a

cruel and inhumane means by which to treat this disease. A cure is yet to be found. It is perhaps still as evasive as ever, but we ought to continue to aspire to find a cure, and I will refer to that shortly.

There are many other areas of human need which we need to advance to ensure that we minimise human suffering. Type 1 diabetes is just another example, and I know that many members of this house have adopted young people in their electorates. Young Thomas Pitman is one of the children in my electorate who suffers from Type 1 diabetes. He has the painful and continuous treatment and the life-threatening symptoms from this condition. I know that other members in the chamber have taken on the responsibility to try to advance awareness and attract support for the development of techniques for treatment and also to find a cure in that area.

There are enormous challenges. There would not be a person in this chamber who is not familiar with or who has not suffered the loss of a friend or a family member who has been diagnosed with either a cancer or a condition—Alzheimer's and the many other conditions to which I will refer. People have been lost almost with the grief of knowing that currently there is not a cure for these deadly and disabling conditions and the heartbreak that it has caused those around us. We know that, whilst they are emotive words, there is still a very pressing need for us to deal with as humanely as possible the treatment and relief of suffering for those around us.

I will refer to the cancer component, and I was very interested to read an article published in *The Economist* in September this year, which refers to a potential cure for cancer, and certainly treatment options arising out of stem cell research. I refer to this article because we are debating a bill today which refers to our relaxing (I think would be the most inoffensive way of describing the legislation with which we are dealing) the rules in respect of the reproductive technology and to develop the cultivation and use of stem cells in research. I wish to share this article with the house so that members can appreciate the potential advances we have made in this area. The article, entitled 'Shooting Down Cancer', describes a theory that links stem cells with a way in which they may offer treatment of this disease. The article states:

Every age is afraid of plagues. For the most part, such plagues have been infections. The rich world, though, has brought infectious disease under control and, AIDS aside, the memory dims with every generation. Instead, the fear of disease has transferred itself to cancer. How to prevent it; and how to treat it if prevention has failed, fills the pages of newspapers. How this or that celebrity won or lost his or her battle with it seems to fill much of the rest. The military metaphor is not confined to newspapers. It is 37 years since Richard Nixon, then America's president, declared war on the disease. During that time, the prognosis for cancer patients has got a lot better. Scientists have refined old therapies and found new ones. Moreover, governments have waged a relentless public-health campaign against the biggest cause of cancer—the smoking of tobacco. The war, however, has never looked close to being won. Scan the horizon and there is no sign of a cure. Nor is there likely to be until the enemy is properly understood.

Though luck plays its part in medicine, as it does in warfare, the big breakthroughs usually come from dramatic shifts in understanding. It was not, for example, until Louis Pasteur and Robert Koch proved the connection between germs and infection that doctors realised that to cure such diseases you had to kill the germs. The germ theory of disease made sense of a collection of illnesses that obviously had things in common (a tendency to appear in waves, for example, or to pass from person to person) but were maddeningly different in their details. It took a while but proof of that theory led to antibiotics that can destroy a whole range of infections. For cancer, a similar moment of enlightenment may now have arrived. Like infections, cancers are prominent features in common, yet they are bafflingly different in their details. But, borrowing an idea from another part of biology, oncologists are coming to believe that most—possibly all—cancers involve stem cells, or something very like them. They are, in other words, caused and sustained by a small number of cells whose daughters grow into the tissue of a tumour rather than as the daughters of healthy stem cells grow into the normal tissues that make up a body.

This opens new ways of thinking about and treating cancers. If the stem cells are eradicated, the rest of a tumour may die off. And if the secondary tumours—the truly feared killers in many forms of cancer—are the result of stem cells escaping from a primary tumour, as looks likely, then this knowledge may make them yield more easily to treatment.

This discovery is not a cure. But it does point the way towards one or, at the least, towards better therapies. Some might be in action soon. For example, it seems that cancer stem cells are less vulnerable to radiation than other cancer cells because their DNA repair mechanisms are better. Radiotherapy might thus be made more effective against them by dosing them with existing drugs that inhibit DNA repair. Some existing drugs which are known to interfere with stem cells' biochemical pathways could be used to attack them selectively.

Other treatments will take far longer—the time needed for clinical trials would see to that end and, in any case, a lot more research is in order. And there is the problem of designing drugs that can distinguish between cancer stem cells and those that spin off healthy tissues. But it all looks promising.

For those interested in that article, there are detailed descriptions of a history of work that has been done in this area to date, where legislation in a number of countries has permitted it, and particularly in the United States. It raises the important aspect of what members of our science

community have come to us with in their development technologies that enable them to work towards this end; that is, to relieve human suffering in this manner.

The bills before us have some history. It is fair to say that, in the 1990s, Victoria, South Australia and Western Australia all enacted legislation to ban human reproductive cloning and to regulate research on human embryos. We all remember the Dolly the sheep stories and the advances that were published around the world—and some of it was scary stuff. This state, along with two other states, moved quite quickly to regulate how we might research human embryos. It had come in the wake, of course, of our gene technology legislation, which dealt with the reproductive technologies to assist the fertilisation for couples who aspired to have children.

In 2002, the Council of Australian Governments agreed that there needed to be consistent legislation nationally and that that should be introduced. As a result, the Prohibition of Human Cloning Bill 2002 and the Research Involving Human Embryos Bill 2002 were passed by the commonwealth parliament. That legislation, I suppose, was a quite significant breakthrough in what had been a complete and utter ban on using human embryos for research, and we moved from a stage when there could be no interference with a human embryo, often kept in a frozen state for fertility purposes. You could not interfere with or harm—and certainly not kill—an embryo. That was changed, in a very restrictive manner, to enable spare fertilised eggs—that is, embryos—to be used for research purposes.

Some in this chamber will remember the debates: there were some passionate speeches in relation to this. I am old enough to remember the fiery debates of the 1980s in this chamber just to allow reproductive technologies to be used for women in assisting fertilisation. However, to move in the direction that had been predicted in those early days was a nightmare come true for some; that is, legislation would be passed to enable human embryos which were surplus to requirements (if I can put it as crudely as that) to be used for research. And so, we passed a law that said, if the parents—that is, the parties who had donated the genetic material to create the embryos—provided their written consent and they no longer required the embryos themselves, they could be handed over for the purpose of research and they could be destroyed for the purposes of that research.

It must be remembered that, in the context of the legislation, the licensed persons or corporations who had responsibility for the storage and care of these embryos were required by law to dispose of them—some would say flush them down the sink—at the end of 10 years, in any event. Some very passionate submissions were presented in this parliament by members about what they saw as the beginning of the end in allowing the spare embryos to be used for research. That is what happened in the 2002 legislation.

After the commonwealth parliament passed its legislation, each of the states followed suit and that was enacted across the country. I mention it because part of the commonwealth legislation was that there be a review within two years, in fact, from the date of its receiving the royal assent. Indeed, the review by the late John Lockhart AO QC was undertaken in 2005. In June that year, his honour was appointed to conduct that review into the legislation. In December 2005, he made 54 recommendations in relation to legalising therapeutic cloning but to continue the prohibition of reproductive cloning.

I mention his review particularly because, for the purposes of this debate, I think it is important to remember that, whilst his honour was given precedence in what is known as the Lockhart review, he was joined by a very broad group of people representing the church, ethicists, scientists, general consumers, the industry and people who were passionate either way about the advancement of this type of legislation. He worked with a very broad team, and I think it is to the credit of those people (as eminent as they were but very diverse in their views) that they were able to come together and present 54 recommendations in this report. I congratulate them on that and I do not think that it should be underestimated that this would have been a personal challenge for a number of them.

It is fair to say, I think, that the legislation which, ultimately, was introduced in the federal parliament went through a different process. Initially, Senator Kay Patterson introduced a private member's bill—the Prohibition of Human Cloning for Reproduction and the Regulation of Human Embryo Research Amendment Bill 2006—to amend that legislation. It is fair to say that there was vigorous debate and the bill, as members would expect, took up a number of the recommendations, but essentially provided for the creation of embryonic stem cells from unfertilised eggs by a process called somatic cell nuclear transfer or therapeutic cloning. There were a number of things that it did not do, and I will refer to those shortly. However, it is worth

mentioning that the bill, treated as a conscience vote by the major parties, passed the Senate by 43 to 31 votes on 7 November 2006 and the House of Representatives by 82 to 62 votes on 6 December 2006.

Basically, supporters argued that the bill should be passed to enable more advanced research that might lead to disease cures and the matters that I have referred to earlier, while opponents argued that the process of therapeutic cloning was immoral and unacceptable, and raised a number of dangers—from the advance, ultimately, of human cloning to the trafficking of human stem cells, and the like. So, very passionate contributions were made to the debate.

I think it is important to appreciate that the commonwealth legislation that came into effect in mid-2007 maintained certain prohibitions. It ensured that there are still laws that prohibit a number of things, and I think it is important to remind the house what this legislation does. It reflects the recommendations of the Lockhart committee and what I see as some compromise in the recommendations it presented. Members should note that a number of the prohibitions in this South Australian legislation carry a penalty of up to 10 years' imprisonment for a breach, so this legislation does not treat breaches lightly.

It attracts a very serious penalty if someone attempted to place a human embryo clone in the human body or the body of an animal. There is still a prohibition on creating or developing a human embryo by fertilisation of a human egg by human sperm which contains genetic material provided by more than two persons. There is still a prohibition on developing a human embryo outside the body of a woman for more than 14 days. There remains a prohibition on developing a hybrid embryo beyond 14 days. I think these are very important restrictions.

There may be others in the debate who think we should go further and support a bill that would allow some of these things. There are certainly some in the community who think that this is a very important thing to do and that we should be enabling that to be advanced. I do not think that there is a sufficient case to support that. Clearly, the eminent members of the Lockhart review did not think so, either, and I am certainly persuaded by the recommendations they made in this regard.

In relation to the things that the federal bill permitted, and now what we are looking at in South Australia, I remind members that, of course, activities that allow for embryos to be used are done under a licence procedure. For the purpose of this debate we do not need to revisit that. There are very strict licensing obligations, guidelines to be followed and qualifications to be obtained from a national body before one can do any of this. One can apply for a licence to do the following:

- use the excess artificial reproductive technology embryos (they are the spare embryos I referred to previously);
- create human embryos other than by fertilisation of a human egg by human sperm, and use such embryos;
- create embryos by a process other than fertilisation of a human egg by human sperm containing genetic material provided by more than two persons, and use such embryos;
- create human embryos using precursor cells from a human embryo or a human foetus, and use such embryos;
- undertake research and training involving the fertilisation of a human egg up to but not including the first mitotic state outside the body of a woman for the purpose of research or training;
- create hybrid embryos by the fertilisation of an animal egg by human sperm and develop such embryos up to but not including the first mitotic division, provided that the creation or use is for the purposes of testing sperm quality and will occur in an accredited ART centre; and
- create hybrid embryos by introducing the nucleus of a human cell into an animal egg and use of such embryos.

That was the gist of the legislation that went through the commonwealth parliament. Essentially what has occurred since then is that all the other states and territories, except South Australia, have either passed or certainly debated this legislation, the measure having been rejected in one

instance (in Western Australia). So this legislation currently applies in each of the states and territories, except Western Australia and South Australia.

It is worth noting that Western Australia was the first state to debate and reject this legislation since the advance of some early research in induced pluripotent stem cells. I will refer to that later, but this is a new feature that has come into the debate in the past 12 months. Western Australia was the first state to consider this matter after publication of some of the advances in a particular area of research. That will undoubtedly create a significant impression upon those in this parliament who are dealing with the matter, but the Western Australian parliament, in May this year, voted down the bills and have therefore elected not to join with Australia in this regard. But there is a case for South Australia to proceed and for this parliament to support the bill introduced by the minister and, in saying that, I set out a number of things that relate to what we are doing here.

For the purposes of referring to this in summary, I cite a paper prepared by Dr Zoë Gill, from the Parliament Research Library here, titled Human Cloning and Stem Cell Research, which has been provided for members of parliament. It is an excellent paper that outlines the history, both legislatively and in the scientific community. I commend her for this paper and will refer to some extracts from it because she very precisely refers to a number of matters. Obviously the bill is here identified as being consistent with the federal position. In her paper Dr Gill summarises this bill as follows:

...this bill provides for the creation of human embryos other than by fertilisation and for their use, under licence, in research, training and commercial applications. In practical terms, the bill allows for research practices such as SCNT (or human cloning), parthenogenesis (the activation of eggs without sperm), the use of precursor cells (cells that have the potential to develop into an egg or sperm), the creation of embryos with the genetic material of more than two people, and the creation of human/animal hybrid embryos in limited circumstances. It also allows for previously prohibited ART training and research practices by changing the definition of a human embryo from the early stages of fertilisation to the later stages of fertilisation.

The paper also outlines an aspect of this bill which I had not fully understood until I read her paper, and it is instructive to note that in Dr Gill's paper she refers to the biological processes, including how embryos can be developed.

For the purposes of this debate, embryos have been and still remain critical to our scientific community for lots of reasons: foremost and uppermost in this debate is to be able to use them to harvest a type of stem cell which will be very helpful in many aspects of their research. We are reminded in this paper that embryos are developed in two ways: to create either reproductive embryos or research, otherwise known as therapeutic, embryos. Importantly for the debate—and it goes to the centre of why it is reasonable in our legislation now that we redefine embryos for the purposes of the biological process that underpin their development—she describes reproductive embryos, as they normally occur in the body, as follows:

Within nine to 12 hours after initial contact between a sperm and an oocyte [egg cell, that is] two pro-nuclei become visible; one containing the female's DNA and the other containing the man's DNA. Twenty to 22 hours after contact the pro-nuclei combine in a process known as syngamy, and it is at this stage that fertilisation is complete and a genetically unique entity is formed.

However, syngamy can only be visibly confirmed about one to three hours later, when the first mitotic division, otherwise known as a cleavage, is initiated. The entity is called a zygote during the process from syngamy to cleavage. The process of cleavage occurs in stages on days two to three after initial contact of sperm and egg, with individual cells, that is, blastomeres, cleaving into two approximately every 18 hours. The overall size of the entity does not change during the cleavage stage as the individual cells reduce in size. Generally by the fourth cleavage the entity is termed a morula. On days four to five the blastomeres pump fluid into a central cavity known as the blastocoele, which progressively increases in size to form the blastocyst. The outer layer of the blastocyst will form the placenta, while the inner layer will form the other tissue and body layers of the embryo. The blastocyst proceeds to implant on the uterine wall. Between days 12 to 14 embryogenesis begins, and by day 15 the primitive streak appears in the entity—a structure from which all subsequent embryonic and foetal tissue will develop.

The council argues:

That the appearances of the primitive streak is the point at which the body plan begins to become established and signals the commencement of gastrulation. From a biological perspective the appearance of the primitive streak is the first developmental time point at which a multi-cellular structure is formed that will uniquely develop into the new individual encoded by the new genome.

That is of the council within Dr Gill's summary. For me that was very instructive in consideration of this debate. It gave me a very clear understanding of what I had read in numerous scientific journals and reports, and it gives a basis on which the 14-day rule has been applied. Importantly, this is one which has been considered carefully by the Lockhart review panel and is reflective in

what I could describe as the 14-day rule, which applies to the legislation we are currently considering.

The other matter which is summarised in Dr Gill's report relates to the reproductive embryos that are produced in the laboratory. Assisted reproductive technology (ART) techniques, which have been around for some time, are used. It is fair to say that a number of different techniques have been developed but, overall, the whole process remains a fairly taxing one for those involved, particularly for the woman whose eggs need to be retrieved and harvested and then later reimplanted.

I was interested to read in Dr Gill's report that according to the statistics of successes—that is, those resulting in live deliveries from ART—only 17.1 per cent of cycles which had been started in 2005 were successful. I was disappointed to read that because, for those of us who were around in the 1980s when this issue was alive with debate and there were colourful contributions by all sorts of people, that was one area where there was a general feeling that, if it was going to proceed, it would help families to achieve having children where otherwise that had evaded them. We were hopeful that it would be a genuine benefit to them, and to find that only 17 per cent have been successful is rather sad. Nevertheless, it has been a wonderful opportunity and clearly brought joy to those who have been successful.

I mentioned before that spare embryos created under this procedure were allowed after the 2002-03 raft of legislation. The Lockhart review also looked at whether the use of these embryos was the best way to obtain outcomes. We know from reading the report that they found that some of the ART research facilitating the extraction of eggs from a woman's body and improving the BESST outcomes had been restricted by the 2002 regulatory system and that the definition of 'embryo' from the appearance of the two pronuclei and the prohibition on the creation of pathogenic embryos, hybrid embryos and embryos from the genetic material of more than two people placed heavy restrictions on ART research.

I find it interesting that this is not just a question of finding a cure for a disease. The science community is trying to improve the technologies available to women to enable them to have children and this is also offered as a basis upon which we should consider amendment to the legislation. I am pleased to read about that because I would like to think that what we do in the parliament—if decisions are made to support the advancement of scientific opportunities—would be for a good reason, but I am also pleased to find that it is advanced as a means of helping women with infertility, given the rather disappointing statistics.

I also wish to briefly refer to the human cloning aspect to the extent of somatic cell nuclear transfer, which is essentially what will be allowed in this legislation if it is passed. As simply as it can be put, I suppose, the egg from the female has its nucleus taken out, a cell from another person is put into the nucleus of the egg, and there is stimulation of development. This provides for a human embryo clone, and it currently offends the legislation that applies in South Australia. According to Dr Gill, the parthenogenesis technique involves the following:

Under this technique no DNA is added to the human egg cell. Rather, the egg cell is stimulated to undergo spontaneous activation, effectively cloning the woman whose egg it is. However, it is unclear that this process can produce viable embryos. Rather, this process may assist in researching the maturation of eggs or in the production of stem cells.

I will come back to that later. I also wish to address the whole purpose of why we are cloning. In summary, we know from reports that obviously we have reproductive cloning and therapeutic cloning. What I was interested to read on the potential research use of embryos is how we might be assisted by this, given the extraordinary hurdle that many would have to leap, including myself, to support legislation that also would create concern and offence to some in the community.

In summary, I place on the record for those following the debate that the stem cells are the holy grail of this research, I suppose, in that we are looking at being able to provide plenty for researchers to use. They are really special because they are able to renew themselves and differentiate into other cell types. Obviously, the medical sciences tell us that this is important, as I say, in dealing with regenerative therapies for diseases such as heart disease, spinal cord injuries, diabetes type 1, stroke, Parkinson's disease, Huntington's disease, and so on. These would also help in understanding the different characteristics of cell types, the features of diseases at a cellular level, and the effect of chemicals and drugs on various cell types.

It is important to note, however, that even in the Lockhart review caution was added to say that this does not mean that by passing legislation such as this we will suddenly have a cure for

everything or that we will suddenly have effective treatments; years of research have to be done. The other things identified in the Lockhart review were the four different types of stem cells: the totipotent stem cells, which apparently can do everything and develop into just about any tissue that you want; pluripotent stem cells, which can develop into multiple areas; multipotent stem cells, which can have a few different cell types and can perhaps change from blood forming cells in bone marrow to different types of blood cells; and unipotent stem cells, which can give rise to one cell type, which can become skin or cornea, so they are very narrow. Dr Gill confirms in her summary the following:

The pluripotent stem cells offer the greatest research potential due to their ability to differentiate into numerous cell types and yet not form a whole organism.

I was again pleased to read this because, if we are going to talk about the technologies or procedures that we permit in legislation such as this, it seems to me that it is very important that we restrict this, not just by the 14-day rule but also by the nature of what will be developed.

In that way the organism, I suppose, is restricted from being able to develop into an animal or human, and this is very important. Clearly, the legislation is intended to prohibit this so as not to allow an organism to become a living being, existing independently of the test tube. Again, that was important to me, and it is also important in relation to the advances that have been made and published concerning embryonic stem cell research since the latter part of 2007.

Internationally, there have been some examples in this regard, involving not just Japanese research but also I think a number of people around the world who have been working on this issue. There have been some published papers on the capacity for scientists to produce pluripotent stem cells (these are the good ones for research) without actually using an embryo at all. My understanding is that, in the Japanese case, it was done with the skin cells of an adult.

Certainly, this is something that has been taken up and presented as an alternative to what we are being asked to do today—that is, to advance the possibility of developing a pool or being able to harvest pluripotent stem cells from organisms (in this case other cells) that have nothing to do with embryos. That would enable us to avoid the debate altogether in respect of the matter involving a serious conscience issue for those who are opposed to this measure. I think everyone in the chamber is concerned to make sure that we do not do things that might have unintended or dangerous consequences. We need to look at a number of things regarding this matter, including the moral implications.

We would not have legislation at all if this was not a very pressing issue in this country. Even though some other countries have been, I think, significantly lax in this regard, Australia has kept a very tight rein on this issue (with good reason) and there is no reason why we should relax our scrutiny of any of the legislation that comes before us in this regard. Importantly, we are considering here the opportunity to reprogram ordinary cells and create pluripotent stem cells without having to deal with the challenging aspects involving embryos and, in particular, their creation and destruction.

Members of parliament have had the benefit of a number of presentations from different people asking us to consider abandoning any perpetuation of the commonwealth program that started in 2005 as a result of the Lockhart review, and to wait for the benefits of these new discoveries, and everything will be just fine. A number of us have gone back to the scientific community and said, 'Why wouldn't you use this new procedure? It sounds fantastic.' Their answer essentially is, 'Yes, this is a really important initiative, and obviously it is something that the world is watching. It is an opportunity to avoid what is currently a very expensive and controversial procedure in the development of embryos.' Indeed, harvesting female eggs, developing pluripotent stem cells in them and going through that process is a very expensive, time-consuming and uncomfortable procedure (especially for women).

If there is something that we can do that is less offensive to the community and cheaper and quicker, we will certainly look at it and we would like to advance it, but at this stage we may be 10 or 15 years away from being able to identify whether these early initiatives will actually come to fruition. Just as I described in relation to the cancer and stem cell work that is being undertaken in the United States, some of these things work and some of them do not. Sometimes the research goes on for decades and they fail.

Those members of the scientific community who advocate our support of this legislation say that we cannot just wait for this to occur. We need to move on, with the significant restrictions that will still be in place in this legislation, and we need to have the opportunity to advance the

research. It may be a long time before this other comes through. If it does, that is fine but, at the moment, having listened to the debate on both sides, I indicate to the house that I think we must, in all conscience, proceed with the bill with the restrictions that are placed on it. The other thing that I found of interest was that:

Embryonic stem cells can potentially be taken from the reproductive embryos or the excess ART embryos. However, these stem cells would not provide a genetic match to the person for whom the stem cell therapy was being created and would not carry the relevant disease being studied. A genetic match may be achieved by taking embryonic stem cells from the embryos created through SCNT using the genetic material of the person for whom the stem cell therapy is being created.

What does this mean? It simply means that what we have been using to date from the stem cells out of the embryos actually has a limitation because it is someone else's DNA that is being used, potentially, for someone else's treatment and that means that there is the possibility, of course, of rejection and the difficulty of people waiting for a suitable matching donor. That is another limitation, I suppose, of which I have been made aware during the course of this debate which is highly restrictive, and I certainly hope that the reforms proposed under this legislation will be able to circumvent that. I again refer to part of the Lockhart report that, in summary, states:

Adult stem cells do not face the same rejection difficulties as they can be derived from the person needing the stem cell treatment. However, as noted above, they are much less flexible than embryonic stem cells. A new technique involving gene manipulation and stimulation is being developed to create what are called induced pluripotent stem cells (iPSCs), that is, adult stem cells that act like embryonic stem cells. However, this process is in its very early stages and it still involves a number of risks such as triggering cancer.

Again, we have consideration of the induced pluripotent stem cell process. If that process is developed and it works—and we are yet to see whether it does—that is fantastic but a number of triggers need to be looked at. It is interesting to see that, if we can advance down the line of being able to, say, place the DNA of a victim of a particular disease into an egg, under the new processes we might actually be able to advance treatment and/or potential management of the condition for those who are suffering from it.

There are a number of other speakers who wish to contribute to this debate. It is a difficult decision for a number of our members of parliament, and it is one that has vexed me. This will not be the last time this type of challenge is put to parliament—to review and, in this case, extend and allow the exploration of techniques that have been a serious challenge to a number of us—and in this instance I am prepared to support the bill.

I thank the government for the briefings that were arranged. The minister organised and joined us in a number of those briefings in his office, and I appreciate that. Other members of parliament also arranged different briefings which I attended, and I have a very high regard for those who put submissions to us in the parliament from each side of the debate. They have been very instructive—certainly for me, and I know other colleagues have also appreciated them—so I do thank the minister for facilitating a number of those; I believe one of his colleagues in another place also facilitated some others. It was very important that we received the benefit of those briefings.

In concluding my contribution, I would like to say that I wish every success to those in the scientific community around the world who are already progressing other techniques, including the induction of pluripotent stem cells, which is (pardon the pun) in the embryonic research stage but which will be valuable in the advance of science.

A very extensive contribution was made by Dr Gill with her research paper on this subject and on the different situations that prevail around the world—although I will not repeat it as members will have had the opportunity to read it—and I am mindful of the fact that if South Australia does not join up with this legislation we, along with Western Australia, will potentially miss out on being part of the research development in this important area. I say that because the minister, in his second reading speech, alerted us to the fact that South Australia's currently licensed providers of this service will possibly be eligible to undertake research as corporations, and that that may not apply to the university licensees or others who may apply for a licence. That in itself is of concern to me whereby, while we are setting up a scenario allowing certain people to at least apply for a licence to undertake these techniques, others within our own scientific community here in South Australia may be prevented from doing so. I do not believe that is fair, and I think it is a situation about which all sorts of people in trade practices and the like would probably have something to say. Nevertheless, it raises challenges for us here in South Australia.



If it were a really bad law, a dangerous law, one that I thought we should not be progressing, then I would probably be standing here arguing that we should not do it—and it would not matter if a few people missed out or some slipped through the loop. Obviously, there are arguments for both sides of that scenario, but South Australia is a state that has been revered for its research in the past and I am keen to maintain that position.

I believe I have even heard the minister, or certainly the Premier, say, as he did last week at the opening of the biotechnology centre at Thebarton, that South Australia has produced more Nobel Prize winners than any other state in the country. That is something of which we should be proud. However, we must also ensure the viability of those entities in the commercial environment which take up the risk of research and also the opportunity of the fortunes that may come with it and that we make that a level playing field for all. So, on balance, that is another factor that confirms my support for this bill. I thank the parliament for its indulgence for the time I have taken to present this.

**Dr McFETRIDGE (Morphett) (12:05):** I rise in support of this important legislation. The bill we discussed in 2003 brought forward some of the science and certainly enabled medical scientists to progress their knowledge of early embryonic development and some areas of stem cell research.

Versions of this bill have been passed by most other legislatures and certainly by the federal parliament. I was a bit worried for a while that the South Australian parliament might not have been given the opportunity to debate this legislation, because there was a considerable delay between other states passing their legislation and the federal government passing its legislation. In fact, back in June 2007 I had parliamentary counsel draw up a private member's bill, namely, the Statutes Amendment (Prohibition of Human Cloning for Reproduction and Regulation of Research Involving Human Embryos) Bill.

That is how concerned I was that legislation allowing these developments was not going to be presented to us, but I congratulate the government for having the courage to bring it forward. I know there are people in the community who do have some ethical issues with this. Their own beliefs constrain their ability to comprehend the benefits that will come from this legislation. The government introduced its bill in October 2007, and it is now 12 months after its introduction that we are debating the bill. Nevertheless, the bill it is here and it is on its way.

I will not be asking questions in committee about this issue, but there are a couple of things I do need to put on notice straightaway for the minister to come back to me on. I want to clear up a bit of a difference between what would have been in my bill and what is in the government's bill. Clause 6(1) of my bill would have created an offence of importing or exporting a human embryo clone, as follows:

A person commits an offence if the person intentionally imports a human embryo clone into South Australia.

My bill imposed a penalty of 15 years' imprisonment for that offence. Subsection (2) provided:

A person commits an offence if the person intentionally exports a human embryo clone from South Australia.

I do not see that anywhere in the government's bill, and I am a bit concerned about that, because I think there might be a loophole there that needs to be closed.

Another measure in my bill was related to the ability to create hybrid embryos, and I will talk a bit more about the issue of hybrid embryos in a few moments. My bill provided for a licence to create hybrid embryos created by introducing the nucleus of a human cell into an animal egg for no longer than 14 days.

I see that that is contained in clause 19A(3)(b) of the government's bill. However, in the minister's second reading explanation he stated:

Creating hybrid embryos by combining human and animal cells will remain completely prohibited, with the single exception of a diagnostic test for sperm quality which will be permitted only under licence in reproductive medicine clinics.

Whether that is an omission in the second reading explanation or whether I have failed to comprehend it, I would like that clarified as well. Certainly, those two aspects are something that I need to be clear about so that this legislation will do everything we want it to do.

The issue of hybrid embryos is one I have had a keen interest in for a number of years, and this interest was further fuelled by the fact that the British government allowed the creation of hybrid embryos. I refer to a document entitled 'The Human Fertilisation and Embryo Authority' put out by the British government in April 2007. It talks about hybrids and chimeras. The issue with a lot of research into artificial reproduction technology in human areas is the shortage of human eggs. That is an understandable predicament because in most cases the people involved in artificial reproductive technology (IVF, as most people would know it) are keen to have the eggs collected, the ART performed and then have the embryos either used or stored for their own purposes. The availability of eggs for research is quite limited.

The way around that is by using animal eggs; replacing the animal nuclei with the nucleus from a human cell. In most cases that is a somatic cell. We have various names for this, some of it is called cellular nuclear transfer or, in this particular case, it is referred to as somatic cell nuclear transfer (SCNT). The thing you create when you do this is a hybrid. You are using tissues from an animal and tissues from a human. I do not see any moral or ethical issues, in my own mind, with this because there is that limit—at 14 days the tissue is destroyed—but it does allow researchers this vast bank of material that they can use for their research.

The moment you mention the word 'hybrid', particularly when you are talking about combining a human nucleus with an animal egg, people start thinking of monsters like the Minotaur. That is not the case. The fact and the fiction are miles apart, the perceptions and the reality are miles apart, but unfortunately in politics perceptions often become reality. So, it is important that we keep a cool head on this issue and make sure that we are doing the very best to enable our scientific community to develop what will be life-saving technology.

It is all about saving lives. It is all about making sure that people in our society have the ability to access medical technology that is going to improve their lives. We have had examples of the various diseases that may be able to be treated. The possibility of making quadriplegics and paraplegics fully able again is another exciting opportunity.

I refer to the paper put out by the Human Fertilisation and Embryology Authority in England. It has put very succinctly in its document some of the concepts that we are talking about here. As I said, when most people think of hybrids or chimeras, they do not think of cytoplasmic hybrid embryos created in stem cell research, instead they imagine the kind of half-human/half-animal monsters like the Minotaur of myths and legends.

In real life we do have hybrids. The creatures we would be most familiar with are mules and hinnies, which are a cross between horses and donkeys. We also have ligers, which are a cross between lions and tigers. In these cases the offspring are infertile—these are true hybrids. In this legislation, you can create a hybrid organism where you are using human sperm to fertilise an animal egg. That is purely used for sperm quality testing, but it is producing a very early stage hybrid. So, we are doing it already, but in this one particular circumstance. What I would like to see is that ability expanded where we can be using somatic cell nuclear transfer but the nucleus is being transferred into an evacuated animal egg.

The other types of hybrids that can be created are by inserting animal genes into early embryos. While I do not see any need for this, from my reading it is a technique that is out there. Certainly, I am aware of human genes being inserted into animal embryos so that you then get transgenic animals which produce proteins and disease profiles that can help scientists study diseases and various ailments and then, hopefully, come up with cures for them.

I think probably the best example, and one of the immediate benefits we are aware of, is the fact that blood clotting proteins are being produced in some animals. I do not know of any case where animal genes have been inserted into human embryos. Certainly, I would have thought that that was neither permissible nor scientifically worth while.

Another form of research which has been talked about and which is technically possible is the creation of chimeras, when genetic material from a human or an animal is inserted into another human or animal embryo. If you want to be truly pedantic, many of us are chimeras because we have had organ transplants or blood transfusions. None of us would stop those, but we all get quite iffy about creating chimeras at the molecular level and start to imagine abstract and esoteric ideas of creating monsters. It is not that: it is all about scientific research.

We need to recognise that this research is very valuable to everybody; it is not just so that scientists can obtain scientific grants and do their own thing. To enable the research to go ahead, I certainly strongly urge all members to support the legislation, but I know that some will not.

However, they should take heed of documents such as the British government's report on the creation of hybrids and chimeras, which contains some good things about the benefits of therapeutic cloning.

I remind the house again that, in my second reading contribution, I supported therapeutic cloning in 2003. In 2007, the Royal Society also supported therapeutic cloning, and it also supported cytoplasmic hybrid embryos and the creation of human/animal hybrids for early-stage research. However, I certainly agree with the 14-day period when the hybrid is being studied.

The world is moving on and, in a moment, I will talk about induced pluripotent stem cells. It is interesting to note that the British Labour government supported this legislation and going a little bit further with human/animal hybrid embryos. In April this year, it was reported in *The Guardian* that the first British human/animal embryos had been created by scientists. They were cytoplasmic hybrids because a human nucleus was inserted into a cow egg. The article states that the only reason they used cow eggs (and this is the reason I stated before) was a scarcity of human eggs. They were not creating Frankenstein's monster: it was all about the ability to further this research and ensure that scientists have the ability to use the material for this research.

The big thing everybody is talking about now is that this legislation is not required and that it is out of date because we all know that Shinya Yamanaka, from a Japanese university, has developed the ability to stimulate cells to act in a similar way to embryonic stem cells. It is interesting that Yamanaka's work involved the use of viruses, injecting genes that had been inserted into viruses. Those viruses were put into the somatic cells to stimulate cells to act like embryonic stem cells.

It sounds good and it sounds easy but, when you start reading the detail of this sort of research, there are a lot of holes in it. I will quickly read some of the five or six issues associated with this sort of research. One of the main issues is that this technology is in the very early stages and employs relatively crude methods for achieving the result. It requires the delivery of factors to the target cells using the virus-based delivery methods more commonly associated with 'gene therapy' approaches. As gene-therapy based methods have a poor track record in the clinic and negative public perception, use of these methods is a substantial limitation of the technology.

The other issue is that the ability for cells to form all cell types in the body has yet to be established—so iPS is not the silver bullet that everybody talks about. While several studies report the ability to form the three primary cell types that exist during embryonic development that are starting materials for all cell types, the differentiation potential beyond this has yet to be studied with iPS cells. As such, it is possible that stem cells produced using this approach may be limited or biased in their differentiation potential and, as a result, may not be applicable to use in the treatment of all clinical indications that could be treated using alternative stem cell based therapies.

The long-term genetic stability of cells produced using iPS methods has not yet been established. Given that the starting cells are from an 'adult' source, the genetic stability and predisposition to forming tumours is not characterised.

The formation of tumours in animals has been reported by a number of studies using cells generated by iPS methods. One of the four defined factors has been identified as the direct cause of this, and efforts are underway to define ways to eliminate the requirement of this factor. Despite this, formation of tumours as a result of use of these cells is a serious concern and a substantial limitation of the method.

iPS is an exciting development. The reason it was developed was because of not only people's ethical concerns, but also the fact that there had been a lot of research already done on embryonic stem cell therapies and on the microscopic level of examining what is happening during fertilisation and during cell development and differentiation.

So, iPS is good; it is a good development, but it is not ready yet. It will not be ready for 5, 10 or 15 years—who knows—if at all. So, we need to make sure that the ability of scientists to use currently available technology will not be hamstrung and that the scientific community—particularly here in South Australia—will not leave to go interstate, where this legislation has already been passed, or to England where broader legislation has been passed.

This is a valuable piece of legislation. It is something that I strongly support, and I look forward to its passage through both houses so that South Australians can benefit from this legislation. I strongly support it.

**Ms SIMMONS (Morialta) (12:23):** I have just a few comments to add to this debate. I will be opposing this bill. In fact, I believe strongly that recent scientific advances—as the member for Morphett has just discussed—will make this bill redundant in the near future. As members know, I am a practising Catholic and I cannot in all honesty support this bill, and I thank the Premier in his wisdom for making this a conscience vote on our side.

The member for Bragg has referred to an excellent research paper prepared for parliament by Dr Zoë Gill. As Dr Gill says, this debate usually centres on the moral status of the human embryo against the value of scientific research that could potentially lead to the cure of numerous debilitating congenital diseases. This dichotomy is no different for me to contemplate than for others. She adds that there is also a growing voice concerning the impact of these research practices on women, who are the source of the eggs central to many of these procedures.

The Australian Stem Cell Centre, which advocates for the bill, has itself highlighted that announcements in the past 18 months regarding the use of adult stem cell research are very exciting. This is a very difficult issue and, like many, I have friends and colleagues who have suffered, and are currently suffering, from some of the diseases that can potentially benefit from embryonic stem cell treatment. However, I cannot bring myself to advocate the use of human embryos for this treatment, especially when we are so close to using both adult stem cells and pluripotent stem cells.

We are told that induced pluripotent stem cells (or iPSCs, as they are known) is a method by which adult stem cells taken from the skin, the blood or the spine, in the same way as a lumbar puncture is administered, are induced towards a more flexible or embryonic-like state. This discovery is very important to this debate and it is an exciting discovery that I am told was welcomed by scientists around the world. Stem cell science is an extremely fast-moving field of research, with new breakthroughs being reported almost daily. Personally, I wish researchers into adult stem cell therapy speedy results, but I cannot support the use of human embryos for this research.

#### **MATTER OF PRIVILEGE**

**The Hon. I.F. EVANS (Davenport) (12:25):** Madam Deputy Speaker, I wish to raise a matter of privilege in relation to this bill. I ask you to rule whether there is a prima facie case that the minister has misled the parliament. In his second reading explanation on 24 September, the minister makes a statement that Western Australia has tabled amendment bills. In actual fact, the Western Australian parliament voted in May to defeat the bill. So, at the time of making that statement, that was not correct.

This was brought to the attention of the minister in an email on 29 September. There have been a number of sitting days since then for the minister to correct the record, and to my knowledge the minister has not. Also, before the second reading contributions started today, the minister could have corrected the record and he did not. This is an important issue, because it goes to the question of national uniformity, which is part of the central argument for this legislation. You cannot have national uniformity if Western Australia has already defeated the legislation. I therefore ask you, Madam Deputy Speaker, to look at this information I give you and make a ruling.

**The DEPUTY SPEAKER:** I will refer the information to the Speaker.

#### **STATUTES AMENDMENT (PROHIBITION OF HUMAN CLONING FOR REPRODUCTION AND REGULATION OF RESEARCH INVOLVING HUMAN EMBRYOS) BILL**

Second reading debate resumed.

**Mr PENGILLY (Finniss) (12:26):** I find myself in something of a quandary over this entire debate and bill before the house. Whilst I can understand the need in some way to support it, I find myself with some ethical reasons for not supporting it, quite frankly. My view is that the bill is outdated and has been superseded, particularly now that we have induced pluripotent stem cells being made more efficiently and without ethical difficulties. I find that negates the necessity for this bill.

However, in saying that, I suppose that I (and I am sure many of my colleagues in this place) would like to be able to deal with many of the illnesses and afflictions that affect mankind. Such things as Parkinson's, Alzheimer's, spinal cord injuries, stroke, burns, heart disease and many more may well be accommodated with an increase in activity and research. My good friend Peter Ellson, who lives in my electorate on Kangaroo Island and who went blind as a result of retinal disease, would desperately like to see some form of legislation go through to give him some

chance of getting his sight back, and nothing would please me more than if that was able to take place.

However, I suspect that with this new technology (the iPS cells), the need for human cloning of embryos, etc., is negated somewhat. I have had some discussions with others in this place, and my views are framed around the question: when does life begin? My view is that life begins at conception. I am sure that some of my colleagues will add to this debate, but my problem with that is that you are creating a life to take a life, and that does not sit easily with me. However, as I said at the start of my remarks (and I will not be long), this legislation is no longer necessary. Indeed, I wonder why we are doing it. I know that it will cause problems for some in this place, and it has caused problems for many outside this place.

I have been bombarded with material (as have probably other members) both for and against this legislation. However, at the end of the day, we have to stand up here and make a decision based on what is in front of us on the day, and that is not always easy. It is no good trying to duck and weave and get around the issue. We have to deal with the bill that is before us, which I will be opposing.

As I have indicated, I strongly support the research with respect to alternative measures to come up with ways to treat these diseases from which people suffer and which create a miserable existence for them in their daily lives. The scientific research with respect to embryonic stem cells has the potential benefits to address numerous conditions and diseases, as I said earlier, and may well result in a cure for some things. However, there are two ways to take the feathers off a chook. I suggest that we need to get this right, and I am not sure that this is the right way to go.

The fast pace development of SCNT has stimulated worldwide debate. Embryonic stem cells are extracted from cloned human embryo which, in the end, destroys the embryo—a potential life—and it is this exact process which raises the concerns of myself and others about the true values of scientific research when balanced against the value of a human embryo.

In 2002-03, Australia introduced a national scheme in order to regulate biotechnological research. This initiative was introduced having regard to the commonwealth, state and territory laws and the National Health and Medical Research Council's ethical guidelines and standards, and things went from there. However, the commonwealth law was slightly altered in 2006 (and took effect in 2007) initially to allow human cloning for research purposes as well as for other previously restricted research practices. Since these alterations, South Australian laws are now inconsistent with the national regulatory scheme. The problem is that things have moved on substantially in technological and other investigative ways with respect to coming up with better ways of prolonging life and easing people's suffering.

That creates the problem that we are now talking about here. Japan, which is one of the most technically savvy nations in the world, has taken the prize in establishing another alternative with respect to reproductive cells besides destroying human embryonic stem cells. In November 2007, Japanese scientists demonstrated that pluripotent stem cells can be produced by reprogramming ordinary skin cells which, in my view, is a great leap forward and gets away from the necessity to do what we are talking about here today.

Using alternative methods of stem cell research, such as adult stem cells, it has been proven that obtaining stem cells from adult cells is far cheaper and easier than any other alternative. With the current global economic downturn, in my view, it would be a far more viable and professional tactic to invest our attention and funding into alternative methods of research.

It has been noted by Family Voice Australia that scientists who supported the cloning of human embryos are beginning to switch to alternative methods of induced pluripotent stem cells. Professor Ian Wilmut, who is based in the UK and who is a world expert on motor neurone disease, mentioned that this new discovery requires no cloning of embryos and will be the future method for stem cell research. Professor Wilmut led the team 10 years ago when they cloned Dolly. So, he has a wealth of knowledge and far more information than any of us here, I would suggest.

I indicate that I will be opposing the bill. I do not do so lightly. However, in my view, it is outdated, and I see no necessity to pass this bill through the house.

**STATUTES AMENDMENT (PROHIBITION OF HUMAN CLONING FOR REPRODUCTION AND REGULATION OF RESEARCH INVOLVING HUMAN EMBRYOS) BILL**

**The Hon. J.D. HILL (Kaurua—Minister for Health, Minister for the Southern Suburbs, Minister Assisting the Premier in the Arts) (12:35):** I seek leave to make a personal explanation.

Leave granted.

**The Hon. J.D. HILL:** A few minutes ago, the member for Davenport raised an issue allegedly of privilege. He alleged that my second reading explanation which was tabled in this place some little time ago misled the house. For the benefit of members, I read to them what the paragraph he alleges was misleading says. On page 3 of my second reading speech it says:

State and territory governments are considering the relevant Commonwealth amendments and their implications for local laws—

a true statement—

The Victorian, New South Wales and Queensland Parliaments have amended their equivalent legislation—

a true statement—

and Tasmania and Western Australia have tabled amendment bills—

a true statement—

This parliament now has an opportunity to consider changes to these challenging but important laws—

a true statement. It is true that, the Western Australian government having tabled the bills, the Western Australian parliament dealt with the matter in such a way that the legislation failed. I did not say that it had passed the Western Australian parliament, I merely said it had been tabled.

This second reading explanation was originally moved a year or so ago and, at that time, the Western Australian parliament had not dealt with it. When parliament resumed, I reintroduced the legislation and, of course, used the same second reading speech. It did not contain the changes and a range of things have happened since that event. In my response to the contributions today, I was intending to fill in the house on recent events, including the fact that Western Australia had not passed the legislation. So, if I have confused members by not having done that sooner, I do apologise to them, but I would have thought anyone who was following this matter would have known that the Western Australian parliament had not passed the legislation.

The member also referred to an email. I am not aware of that email. I will certainly ask my office to see whether it has been received. I do not believe I have misled the parliament. The second reading speech contained statements of fact. There are other facts that have occurred subsequently, but it is not contradicting what I have said in this document.

**STATUTES AMENDMENT (PROHIBITION OF HUMAN CLONING FOR REPRODUCTION AND REGULATION OF RESEARCH INVOLVING HUMAN EMBRYOS) BILL**

Second reading debate resumed.

**Mr KENYON (Newland) (12:34):** I rise to oppose this bill and I oppose it on two grounds. The first is technical grounds in that the legislation deals with a method of research which, essentially, is outdated; and the second, of course, is on a fundamental matter of what it is that we are doing. On the technical grounds, I think a number of speakers have already made the point that, essentially, human cloning is out of date. It is expensive; it is yet to prove its worth, as far as I am aware, in any significant way; and it raises ethical dilemmas about which I will talk later. Since the time of the development of the cloning technology, iPS technology has come about which does not require the same creation of embryos and which has since proved to be a cheaper, more effective and more convenient way of going about this research. Research companies and research scientists are voting with their feet and moving towards this new technology.

For us to make a law regulating the cloning technology is like our now passing traffic laws for the horse and cart. You could do it and every now and then it might have some sort of relevance, but most people will still drive their cars and the laws that we would pass concerning the horse and cart would not be used. Secondly, in relation to the ethical matter, my belief is that human life starts at the moment of conception, that is, when an egg and a sperm are joined. That is when I believe a human being is created. Therefore, the logical extension of that is that to create an embryo for the purposes of scientific research is not an ethical thing to do.

Some people do not believe that. Some people have different time lines for when a human becomes a human, but there is not one person in this building who has not passed through that zero to 14-day stage. There is not one person in this house who has not been through it. They probably do not remember it, but they were there—it is a bit like the 1960s or Woodstock. I believe that is when a human life is created. Therefore, it is an easy step to then make the conclusion that it is wrong to experiment on human beings because I believe an embryo is a human being. It was wrong in the 1940s in Germany, and other places, when scientific experiments were undertaken on human beings, and it is wrong now. It is just the form of humanity that is being experimented on.

I am very clear on why I oppose this bill. First, I think we need to do it from a technical point of view. Secondly, even if we thought that it might be a good thing technically, I think it is wrong fundamentally. There is not a person in this house who does not want to find ways to alleviate pain and suffering in our world—there is no doubting that—but the way we go about alleviating pain, suffering and sickness is fundamentally important.

In many ways we were spared these debates a number of years ago because we just did not have the technology to come to the point we are at now. But, now we are here, we must be very careful to ensure that the science we are capable of undertaking is the right science to be undertaken. Just because we can do it, just because it is there, does not mean we should do it. So, if you believe, as I do, that life begins at the moment of conception, it seems horrendous to suggest that we could carry on with scientific experiments and research on human beings.

**Mr PEDERICK (Hammond) (12:41):** I also rise to speak to this bill and indicate that I am against it. I did not think I would agree with the member for Newland on anything, but I agree with him on this. There has been a lot of work done on cloning over time. We saw Dolly the sheep 10 years ago, and it was a great discovery, allegedly, but the full story was not told in the first press releases about the 257 failures in getting to that mark. One has to wonder what horrendous outcomes happened on the way to creating Dolly the sheep.

I also think it is outdated already. It is interesting to note the Western Australian legislation, which was debated after the pluripotent therapy was discovered in Japan using skin cells; and it is also interesting to note that the commonwealth legislation was debated before that and that it did not pass by a very large majority. I agree that human life starts at conception, but the question is: when does human life begin? Is it at conception, seven days, 14 days, or 21 days? So we start getting into the maths of it all and the differing points of view on when human life does begin.

I am well aware of the advances that have been made in in-vitro fertilisation technology, which have enabled some families to have children when otherwise they would not have been able to do so. That was a great step forward, and I can imagine that when the legislation proposing IVF went through parliament it would have created much discussion. I think this legislation is taking things more than one step too far because, as indicated by earlier speakers, it is outdated, and there is new technology coming over the top which it seems a lot of scientists are heading towards.

I move on to discuss some of the so-called potential benefits of stem cell research using embryos. In regard to conditions and diseases (including Parkinson's and Alzheimer's disease, spinal cord injury, stroke, burns, heart disease, type 1 diabetes, osteoarthritis, rheumatoid arthritis, muscular dystrophy and liver disease), I, like anyone else, would be more than happy if there were a guarantee that using embryonic stem cells would create a cure for many of these conditions, if not all of them. However, the research indicates that that is a long way off, perhaps the end of this century. By that time I think that pluripotent technology will be far out in front because it is far easier to work with adult stem cells, and it does not involve that ethical dilemma.

This issue has been debated for many years. As I indicated, Western Australia recently voted against embryonic stem cell research legislation and, as indicated, South Australia's law is now inconsistent with the new national regulatory scheme. However, Western Australia is coping, and I think we will cope as well. There is also concern about the impact of these research practices on women (the source of the eggs for embryonic research). So it is not just a moral debate; it also involves what women have to go through in the process of harvesting the eggs and the research.

We are told that potential research uses for embryos are as follows: furthering the understanding of the reproductive processes and improving ART; and as a source of stem cells. Stem cells are cells that can renew themselves and differentiate other cell types and offer great potential for cellular therapies. Pluripotent stem cells are cells that give rise to all or many cell types of the body from all these primary layers, but not to a whole organism. That is an important point: that you are not heading towards a whole organism. Japanese research conducted last year

indicates that the use of skin cells could go forward. As I said, Western Australia has voted against similar legislation, and other states and the ACT have considered legislation complementary to the commonwealth changes and they have all passed legislation, so we will not be on our own, as Western Australia will be with us if we reject this bill.

If passed, this bill will legalise (or allow) the creation of research embryos and human embryo clones. It will remove the blanket prohibition on the creation of a human embryo clone and the creation and development of a human embryo other than by fertilisation. That is the nub of the argument: that a clone will be formalised and produced purely for medical research. As indicated, we want to find outcomes for all these terrible afflictions that people can get, especially in older age. For instance, my father is now 88 and has been on crutches since he was 50 (a victim of osteoarthritis). He does not have a hip in one leg but a steel plate, but to his credit he did not stop working with me on the farm until he was 80. I would have given the world to see a cure for the pain he has gone through over those years. Doctors have done a lot of work trying to get him right, but his body rejected hips.

**Mr Venning:** He's a good guy.

**Mr PEDERICK:** He is a good guy, as the member for Schubert says. Nothing would be better than to see him cured. A deeply religious man—a lay preacher with the Uniting Church for over 60 years—he would not agree with this legislation. He has not lobbied me personally about it, but I know what he would think. We need to find the medical solutions.

I remember Christopher Reeve, who played Superman, being put into a wheelchair as a result of a horseriding accident. He tried to find ways forward, and I remember him saying that cloning may get us the result, but nothing could save poor Christopher's life, or even get it back on track. From my observation, we are a long way off getting the results we want from cloning for research.

Further, if the bill passes it will prohibit placing a human embryo clone in the body of a human or animal. That is a good thing, and I reflect on what the member for Newland said about what was going on in the Second World War, when Germany was trying to achieve the master race and creating people who were tall blondes with blue eyes.

*The Hon. J.D. Hill interjecting:*

**Mr PEDERICK:** I do not quite make it, John: there is too much Anglo-Saxon and English background for me to have been involved in that. We definitely need to be mindful of the actions of history.

I will reiterate some of the arguments against embryonic stem cell research. There is a moral difference between creating an embryo to be destroyed and creating one for reproduction, and that is the nub of the argument. There is a moral difference between omissions and actions. It is a different thing to allow embryos to succumb than to actively make them die. You also can get stem cells from adults. Adult stem cell research shows much more potential. A human embryo has the status of a person or potential person and should not be harmed.

In reflecting on some of the local lobbying, I point out that some people in my electorate were quite concerned when they knew of this debate coming up and made their viewpoint known. There was no way they wanted the legislation to go through. I have had some correspondence, and I will read out a couple of paragraphs from Family Voice Australia, as follows:

The apparent rationale behind the bill (and comparable legislation passed elsewhere) is that scientists need to clone human embryos—as the only source of pluripotent stem cells (those which are capable of becoming any type of cell)—that are patient specific and could perhaps one day treat or cure diseases. But in November 2007 Japanese scientists documented that pluripotent stem cells could be produced readily by reprogramming ordinary skin cells.

Consequently, embryonic stem cell research has now been superseded. Scientists who had supported the cloning of human embryos have now stated that induced pluripotent stem cells (iPS cells) can be made more efficiently and without the ethical difficulties associated with cloning. Pioneer cloning researcher Professor Ian Wilmut said the new discovery which requires no cloning of embryos was, 'extremely exciting and astonishing', and he now plans to do research in this area. This approach, he says, represents the future for stem cell research, in contrast to the nuclear transfer method (cloning) that his team used more than a decade ago to create Dolly the sheep. Moreover, a team of scientists has just published a report demonstrating they have produced a number of disease-specific stem cell lines using cell reprogramming.

I note some other correspondence I have received from lobbyists condemning this bill. We have to be careful in our discussions on this bill because it is like the Rolls Royce has come forward and



run over the old bomb, so to speak. New technology has been found in the last 12 months or so and there is Japanese research to get around the ethical argument, the religious argument and the mechanics of the issue of harvesting eggs and people having to work out whether or not they agree with it. With those few words, I express my opposition to the bill, but I certainly respect other members' point of view.

**Mr RAU (Enfield) (12:57):** I will be very brief in relation to this matter. First, I recognise my many shortcomings, one of which is that I am not a scientist and I am in no position to pass judgment on the technology debate, other than to listen to people proposing and opposing all the technology points. I know I am not equipped to deal with that and, therefore, I do not propose to enter into the debate on that basis.

I have two matters of concern. First, you can call it moral or ethical, or whatever you like, but I do not agree with approving the creation of a potential person for the explicit purpose of experimentation and destruction. That is my first point. Secondly, I have a concern in relation to new section 16 of the bill which purports to prohibit a trading in human gametes and which provides for quite serious penalties in the case of people getting involved in this. Section 16 provides:

- (1) A person commits an offence if the person intentionally gives or offers valuable consideration to another person for the supply of a human egg, human sperm or a human embryo.  
Maximum penalty: Imprisonment for 15 years.
- (2) A person commits an offence if the person intentionally receives, or offers to receive, valuable consideration...

In other words, both sides of that equation are covered—the donor and the person seeking it. In new subsection (3)(a) there is a definition of 'reasonable expenses' which are exempted from this prohibition, but I note in new subsection (3)(a) there is the very interesting and open-ended phrase 'but is not limited to expenses'. It is unclear exactly what that means.

My point is that there will be many women from whom it will be difficult to get this material. Why would any woman go through what is involved in producing an egg, for the purpose of that egg to be destroyed or used in research, when anyone who knows anything about IVF can tell us that the experience is very unpleasant? I seek leave to continue my remarks.

Leave granted; debate adjourned.

*[Sitting suspended from 13:00 to 14:00]*

#### **STATUTES AMENDMENT AND REPEAL (TAXATION ADMINISTRATION) BILL**

His Excellency the Governor assented to the bill.

#### **CLASSIFICATION (PUBLICATIONS, FILMS AND COMPUTER GAMES) (CLASSIFICATION PROCESS) AMENDMENT BILL**

His Excellency the Governor assented to the bill.

### **ANSWERS TO QUESTIONS**

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

#### **FASD SUPPORT**

**27 Mr HANNA (Mitchell)** (30 September 2008).

1. When will the government establish appropriate diagnostic and support services for people with FASD and their families?

2. Why aren't there any government funded services for FASD sufferers given that there could be more than 200,000 sufferers Australia wide?

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

1. Diagnosis of FASD is a clinical assessment to determine whether the child's features meet defined international criteria. The diagnostic process is undertaken at the Women's and Children's Hospital (WCH) and consists of screening and referral by health professionals,

physical examination and differential diagnosis, investigations such as an MRI brain scan, neuro-behavioural assessment and exclusion of alternative diagnoses by appropriate clinical assessment and laboratory tests.

2. The Children, Youth and Women's Health Service (CYWHS) provides support to women with alcohol problems through:

- the WCH Strengthening Links program which provides case management to women;
- the Drug and Alcohol Services South Australia Obstetric program which is held every Wednesday at the WCH campus in conjunction with the antenatal clinic. This service provides consultation, liaison, client advocacy, education, clinical assessment and treatment for substance abuse using women prior to and during pregnancy. It also provides support for mothers in the postnatal period. All support provided is consistent with the practices outlined in the 'National Clinical Guidelines for The Management of Drug Use during Pregnancy' produced by the New South Wales Department of Health in March 2006.

In addition, information is available at the hospital in the form of patient information booklets and pamphlets, which clearly state the danger of alcohol consumption during pregnancy.

CYWHS in conjunction with the Department of Health and the National Organisation for Foetal Alcohol Syndrome and Related Disorders Inc developed and ran the 'Pregnancy and Alcohol don't mix' campaign in 2005 and again in 2007. This campaign raised community awareness about the amount of alcohol considered safe for pregnant women to drink from 68 per cent of the community in 2004 to 79 per cent in 2005.

People with FASD require an appropriate range of treatments and services comparable to those with psychiatric disability, acquired brain injury and/or substance abuse issues.

These services are provided by specialist Mental Health Services, Disability SA, the Exceptional Needs Unit, the Brain Injury Rehabilitation Unit and the Office for Disability and Client Services.

There are also a number of targeted programs provided by the Department for Families and Communities for those with complex needs, including:

- Psychiatric Disability Support Service—psychiatric assessment and planning for people with complex disability;
- Dual Disability Program—coordination and enhancement of services provided to individuals by Disability SA and Mental Health Services;
- Management Assessment Panel—for very complex individuals who require a case conference and ongoing planning;
- Metro Options—intensive community support for people with dual diagnosis;
- Street to Home Service—assessment and ongoing intervention and support for homeless individuals with complex needs.

#### **AUSTRALIAN FEDERAL POLICE ASSIGNMENTS**

**28 Mr HANNA (Mitchell)** (30 September 2008). How many South Australian police and other state emergency services' personnel have been reassigned to the Australian Federal Police for service in East Timor, the Adelaide Airport and the Northern Territory, respectively, since 1992, and what are the associated staff costs to this state in providing these services?

**The Hon. M.J. WRIGHT (Lee—Minister for Police, Minister for Emergency Services, Minister for Recreation, Sport and Racing):** The Minister for Police has provided the following information:

Since 1992, there has been a total of 104 SAPOL personnel reassigned to the Australian Federal Police for service in East Timor/PNG/Solomon Islands, and the Adelaide Airport.

These numbers are broken down as follows:

- East Timor/PNG/Solomon Islands (2000-07)—80
- Adelaide Airport (2006-07)—24

The assignments to the International Deployment Group have varied in duration, and have generally involved up to ten officers at any one time. In every case, SAPOL members have been directly employed by the AFP (on leave without pay from SAPOL) and there have been no ongoing staff costs. These arrangements were ratified in 2004 by a memorandum of understanding with the AFP which provided for the payment of an administration fee to SAPOL for each officer assigned. This fee was \$30,000 in 2004 and in 2005, and was increased (by agreement) to \$35,000 in 2006.

The assignment to the Adelaide Airport consists of all 24 officers at one time, for two years duration. These SAPOL members have been directly employed by the AFP (on leave without pay from SAPOL) and there have been no ongoing staff costs. These assignments are covered by a specific memorandum of understanding with the AFP which provides for the payment of an administration fee to SAPOL for each officer assigned. In the first year of deployment (2006-07) this fee was \$36,000 and in the second year (2007-08) the fee is \$34,000.

The total cost to SAPOL of providing five officers to the Northern Territory Police for service in remote indigenous communities was estimated to have cost \$697,856 which will be recovered from the commonwealth.

### MURRAY-DARLING BASIN

**135 Mr HAMILTON-SMITH (Waite—Leader of the Opposition)** (30 September 2008). How much pressure is the state government putting on the federal government to use its authority to stop or buy back the allocation of water for the growing of cotton and rice in the Murray-Darling Basin?

**The Hon. K.A. MAYWALD (Chaffey—Minister for the River Murray, Minister for Water Security):** The South Australian government has been actively and assertively pursuing a better deal for the River Murray over many years. SA was the first jurisdiction to cap our extractions from the river in 1969. The rest of the basin followed suit in the 1990's.

The SA government has lead the way in advocating for the purchase of water from willing sellers for return to the river (which until January 2007 was opposed by federal and other jurisdictions). We successfully negotiated the Living Murray Initiative first step to recover 500 gigalitres of water for environmental flows for the river by 2009. SA's target is to recover 35 of the 500 gigalitres by June 2009, and we will achieve this, mainly through the purchase of water from willing sellers.

In negotiating the new Intergovernmental Agreement on Murray-Darling Basin Reform, the SA government not only took the lead and successfully negotiated a new independent Murray-Darling Basin Authority that will develop a basin wide plan that will set new sustainable diversion limits (caps) on surface and groundwater extraction from each valley in the basin. We have strongly encouraged the federal government to purchase water from willing sellers in the basin to address long-standing overallocation issues, particularly in upstream catchments.

### WATER RECYCLING

**137 Mr HAMILTON-SMITH (Waite—Leader of the Opposition)** (30 September 2008). What plans are there for recycling water that flows down the Sturt Creek and the River Torrens?

**The Hon. K.A. MAYWALD (Chaffey—Minister for the River Murray, Minister for Water Security):** I am advised the South Australian government supports the capture and harvesting of stormwater where it is appropriate and cost-effective to do so. The government's Water Proofing Adelaide strategy sets a goal to increase total stormwater use in the Adelaide area to 20,000 megalitres per year by 2025, which is equivalent to about 10 per cent of Adelaide's mains water use.

Examples of stormwater harvesting schemes which the government is supporting include the Water Proofing Northern Adelaide project, the Metropolitan Stormwater Reuse project, rainwater tank policy and the Rainwater Tank and Plumbing Rebate Scheme. The rainwater tank initiatives help to capture and reuse stormwater before it enters the stormwater system such as Sturt Creek and the River Torrens.

Another initiative of this type is the Lochiel Park Green Village development, which the state government announced in 2004. The development will involve significant harvesting and treatment of stormwater before it enters the River Torrens, with reuse of harvested water for irrigation and some laundry uses. Rainwater tanks will also harvest roof runoff for use.

### LAKE ARGYLE WATER

**141 Mr HAMILTON-SMITH (Waite—Leader of the Opposition)** (30 September 2008). Has the government investigated the feasibility of piping water from Lake Argyle in the Kimberley across to the Adelaide to Darwin train track then down and across into the Murray?

**The Hon. K.A. MAYWALD (Chaffey—Minister for the River Murray, Minister for Water Security):** I am advised that over the years a number of large scale schemes have been suggested to tap into major water resources across Australia to pipe water to South Australia. These schemes generally require large pipelines, multiple pumping stations and power supplies in remote areas.

A number of options were investigated at a concept level as part of the Water Proofing Adelaide project, including Lake Argyle in the Ord River Scheme. The capital cost for a 150 gegalitres per year supply scheme was assessed at approximately \$10.65 billion, ongoing costs of about \$390 million per year, and a cost of supply of about \$9.30 per kilolitre.

In addition to the cost, energy requirements, potential greenhouse gas impacts and water quality management for source and receiving waters were also identified as significant issues.

The assessment largely confirmed results from past investigations indicating that pumping water over very long distances is extremely expensive and not economically viable.

The investigations were conceptual and did not specifically consider detailed pipeline routing, such as via the Adelaide to Darwin train route. Given the high indicative costs, it would not be a justifiable use of state government resources to initiate a detailed assessment.

### SOUTH-EAST CANALS

**142 Mr HAMILTON-SMITH (Waite—Leader of the Opposition)** (30 September 2008). Does the government have any plans to reroute the canals from the South-East into Lake Albert?

**The Hon. K.A. MAYWALD (Chaffey—Minister for the River Murray, Minister for Water Security):** I am advised:

There is no proposal to divert water directly from the South East drains to Lake Albert. There is a proposal to divert water from the Lower South East to the Upper South East drains, which in very high periods of flow will feed into the south lagoon of the Coorong.

In relation to the issue of seawater inputs to Lake Albert, this is being investigated as a potential short-term response to the risk of acidification of the lake.

Lake Albert salinity levels are currently around 4900 EC, while sea water is around 50,000 EC.

### DESALINATION PLANT

**144 Mr HAMILTON-SMITH (Waite—Leader of the Opposition)** (30 September 2008). Why was it necessary to have a pilot scale desalination plant if the desalination plant is 'off-the-shelf' and when will a full scale desalination plant in Adelaide be fully operational?

**The Hon. K.A. MAYWALD (Chaffey—Minister for the River Murray, Minister for Water Security):** While many of the components may be 'off-the-shelf' items, but each desalination plant is custom built to a local design specification, which is typically a function of feed water quality, product water quality and unit production requirements.

Pilot-scale testing is strongly advised for any large-scale desalination plant. Inadequate pre-treatment, as a result of lack of understanding of water quality, could result in rapid membrane failure. Irreversibly fouling membranes in a small-scale pilot plant is far less costly and provides valuable design information.

Piloting also provides the opportunity to examine the performance of the reverse osmosis system, with respect to water quality. Removal of certain substances of significance (e.g. boron, bromide) is often not easily predicted, so piloting is recommended by membrane manufacturers.

The Adelaide desalination plant is currently expected to be fully operational, in December 2011 at the latest.

### PAPERS

The following papers were laid on the table:

By the Premier (Hon. M.D. Rann)—

Auditor-General's Department—Report 2007-08

By the Treasurer (Hon. K.O. Foley)—

Water and Wastewater Prices in Metropolitan and Regional South Australia—  
Transparency Statement—Report 2007-08

By the Minister for Transport (Hon. P.F. Conlon)—

Regulations under the following Act—  
Development—Tramline—Schedule 3 Activities

By the Attorney-General (Hon. M.J. Atkinson)—

Classification Council, South Australian—Report 2007-08  
Equal Opportunity, Office of the Commissioner for—Report 2007-08  
Legal Services Commission of South Australia—Report 2007-08  
State Electoral Office—Report 2007-08  
Terrorism (Preventative Detention) Act 2005—Report 2007-08

By the Minister for Police (Hon. M.J. Wright)—

Witness Protection Act 1996—Report 2007-08

By the Minister for Mental Health and Substance Abuse (Hon. J.D. Lomax-Smith)—

Regulations under the following Act—  
Controlled Substances—  
General—Prescribed equipment  
General—Taking of Cannabis Samples

By the Minister for Agriculture, Food and Fisheries (Hon. R.J. McEwen)—

Advisory Board of Agriculture—Report 2007-08  
Chicken Meat Industry Act 2003—Report 2007-08  
Citrus Industry Development Board, South Australian—Report 2006-07  
Dairy Authority of South Australia—Report 2007-08  
Phylloxera and Grape Industry Board of South Australia—Report 2007-08  
Regulations under the following Act—  
Fisheries Management—  
Fish Processors—Delivery of Cockles  
Marine Scalefish Fisheries—Cockle Quotas  
Rock Lobster Fisheries—Cockle Quotas

By the Minister for Families and Communities (Hon. J.M. Rankine)—

Regulations under the following Act—  
Liquor Licensing—Dry Areas—  
Adelaide and North Adelaide  
Various  
Local Government By-laws—  
Roxby Downs Council  
No. 1—Permits and Penalties  
No. 2—Dogs and Cats

By the Minister for Housing (Hon. J.M. Rankine)—

South Australian Housing Trust—Report 2007-08

By the Minister for the Ageing (Hon. J.M. Rankine)—

Ageing, Office for the—Registrar's Annual Report 2007-08—Activities Associated with the  
Administration of the Retirement Villages Act 1987

### FIREFIGHTING AIRCRAFT

**The Hon. M.J. WRIGHT (Lee—Minister for Police, Minister for Emergency Services, Minister for Recreation, Sport and Racing) (14:06):** I seek leave to make a ministerial statement.

Leave granted.

**The Hon. M.J. WRIGHT:** I rise to advise the house of the government's arrangements for firefighting aircraft for this year's fire season. The recent hot weather and the season's first total fire bans over the weekend signal a warning for a potentially dry and hazardous fire season. The South Australian community will benefit this fire season by having a high-volume Erickson Air-Crane helicopter based in South Australia. In the past, we have been well served by this resource being available in South Australia when not needed in other states. However, the State government recognises the greater benefits of having an air-crane based in South Australia, particularly with the current seasonal outlook.

The air-crane (which is capable of carrying 7,200 litres of water) will provide a significant boost to the firefighting capabilities of the CFS by bringing the number of aircraft available for deployment in this state to 14. In addition to the Erickson Air-Crane there will be another 13 firefighting and aerial surveillance aircraft, including three Bell helicopters, seven fixed-wing air tractors and three fixed-wing surveillance aircraft.

The Rann Labor government has increased spending on aerial firefighting every year to a record \$6.8 million in this year's state budget. This total includes \$1.85 million from the federal government's national funding package for aerial firefighting. Over the next few weeks the CFS fleet of firefighting aircraft will begin their service for the fire danger season, covering all the high-risk areas across South Australia, including Lower Eyre Peninsula, Mount Lofty Ranges and the Lower South-East. This fire danger season, the Rann government has ensured that there will be more aircraft with increased capacity and improved flexibility of the fleet.

### VISITORS

**The SPEAKER:** I draw to the attention of honourable members the presence in the gallery today of students from Highgate Primary School, who are guests of the member for Unley, students from Sunrise Christian School, who are guests of the member for Morialta, and family and friends of Muriel Matters, who was a United Kingdom suffragette pioneer, who are guests of the member for Florey.

### QUESTION TIME

#### LABOR PARTY

**Mr HAMILTON-SMITH (Waite—Leader of the Opposition) (14:11):** My question is to the Premier. Will he be supporting the preselection of the member for West Torrens, the member for Newland, the member for Enfield, the member for Napier and the Hon. Bernie Finnigan MLC?

*Members interjecting:*

**The SPEAKER:** Order! Before the Premier answers, that question is not in order. The Premier does not have any responsibility to the house on that matter.

**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) (14:11):** I am very happy to say that they have already been preselected, to the best of my knowledge, and I am looking forward to campaigning for them so that we do not have to put up with a government in this state that has no vision and, of course, over the years has spent all of its time shafting each other.

*Members interjecting:*

**The SPEAKER:** Order! Irrespective of the Premier's answer, the question was out of order.

### ROYAL ADELAIDE HOSPITAL OBSTETRICS SERVICE

**Ms THOMPSON (Reynell) (14:12):** My question is to the Minister for Health.

*Members interjecting:*

**The SPEAKER:** Order! The member for Reynell.

**Ms THOMPSON:** How much will the opposition's new plan to set up an obstetrics service at the Royal Adelaide Hospital cost?

**The Hon. J.D. HILL (Kaurana—Minister for Health, Minister for the Southern Suburbs, Minister Assisting the Premier in the Arts) (14:12):** I thank the member for her question. I was most surprised this morning to learn that the opposition appears to have embarked on a new policy direction in that it will put an obstetrics service at the Royal Adelaide Hospital. The evidence of this, of course, came out of the lips of the Leader of the Opposition himself. I am told that the Leader of the Opposition on Radio FIVEaa this morning—and members can check the tape—was speaking to a well-known caller to FIVEaa, a woman called Rosa. I think the Premier knows Rosa well.

*Members interjecting:*

**The SPEAKER:** Order! I have two points of order. I will take that of the member for Schubert first.

**Mr VENNING:** Sir, the question is out of order, because it is hypothetical, and it is opposition policy, which has nothing to do with the government.

**The SPEAKER:** No; it is not hypothetical. The member for MacKillop.

**Mr WILLIAMS:** I was wondering, sir, what responsibility the Minister for Health has to the house on a matter that the Leader of the Opposition said in jest on a radio station this morning.

*Members interjecting:*

**The SPEAKER:** Order! I did not hear the interview. The question was about issues of policy in the health area.

**Mr WILLIAMS:** Not the government policy, sir. Nothing to do with government policy.

*Members interjecting:*

**The SPEAKER:** Order! As I understood the question, it related to policy in the health portfolio, and the Minister for Health obviously has responsibility to the chamber for matters in his portfolio. The Minister for Health.

**The Hon. J.D. HILL:** It is interesting to see the opposition running away from this latest policy initiative, because this morning on Radio FIVEaa, the Leader of the Opposition said to caller Rosa that if the Royal Adelaide Hospital were patched up, her daughter 'will be in the next room having her first child'. This is a breakthrough policy initiative because, as most members would know, there are currently no obstetrics services at the Royal Adelaide Hospital. I checked to find out when the Royal Adelaide Hospital had an obstetrics service and have been told that, as far as records go, there has never been a dedicated obstetrics service at that hospital. So, this breakthrough policy would cost an enormous sum of money which would, of course, have to be added to the additional funds that the opposition would spend in their patch-up job of the Royal Adelaide Hospital—compared to what the government would do, which is build a new hospital.

So, how much would it cost to put an obstetrics service at the Royal Adelaide Hospital? Well, I can certainly ask Treasury to provide a more detailed case for the Leader of the Opposition as he goes about costing his policy promises, but the advice I have is that it would cost about \$500 million. Of course, it would probably mean closing down the Women's and Children's Hospital at North Adelaide. I do not know if that is part of the Leader of the Opposition's policies as well, but it would be interesting if he could tell the public of South Australia what he is trying to say or what he is doing.

When I raised this issue the opposition said that it was a joke. That demonstrates that the Leader of the Opposition will say anything to anyone, including a joke caller on FIVEaa. He makes policy on the run. He has no idea about the health system and he is ignorant of the services provided at the Royal Adelaide Hospital. He slipped up today and is trying to cover his backside by pretending it was a joke.

*Members interjecting:*

**The SPEAKER:** When everyone is ready I will call the Leader of the Opposition.

*Members interjecting:*

**The SPEAKER:** Are we ready? The Leader of the Opposition.

#### **CABINET MINISTERS**

**Mr HAMILTON-SMITH (Waite—Leader of the Opposition) (14:17):** My question is again to the Premier. Who are the 'duds' described by Labor members of parliament in the Premier's cabinet line-up? Do they include Gail Gago MLC, Carmel Zollo MLC, the member for Lee and the member for Croydon? In light of backbench dissent within his government, will the Premier rule out a further cabinet reshuffle before March 2010? A Labor member of parliament stated publicly on 24 October 2008 that:

Everyone knows there are duds in the cabinet. I don't have to tell you that the rest of cabinet knows it, stakeholders and the media know it, heads of departments know it.

The written account then names four members of parliament identified by their Labor members of parliament colleagues as duds.

*Members interjecting:*

**The SPEAKER:** Order! The Premier has the call.

**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) (14:19):** I find it extraordinary, because during the time that I have been leader of the Labor Party there have been five Liberal leaders. It is like a hurdy-gurdy over there. Of course, when the Liberals talk about loyalty—

*Members interjecting:*

**The SPEAKER:** Order!

**The Hon. M.D. RANN:** —we all remember that moment, as Rob Kerin and Iain Evans would remember, when the Leader of the Opposition said 'I'm right behind you, Rob' and 'I'm right behind you, Iain.' I have seen off quite a few Liberal leaders and I expect to see this one off as well.

#### **CABINET MINISTERS**

**Mr HAMILTON-SMITH (Waite—Leader of the Opposition) (14:19):** I have a supplementary question. Will the Premier then guarantee that the members for Mount Gambier and Chaffey will remain in his cabinet through to March 2010 or, if they are removed from office, does he stand by his commitment made on radio on 22 November 2002 to contain the size of cabinet by not replacing them?

**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) (14:20):** I am not sure what that was supplementary to, but I can tell the Leader of the Opposition that the members for Mount Gambier and Chaffey have my total confidence and support. Let me just explain something. The fact that the leader of the National Party and the member for Mount Gambier, who is an Independent, are in our cabinet is an example that we are a government for all the people of this state, rather than from the sectional interest groups that members opposite represent.

*Members interjecting:*

**The SPEAKER:** Order!

#### **NGAUT NGAUT CONSERVATION PARK**

**Ms BREUER (Giles) (14:20):** Will the Minister for Environment and Conservation inform the house how the government is working with the Aboriginal community in Mannum to co-manage the Ngaut Ngaut Conservation Park? Ngaut Ngaut: perhaps some members opposite might be interested in going there.

**The Hon. J.W. WEATHERILL (Cheltenham—Minister for Environment and Conservation, Minister for Early Childhood Development, Minister for Aboriginal Affairs and Reconciliation, Minister Assisting the Premier in Cabinet Business and Public Sector Management) (14:20):** I thank the honourable member for this question. It was my great pleasure to be at the Ngaut Ngaut Conservation Park on Saturday to launch its management plan. This is one of the really bright spots in Aboriginal affairs in this state. In many respects we lead the nation



in the way in which our co-managed parks have been set up. Something like 60 per cent of our state's parks are now under management plans, including the Ngaut Ngaut Conservation Park.

The management plan is one of many co-management plans throughout the state that intimately involve the traditional owners in the management of the parks, and it has been one of the keys to the success of that initiative. Not only does it involve Aboriginal people in the care and control of their own country, but it also adds something very special to the cultural experience in these parks.

This particular park is well known for its extensive rock engravings and, of course, this plan is about ensuring that they are protected, but it is also a very important site from an archaeological perspective. Indeed, in the 1920s, Tindale and some of the other archaeologists of the day carried out extensive surveys of this area, with about 13 feet of digs in that area that demonstrated 1,000 years of continuous occupation in this one site.

It is a fascinating historical record of the way in which the Aboriginal people stayed at this site and used it. It also gives a very important window into the traditions associated with the way in which people left sites around the death of children and family and then returned to that site over a period of time. So, there is an incredibly rich cultural heritage there, which is explained by Aboriginal people, the descendants of the traditional owners.

The other extraordinary thing about this park is that all of the infrastructure there has been funded by the Aboriginal community itself out of the earnings it has received, with, I think, a small amount of assistance from tourism, but certainly out of a lot of its own proceeds. What they have done in this community is that they have really gone by the principle that you have to reinvest in your own community. They have been incredibly self-sufficient. It is a strong community, built around a particular family. Mr Richard Hunter was the patriarch of this family, and his daughter Isobel now continues that tradition.

The new plan is designed to protect sites and objects of significance. It will also mean that many more people will be able to enjoy this site. I would like to acknowledge my predecessor, John Hill, the minister for the environment, who signed the co-management agreement with the Mannum Aboriginal Community Association Incorporated, which now runs this very important site.

#### LABOR PARTY

**Ms CHAPMAN (Bragg—Deputy Leader of the Opposition) (14:23):** My question is to the Treasurer. Did he utter the words, 'I am ready to lead', or words to that effect, during the leadership discussions with Labor MPs in the last sitting week?

*Members interjecting:*

**The SPEAKER:** Order!

**The Hon. K.O. FOLEY (Port Adelaide—Deputy Premier, Treasurer, Minister for Industry and Trade, Minister for Federal/State Relations) (14:24):** I refrain from sharing with the house many conversations I have had in this parliament, but if the Liberals would like me to start sharing some of the conversations I have had with them over the years about leadership I could write a book. I could say who leaked me a water contract; I could say who leaked me cabinet submissions; I could say who undermined whom. It would be a very interesting read of *Hansard* if I were to do that. But I have no intention of doing that.

*Members interjecting:*

**The SPEAKER:** Order!

**Mr Hamilton-Smith:** Name them!

**The Hon. K.O. FOLEY:** You want me to?

*Members interjecting:*

**The SPEAKER:** Order!

*Members interjecting:*

**Mr Hamilton-Smith:** Otherwise you've made it up.

**The Hon. K.O. FOLEY:** Right; name them or I've made it up. Is that the best you can do?

*Members interjecting:*

**The SPEAKER:** Order! The house will come to order. The member for Florey.

### MATTERS, MURIEL

**Ms BEDFORD (Florey) (14:25):** Will the Premier report on the commemoration of South Australian suffragette Muriel Matters' work in this building today.

**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):** At last, a tough question! Today we commemorate the centenary—

*Mr Hamilton-Smith interjecting:*

**The Hon. M.D. RANN:** The Leader of the Opposition who thinks that loyalty is something to do with frequent flyer points! 'I'm right behind you, Rob,' he said. 'I'm right behind you,' he said to Iain Evans. As every member of this house would know, today we commemorate the centenary of a landmark event and the life of a remarkable South Australian. Muriel Matters was more than a gifted orator and stage performer and more than an outspoken advocate for the rights of women. She was also a canny political campaigner and a passionate advocate for numerous causes, including prison reform.

It was terrific to be able to attend today's event with the honourable member, Jane Lomax-Smith, Steph Key and others. Lady Downer was there, and others too, to commemorate a truly remarkable South Australian. Muriel Matters is forever remembered for her role in the House of Commons' famous 'grille' incident, which took place 100 years ago today. Muriel Lilah Matters was born in Bowden (in the electorate of the Attorney-General, I guess) on 12 November 1877, the third of 10 children. She studied elocution and music, but it was her interest in literature that formed her political views.

Muriel was inspired by the writings of the American poet and essayist Walt Whitman and Norwegian playwright Henrik Ibsen—not Albert Camus, I want to remind the Leader of the Opposition. Indeed, it was reading Ibsen's *A Doll's House* (regarded by some as the first true feminist play) when she was aged 14 that first excited her interest in women's suffrage. Muriel Matters was doubtless also influenced by the political debates of the day. After all, she was aged 16 in 1894 when South Australia became the second international jurisdiction, after New Zealand, to give women the right to vote.

At the same time, our state became the first jurisdiction in the world to allow women to stand for parliament. In her formative years, Muriel Matters lived in Adelaide, Sydney, Melbourne and Perth. As a musician, actor and theatre director she mixed with literary-minded friends, a number of whom were from Europe. Those friends helped reinforce her socialist views, and her political philosophies were strengthened even further when she arrived in Great Britain in 1905; there Muriel Matters was confronted by the stark reality and the glaring inequality of the British class system.

She also found herself at the centre of the emerging struggle for women's political freedom. Within six weeks of landing in London she was attending meetings of the Women's Social and Political Union, and in 1907 she abandoned her acting career and joined the increasingly influential Women's Freedom League. Muriel soon became a prominent suffragette and conducted public lectures at Hyde Park's famous 'Speakers Corner'. In 1908 Muriel Matters took the Women's Freedom League's first propaganda caravan on the road through Surrey, my home county of Kent, and Sussex to spread the suffragette message beyond London.

On 28 October 1908 she guaranteed herself political immortality when she became the first woman to give a speech in Britain's House of Commons. Muriel and her fellow activist Helen Fox (I am not sure whether she is related to the member for Bright) used burglar-proof chains to tether themselves to the brass grille that divided the ladies' gallery from the rest of parliament. The grille was used to make sure that women could not be seen and definitely not be heard by the members of parliament, all of whom were men. After chaining herself to the grille, which she described as 'that offensive barrier', Muriel unfurled her suffragette banner and began shouting suffrage proclamations about votes for women.

In order to remove the protesters, the parliament's security staff were forced to also remove a large section of the grille. It was never ever replaced. Muriel was forced to stand trial and was sentenced to a month's imprisonment at London's Holloway prison. It was her incarceration that sparked in Muriel an interest in prison reform, one that she pursued with characteristic vigour upon

her release—and that is an area that I know that I, the Deputy Premier and Muriel Matters have in common.

After her release, Muriel Matters turned her remarkable talents and energies to political campaigning. She worked in Wales and Ireland, and in 1909 she organised and flew in an airship (or a dirigible) from which she flung leaflets over London calling for 'Votes for Women'. The balloon was followed by a motorcade of suffragists brandishing megaphones, who delivered a series of short speeches on the need for women to be enfranchised. It was a brilliantly planned and executed political campaign that was as visionary as it was effective.

In 1910, Muriel Matters returned to Australia, but she continued her work on behalf of women all around the world. She conducted lectures, she denounced the existence of sweatshops and advocated women's unions, equal divorce laws, equal pay for equal work and support for unmarried mothers. She also helped secure a motion from the Australian Senate, which was cabled to then British prime minister Herbert Asquith.

Upon returning to Britain, Muriel Matters remained an activist for women's suffrage and for other social issues. In 1924, with women's suffrage finally granted—decades after it was here in South Australia—she ran for the British parliament in the seat of Hastings, which was an established conservative stronghold—and probably was until Tony Blair's election. She was unsuccessful but continued to live in Hastings on the Sussex coast until her death in 1969 at the age of 92.

Muriel Matters was an inspirational South Australian about whom many South Australians would know very little. She fought for rights that are taken for granted throughout most of the world today. She was a woman ahead of her time. She was a determined activist, a visionary campaigner and a great South Australian. I want to say that her influence continues to resonate, her contribution will be forever remembered, and we are proud to honour her memory and her achievements today on this centenary.

#### LABOR PARTY

**Ms CHAPMAN (Bragg—Deputy Leader of the Opposition) (14:32):** My question again is to the Deputy Premier. Will he rule out standing for the leadership of the parliamentary Labor Party before March 2010? The Deputy Premier told local media on 18 November 2008, 'I will not lead. I do not want to lead.' But on 20 October 2008, he qualified his remarks by saying, 'I will never be a candidate for the leader as long as Mike Rann wants to be leader.' However, speculation continues about the Premier's early retirement before 2010.

**The Hon. K.O. FOLEY (Port Adelaide—Deputy Premier, Treasurer, Minister for Industry and Trade, Minister for Federal/State Relations) (14:33):** I can in breaking news advise the house that neither do I seek nor will I seek the leadership of the Labor Party at all at any point. Will the deputy leader give the same assurance to her leader? She won't, because she wants his job and she wants to sit here.

*Members interjecting:*

**The SPEAKER:** Order!

#### LIBERAL PARTY

**The Hon. K.O. FOLEY (Port Adelaide—Deputy Premier, Treasurer, Minister for Industry and Trade, Minister for Federal/State Relations) (14:33):** I have a supplementary question, Mr Speaker. Will the deputy leader rule out taking the leadership?

**The SPEAKER:** Order! The minister cannot ask questions.

#### SOLAR SCHOOLS PROGRAM

**The Hon. S.W. KEY (Ashford) (14:34):** My question is directed to the Minister for Education. Will the minister provide the house with a report on the progress and objectives of the solar schools program?

**The Hon. J.D. LOMAX-SMITH (Adelaide—Minister for Education, Minister for Mental Health and Substance Abuse, Minister for Tourism, Minister for the City of Adelaide) (14:34):** As the honourable member knows, this government has taken a very strong stand in terms of sustainability and making sure that we have on our agenda climate change measures which are linked not only to industry but also to actual action that government can take in a range of areas. As the community is moving towards—

*Members interjecting:*

**The SPEAKER:** Order! The house will come to order. The minister has the call.

**The Hon. J.D. LOMAX-SMITH:** Thank you. As community pressure grows, it is very pleasing to find that our government is ahead of the wave of reform in terms of sustainability and has moved not only to introduce renewable sources of energy within our schools but also to use those renewable sources as a way of teaching young people about not only energy and sustainability but also a range of other elements of our curriculum. The Rann government has encouraged solar schools to incorporate sustainability across the curriculum so that it is used to teach mathematics and physics, also about the environment as well as in a range of areas in science and technology. Further to that, students in schools have been instrumental in promoting alternative energy use within the community and to their parents.

Since 2003, the government has been well on its way to achieving its goal of solar powering 250 schools, and these now equate to 131 schools that are equipped with solar panels. These schools and preschools eventually will generate a total of 750 megawatt hours per year of electricity. That will equate to 720 tonnes of carbon dioxide emissions that have been reduced. That is the equivalent—if you go for equivalents and comparisons—of 240 large six-cylinder cars each travelling 13,000 kilometres per year. Whilst no two schools are identical, it is expected that each system will generate around 3,000 kilowatt hours per year. This will generate about 2 per cent of the energy consumption by solar power used by a typical primary school. Of course, any surplus generated out of school hours, during weekends or in the summer holidays will be fed back into the grid—

*Mr Pisoni interjecting:*

**The SPEAKER:** The member for Unley will come to order.

**The Hon. J.D. LOMAX-SMITH:** —and the money paid back into the school accounts for that energy. The program is one of several initiatives to support schools and preschools to improve their energy efficiency. Other major initiatives include, of course, our green school grants.

*Mr Pederick interjecting:*

**The SPEAKER:** The member for Hammond will come to order.

*Mr Pisoni interjecting:*

**The SPEAKER:** The member for Unley is warned.

**The Hon. J.D. LOMAX-SMITH:** From this year, any schools undergoing capital works will also be equipped with solar panels. Whilst the Rann government has been instrumental with initiatives such as the building tune-up program and the Climate Change and Greenhouse Emissions Reduction Act, it can be argued that the most significant contribution that we can make to our environment is actually through our schools and education. Not only have we invested millions of dollars in making our schools more environmentally sustainable but we also believe that, as places of learning, schools will be educating our future leaders about opportunities in sustainability and the options and the ease with which renewable energy can be used within our schools. That message will be one that will be spread through the community and taken into our children's homes.

### **SUPERANNUATION UNFUNDED LIABILITY**

**Mr GRIFFITHS (Goyder) (14:38):** My question is for the Treasurer.

**The Hon. K.O. Foley:** Did Vickie pass it down to you?

**Mr GRIFFITHS:** No; this is a good one, Kevin.

**The SPEAKER:** Order!

**Mr GRIFFITHS:** This is a good one. What will be the impact of the \$3 billion increase in the state's superannuation unfunded liability? The unfunded superannuation liability in the 2008-09 budget was \$7 billion. That figure was calculated using the longest dated commonwealth government nominal bond and at a subsequent discount rate. In the last budget, the \$7 billion liability assumed its discount rate of 6.3 per cent. The Treasurer told the house on 14 October that the discount rate was now 5.7 per cent and that the unfunded super had blown out to \$8.6 billion.

Yesterday the Under Treasurer (Mr Jim Wright) told the Budget and Finance Committee that the latest discount rate was now 4.9 per cent. Using the government's own calculation, this suggests a further blow-out of unfunded super of \$1.44 billion, taking the total liability to \$10.04 billion. The Under Treasurer told the committee that such a surge in unfunded liability makes our balance sheet less strong and raises questions about the state's standing.

**The Hon. K.O. FOLEY (Port Adelaide—Deputy Premier, Treasurer, Minister for Industry and Trade, Minister for Federal/State Relations) (14:39):** Yes; and I really wish that I had the ability to stop what is happening in the world stock markets. I really wish I had that ability, as I am sure the Leader of the Opposition has and everyone else who own shares in this place, but I do not.

*Ms Chapman interjecting:*

**The Hon. K.O. FOLEY:** How was I to avoid that, Ms Vickie? How was I to avoid that?

*Members interjecting:*

**The SPEAKER:** Order!

**The Hon. K.O. FOLEY:** I heard the former Treasurer on the radio this morning. He was treasurer when short selling was first adopted as a strategy by Funds SA. His defence to that was, 'But as Treasurer, by law I am prohibited from interfering in the asset allocation of Funds SA.' He then went on to attack me for allowing short selling to occur and asking why wasn't I stopping it? Give me a break! The law of this state is very specific in that I have no power—nor would I want to, I might add—to intercede and interfere in the asset allocation decisions of Funds SA. Quite appropriately, we have a corporatised entity, with a board chaired by one of Australia's most senior and experienced company directors, a member of the Macquarie Bank board, the chair (I think) of Swiss Re in Australia, a board member of Origin Energy in Helen Nugent, and a very good quality board—

*Mr Griffiths interjecting:*

**The Hon. K.O. FOLEY:** Well, can you just wait? You asked your question, and I am giving an answer.

*Members interjecting:*

**The SPEAKER:** Order!

*Mr Hamilton-Smith interjecting:*

**The Hon. K.O. FOLEY:** What? You're a financial disaster waiting to happen. Thankfully, Mr Speaker—

*Members interjecting:*

**The SPEAKER:** Order!

**The Hon. K.O. FOLEY:** Thankfully, Mr Speaker—

*Members interjecting:*

**The SPEAKER:** Order, the leader!

**The Hon. K.O. FOLEY:** Thankfully, we have an experienced government here which is managing the state's finances very well.

*Members interjecting:*

**The SPEAKER:** Order!

*Members interjecting:*

**The Hon. K.O. FOLEY:** Sir, I am happy to continue giving the answer. I would like not to have to scream above the members opposite.

*Members interjecting:*

**The SPEAKER:** Order!

*Ms Chapman interjecting:*

**The SPEAKER:** Order!

**The Hon. P.F. Conlon:** And you don't know your elbow from your what?

**The SPEAKER:** The Minister for Transport!

**The Hon. K.O. FOLEY:** The discount rate is the rate by which we value the unfunded liability. At budget time—the member is correct—it was 6.3 per cent, or thereabouts. It has dropped; it was down to 5.7; it dropped below 5.7. It went back up, from memory; and, yes, I was advised on Monday that the discount rate was at 4.9 per cent. That variation from 5.7 to 4.9 I think did add another billion into the unfunded liability. But, Mr Speaker—

*Mr Hamilton-Smith interjecting:*

**The SPEAKER:** Order!

**The Hon. K.O. FOLEY:** How do I control a discount rate?

*Mr Hamilton-Smith interjecting:*

**The SPEAKER:** Order!

**The Hon. K.O. FOLEY:** You are a financial—

*Mr Hamilton-Smith interjecting:*

**The SPEAKER:** Order!

**The Hon. K.O. FOLEY:** He got an MBA on taxpayers' money, and he can't even understand the balance sheet.

*Members interjecting:*

**The SPEAKER:** Order! The Treasurer will take his seat for a moment. Members will cease interjecting, and the Treasurer will assist me in preventing members from interjecting by not responding to interjections. The Treasurer.

**The Hon. K.O. FOLEY:** In terms of the discount rate at 4.9 per cent, what I have said repeatedly is that we will deliver a financial statement which is looking more and more likely to be the Mid-Year Budget Review brought forward a little bit.

*Mr Pisoni interjecting:*

**The SPEAKER:** Order! The member for Unley is warned a second time.

**The Hon. K.O. FOLEY:** When a discount rate directly affects the unfunded liability, which directly affects the financial liabilities to revenue ratio by which the rating agencies measure a state's financial position, the volatility is so huge you can have a swing of \$1 billion in a week. It is impossible to put a firm quality document or statement together until we think we have some sense of stability. These are totally out of the control of not a state government, not even a national government, of world governments. George W. Bush has summoned the leaders of the G20 to Washington in two weeks' time to discuss these very issues.

I have made it clear that the government will have to slip some of its capital works projects. It will have to adjust its capital programs, because that is the only set of measures available to us quickly to ensure that our revenue to liabilities stays within a region that is acceptable to rating agencies.

A week or so ago I went to Melbourne and had a long meeting with Standard and Poor's about this very matter. I am comforted that they understand the impact of a very volatile discount rate on state balance sheets and are less concerned about that than I thought they might be—because it is totally out of the control of a government—and they accept that the volatility at some point will settle down. It is the structural shape of a budget that is the important issue for them.

Next week I am going to the United States and to the United Kingdom with the head of our financing authority to meet with a number of entities that we borrow from, that we have financial arrangements with and that we have managing our funds under management, so that we can get a better feel and understanding, if it is possible, as to what is happening at this very moment. It is an incredibly volatile situation; something the world has not seen before. Every single person's superannuation fund is being affected and we should all be scared—very scared—about what is happening in the world, and not trying to make cheap political points, and actually trying to keep—

*Members interjecting:*

**The Hon. K.O. FOLEY:** Yes.

*Members interjecting:*

**The SPEAKER:** Order!

*Members interjecting:*

**The SPEAKER:** Order!

*The Hon. R.J. McEwen interjecting:*

**The SPEAKER:** Order! The Minister for Agriculture will come to order.

*Mr Williams interjecting:*

**The SPEAKER:** And the member for MacKillop.

*Ms Chapman interjecting:*

**The SPEAKER:** And the Deputy Leader of the Opposition.

**The Hon. K.O. FOLEY:** If members opposite do not think we are in a frightening period of the economic—

**Mr Williams:** We do; we know; you made it worse.

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

**The Hon. K.O. FOLEY:** I have had a rough week, I have to say, but now I am apparently responsible for what is happening on Wall Street. All right, I am sorry. Give me a break!

*Members interjecting:*

**The Hon. K.O. FOLEY:** Jack, can we keep these people under control?

**The SPEAKER:** Order!

*Members interjecting:*

**The SPEAKER:** Order!

**The Hon. K.O. FOLEY:** If the members opposite want to blame me for what has happened on Wall Street, okay. However, I can say that these are very scary times in the world, and if you do not think that is the case I do not know what papers you are reading in the morning; I do not know what you are watching on television at night. The contagion has now hit the Middle East; we are seeing China's demand drop; we are seeing banking systems in countries in Europe almost dysfunctional; we have seen the Russian stock market close three or four times in a day. The Hang Seng was down 12.6 per cent or something yesterday and the Nikkei down 6 per cent. We are seeing Iceland's whole system collapse. These are scary, terrifying times financially and we have to be calm and cautious and across it—

*Members interjecting:*

**The SPEAKER:** Order!

*Mr Hamilton-Smith interjecting:*

**The SPEAKER:** The Leader of the Opposition will come to order.

**The Hon. K.O. FOLEY:** My language is exactly what everybody else is saying who is following this and having to manage it.

**Mr Hamilton-Smith:** Not treasurers.

**The Hon. K.O. FOLEY:** Not treasurers—for goodness' sake!

*Mr Hamilton-Smith interjecting:*

**The SPEAKER:** The Leader of the Opposition will come to order.

**The Hon. K.O. FOLEY:** You know, I am not the hero like you, Mr Hamilton-Smith; I am just a humble treasurer from humble backgrounds—all right?—doing what I think is the right thing for this state and keeping ourselves calm and will—

*Ms Chapman interjecting:*

**The SPEAKER:** The Deputy Leader of the Opposition will come to order.

**The Hon. K.O. FOLEY:** We will adjust our budget accordingly. If members opposite do not think this is the most frightening financial period this world has ever seen, arguably worse than the Great Depression, then I feel very sorry for—

*Mr Williams interjecting:*

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

*Mr Williams interjecting:*

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

**The Hon. K.O. FOLEY:** I am not fit? Why am I not fit for the job?

**Mr Hamilton-Smith:** You are reckless and irresponsible.

*Members interjecting:*

**The SPEAKER:** Order! The Treasurer will take his seat.

*Members interjecting:*

**The SPEAKER:** Order! The Leader of the Opposition is warned.

**Mr HAMILTON-SMITH:** On a point of order, Mr Speaker, I gather you were warning me because the Treasurer put a question to me and demanded an answer. It was not an interjection.

*Members interjecting:*

**The SPEAKER:** Order!

**Mr HAMILTON-SMITH:** Where is the fairness in your ruling, Mr Speaker? If you are going to pull us up, what about them?

*Members interjecting:*

**The SPEAKER:** Order! I do not like the tone that the Leader of the Opposition has taken. I warned the Leader of the Opposition for continuing to interject that the Treasurer was reckless in his comments, despite my earlier calls to order. I do not see how I can be any more fair to either side. I do ask the Treasurer not to respond to interjections. When he does respond to an interjection, he does take it, to an extent, out of my hands to bring members to order, but when I call for order, I expect members to observe that call. If they do not, then I will warn them and, if necessary, I will name them, not so much for the interjection but for refusing to follow the call of the chair to order. Has the Treasurer finished his remarks?

**The Hon. K.O. FOLEY:** I just conclude my remarks by saying this: clearly, the Leader of the Opposition is rattled. He is under pressure, and his body language is showing that.

*Members interjecting:*

**The SPEAKER:** Order! The Treasurer is debating. We will just move on. The member for Little Para.

**Mr HAMILTON-SMITH:** I rise on a point of order, Mr Speaker. Will you start to enforce warnings for members of the government when they respond to interjections and when they encourage interjections so as to create warnings? Will you start to be fair?

*Members interjecting:*

**The SPEAKER:** Order! The Leader of the Opposition will withdraw his call for me to start to be fair, which implies that the chair has not been fair. I direct the Leader of the Opposition to withdraw unreservedly.

**Mr HAMILTON-SMITH:** I withdraw the term 'be fair', sir.

*An honourable member interjecting:*

**The SPEAKER:** Order! If the Leader of the Opposition has any quibble with my chairing of question time, he has two options. One is that I am more than happy to see him privately. I am more than happy to see privately any member of the house and to talk to them about any grievance they have about any ruling that I have made. The other alternative is to move dissent with my ruling



or move a no confidence motion. Only under those circumstances can members call into question my conduct in the chair.

No member of the opposition, in the entire time that I have been Speaker, has ever made an approach to me about my conduct in the chair. I reject the Leader of the Opposition's accusation and take it very seriously. As soon as the Treasurer began to debate the question, having called the house to order, I sat him down in order to proceed to the next question, and that is what I will do. The member for Little Para.

### VETERANS' AFFAIRS

**The Hon. L. STEVENS (Little Para) (14:53):** My question is to the Minister for Veterans' Affairs. Will the minister explain the function of his portfolio and that of the Veterans' Advisory Council?

*Mr Venning interjecting:*

**The SPEAKER:** The member for Schubert.

**The Hon. M.J. ATKINSON (Croydon—Attorney-General, Minister for Justice, Minister for Multicultural Affairs, Minister for Veterans' Affairs) (14:54):** Not only does this question deal with one of our most recently created portfolios, Veterans' Affairs, but it also comes at a time when we have many men and women serving our nation on operational service overseas. Members of the house may not realise that the last five years of the Iraq conflict created more than 3,700 new war veterans for our nation.

With the continuing conflict in Afghanistan, together with the enormous defence expansion planned for our state, thousands of veterans and their dependants will pass through our state on postings. It is not commonly known that there are more than 40,000 veterans, dependants and associated recipients of commonwealth Department of Veterans' Affairs benefits living in South Australia. There is an equal number of veterans and dependants who do not receive any benefits but who still identify with the well-organised veterans' community, meaning that the veteran community in South Australia is about 80,000. The Rann government wants to ensure their recognition by honouring their service and by raising public awareness of the sacrifice they made in pursuit of the way of life we now enjoy.

The veteran community relies upon many different parts of government, and I know this can be frustrating and confusing for older veterans. The function of the Veterans Affairs portfolio is to allow veterans to communicate directly with the highest levels of government, and the portfolio aims to be a focal point to allow the veteran community a single point of contact with the state government. Indeed, I enjoyed being at the Stirling RSL on Sunday for its eight-ball competition with the West Croydon-Kilkenny RSL.

**An honourable member:** You lost.

**The Hon. M.J. ATKINSON:** We did, but only on the last ball of the last rubber. The portfolio will also liaise with the Department of Veterans' Affairs in Canberra to maximise synergy between the commonwealth's funding body for some services and the state, as service provider for veterans. Although many veterans' matters are controlled by the commonwealth, it is important that we acknowledge our veterans by providing strong support at state level. We cannot guarantee that we will be successful at federal level, but we can be strong advocates and ensure that their valid concerns get an adequate hearing.

One of my first tasks will be to appoint a veterans' advisory council, which will seek to represent the entire veteran community in South Australia. The role of the council is to be a conduit between the veterans' community and the highest level of government. For the first time the veteran community in South Australia will be able to speak with one voice and have that voice heard. The veterans' advisory council will assist a united veterans' community to determine its needs, justify them, and articulate them.

The veterans' advisory council is yet to be appointed, but before I take that step I thought it essential to hear the views of every member of the veteran community. To enable this I convened a consultative meeting that was held at the Drill Hall of the Torrens Parade Ground on 30 September. The response to the meeting was extraordinary. Nearly 700 members of the veteran community attended; the parade ground parking capacity was exceeded, and cars stretched back to King William Street. This response sent a special message that the veterans' community wants to be heard, and I intend that the veterans' advisory council will give them the voice it seeks.

After the meeting I approached ex-service and veteran organisations by letter and advertised widely. I have invited expressions of interest from those who may wish to serve on the council, and these expressions will be received until 7 November, after which time I will make the necessary appointments.

The Rann Labor government values the service of our veterans and understands the sacrifices made by them. I would also like to thank all those I have met and with whom I have held discussions in recent weeks. The warm welcome the veterans' community has given me as I travelled from branch to branch, club to club and memorial to memorial across our state has been tremendous. The establishment of a veterans' advisory council will give a stronger voice to that community and will allow me to make certain that my portfolio works in a way that provides benefits and recognition to all in that community.

#### LABOR PARTY

**Mrs REDMOND (Heysen) (14:58):** My question is to the Attorney-General. Can the Attorney-General guarantee that the Premier will have the support of the MPs from the Right faction of the ALP beyond the 2010 election? The Attorney-General is convenor of the right faction in the Labor caucus. On Saturday 18 October 2008, Senator Don Farrell, state powerbroker for the right faction, stated that the Premier had the support of the right until the 2010 election. No commitment was given by Senator Farrell beyond the 2010 election.

**The SPEAKER:** Order! The question is out of order. The Attorney has no responsibility to the house for that matter.

#### LABOR PARTY

**Dr McFETRIDGE (Morphett) (15:00):** My question is to the Premier. Did the ALP conference on 18 October 2008 pass a vote of no confidence in his leadership through a formal resolution opposing his decision on WorkCover reforms, and what will be the effect of that decision on the government's future policy? A Labor MP reported to *The Independent Weekly* that:

The whole WorkCover legislation was a put-up job from the beginning.

*Members interjecting:*

**The SPEAKER:** Order!

**Dr McFETRIDGE:** It continues:

The legislation was dumped on us. It was drafted in secret. There was no discussion, no involvement.

The Labor MP further stated:

It was another example of the Premier and Foley saying, 'Here, swallow this.'

**The Hon. P.F. Conlon:** And what did you say: you wouldn't allow any cuts?

**The SPEAKER:** The Minister for Transport will come to order.

**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) (15:01):** There was no vote of no confidence at the ALP conference. There was, in fact, a standing ovation. So, I guess I should say that what you read in *The Independent Weekly* needs sober reflection.

#### VICTORIA PARK REDEVELOPMENT

**Mr PISONI (Unley) (15:02):** My question is to the Premier. Did he bludgeon Labor MPs into initial support for and then opposition to the Victoria Park grandstand, and is there one rule for the member for Adelaide and another rule for other MPs?

**The SPEAKER:** Order! That question clearly contains debate.

**Mr PISONI:** I am sorry: clearly contains what, sir?

**The SPEAKER:** Order! The question clearly contains debate. If the member for Unley wants to ask a question concerning Victoria Park he needs to rephrase it so that it does not contain debate.

**Mr PISONI:** Premier, is there one rule—

*Members interjecting:*

**The SPEAKER:** Order, members on my right! I am happy to go to the next question and then give the member for Unley the call afterwards.

**Mr PISONI:** No; I am fine, thank you, sir. Premier, is there one rule for the member for Adelaide and another rule for other Labor MPs? On 24 October 2008, regarding the Victoria Park development put forward by the Premier and Treasurer, a Labor MP was quoted as follows:

We have been bludgeoned into submission. There was one rule for the ministry and another for us. We had a gutful—

**The SPEAKER:** Order! The member for Unley will take his seat. It is not an explanation to quote excerpts from the press. That does nothing to explain the question. I have let it go once but I am not going to let it go on and on.

**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) (15:04):** I am delighted to answer this question, if it was a question. It was a bit hard to understand, there seemed to be a bit of a problem with the English. We said right from the start that we would never legislate to impose a grandstand on Victoria Park. That is what I promised this parliament and that is what I delivered. I do not tend to use bludgeons on anybody, only a rapier on my opponents.

### EMERGENCY SERVICES VOLUNTEERS

**The Hon. P.L. WHITE (Taylor) (15:05):** My question is to the Minister for Emergency Services. What has the government done to recognise emergency services volunteers and the employers of emergency services volunteers?

**The Hon. M.J. WRIGHT (Lee—Minister for Police, Minister for Emergency Services, Minister for Recreation, Sport and Racing) (15:05):** On 16 September, the Premier, the member for Light and I attended a community cabinet breakfast at the Salisbury CFS headquarters. At the breakfast the Premier presented eight Premier's Certificates of Achievement to recognise outstanding volunteer service. The recipients of these certificates had shown great dedication and commitment to volunteering in emergency services. As a government we recognised some time ago that we needed to do more to recognise and thank our SES and CFS volunteers, and that is why at the same ceremony I had the pleasure of presenting certificates of recognition as part of SAFECOM's Volunteer and Employer Recognition and Support Program.

Following on from the success of the community cabinet breakfast in Salisbury, there was a breakfast on 20 October at the Morphett Vale CFS, which I attended with the members for Reynell and Mawson. Twenty-one emergency services volunteers were recognised at the ceremony with Premier's Certificates of Achievement, including Mawson Group CFS Deputy Group Officer Ian Taverner, who has been with the CFS for 40 years. Also, I again had the opportunity to recognise employers and self-employed volunteers through the Volunteer and Employer Recognition and Support Program.

Employers of emergency services volunteers report that they benefit from having volunteers who are team players, disciplined and well-trained in many different emergency procedures (including first aid) and who are willing to step up and take on leadership roles. Employers who take a socially responsible approach to volunteers also contribute to the fabric and resilience of their communities. The government recognises that we have a role to play in ensuring that our volunteers and their employers feel that their contribution is valid and that their time and efforts are genuinely appreciated.

### MINI WIND TURBINES

**Mr WILLIAMS (MacKillop) (15:06):** My question is to the Premier. Did the Premier or any of his ministers seek to attract a mini wind turbine manufacturing business to South Australia by offering preferential treatment to a supplier of such turbines to government?

**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) (15:07):** Someone called out previously about our record on wind power. It is very interesting to hear about that, because there was not one operating wind turbine in South Australia when we were elected in March 2002. There was one up at Coober Pedy which had been there for years but which had not been plugged in. So, now we have billions of dollars worth of development with private sector investment—53 per cent of Australia's—

*Mr Williams interjecting:*

**The Hon. M.D. RANN:** No; I am getting onto your answer.

*Mr Williams interjecting:*

**The Hon. M.D. RANN:** I will answer it exactly how I like.

**The SPEAKER:** Order! The Premier will take his seat. There is a point of order.

**Mr WILLIAMS:** Mr Speaker, the question is specifically about mini wind turbines.

**The SPEAKER:** Yes.

*Members interjecting:*

**The SPEAKER:** Order!

**Mr WILLIAMS:** The Premier is trying to answer it—

**The SPEAKER:** Order! I uphold the point of order. The Premier must answer the substance of the question.

**The Hon. M.D. RANN:** I will. As I said, we have 53 per cent of the nation's wind power with 8 per cent of the nation's population; and on mini wind turbines—

*Mr Williams interjecting:*

**The SPEAKER:** Order!

**Mr WILLIAMS:** The Premier is deliberately defying your ruling given not 20 seconds ago.

**The SPEAKER:** Order! The Premier had got only a couple of words out. I am not in a position to assess whether or not he is defying my ruling, but he must answer the substance of the question.

**The Hon. M.D. RANN:** In the mix of what we are doing on sustainable energy, we ordered about five and have operating tiny, mini wind turbines—

*Mr Pisoni interjecting:*

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

**The Hon. M.D. RANN:** —which are operating.

*Mr Venning interjecting:*

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

**The Hon. M.D. RANN:** Then we ordered some more, and the company cannot supply. I do not see what the problem is. We will get them delivered by someone else.

### **MINI WIND TURBINES**

**Mr WILLIAMS (MacKillop) (15:08):** As a supplementary question: in answer to the question, the Premier said that we have about five and that they are operating. Will the Premier assure the house that they are operating, and can he tell us how much power—

*Members interjecting:*

**The SPEAKER:** Order!

**Mr WILLIAMS:** —is being produced by these mini wind turbines?

*The Hon. P.F. Conlon interjecting:*

**The SPEAKER:** The Minister for Transport will come to order! The Premier.

**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) (15:09):** If you look out the window you will see, perhaps, one on the top of the State Administration Centre and one on top of one of the other public buildings. I think that there was one over on the Central Market. When they go around and around they are producing power—that is, when there is wind. It depends whether or not there is wind.

*Members interjecting:*

**The SPEAKER:** Order!

#### LABOR PARTY

**Mr PEDERICK (Hammond) (15:10):** My question is to the Premier. Does the Premier and his senior ministers treat other Labor MPs with contempt and has he been warned by backbench MPs that he has one last chance? One Labor MP has told the media in regard to complaints by the Hon. Bernie Finnigan—

**The SPEAKER:** Order! I have already said that I will not give leave for explanations which are simply quotes from newspapers. The Premier.

**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) (15:10):** No such warning was given, and by the tenor and tone of the member's question, I can only assume he is suffering from gout.

#### HOME AND COMMUNITY CARE PROGRAM

**Mr RAU (Enfield) (15:11):** My question is to the Minister for Ageing. What support is being provided to ageing South Australians to continue living independently in their own homes as long as possible?

**The Hon. J.M. RANKINE (Wright—Minister for Families and Communities, Minister for Northern Suburbs, Minister for Housing, Minister for Ageing, Minister for Disability) (15:11):** I am thrilled to be able to inform the house that a new commonwealth-state funding agreement will ensure an additional 14,000 older South Australians and their carers now receive help at home with their personal and respite care, home modifications, community transport and social support. The announcement is also timely given the various events which were held last week in recognition of Carers Week and Carers Day last Tuesday.

The historic joint funding commitment has been agreed by the federal Minister for Ageing, Justine Elliot, and is great news for South Australians, providing an additional \$35 million. This three-year funding announcement lifts the total of South Australians assisted to remain independent in their own homes to 106,000, up from 92,000. This is another example of the federal government working in partnership with the state government to meet the challenges of the 21<sup>st</sup> century and our nation's ageing population.

The funding through the Home and Community Care program will provide a range of important services to help older Australians and those with disabilities to remain living independently in their homes for much longer. Last Wednesday, I had a great deal of pleasure in talking with the Multicultural Communities Council of South Australia at its Gilbert Street offices. I am advised that, over the next four years, the Australian government will provide more than \$40 billion to aged and community care. In 2008-09 alone, \$2.2 billion of that will be spent on community care.

The HACC program is part of the Australian and South Australian governments' vision for a world-class community system that delivers affordable and accessible care for frail older people, younger people with a disability and their carers. We are constantly reminded that, as people age, they want to remain in their own homes and their own communities. Without home and community care services, many people would have to move prematurely into residential care, a prospect, I am sure, no-one in this house would like to see. The priority groups for the plan will be people with dementia, including people who experience early onset dementia, older people living in supported residential facilities, people from culturally and linguistically diverse backgrounds, as well as their carers. This funding is important and will deliver a more comfortable life for many South Australians.

#### MATTER OF PRIVILEGE

**The SPEAKER (15:14):** I refer to the matter of privilege raised by the member for Davenport in relation to a possible inaccuracy in the minister's second reading speech on the Statutes Amendment (Prohibition of Human Cloning for Reproduction and Regulation of Research Involving Human Embryos) Bill currently before the house. First, I make the observation that it is incumbent on the minister to bring any inaccuracy in the parliamentary record to the attention of the house at the first opportunity, and I believe the minister has assisted in clarifying the matter for the house in his explanation, following the raising of the matter by the member for Davenport. However, it remains incumbent upon the minister or, indeed, the member for Davenport, or any

member, to draw any inaccuracy to the attention of the house as soon as they become aware of it, if they believe that the inaccuracy may, to quote McGee in *Parliamentary Practice in New Zealand*, genuinely be regarded as tending to impede or obstruct the house in the discharge of its duties.

In relation to the specific matter raised by the member for Davenport, I hope that the house would be unlikely to be influenced by the deliberations of another parliamentary jurisdiction, regardless of whether or not the measure was part of a national legislative scheme. I think it even less likely that the deliberations of the Western Australian parliament, however accurately or inaccurately reported on by the minister, would have the effect of intimidating this house or any member, particularly as for this house this is a matter of conscience.

It is regrettable that the house was not provided with the most contemporary information in the minister's second reading explanation, particularly if the omission of up-to-date information has unduly influenced any member of the house, but I do not see that the inaccuracy was deliberate, nor could it, in this case, genuinely be regarded as tending to impede or obstruct the house in the discharge of its duties. For that reason I do not propose to give the precedence which would enable any member to pursue this matter immediately as a matter of privilege. As I always say in these matters, this decision does not prevent the member for Davenport, or any other member, from proceeding with the motion on the specific matter by giving notice in the normal way.

*Mr Venning interjecting:*

**The SPEAKER:** I hope the member for Schubert is not referring to the chair.

#### **LOCAL GOVERNMENT ACCOUNTABILITY**

**The Hon. J.M. RANKINE (Wright—Minister for Families and Communities, Minister for Northern Suburbs, Minister for Housing, Minister for Ageing, Minister for Disability) (15:16):** I table a copy of a ministerial statement made by the Hon. Gail Gago in another place.

#### **PIPI QUOTA MANAGEMENT SYSTEM**

**The Hon. R.J. McEWEN (Mount Gambier—Minister for Agriculture, Food and Fisheries, Minister for Forests, Minister for Regional Development) (15:17):** I seek leave to make a ministerial statement.

Leave granted.

**The Hon. R.J. McEWEN:** I wish to advise the house of the difficult position that a number of commercial fishers, small business operators and recreational fishers now find themselves in following the disallowance of regulations on 23 July 2008, made under the Fisheries Management Act 2007 concerning the pipi quota management system.

I commence first by informing the house of my disappointment at the manner in which this serious and complex issue has been dealt with by the opposition of this house, and the opposition and crossbench members in another place. Political mischief, combined with disingenuous lobbying by a small group of commercial fishers, who have never caught a pipi, or who have a relatively small catch history, has caused needless uncertainty and damage. Recent media interest and unfortunate statements made by fishers and opposition and crossbench members has highlighted the degree of misunderstanding and misrepresentation concerning the proposed management of this fishery.

I now place on the record a belief illustration of the extensive, consultative and inclusive approach that culminated in the decision by me to table regulations on 13 December 2007. In the absence of any viable alternative being offered by the opposition or other members, I will detail how the matter will proceed from here. The introduction of a quota management system on the Lakes and Coorong Pipi Fishery is aimed primarily at protecting and improving the biological sustainability and economic productivity of the pipi fishery. The introduction of the quota management system followed an extensive two-year review process that was underpinned by significant industry consultation and involvement.

The trend in increased catch and effort and declining catch efficiency in the pipi fishery over a more than 10-year period has been a growing concern for fishery managers. Under the previous scheme, there was significant potential for activation of latent effort; that is, licensees with pipi access that had not previously targeted the resource becoming active. Current protracted drought conditions in the River Murray have increased this risk as the health and availability of other finfish species in the Lower Lakes and Coorong areas of the fishery decline. The development of a human consumption market for pipis has increased its value and contributed to

increasing catch and effort in recent years. It has been the most important species in the Lakes and Coorong Pipi Fishery in terms of both value and production.

From 1 July 2006, a food safety program was established to regulate pipis that were sold for human consumption. These regulations introduced water testing, harvesting and processed the requirements of relevant licence holders for the first time. Quota management is a standard fisheries management tool, with demonstrated success in South Australia and in other fisheries around the world. The majority of the larger and more successful fisheries in South Australia are managed under systems of individual transferable quota, including the blue crab fishery, three abalone fisheries, two rock lobster fisheries and the sardine fishery. Discussions on pipi management arrangements between the Primary Industries and Resources SA (PIRSA) Fisheries and the fishing industry began in November 2005 when agreement was reached that the Southern Fishermen's Association would engage with fisheries managers to develop options for the future management of the pipi resource.

On 22 November 2005, PIRSA Fisheries advised all licence holders of its concerns about the levels of catch and effort in the pipi fishery and that other long-term management measures would be developed in consultation with the industry to strengthen the management framework in the fishery. On this date I also met with industry representatives and reinforced that the Southern Fishermen's Association would engage with Primary Industries and Resources SA to develop management options.

During the following 12 months, PIRSA Fisheries formally met with industry representatives on five occasions to progress the development of the management options. Many alternative options were considered during this review and at the industry workshops. These included more restrictive gear regulations, area closures and seasonal closures, determining effort units, 'shelving' fishing effort, pooling fishing rights for auction among licence holders, and using an Olympic quota system where all participants fish without any individual limit until the total allowable commercial catch is taken.

None of these options were regarded as suitable by industry, and no alternative options were provided by the industry to address concerns about the stock. The effect on current commercial operations in terms of uncertainty in access security was also a major factor. During this time, a scientific stock assessment report for pipi was published, which suggested that the resource was in its weakest position for several years and that the trends in the fishery data were particularly concerning, given the high levels of catch and effort and latent effort in the fishery.

At the request of industry, a two-day workshop was convened at Goolwa on 20 and 21 December 2006 with stakeholders in the pipi fishery to develop new management arrangements for the fishery. Many options were considered, and discussion resulted in general agreement that the fishery should move to a quota management system.

A formal investment warning was issued by PIRSA Fisheries on 16 January 2007 following this decision to adopt a quota management system. It advised that, should historical activity in the fishery be used to allocated future access, only pipi fishing activities prior to and including 21 December 2006 would be considered. An industry working group was established to advise PIRSA Fisheries on the arrangements associated with the introduction of the quota management system. PIRSA Fisheries formally met with the workshop group four times during 2007 before the new management arrangements were finalised.

To facilitate the process, I established an independent allocation advisory panel comprising a presiding member, Mr David Bright (a retired judge of the District Court), an economic member, Dr Stephanie McWhinnie (University of Adelaide), and an independent fishing industry member, Mr Bob Pennington, from the abalone industry and former president of the Australian Seafood Industry Council. The panel provided advice on the most appropriate method for allocation of the pipi resource among licence holders with an authority to take pipis for commercial purposes in Coorong coastal waters. Industry was invited to comment on the panel's terms of reference before they were finalised. I table the factual brief for the independent allocation advisory panel.

The panel wrote to licence holders and placed advertisements in local newspapers inviting written and oral submissions from interested parties. The notice also advertised a public meeting that was held at Wellington on 8 June 2007. Fifteen written and 13 oral submissions were made, representing 30 of the 32 fishery licences. Written submissions and records of oral submissions were made available to all licence holders in the fishery. The public meeting was well attended and provided interested parties with a further opportunity to provide information to the panel.

The panel submitted its report in July 2007 recommending a mechanism for the allocation of quota entitlements in the fishery. The panel recommended that quota be issued based on a combination of access entitlements and catch history over a period of 3½ years at a ratio of 32:68 (access entitlement to catch history). I table a copy of the panel's report.

I wish to point out that the panel considered a number of claims that individuals were frustrated that a variety of personal circumstances affected their ability to fish to their full potential and a concern about the impact this would have on the final allocation determination. The panel commented, and I quote:

In the end it was our view that various personal problems we were told about were so widely spread that very little could be done to remedy one, except at the expense of another.

This highlights the very issue of quota allocation—that is, any distribution or any change to that distribution has the potential to impact on every licence holder. It is impossible to satisfy all of the claims of participants in the fishery. I accepted these recommendations and advised industry of the decision. Copies of the report were provided to industry.

During August and October 2007 submissions were received from licence holders on a range of issues associated with the allocation decision. On 17 October 2007 a briefing for all members of parliament on the introduction of a quota management system for Goolwa cockles was held in the Balcony Room at Parliament House.

As a testament to my desire to make this decision as fair, transparent and inclusive as possible, I chaired a meeting of local parliamentary members and all licence holders at Parliament House on 24 October 2007. At this meeting a number of unanimous decisions were made on the allocation mechanism and the quota management system for pipis. This included the quarantining of 75 tonnes of quota to address exceptional circumstances cases, and that an Exceptional Circumstances Panel would be established immediately to consider applications of hardship. Following this meeting, a letter was sent to all licence holders clearly articulating the nine unanimously agreed decisions. I seek leave to table that letter. The Exceptional Circumstances Panel met on—

*Mr Venning interjecting:*

**The Hon. R.J. McEWEN:** This is a pretty serious matter. If I was you, I would keep my gob shut, to be honest. At the end of the day this is seriously embarrassing for some people on your side of the house so we ought to work through this in a professional way. I compliment the new shadow minister on the way he has worked with me on this. This is a serious issue and we need to work through it, find a solution and get on with things. So I am not interested in you interfering, thanks very much.

The Exceptional Circumstances Panel met on 12 November 2007 to consider submissions regarding quota allocation in the fishery. It was chaired by myself and comprised the local parliamentary members for Hammond and Finniss, with two fishing industry representatives, Mr Gary Hera-Singh and Mr Rodney Ayres. The member for MacKillop was an apology and did not attend. It was agreed that additional quota units should be allocated to six licence holders, based on their exceptional circumstances applications

In December 2007 PIRSA Fisheries advised licence holders of the proposed new quota management arrangements, and that a total available commercial catch of 1,150 tonnes had been agreed with the industry working group. Licence holders' appeal rights under sections 111 and 112 of the Fisheries Management Act 2007 were outlined. A key point is that no formal appeals were ever made in relation to the process.

Since the regulations were made on 13 December 2007, a number of licence and quota transfers took place with significant economic investment in the fishery. The removal of the quota management arrangements, which were in operation for an entire fishing season, have placed the pipi fishing industry in complete economic and social disarray and have had significant financial impacts on licence holders. Domestic and export contracts have been cancelled as a result of not being able to guarantee supply because there is a vacuum of management arrangements. Uncertainty has left the fishery without any fisheries management arrangements for the upcoming season.

Furthermore, this has occurred against a backdrop of escalating sustainability concerns for the fishery. The total allowable commercial catch was set on the first year of the quota system at 1,150 tonnes. However, licence holders were only able to catch 610 tonnes. Industry has agreed



that the total catch limit for the fishery for the upcoming season should be 600 tonnes, irrespective of the management system that is in place. It was also noted that it is possible that if catch or catch rates do not show signs of improvement in the coming season, further cuts may be necessary to protect the stock.

Following the disallowance, I have met with members of this house and members from the other place. I have written to the Leader of the Opposition and the shadow minister requesting an alternative working solution to the matter. The response provided by the shadow minister was as follows:

The current party position remains consistent with the disallowance.

It further states:

It is entirely your decision as minister to implement regulations or not in relation to the fishery. The Liberal Party will consider new regulations if and when they are presented to parliament and will review their position at that stage.

It is important to point out that the shadow minister has worked honourably to provide a solution to this problem. However, he has been let down by his own party which refuses to provide an alternative management arrangement. His tireless attention to this matter resulted in an email being sent at 9.44pm last Sunday night, 26 October 2008, with two options he wished to explore. The first was redistributing quota from the non-active fishers to active fishers (a position vehemently opposed by members in the other place) and, secondly, selecting two representatives from the active and non-active fisher sectors, together with an independent mediator, to derive an alternative solution.

While I thank the member for his effort, neither of his options will realise an outcome before the commencement of the season, although I do intend to discuss further with him his second option as soon as possible. As minister, I have an obligation under the Fisheries Management Act 2007 to protect the sustainability of the pipi fishery. As such, I wish to advise the house of the following management arrangements for the Lakes and Coorong Pigi Fishery for both commercial and recreational fishers.

Commencing 1 November 2008, commercial access to the fishery will be controlled with a total catch limit through licence conditions. Individual catch limits will be endorsed on licences and will not be transferable. Comprehensive details of the endorsements will be provided to all licence holders. Endorsements will be consistent with the arrangements implemented last season, with adjustments to recognise permanent transfers made during the past 12 months. Endorsements will also recognise the reduction in total allowable catch from 1,150 tonnes to 600 tonnes.

Commercial fishers will be prohibited from taking pipis from the Goolwa beaches. These arrangements will remain in place for 12 months whilst a regulatory solution is developed with the assistance of the shadow minister. Recreational fishers will be prohibited from taking pipis from the Coorong and are requested to observe a voluntary bag limit of 300 pipis until such time as regulations prohibiting the taking of more than 300 pipis are tabled.

## GRIEVANCE DEBATE

### GOVERNMENT PERFORMANCE

**Mr WILLIAMS (MacKillop) (15:31):** Madam Deputy Speaker, what an interesting couple of weeks it has been, with the government in turmoil at a time when, as the Treasurer points out to the house, world financial institutions are in turmoil and we are facing very bleak times. At the very time when this state needs leadership, we have too much leadership. We have too many people wanting to be leader.

We have too many people with ambition on the government benches all wanting to be leader or senior ministers in the government when the government really should be concentrating, and the very person who should be concentrating and leading his team at this time—the Treasurer, the Deputy Premier, the one who is responsible for the financial resources of the state—is in it up to his neck.

Opposition members today wonder whether we should have deferred all our opportunities to ask questions to the backbenchers of the government because it is obvious that they are the ones who are getting no answers from this government. They are the ones who are being treated like mushrooms and who probably do need some opportunity in the house to ask some questions of their ministers, because it sounds like it is the only opportunity that they would get.

However, the business of running the state must go on and, under the governance that we have here in South Australia, the role of the opposition is terribly important. Is this about the unbridled ambition of a few people in the government on the back bench? That is certainly what the Premier and the senior ministers would like the people of South Australia to think. They would like people to think that the member for Napier has unbridled ambition, and no doubt he has, but he has been told that he will sit where he is for a fair while.

Is it about the fact that the member for West Torrens got the numbers to get himself into cabinet, but the Premier wanted to foil him, so he said, 'Well, we are not going to open the door,' notwithstanding the member for West Torrens getting the numbers? The Premier has been out on the airwaves saying, 'Well, they've got to fight to get the numbers from their own side.' Well, he did, and everybody in the state knew it, but the Premier was not going to have him, and the Premier knows that that will cause more and more ferment on the back bench.

The reality is, that is not the key problem that this Premier is facing. There was a story printed in last Thursday's edition of *The Australian* stating, 'Beginning of the end of spin politics: state governments must deliver change we can believe in'. That is what the problem with this government is. After 6½ long years of spin, spin, spin, the people on the back bench have had enough. They are the ones who are out there doorknocking. They are the ones who are out there talking to their community while the arrogants on the front bench stopped listening years ago. Those on the back bench are out there and they are hearing the story from their constituents.

That is the problem this government faces. The real message is starting to come through to those backbenchers. The member for Mawson is sitting there. He knows what it is like because he is out there in his community and he knows what is going on. The PR machine of this government has done its work for 6½ years but has run out of steam.

The article gives four hints regarding what the government should be doing. It says that it should be concentrating on the primary function of state governments, that is, service delivery. It stated that state governments do not exist to provide jobs for politicians' spouses, favours for Labor's developer mates, or sinecures for old union retainers. Does this government do any of that? Damn right it does; it does the whole lot.

Secondly, the article says that state Labor must break the stranglehold of the factions and the unions. Does this government have a problem with that? Why is the Premier consulting with Don Farrell and Mark Butler? They are the power behind this government, and that is one of the problems. The backbenchers know that, and they understand that the people of South Australia have had enough.

The article also says that state Labor must challenge outdated ideology in everything from uranium mining to school curriculums. Does this government have a problem there? Damn right it has, and people are telling the backbenchers that it is time they talked to their cabinet ministers and told them to get back into the real world. It is the arrogance of this cabinet and of this government that is causing problems, not only in the community: it is also flowing through from the backbench.

The article says that they must overcome the tyranny of parochialism. We know what that is like, because this Premier stands up every day of the week—as he did in question time today about wind power—and says how wonderful South Australia is. All he does is be parochial—

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

## EDUCATION

**Mr O'BRIEN (Napier) (15:36):** I rise to inform the house about the recent findings of Professor Alan Hayes, director of the Australian Institute of Family Studies, relating to the 're-emergence of the great divide' in Australian society. Specifically, Professor Hayes points to a possible change in the equity of education in Australia.

This country has prided itself on the accessibility of its education system, which has ensured that progress is achieved through merit by providing everyone with the opportunity to aspire and succeed. However, in order for Australia to maintain equity in its education opportunities we need to remain aware of the system's current failings. According to the OECD's Program for International Student Assessment (PISA) results for 2006, Australian schools have dropped relative to those of other OECD countries. The PISA findings suggest that:

Australia has too long a 'tail' of underperformance linked to disadvantage. There has been no improvement in the last six years in the percentage of students who are less than proficient at reading or maths.

Although not registering an improvement in educational outcomes is of concern, more alarming are the PISA findings that suggest:

The difference between students from the lowest socio-economic quartile and those in the highest is also more than two full years of schooling in both reading literacy and math.

Such a significant gap between the educational attainment levels of the lowest and highest socio-economic groups seems to indicate that a level of social exclusion exists in our society. Social exclusion, according to the UK Social Exclusion Unit, is a:

shorthand label for what can happen when individuals or areas suffer from a combination of linked problems such as unemployment, poor skills, low incomes, poor housing, high crime environments, bad health and family breakdown.

Many of the contributing factors to social exclusion are a direct, or possibly indirect, result of lower education outcomes that tend to thwart an individual's ability to further develop skills that are perceived as valuable in the workforce.

Returning to Professor Hayes, he suggests that although Australia's educational achievement is still above the OECD average, we are slipping on educational equity. OECD data shows that 5 per cent of Australian children had fewer than 11 books in their home in 2003, which increased to 7 per cent in 2006, with 19 per cent of indigenous children also falling into this category of having fewer than 11 books in their home. In a large number of homes it may actually be zero books.

In order for children from lower socioeconomic backgrounds to be empowered and given future employment opportunities, the provision of a quality education which promotes positive developmental outcomes is required. Crucial to attaining this, children at risk of social exclusion need to be identified early in their education lifecycle and given intensive early intervention.

The electorate of Napier will see the construction of two super schools that will offer children's services, including preschool education and child care. Getting children into the educational environment early is vital to developing a sense of familiarity with school, and to be getting them there at the age that they will with the super schools is a truly remarkable achievement. It will also allow them the opportunity to be taught in a state-of-the-art facility that will further facilitate their learning outcomes.

In the super school that is to be located at Playford North, the educational community have committed to the notion of a specialism for that school, which will be health and health sciences. So, all children attending that school will have the opportunity to consider any particular educational opportunity in the health and health sciences area.

Professor Hayes reminds us that although Australia ranks comparatively well in the OECD rankings for educational outcomes, he highlights the statistics that indicate that our level of educational equity is slipping.

Time expired.

### **STOCK UNDERPASSES**

**Mr PENGILLY (Finniss) (15:41):** I wish to draw to the attention of the house what may seem a small issue in this place but is a significant issue to the dairy farmers in my electorate, and probably wider, and not only dairy farmers but livestock producers generally. It is the issue of underpasses on major roads to allow farmers to move their stock from one side to the other without having to negotiate heavy traffic conditions and go over bitumen, or whatever is in the way.

This has been going on for some years. I know that councils in my area have tried to do something about it. I have written letters to the minister since I became the member to try to get something done about it, and I know that my predecessor, the Hon. Dean Brown, did something about it, but we keep striking a brick wall.

The issue is that much of our country is undulating and farmers have gotten bigger, they have bought adjoining properties, and in many cases these properties are either side of one road, or a series of roads, and in the scheme of things moving stock is made far easier by these underpasses. There are some in existence and they work particularly well. It is not rocket science to put them in. However, what we are continually striking is a brick wall on this issue. The department keeps recommending to the minister that nothing happens, and on and on it goes.

Everybody in this place should be aware of the pressures of agriculture. We have had a run of drought years. Areas down my way do not have much feed or water, and they are getting bombarded by bureaucrats from the Department of Water, Land and Biodiversity Conservation. They are also being hit by other areas of bureaucracy, making life difficult for them. All in all, it just needs a bit of common sense.

As I said, it is not rocket science. You do not need committees set up. You do not need a series of inquiries. It is simple engineering. The farmers in most cases, I am sure, would be prepared to assist in getting these things put into place. You dig the tunnels under the road and allow the stock to go down through a funnel, they cross across to the other side and all is sweet, and there is no impact on traffic whatsoever.

The farming community are absolutely fed up with being belted by everybody and told that they cannot do this and they cannot do that. They have to have 1,000 different permits. They have to get licences to do this and licences to do that. It is time a bit of common sense was brought back into rural South Australia. I know my colleague the member for Stuart has been strong on a number of issues to do with this sort of thing.

**The Hon. G.M. Gunn:** It's going to be raised this afternoon.

**Mr PENGILLY:** Good. I urge the government, and more particularly I urge the Minister for Transport, to grab hold of this by the scruff of the neck and try to get something done about it. Allow a bit of common sense to come into it, allow farmers to go about their proper and lawful business with a bit of ease, not have more stringent controls put on them, and allow them to sit down and talk to me, if they wish to, and the minister and get something rolling along on this. I meet with the dairy farmers from my electorate a couple of times a year. This surfaces time and again, and when we write we get the same old responses. That, along with trying to do business in the current economic environment, is making life extremely difficult.

On top of that, while I have time, I also mention that, if it is possible, could feed be transported across that stretch of water called Backstairs Passage to supply the dairy farmers on the Fleurieu Peninsula? They do not grow grain down there. They grow a lot hay in a good year, but not much this year. They do not grow grain, but a lot of grain is grown on Kangaroo Island, as well as serious amounts of hay. Instead of bringing feed in from the West Coast, the Mallee, Victoria and the Mid North (they will still need some of that, of course), they could be bringing feed in from the island over that short stretch of water if it were not for the imposts of the freight on doing that. It would provide a great benefit to the economic capacity of South Australia, and it would be a boost to the farming sector on Kangaroo Island.

Those farmers could turn even more of their attention to providing hay and grain for the Fleurieu Peninsula. Around 100 dairy farmers operate on the Fleurieu alone. It would be a short distance. The government must look at some form of rebate to allow this to happen. Currently, wharf charges and all sorts of things make up the cost.

Time expired.

#### **BARTON, DR A.**

**Ms BREUER (Giles) (15:46):** Today I pay tribute to Dr Archie Barton, a very prominent member of the Aboriginal community in South Australia, particularly the Oak Valley/Maralinga community, who sadly passed away on Saturday 18 October. Dr Barton was well known to me. I knew him and considered him a friend for many years. I also admired him for his work in the Oak Valley/Maralinga community over many years. Dr Barton was the South Australian Aboriginal of the Year in 1988, and he was awarded an OAM in 1989.

As a five year old child he was taken from his family, and, for many years, he spoke out about the Stolen Generation and the issues for the children involved. He was a former stockman, shearer and labourer for 25 years in South Australia, but he came to prominence as the administrator of the Oak Valley/Maralinga community with which he worked for many years. He was an outstanding leader for them. Certainly, he worked very hard for his community. Oak Valley is a very dear community to my heart, and I know that I owe a lot of that to Dr Barton.

Of course, he is well known for his work in pushing Britain to accept responsibility for the atomic tests in the Maralinga area. He was able to get Britain to make a staggering £20 million contribution for the clean-up of the Maralinga area. As I said, unfortunately, he passed away, and I am hoping that I will have the honour of being able to go to his funeral. In recent years he was in

poor health. I think it is fitting that this place pays tribute to Dr Barton, and I will be passing on my sympathy to the Oak Valley community and to his family.

The second topic I want to talk about today is the situation with respect to fuel prices in Whyalla. I am getting angrier and angrier because the cost of fuel in Whyalla is consistently higher than it is in Port Augusta, Port Lincoln and communities closer to Adelaide. The people of Whyalla consistently pay 20¢ more per litre for fuel; and, despite a very active campaign led by the *Whyalla News*, as well as our community speaking out constantly about this, we seem unable to shame local retailers. There is absolutely no reason why people in Whyalla should be paying this extra cost in fuel.

Certainly, the transport costs would be no dearer than for Port Augusta, Port Lincoln or Port Pirie—we would be paying the same amount for that. The taxes are the same. It is up to the local retailers. Two major retailers are in Whyalla: Coles and Woolworths. Unfortunately, they have squeezed out all the little operators in Whyalla. I think that only one or two are left. They have squeezed out everyone else by consistently charging lower prices in the past, but now they have jacked them up, and it does not matter what our community says or does, we cannot get them to bring down those prices.

People in Whyalla ask me why; what can the government do about it? I keep saying to them that there is nothing we can do about it: it is the retailers. They charge what they want and they are consistently fleecing our community and forcing us to pay these higher prices. I think the situation is disgraceful. The Premier has undertaken to write to the ACCC about this for me, but until those retailers in Whyalla get the message, we seem to have to suffer this extra cost.

Finally, I thank our Premier for a very successful visit to Whyalla last week. He came to Whyalla and visited my community. He was there for a day and a night as part of his electorate visits. I certainly appreciated the opportunity to be able to show off our hospital (of which I am very proud) and the Edward John Eyre High School. He was able to meet with many community leaders and attend a number of meetings. However, I think the highlight of the day was the delightful lunch we had at Phoenix Industries in Whyalla. Phoenix has been operating in Whyalla for some time and is really a jewel in our crown. It is an excellent organisation. It employs approximately 60 employees and is consistently on the lookout for new employees. It was wonderful to be able to take the Premier there and for him to be able to eat pizza with the workers, and for them to show off their workplace and the happy atmosphere in which they work.

Unfortunately, I spent all of Wednesday fighting a story that appeared in the media on the Friday night claiming that the Premier was there to make an announcement about the jetty in Whyalla. This story was put out by our local television station and was not factual. They had rung me and completely got the wrong end of the story. Consequently, the community thought he was there to announce a jetty in Whyalla. This was absolutely not the case, and I spent the day telling people this, including some protesters. However, it was unfortunate that, on the Friday, an announcement was made about the jetty. I can assure my community that I had absolutely no knowledge of the announcement on Friday and certainly it had nothing to do with the visit on Wednesday.

Time expired.

#### **BARTON, DR A.**

**The Hon. G.M. GUNN (Stuart) (15:52):** I, like the member for Giles, wish to say one or two things about Dr Archie Barton who was well known to me. During the time that he was the administrator of the Maralinga lands and I had an office in Ceduna, I had many occasions to discuss issues and matters with him. I commend him for the work that he did on behalf of the Maralinga people. The member for Giles did not mention his trip to London when they received compensation from the British government. Can I say to the member that, when they were planning that trip—and they had great difficulty opening the right doors—I was able to assist them by speaking to Lord Stanley, whose daughter lived in my constituency and who was a friend of the deputy defence minister and, within a very short time, I was able to get Dr Barton and his group a meeting. Can I say that the left wing lawyers whom he had with him would never had got through the door, not dealing with the Thatcher government. I was very happy because I believe that the people at Maralinga did have right upon their side.

Further to that, a British parliamentary delegation came to South Australia and, as part of their visit, we took them to Maralinga so that they could meet with the community. They were very interested in what they had to say. I give full credit to Archie Barton. I knew him well. In his early

days, he worked at Legg Station, which is also very well-known to me. I pass on my good wishes to his family. Even though there were a few difficulties in the latter part of his life, I think he gave his best endeavours to the Aboriginal people.

The second issue I raise is that I thought we in South Australia were aware of the great challenges and difficulties facing people in rural areas and the stress and trauma that many people are under, and that the bureaucracy and the government agencies are not there to make life difficult for them. Yesterday, a constituent phoned me. He was carting a tank from Wirrabara to Oodlawirra where he has cattle and they were out of water. On the way, an enthusiastic police officer gave him a \$500 on-the-spot fine, alleging it was 50 centimetres too high.

I put it to the house that that is an absolute nonsense and I want to know what police department administration is doing because, when that legislation went through this house, the Minister for Transport gave certain undertakings. I suggest to the police that they go back and have a look at those.

Further, about a fortnight ago, another constituent brought to my attention that his truck was travelling along Highway 1 when he was given a notice of direction relating to mass dimension or load restraint breach, No. ND000721. I am told that the exhaust of the truck was, I think, 30 centimetres too high and that the driver was made to get up onto the cabin with a hacksaw and cut it off. I am told that was an illegal act, that that is a breach of the occupational health and safety laws. That is the sort of nonsense that occurs. I have the form here, but I cannot read the name of the officer. I do have the number, which is 793—and I can't read the rest of it. But this is just the first step, if this is the silly nonsense they want to go on with.

It is bad enough that some of the silly nonsense has taken place down at Gladstone, with the police officer there, but if this is what they want, then okay, this is what they are going to get. If they want questions on notice, well, they are going to start tomorrow. I would rather that things were done sensibly, and I thought that we were aware that these people are under great stress. In these circumstances common sense should prevail, and it should not be the will of the government to make life as difficult as possible and to be as bureaucratic as it can.

I want to know whether police officers are directed to issue so many tickets and to stop so many vehicles each day, each week, or in a prescribed period. If that is the case, it is wrong and it is unwise. Are the undertakings that the minister gave going to be adhered to, or are words spoken and undertakings given in this place not worth the paper they are printed on?

Time expired.

#### **SCOTT, MR A.**

**Mr BIGNELL (Mawson) (15:57):** I preface my comments today by paying tribute to Alan Scott, a great South Australian businessman, who has sadly passed away and to pass on my condolences to Mr Scott's family and those who work in the Scott group of companies, at what must be a very difficult time. I grew up in the South-East, at Glencoe, and I know from playing junior footy down there that Mr Scott was a very keen promoter and supporter of country sport in those days and that, as his business grew, so did his generosity to sport throughout the state. It went on to reach levels where he not only supported the Mount Gambier and Penola racing clubs, but also the wider SAJC and, in fact, the Morphettville Racecourse now carries Mr Scott's name. Mr Scott also, of course, was a sponsor of the Port Adelaide Football Club. Mr Scott was a man who did much for businesses in South Australia and kept those profits in South Australia and reinvested them through his media holdings and also his widespread trucking interests.

Today I also talk about a visit by the Premier and the cabinet to the southern suburbs last week for community cabinet. It was a very successful couple of days down in the seats of Mawson, Kurna, Reynell, Bright, Mitchell and Fisher. We quite often have the Premier down at Willunga and Woodcroft and in the seat of Mawson, and we also see a fair bit of the ministers down there, but to get them all in the one place at the one time was a great opportunity for locals to come along to the community barbecues and fora.

This is something that the Rann government has been doing for the past 6½ years. It is about making our government accessible to the people of South Australia, whether they live in Millicent, Ceduna or Port Augusta, or within suburban Adelaide. The Premier and the cabinet and, most importantly, the chief executives and departmental bureaucrats, come out to the regions and to the suburbs to visit people, so that they can hear first-hand the concerns of local people.

We had several hundred people at the South Adelaide Football Club, the home of the Premier's beloved Panthers, and it was a very good evening. People had something to eat and drink and then they could ask questions, and the Premier exceeded the night. He took many of the questions, but also people such as the transport minister had plenty of questions and also plenty of answers about the \$2 billion Rann government transport revolution. Everyone was very pleased to hear that the Noarlunga line will be electrified first under these great changes to our transport system; changes for which the people of South Australia have been waiting a generation. It is this Rann government that has taken on board the need to improve things, and we are in fact doing it.

I think the Minister for Transport's greatest round of applause came when he told people that he was replacing the windows in the trains. For a couple of years now people have not been able to see out of train windows because of a well intended move to put perspex windows in the trains to stop graffiti vandalism. Unfortunately, the perspex was vandalised even worse than the glass had been, and people could not see out of them. There is now a program underway to fix that and people will be able to see out of the windows. And, of course, the line will be resleepered and then electrified, and we will have rolling stock in place on the Noarlunga line.

I thank the Attorney-General, who is here, and several other ministers who had one-on-one meetings with people from the electorate of Mawson, who had concerns and who contacted my office and said, 'Look, can we get together with the various ministers?' We arranged several of those meetings.

We also have morning and afternoon tea where local volunteers and community members can come along as well. It is always great to see schoolchildren, who come along in their uniform and get to have their photo taken with the Premier and other ministers. There are also school visits. The Premier, the education minister and I went to Willunga High School which is about to undergo a \$7.7 million transformation, thanks to the great budget that is aimed at fixing so many of our schools in South Australia.

We also went to Reynella East High School where we had a fantastic response from the students. In fact, the Premier said that the questions he received from the year 12 students at Reynella East High were among the best questions he had received in 6½ years in parliament. He said he counted the questions that he received in parliament among those that he was talking about. Once again, to the Premier, all the cabinet ministers and the bureaucrats, I pass on my thanks on behalf of the people of the southern suburbs.

#### AUDITOR-GENERAL'S REPORT

**The Hon. M.J. ATKINSON (Croydon—Attorney-General, Minister for Justice, Minister for Multicultural Affairs, Minister for Veterans' Affairs) (16:02):** I move:

That standing orders be and remain so far suspended as to enable the report of the Auditor-General for the year ended 30 June 2008 to be referred to a committee of the whole house and for ministers to be examined on matters contained in the report in accordance with the timetable as distributed.

**The SPEAKER:** An absolute majority not being present, ring the bells.

*An absolute majority of the whole number of members being present:*

Motion carried.

In committee.

**The CHAIR:** The first minister under examination is the Minister for Education, Minister for Mental health and Substance Abuse, Minister for Tourism and Minister for the City of Adelaide, for 30 minutes. The normal conditions apply in relation to the house resolving itself into a committee of the whole, and questions must be referenced.

**Ms CHAPMAN:** My question is in relation to Volume II, page 547, capital works in progress and the \$6.628 million that was spent in 2008. My question relates to the redevelopment of the Glenside Hospital site. The provisions of the Public Finance and Audit Act 1987 (in particular, section 41A) provide for circumstances where a minister refers confidential government contracts to the Auditor-General for examination.

My question specifically relates to the government's proposal to sell to the Chapley Family Group, as described in the published material, a portion of the site of Glenside Hospital. Has the minister requested that the Auditor-General examine the contract that is proposed in respect of the Chapley Family Group? This contract is confidential, as has been identified, and applications for FOI and the like have been rejected on the basis of confidentiality. In the alternative, if the minister

has not requested this, has the Auditor-General requested an interview with anyone in the department or requested the inspection of any documents in relation to the proposed contract under the preferential sale arrangement and, if so, with whom, and what documents?

**The CHAIR:** Will you give me that reference again?

**Ms CHAPMAN:** Volume II. This relates to the minister's responsibility as the Minister for Mental Health. It is at page 547; it is the balance sheet.

**The CHAIR:** This is not a matter relating to the Auditor-General's Report.

**Ms CHAPMAN:** I am referring to capital works in progress; the \$6.628 million spent last financial year. This is a current project of the government.

**The CHAIR:** Your question is: has the matter been referred to the Auditor-General?

**Ms CHAPMAN:** Yes; it is the question of the confidential contract. The Public Finance and Audit Act 1987 is referred to again in today's Auditor-General's Report filed by the Auditor-General and tabled by the minister in the parliament—I think the Premier tabled it today—with confirmation again of the processes that apply to section 41A in respect of confidential government contracts. This relates to the proposed portion of the redevelopment which relates to the proposed sale of property to the Chapley Family Group, as described in the redevelopment. As I have indicated, that is a confidential contract, and section 44(1)(a) of the Public Finance and Audit Act 1987 refers to that.

**The CHAIR:** Is there any reference to that in the body of the report?

**Ms CHAPMAN:** Is there any reference to the contract?

**The CHAIR:** Yes.

**Ms CHAPMAN:** No; that is why I am asking the minister—

**The CHAIR:** So, you are simply referring to the overall payment line?

**Ms CHAPMAN:** Correct. Specifically, I asked whether the minister has already referred this matter to the Auditor-General or, in the alternative, whether the Auditor-General has sought from the minister any particulars in relation to that contract; specifically, whether he has sought any documents in her department or to interview anyone in her department.

**The CHAIR:** Minister, it is a long bow, but I invite you to respond.

**The Hon. J.D. LOMAX-SMITH:** I think that the member for Bragg is referring to capital works in progress, which is about current assets, and capital works in progress I do not think would relate to the sale of land. However, I am informed that we have no contract for the sale of land, and therefore there has been no information, as far as I can tell, that has related to that that could have gone to the Auditor-General, but I am happy to check.

**Ms CHAPMAN:** As a supplementary question on this, then, I refer specifically also to the explanation of what obligations there are in relation to this. In today's Auditor-General's Report, which was tabled, of the Auditor-General's signing off on his own department, at page 46, he talks about reviewing summaries of confidential government contracts. I think what the minister is saying to me is that in the '08 financial year, there has not been any contract, and I am assuming from that that she is saying that therefore there has not been any referral of this issue to the Auditor-General, and so my supplementary question is: is it proposed that that will be referred to in the 2008-09 year?

**The Hon. J.D. LOMAX-SMITH:** As I said before, we do not have a contract at this stage but we will do whatever is required of us when one does exist.

**Mr PISONI:** This question refers to the Annual Report, Part C, page 8. The Auditor-General has indicated the need for caution with respect to credit and financing risks for PPPs in the current economic environment. His report states:

This may be a significant risk to the fundamental premise of whether a PPP provides a net benefit to the public compared to conventional public sector procurement.

The question is: what are the implications for the six new Education Works super schools with contractual closure for early 2009? Will all six and the closure of 18 existing schools go ahead on time, or will there be any delay?



**The Hon. J.D. LOMAX-SMITH:** I do not believe that the matter that the member discusses or wishes to question me about is relevant to my portfolio. The PPP procurement process is under the control of the Deputy Premier.

**The CHAIR:** Thank you, minister, for that advice. I was coming to the same conclusion.

**Mr PISONI:** This relates to a significant capital expenditure in the minister's portfolio, so I am shocked that the minister is not able to—

**The CHAIR:** Order!

**Mr PISONI:** —give me any information at all on these super schools. I think the general public would be very interested to know whether these schools will be on time and whether there will be any delay. Is the minister not prepared to answer that? Or does the minister not know the answer?

**The CHAIR:** Minister, do you wish to add anything?

**The Hon. J.D. LOMAX-SMITH:** I do not wish to take part in this kind of verballing. I have explained to the member that the PPP contractual arrangements and the philosophy behind them are to be discussed in the questions addressed to the Deputy Premier.

**Mr PISONI:** There are children attending dilapidated schools that are due for closure who would very much like to know—

**The CHAIR:** Order! Member for Unley, do you have a new question?

**Mr PISONI:** —whether their schools are going to be closed and they will be moving into new ones or whether they will still have to continue—

**The CHAIR:** Member for Unley, do you have a new question?

**Mr PISONI:** I do have a new question, but I have not finished on this one yet.

**The CHAIR:** Will you please proceed to it?

**Mr PISONI:** So they would like to know whether they will still be in dilapidated classrooms or whether they are moving into new classrooms. I think it is absolutely outrageous that the minister shows no interest in this.

**The CHAIR:** Order! Member for Unley, can you please stick to asking questions, and when the minister has indicated that another minister has responsibility for the issue, move on to a question that is within the minister's area of responsibility?

**Mr PISONI:** So, the minister is not responsible. I understand that.

**The CHAIR:** Order! This is not a time for impugning the integrity of ministers. It is a time for seeking information. Please proceed to a question.

**Mr PISONI:** Chair, you just said that the minister is not responsible, and I am agreeing with you. This refers to Part B, Volume II, page 315: Remuneration of Employees. The 2008 audit shows a 47 per cent increase from last year of indexed employees earning over \$100,000 per annum; so, they are fat cats earning over \$100,000 per annum. The actual number is an increase of 283 employees earning over \$100,000 per annum since last year.

I am aware that at the POC5 level, which is \$99,242, there are 83 principals; at the POC6 level of \$104,408 there are 33 principals; at the POC7 level of \$109,575 there are 24 principals; and at the POC8 level of \$114,740 there are 19 principals—and that is for our largest schools. So there is a total of 159 principals yet, in response to a question I asked in the chamber last session, the minister said 'I for one say how pleased I am that the most experienced teachers, the best leaders of our schools...earn more than \$100,000.' However, the Auditor-General's figures tell us that we now have 888 bureaucrats, or fat cats, earning over \$100,000 and only 159 of them are principals. Is the minister able to tell me what positions the other 729 fat cats hold within the department?

**The Hon. J.D. LOMAX-SMITH:** I have to say that the member seems to be quite incapable either of reading the documents or of correctly interpreting them. He makes some point about these not being teachers, about them being fat cats; what he seems unwilling to understand is that principals are, indeed, our most experienced teachers. They are those who have been in the teaching profession the longest, and they are those who have leadership positions and are

responsible for schools. If the member wants to insult them by calling them fat cats he may like to know that the people he is insulting include 378 principals, 60 assistant principals, 90 deputy principals, 18 senior teachers and 28 teachers. To claim that they are all fat cats is, I think, deeply insulting.

**Mr PISONI:** Is it correct, minister, that those positions you mentioned are all on packages of over \$100,000?

**The Hon. J.D. LOMAX-SMITH:** I understand that technically that is salary plus super, and I have just explained that they earn more than \$100,000 a year. The member opposite has called them fat cats and insulted them, and I repeat that these are our most experienced teachers.

**Mr PISONI:** There are 888 so you are a bit short (by my quick calculation). Can you give me details of every single one then, please?

**The Hon. J.D. LOMAX-SMITH:** I do not think there is the opportunity to give the member the name of every member of this category of people. There are 378 principals, 60 assistant principals, 90 deputy principals, 18 senior teachers and 28 teachers.

**Mr PISONI:** That is still short of 888, minister. I am not asking for names; you did not give names then. I am asking for positions.

**The Hon. J.D. LOMAX-SMITH:** I am very happy to give the member opposite this response. I am informed that there are 888 positions for individuals who earn more than \$100,000 a year, including: Administrative Services Officer 7, comprising 13; Administrative Services Officer 8, comprising 18; Manager Administrative Services 2, comprising three; Manager Administrative Services 3, comprising six; Manager Inclusion and Wellbeing, comprising five; Manager Support and Disability, comprising nine; School Services Officer, comprising one; and Swimming Instructor, comprising one.

I understand there are 60 assistant principals; Coordinator Level 1, comprising two; Coordinator Level 2, comprising two; Coordinator Level 3, comprising 22; Deputy Principal Level 1, 14; Deputy Principal Level 2, 16; Deputy Principal Level 3, 33; Deputy Principal Level 4, 27; District Director, 23; District Improvement Coordinator, 21; Key Teacher, eight; PCO1, 7; PCO2, 19; PCO3, 78; PCO4, 108; PCO5, 77; PCO6, 34; PCO7, 32; PCO8, 23; Permanent Relieving Principal, nought; Seconded Teacher Level 1, one; Level 2, 18; Level 3, 42; Senior Teacher, 18; Superintendent, 14; and Teacher, 28. Executives: Chief Executive, one; Executive Level A, one; Executive Level B, four; Executive Level C, three; Executive Level D, one; Executive Officer Level 1, 17; and Executive Officer Level 2, four. I should point out that some of these individuals include those who have left or retired and received retirement leave payouts.

**Mr PISONI:** This question relates to Part B, Volume II, page 292. Will the minister describe the reporting process for maintenance and advise as to whether it is accurate? I ask that question because the Auditor-General has said that in 2007 he found that the department's reporting of maintenance backlog is inadequate to act as an effective performance indicator.

**The Hon. J.D. LOMAX-SMITH:** I can advise that DECS has annual reporting of backlog maintenance; it appears as is appropriate as part of the annual budget process, and there are other processes to manage the maintenance risks for DECS. In the view of DECS, the backlog maintenance is a financial indicator, rather than a mechanism to record risks and the mitigating action.

Other processes and programs, such as asset funding programs, performance assessments and general data capture, provided through the asset support centre and the SAMIS system, provide controls of managing and addressing risks. The reporting is provided through the annual capital works program briefing, and it is worth noting that SAMIS provides specific information about buildings and other physical assets to a range of users, including agency decision-makers, facility managers, business experts and school and preschool representatives that are involved in the maintenance of assets.

We believe that the auditing has been significantly improved over the past decade and that this year's audit showed the Auditor-General advising that the service provider, DTEI, should provide additional information, and we believe that this has occurred.

**Mr PISONI:** Is the minister saying then that her reporting is adequate and she is disagreeing with the Auditor-General?

**The Hon. J.D. LOMAX-SMITH:** We endeavour to make improvements as suggested by the Auditor-General. We can always improve systems.

**Mr PISONI:** But it is not adequate now?

**The CHAIR:** Order!

**Mr PISONI:** It is not adequate now, is that what you are saying?

**The CHAIR:** Order!

**Mr PISONI:** I am just trying to get an answer, Madam Chair.

**The CHAIR:** Order! I think the term is called 'verballing', and the member for Unley is being very persistent at it.

**Mr PISONI:** Yes; I am getting an answer, or I am trying to get an answer.

**The CHAIR:** The minister has answered the question. Would the honourable member like to proceed to another question?

**Mr PISONI:** This question refers to fee-paying overseas students, Part B, Volume II, page 290. Again, we see another flawed auditing process established or uncovered by the Auditor-General. The Auditor-General notes:

Follow-up [from the 2007 Auditor-General's report shows that]...a comprehensive costing model to measure the costs of the fee-paying overseas students program [is still not expected to be completed until 2008].

This indicates another full year without the accurate costings being available. Has the minister given any indication as to how much the difference might be between the cost of the program and tuition fees charged given this lack of regular monitoring? How much money has South Australian taxpayers had to pay out to subsidise foreign students?

**The Hon. J.D. LOMAX-SMITH:** Can I comment that the Auditor-General was very positive in his opinion of the department's financial statement in 2007 and 2008. He advised that, in all material aspects, the financial statement presents fairly the financial position of DECS in accordance with the Treasurer's Instructions and the Australian Accounting Standards. In his assessment of internal controls, the Auditor-General advised that, in relation to the receipt, expenditure and investment of money, the acquisition and disposal of property and the incurring of liabilities and controls exercised by DECS are sufficient to provide reasonable assurance that financial transactions are being conducted properly and in accordance with the law.

I think that the manner in which these questions have been asked has not allowed us to congratulate the department properly for the high level and quality of its accounting and its capacity to come in on budget in what is a very complex, diverse and widely disseminated system. In terms of overseas students, the 2007-08 report acknowledged that DECS was developing a comprehensive costing model to measure the cost of the fee-paying students program. I should say that DECS is on track to complete this work by December 2008. So, the assertions by the honourable member are not true.

**Mr PISONI:** I move now to tourism, minister. My question refers to Volume V, page 1203 and 20(a). I refer to the operating lease commitments in relation to operating leases contracted for at the reporting date but not recognised as liabilities. In 2007 the total operating lease commitments were recorded at \$4.89 million, whereas just 12 months later it has increased to \$13.231 million. Will the minister explain this steep increase, and in particular I draw her attention to the 'later than five years' line where there has been an increase alone of \$5.321 million. Can the minister explain these increases, and in particular detail whether or not the leases are non-cancellable leases with terms of up to 11 years? Who have these arrangements been made with and can the minister detail the procurement process undertaken for these contracts?

**The Hon. J.D. LOMAX-SMITH:** I think that the honourable member has, perhaps, misunderstood the documentation. As he would know, the SATC moved, and, whilst the previous lease was still in existence, there was a sub-lessor's agreement that meant that only one lease was being paid at a time.

**Mr PISONI:** I am sorry, I did not quite understand that answer. Last year we had rental commitments of \$4.89 million, and this year we have rental commitments of \$13.231 million. Can you explain what the difference is; why there is a difference; and for how long those lease commitments remain?

**The Hon. J.D. LOMAX-SMITH:** The new lease for the premises which the SATC actually occupies represents a 10-year lease.

**Mr PISONI:** How much is that lease commitment?

**The Hon. J.D. LOMAX-SMITH:** We will have to interpret that again for you at a later point. Are you referring to the lifetime lease for these premises? There were two leases. We were only occupying one and the first lease was subleased to another tenant to cover the expiry date of the first lease, but, in fact, that was at no cost to the department.

**Mr PISONI:** I refer to Volume IV, page 1,200, No. 8, participation fees. Increase in other income for the year is described as consisting of an increase in participation fees which is mainly attributed to new sponsorships obtained in 2007-08. Could the minister provide details of the sponsorships?

**The Hon. J.D. LOMAX-SMITH:** Thank you, we will take that on notice.

**Mr PISONI:** Minister, could I just clarify? You took a number of questions on notice in estimates for which I am still waiting for answers. Are you able to give some indication as to when I might get answers to this question and the questions I asked in estimates?

**The Hon. J.D. LOMAX-SMITH:** I am not prepared to take that comment on face value, but I will find out whether there are any unanswered questions.

**Mr PISONI:** There are, minister. You do not need to find out, I can tell you that there are.

**The Hon. J.D. LOMAX-SMITH:** I am prepared to investigate that, but I will not take the member's statement on face value.

**Mr PISONI:** It is there in *Hansard*. Answers to questions appear in *Hansard*, so if you were reading *Hansard* you would notice whether or not they had been answered. I turn back to education and refer to Part B, Volume II, pages 295 to 296. Under 'Student Enrolments', the Auditor-General comments on the continuing shift of enrolled full-time equivalent students from the government sector to the non-government sector. While it is now around 34 per cent overall for the independent and Catholic sector, at year 12 level it is now 44 per cent for the non-government sector. Why is the trend continuing?

**The Hon. J.D. LOMAX-SMITH:** I think national impacts are impacting in South Australia, as well as across the rest of the country, and this is not an uncommon phenomenon in the commonwealth.

**Mr PISONI:** Sorry, I did not get an explanation from you; I just got a general statement.

**The Hon. J.D. LOMAX-SMITH:** I said that this is a national trend and is not related to anything within the Auditor-General's Report.

**Mr PISONI:** I am sorry, it is related to pages 295 and 296. It is quite clear that the Auditor-General has raised what appears to be concerns about the drift from government schools to non-government schools, especially the fact that last year we saw an increase of 243 in the number of executives and others earning over \$100,000 a year. So, we are seeing a decrease in the number of students in the government sector, but we are seeing an increase in the number of staff.

**The Hon. J.D. LOMAX-SMITH:** I think that I have to explain to the member again that the increase in the number of those staff receiving more than \$100,000 is because of bracket creep—I suppose I would call it—that is, the increasing number of teachers and school leaders who have fallen within that category. I know he does not believe that teachers and school leaders should be paid more than \$100,000. I can only believe that is the reason he criticises this level of payment repeatedly, but I, for one, believe that our best deserve a good remuneration package, and I am very pleased that our senior teachers and principals receive this level of remuneration.

Having said that, the previous government and the actions of the previous government went a long way to demoralising and undermining public education in this state, and there was a very significant trend away from public education, which we have slowed significantly. But it is hard to reverse the impact of those tough years: despite the 52 cent increase in funding per capita per child since we have been in government; despite the massive level of investment in our infrastructure and maintenance programs; despite all these features, we, like the rest of the country, have seen an ongoing shift.

**The CHAIR:** I now call on the Minister for Health, Minister for the Southern Suburbs and Minister Assisting the Premier in the Arts for 30 minutes.

**Ms CHAPMAN:** The Department of Health is largely dealt with in Volume II, and the section commences on page 534. My first question relates to page 561 concerning a contingency provision. What was the \$46 million contingency provision payment made by the Treasury department used for?

**The Hon. J.D. HILL:** I will have to take that item on notice, but I will get a full report for the member.

**Ms CHAPMAN:** I have a general question in relation to expenditure for staff. Has the resolution of the salaried medical officers' pay dispute put the department in a position where it will have to receive a bail-out from the Treasurer, come June next year, to ensure that it does not run significantly over budget; and how much do you anticipate that the new pay offer will increase the total wage cost by? Employee payments are referred to on page 549, although I do not think that will help the minister.

**The Hon. J.D. HILL:** The deputy leader is, in fact, not talking about the Auditor-General's report for this past year, but about what the Auditor-General might be talking about in the current financial year, so it is a little hard and it is a little hypothetical. However, I say that the enterprise bargaining arrangement with the salaried medical officers and their members will be funded through normal Treasury lines. The claim of a bail-out suggests wrongdoing, a mistake, a problem, or some overexpenditure, but, in fact, an enterprise bargaining arrangement is a planned approach to settling wages with a group of workers. You cannot predict precisely what the outcome will be, of course. If you could do that, there would not be a bargain. The way Treasury handles these matters, as I understand it, is to put certain provisions into the health department's budget and then hold central contingencies which it then applies after the arrangement has been put in place. They will go through that process in this case as well.

**Ms CHAPMAN:** Perhaps I did not make my position clear. It may be that the doctors' dispute resolution was effective only since 1 July 2008, and I agree that it will flow into it. But, if the minister is saying that the resolution was on the basis of no respective payment for extra funding for the doctors in 2008, I take it that there will be no adjustment for that. If there was an adjustment during that financial year, how much was it?

**The Hon. J.D. HILL:** That is a different matter. You asked me if there was a bailout.

*Ms Chapman interjecting:*

**The Hon. J.D. HILL:** No; a bailout is a pejorative term which implies certain relationships, and those relationships do not exist. There is an enterprise bargaining arrangement. You cannot predict the outcome of that arrangement. Therefore, provisioning is made within Treasury's central funds to cover the contingencies, and they will apply in this current financial year. I understand that any back pay that needs to be paid has been accrued by the health services, appropriately managed through Treasury arrangements. As to the exact amount of the back pay, I have to take that on notice. I do not hold those figures; it is not a secret, but it is certainly just normal provisioning.

**Ms CHAPMAN:** I understand and agree with the fact that there is provision. Essentially, though, in addition to your budget and the provision made by the Treasurer, which is always kept confidential for the obvious negotiating reasons—perhaps I will put it in reverse: is there any net monies anticipated to be required in addition for 2008 to cover any payment for the doctors' dispute resolution? In terms of your budget plus the allocation from the Treasurer's funds, is any shortfall anticipated and, if so, how much?

**The Hon. J.D. HILL:** When the deputy leader says the '08 year, I am unclear as to whether she is referring to the '08-'09 year or the '07-'08 year. As I said, and relation to 2008-09 (the current financial year) Treasury has funds available which it will transfer to health, which it will then pay to its employees. In relation to the previous year, after the year has closed Treasury's contingency lines still apply, as I understand it, and it pays the doctors whatever they are owed. There is no extra burden on the health system, if that is essentially your question. Will health have to pay something to the doctors over and above the contingencies that are held in health and within Treasury? The advice I have is: no.

**Ms CHAPMAN:** I will clarify and confirm this on the following basis. There is a budget allocation for salaries in your budget for 2007-08. There is a contingency provided for in the

Treasurer's budget to cover the unforeseen and unconcluded negotiations. To your knowledge, in the '07-'08 year there was no shortfall above those two provisions to pay for the doctors; is that your understanding?

**The Hon. J.D. HILL:** We have a budget for staff. If the question the member is asking me is whether we have sufficient funding within our budget to pay for all the staff who are employed in the course of a year, putting aside the enterprise bargaining arrangements, clearly, every year that I am aware of we have employed more staff over the course of the year than we have at the beginning of the year. The number of staff we employ will depend on the demand in our hospitals, and sometimes demand out-runs our budget. Therefore, we employ more staff and some of those staff are funded, at the end of the year, by approval from Treasury. That is a different process and I am not sure whether the deputy leader is getting those two processes entangled.

In relation to the enterprise bargaining arrangement, expenses for staff are provisioned internally by Health and externally, if you like, by Treasury. Once the agreement is settled, the staff are paid their entitlements and Treasury is paid whatever the extra amount is to cover the cost of the salaries. I do not think there is anything else I can say.

**Ms CHAPMAN:** Of the income paid to staff and salaries to doctors (that was the subject of the doctors' dispute in the 2007-08 year), how much was paid to them in the financial year that was relevant to the negotiated new pay deal?

**The Hon. J.D. HILL:** The advice I have (and I am happy to get details) is that the additional amount that was accrued was in the order of about \$10 million because we were covering a relatively short period—April through to June.

**Ms CHAPMAN:** At page 576 I am referring to full-time employees. Of the 25,871 full-time equivalents working in the health sector, how many are employed within hospitals? I refer the minister to the June 2008 *State of Our Public Hospitals Report* conducted by the Australian Institute of Health and Welfare, which shows there were only 18,769 full-time equivalents employed in SA public hospitals during the previous year.

When you see page 576—just so that there is no confusion here, I am referring to those employed in the 2007 year—there are 27,775 total on that page for the 2008 year. We are comparing the Australian institute 2007 figures for those who work in public hospitals and I am referring to the total of all those categories for the 2007 year which, on my calculations, is 25,871. My question is: of those, how many work in public hospitals?

**The Hon. J.D. HILL:** I do not have the detail of that. It is really not an audit question; it is a general question but I am happy to get it for the member. The vast majority, of course, of our employees are employed delivering health services to people. The vast majority of those who are employed delivering health services are employed in hospitals but, of course, there are other officers employed outside hospitals but, nonetheless, are still delivering health services to people. I do not have the precise figures in front of me because, as I say, it is not really part of the Auditor-General's Report.

**Ms CHAPMAN:** Part C, page 42—the small document—states:

As at 31 March 2008, most agencies were well under their caps. Health was significantly over its cap by 925 full-time equivalents or 3.5 per cent reporting unbudgeted activity in health units as the cause.

Can the minister identify how much of this overspend was attributable to the use of agency nurses?

**The Hon. J.D. HILL:** The advice I have is that agency nurses are not included in the cap number. The cap number is the people who are employed by the health department. The agency nurses are, of course, services—I assume that is how it is calculated—that are funded by the department. I am happy to find the answer to the question about agency nurses for the member. The demand for them does vary from time to time depending on circumstances; obviously, during school holidays and busy flu periods and so on we end up having to employ more agency nurses. If that is the answer I am happy to get more information for the member.

**Ms CHAPMAN:** If it is none for agency nurses, when it refers to unbudgeted activity, what then was the activity that justified going over the cap 925 FTEs? I am assuming, from your answer, that none of this money was spent on agency nurses.

**The Hon. J.D. HILL:** As I have informed the house from time to time, the growth in demand in our hospitals has been extraordinary over recent years. As more people turn up so we have to provide services. We are an open-ended agency to that extent. Every person who attends

a hospital has to be served so, if more people turn up than are covered in the budget papers, we have to employ people to provide services for them—and that is what we do. The growth in demand is what drives the growth in employment, particularly of nurses and doctors.

There are other factors. For example, from time to time the commonwealth gives us money to do particular things. Last year, for example, the HPV vaccine was made available and a considerable sum of money came from the commonwealth. No doubt there was employment of a certain number of people in association with that. Extra programs, from time to time, presumably drive employment growth but, generally, it is the growth in demand for services.

**Ms CHAPMAN:** Minister, what I am asking is: what are those services? Many of the statements you have made to the house say that the demand for services is for hospital and health care services and I have assumed that a large slice of that is for nursing. You tell us there are no agency nurses in this, so could you give us a breakdown of what the above-cap 925 full-time equivalents are doing, what services are they providing, if they are not nurses?

**The Hon. J.D. HILL:** I am happy to take the bulk of that question on notice, but let me just give you some information which might help you. I am referring to Workforce Numbers on page 576. At June 2007, there were 26,842 full-time equivalents employed in the SA Health portfolio, and that is about 3 per cent more than the previous year, so I agree that these are slightly different ways of looking at the figures, but it gives you a flavour of what you are asking.

Of those 775 additional full-time equivalents, over half—58 per cent to be precise or 449—were employees under the Nurses' Award, so just under 60 per cent are nurses. A further quarter—25 per cent or 195—were medical officers, and then there are about 20 per cent who are under the administrative and clerical award.

They, of course, provided administrative and clerical services but it also includes others who provide key health portfolio programs services, and they can be split into five major streams: the financial people; the legal people; the administrative people; project and policy; and consultancy and information. Project and policy, for example, would include policy officers, community and Aboriginal health workers, health research and project officers and so on. Consultancy and information would include people like HR consultants, IR officers, training and development officers, EEO officers, rehabilitation officers, ICT officers and library technicians.

If you increase the workforce that is delivering services, you need to increase the ancillary services that provide services to those workers. That is essentially the kind of proportions that occur. I am also advised that there was a rise in demands placed on hospital services in the health regional workforce with a 3.9 per cent increase in hospital inpatient activity (as measured by evises) together with a 6.8 per cent increase in metropolitan hospital emergency department attendances (as measured by weighted occasions of service) during the 2006-07 period, so that gives you an indication of the kind of growth. I will happily provide the detail that the member has asked for, but I just want to give a flavour of the kind of proportions that we employ.

**Ms CHAPMAN:** We are still on employment at page 576. What was the total cost incurred by the Department of Health for the use of agency nurses during 2007-08?

**The CHAIR:** The minister has indicated that agency nurses are not staff.

**The Hon. J.D. HILL:** They are not included in those figures.

**Ms CHAPMAN:** I was about to go on to say that I am happy to refer to the actual staff expenditure amount to cover your requirements.

**The CHAIR:** I am not sure that you have. Minister, are you able to provide any information?

**The Hon. J.D. HILL:** I do not want to be difficult, but the member is actually asking me questions that I think would be appropriate during estimates.

**Ms CHAPMAN:** You did not give me an answer during estimates, so I am asking now.

**The Hon. J.D. HILL:** Look, Vickie, I do not wish to be argumentative about this. I am happy to take it on notice. You can ask me all the questions you like. I will happily try to take anything on notice, but this is really just to talk about the Auditor-General's Report, and what you are asking is basic information that is not part of the Auditor-General's Report. It is really part of a proper estimates inquiry.

If you have asked me a question that I have not answered, I apologise. I am happy to try to get any information you want, essentially, but, in relation to how much is spent on staff and all the rest of it, what the Auditor really looks at is: did we spend the money we were given in an appropriate way and, if not, why not—not how much did we spend and what it was spent on. He does not get into the detail that I think you are asking about, but I am happy to try to provide the information. I am not trying to be difficult about it; I just do not have it with me.

**Ms CHAPMAN:** I perfectly appreciate that you may not be able to answer the question, minister, and I thank you for taking matters on notice, but let us be clear about this. The Auditor-General makes comment and provides a commentary on a report to the parliament in relation to errors or inadequacies that he may see, but he also reports as to what he finds is the total financial expenditure and income and makes comment in relation to that as well. Just because the Auditor may not have made a comment on something, it does not mean it is not in his report and, clearly, the multi-millions that are spent in the billion-dollar budget that you have covers staff.

**The CHAIR:** The deputy leader misunderstands the process.

**Ms CHAPMAN:** And the process is one where I will ask that question and I appreciate that the minister has taken it on notice. My next question is on page 572, which relates to boards and committee members. Why did the number of boards and committee members engaged by your department double last year to 262 at a time when you axed boards of governance; and why did the income paid to board members also double?

**The Hon. J.D. HILL:** The provision, of course, is contained in the pages the member referred to. There were, I am advised, 262 members of boards and committees in 2007-08. Of those, 199 received no remuneration whatsoever. Sixty received remuneration between \$1 and \$9,999 and there were three others who were paid at higher levels. The most highly paid was between \$50,000 and \$59,999. The more highly paid included the chair of the Clinical Network of Child Health and the chair of the South Australian Safety and Quality Council in that senior band.

The majority of members of those boards are members of the clinical networks. We established a series of clinical networks to give advice to government in relation to particular areas of clinical practice. For example, we have a clinical network which deals with cardiology issues; one deals with kidney issues; another deals with orthopaedic issues; another deals with children's health—a range of boards. This is, I think, an important reform to ensure that the voice of clinicians is heard in the development of policy.

So the members of these clinical networks are doctors, nurses, and other allied health workers from time to time, as well as patients or those who receive services or, in the case of children, relatives of those who receive services. These are important parts of the process to ensure that the voices of those who deliver services are heard.

I think one of the strongest requests I had from clinicians when I first became health minister was regarding their desire to have a stronger say in policy and the decision-making process, and we established these to do that. They are not boards in the sense of management bodies; they help create policy, which is promulgated through the normal decision-making process of the department and the government. They are not management boards in that sense.

We also established the safety and quality council as a very senior body to give advice to the health portfolio in the prosecution of maximum safety and quality standards and to ensure that we had the highest standards available. From the private sector we chose Mr Hans Ohff to be chair of that because we wanted someone from the private business sector who had very strong experience in safety and quality issues. Of course, as the former boss of the Submarine Corporation he knows a lot about those kinds of issues.

**Ms CHAPMAN:** I refer to page 541 on the Modbury Hospital stocktake. Minister, a couple of weeks ago you indicated that you agreed with comments that your department should have attended at the stocktake of goods held before the government took back management of the Modbury Hospital, and there are, of course, comments made by the Auditor-General regarding the lack of someone from your department being in attendance to check that what you got back was what you actually paid for—the nearly \$1 million worth of property, according to his comments. Has your department done a stocktake since the goods were returned to government control and, if so, was there any discrepancy?

**The Hon. J.D. HILL:** There has been regular stocktaking since the transfer. The issue the Auditor-General raised was that there should have been someone from the Central Northern



Adelaide Health Service (CNAHS) there, and there was not—and I have commented on that in the past. However, even if someone had been there we are not sure it would have actually helped. because it was difficult for CNAHS to assess the condition of the equipment as the condition of the equipment transferred in 1995 (when your party was in government) was not recorded. So there was no basic information to rely on to determine whether or not what we received back was in any decent condition. It is a bit like the pot calling the kettle black to have a go at the government for somehow failing in this regard.

It would have been a better process for someone from CNAHS to have been in attendance—that has been acknowledged—but the advice I have is that even had someone been there it would not have helped to any degree because there really was no basis on which to compare what was coming back with what was transferred in the first place. Given the lack of records available and the early termination of the agreements, it was assessed that no further action could be taken.

**Ms CHAPMAN:** I am astounded by that answer. Your department paid nearly \$1 million for these assets, yet you say that there would have been no benefit in having someone there to check, first, that you got what they said they were selling back to you and, secondly, whether it was in any reasonable condition. You say that you were not so sure of the condition it was in when it was transferred back in 1995; surely that would be all the more reason to make sure someone would be there to do that.

That having not happened, how long after you got all this stuff back from the Modbury proprietors—that is, Healthscope—did your department do a stocktake of the goods that you purport to have got back, in good condition or otherwise? Was a stocktake ever done? If so, when and by whom?

**The Hon. J.D. HILL:** I think the deputy leader is getting somewhat confused about these matters. I refer her to page 541 of the Auditor-General's Report, Volume II, Part B, which refers to stock on hand. It states:

As at 30 June 2007 a stocktake of inventory was performed by Healthscope to determine the value of inventory for transfer to the state for payment reimbursement to Healthscope. The inventory value was determined at \$926,808 and is one of the items described...The exercise of appropriate due diligence should have resulted in the attendance of representative(s)...

At that point that did not occur. It went on:

Also audit review of the stock sheets indicated limitations in the stocktake processes and records.

The stock on hand, the inventory, was not the fixed assets to which I was referring earlier; as I understand it this is the consumables. The department ought to have been on hand when that material was transferred, but there has subsequently been a stocktake and the department is satisfied that it got its money's worth in terms of that \$900,000-odd. The point I made before (and perhaps I was confusing the committee) was that, in relation to the fixed assets, there were no records as to their condition, so when they came back to government we could not tell whether or not they were in the condition they ought to have been in; there was no record of their condition when they were transferred to Modbury.

So there are two issues there. Regarding the stock in hand, the inventory, we are satisfied that that has been properly transferred, despite the lack of a supervisor there when that occurred. In relation to the fixed assets, they have been transferred back but we cannot comment on their condition because there was no original record to be found.

**The CHAIR:** That concludes the examination—

**Ms CHAPMAN:** Can I just have it clarified whether the minister will get me the date of when that stocktake occurred?

**The CHAIR:** Order! The member can talk to the minister outside. The examination has concluded. I now call the Minister for Families and Communities, Minister for the Northern Suburbs, Minister for Housing, Minister for Ageing and Minister for Disability.

**Ms CHAPMAN:** I have a couple of questions for the minister in respect of her area of responsibility of housing. I refer to Volume II, page 578, which is the commencement of the chapter on HomeStart Finance. I refer to page 586 which has an income statement for this entity which provides finance for housing. The minister would be familiar with the entity, of course. The net profit

which was paid to the South Australian government in the 2007 year was \$8.316 million. Last financial year I see that it reduced to \$4.751 million.

In each of those it also paid directly to the government the government guarantee fee, which in 2007 was \$7.007 million and in this last financial year \$6.640 million. So, very substantial amounts of money are paid to the Treasurer out of this entity. My first question is: in relation to the government guarantee fee, has any money been refunded back from Treasury pursuant to the obligations of that guarantee fee?

**The Hon. J.M. RANKINE:** I am advised that it is a payment made back to the government relating to the risk that the government takes in relation to the moneys provided to HomeStart, and no moneys are returned.

**Ms CHAPMAN:** I understand what it is for, and I do not know that I have ever known any money to come back. So, it is a direct fund to the state government, and the Treasurer keeps that as the profit, as also identified there. In the last financial year a total of some \$13 million was taken out of this entity and paid to the state government. My question is: now that you are the new minister, are you proposing any change of policy in the 2008-09 year, given that we have 22,000 people waiting on the public housing list, that this money be applied to public housing and not just put back into general revenue?

**The CHAIR:** Order! This is not about government policy. Minister, do you wish to make any comments at all? The question does not relate to the Auditor-General's Report.

**The Hon. J.M. RANKINE:** For this coming year, no.

**Ms CHAPMAN:** Page 1067, unspent grant revenue: \$23.7 million of the grant revenue was unspent. I note that \$8 million of that was for disability support accommodation and \$6.8 million for Foyer and Common Ground projects. My question is: why was that money not spent and when will it be spent by?

**The Hon. J.M. RANKINE:** We received those funds late in the year and we are ready to spend that money in the very near future.

**Mrs REDMOND:** I have some questions on the area of disability, referring in particular in the first instance to Volume II at page 440, which deals with the restructure. The minister will no doubt recall that, under the stewardship of the previous minister, the restructure involved the removal of the various boards for Intellectual Disability Services, the Independent Living Centre, Julia Farr Services and so on, and page 440 seems to be the most relevant. My first question is really one of a generic nature, because I know that, when the minister announced all of that restructure, in his media release in May 2006 he stated:

Cutting overheads and bureaucracy will leave more money for services and ultimately for the people who use them. There will be no extra expense to the taxpayer from the outset, and the more coordinated approach will mean more efficient use of this money in the long term.

I do not know whether the minister or, indeed, her advisers can answer this, but the fundamental question that I want to get at is this: is there any way, through the Auditor-General's assessment, to actually determine whether the money is now being spent more efficiently? That would seem to me to be the fundamental question that the Auditor-General should be able to answer: has this actually panned out to be better, or at least as efficient, as the system that we had when we had the Intellectual Disability Services Council, the Independent Living Centre, Julia Farr Services, Metropolitan Domiciliary Care—all the things that were reorganised and restructured?

I cannot find in these documents anything to tell me whether it is more efficient. So, my first question, as I said, is generic and it may be one to which no-one can give me answer, but is there a way to tell whether what we have now is, as promised, a more efficient use of resources?

**The Hon. J.M. RANKINE:** The first part of the honourable member's question about whether the Auditor-General should be looking into those things is something she should perhaps put to the Auditor-General. I am sure that if he found there was wastage within the department and inappropriate processes he would be highlighting them in the coming year's Auditor-General's Report. What I can tell the honourable member is that we have abolished a number of boards and streamlined the processes, and just one example would be the provision of equipment. Since 30 June I understand that we have been able to provide equipment to the value of in excess of a million dollars.

We have provided one contact point, streamlined the assessment processes and streamlined the purchasing processes to deliver more equipment for less money. Whilst I am happy to take that question, I could get more detail for the honourable member, because I know that she is genuinely concerned about these things. As she said, it is not part of the Auditor-General's Report, and I understand that we are here to examine that. I am happy to get more information for the honourable member about how we have streamlined those services. Obviously, as minister, I will be keeping a very close eye on what occurs, because what we want is a better outcome for people we are servicing.

**Mrs REDMOND:** As the minister would appreciate, I am no longer the shadow minister for disability services, but it would seem to me to be fundamental to ascertain whether in fact the proposal has worked. I appreciate what the minister says about the Auditor-General's Report identifying wastage within the current system, but the necessary step it seems to me is to compare the current system with the previous system and identify whether there are benefits or losses. However, I will move on to the more specific questions.

On the same page and still on this issue of the Disability SA restructure, the first set of figures on page 440 shows that \$13.017 million worth of liabilities was transferred from Julia Farr Services. What was the nature of those liabilities?

**The Hon. J.M. RANKINE:** I am advised that essentially they are employee entitlements and creditors' liabilities. A range of things are highlighted in this report in relation to the impact of Julia Farr Services coming into Disability SA, and I do not know whether the honourable member would like me to outline some of those for her.

**Mrs REDMOND:** I have some more specific questions on that. If the minister says they were largely employee liabilities, how much of that \$13.017 million was funded by the allocation to disability announced in the 2007-08 budget?

**The Hon. J.M. RANKINE:** The honourable member has assumed the liabilities of Julia Farr, but that has not increased our expenses per se. We have not used our disability funding for that.

**Mrs REDMOND:** On the line above that figure, the Disability SA restructure shows \$5.963 million of assets transferred from Julia Farr Services. What were the assets transferred?

**The Hon. J.M. RANKINE:** The \$5.963 million, I am told, is essentially cash and equipment. The Highgate property, which is obviously worth a lot more than that, is an administered item.

**Mrs REDMOND:** Indeed, my next question leads me onto that property. Madam Chair, I ask your indulgence. I am strictly sticking to the Auditor-General's Report, in particular page 412, which deals with the Home for Incurables' Trust, and pages 450 and 451, which also refer to the Home for Incurables' Trust, but in order to get to the question I need to give a bit of background. In the debate on the bill about the Julia Farr Services' Trust (which was in June last year), the Hon. Paul Holloway summarised the government's deal with the former Julia Farr Services Board as follows:

For the benefit of members, this agreement was entered into and finalised in June 2006. Let me make it clear to members what that agreement entailed. The Julia Farr Association has received and will receive the following: \$2.4 million in cash, which was transferred in 2005-06, to enable work on community houses transfer to be finalised (this money is sourced from the proceeds of the sale of the Fisher building); \$4.45 million in completed community housing; an \$8 million one-off non-recourse grant; and a commitment to transfer \$21 million worth of community housing stock to the JFA over three years. The Julia Farr Association will also receive three trusts totalling \$1.367 million.

The minister did not mention that the \$21 million of housing stock would be transferred with the debenture and the unencumbered assets are worth \$14.85 million: the total assets are \$35.85 million. In a letter to the then minister in June 2007, the chair of the board wrote:

Julia Farr Housing Association welcomes the opportunity to receive \$21 million worth of housing, though the offer does come with government insistence of debenture under the SACHA Act [South Australian Community Housing Authority Act]. We asked for these debentures to be removed but this was denied. If it is possible for the debentures to be removed now we would welcome it. It would increase the capacity to make strategic choice in serving the South Australian disability community.

It is my assertion that the only clear value transferred is \$14.85 million, whereas the real value of the assets is \$26.55 million. The chair of the Julia Farr Association also stated:

The board adopted the view that it held assets with a book value of \$33.4 million. The board adopted the view, albeit reluctantly, that under the circumstances it had reached the best possible agreement with the formal transfer of \$6.85 million of community housing that was at the time being operated by the Julia Farr Housing Association, the commitment of a further \$21 million in housing and a non-recalls grant of \$8 million to the new Julia Farr Association, all in addition to securing the trust property at Highgate Park for people with a disability.

The book value of \$33.4 million less the \$6.86 million value of the community housing retained by Julia Farr is \$26.55 million.

At page 451, the Auditor-General's Report shows the following Home for Incurables assets: property, \$27.067 million; investment properties, \$1.139 million; and current assets, \$7.110 million. In addition, the report also notes Julia Farr Services—that is, the incorporated entity that held the trust—also had the following assets—and they are the two to which I have already referred—of \$5.963 million and liabilities of \$13.017 million. The question is: where did the \$6.658 million held in deposit with SAFA for the Home for Incurables Trust come from? If any, how much of this money is the proceeds of the sale of any property where the sale of the property was concluded before the transfer of the Home for Incurables Trust to the minister in July 2007?

**The Hon. J.M. RANKINE:** I am told the \$6.658 million is the cash proceeds from the sale of two properties—Ringwood and another property—and those deposits are still with SAFA, and the interest is used in the provision of services at Highgate.

**Mrs REDMOND:** Has any of the property held by the trust been sold within the past 12 months?

**The Hon. J.M. RANKINE:** No.

**Mrs REDMOND:** Do the debentures held over the Julia Farr Association community housing appear in the financial statements for the department and, if so, where do they appear?

**The Hon. J.M. RANKINE:** I am assuming that they are in the Housing Trust accounts, as it has assumed responsibility for SACHA.

**Mrs REDMOND:** How much of the \$21 million of housing stock to be transferred to the Julia Farr Association as part of that transfer arrangement of the Home for Incurables has been transferred?

**The Hon. J.M. RANKINE:** We will take that on notice and get back to the member.

**Mrs REDMOND:** I refer to page 440. What is the nature of the investment properties listed under the non-current assets of the Home for Incurables?

**The Hon. J.M. RANKINE:** It is student housing, which is the former nurses' home on site.

**Mrs REDMOND:** Sorry, can you explain, minister, where that is?

**The Hon. J.M. RANKINE:** Where it is physically? At Highgate; at the old Julia Farr.

**Mrs REDMOND:** I refer to page 412 and again on the Home for Incurables information. Will the minister outline what steps have been taken to develop supporting documentation, operating rules and financial reporting, as advised was necessary by the Auditor-General in his report?

**The Hon. J.M. RANKINE:** I will get the detail of that for the member, but I am advised that the department consulted closely with the Auditor-General and all that work has been completed.

**Mrs REDMOND:** At the bottom of page 413 is the heading 'Expenses' and below that 'Income'. In the last paragraph under 'Expenses', it states that the net expense from the restructure was \$4 million. I ask the minister: if that was the net expense incurred in the transfer of—according to this—the various assets and liabilities from those various organisations, including the transfer of staff, how does that reflect an improvement in the ability of the department to provide the services, if there is a \$4 million backlog, as it were, in the provision of services because of a net expense in that transfer taking place in the first place?

**The Hon. J.M. RANKINE:** This is not about incurring an expense, it is the book difference between the assets and liabilities, and those balances existed before the transfer occurred.

**Mrs REDMOND:** I will not even try to understand that response. It is probably me, not the minister. Someone said this week that the columnists were only invented to make meteorologists look good and I suspect that is correct.

Under the heading 'Revaluation of Non-Current Assets' at the top of page 425 is a paragraph about land and buildings at fair value. I have a couple of questions, which I will try to combine into one question. The paragraph starts by noting that the department's land and buildings were due to be revalued at 30 June 2009, but then it was decided that, because there had been an increase—the values had materially appreciated—it would be better to revalue them now. The first part of the question is: was that a mistake in hindsight and, in fact, have they now come back down again? I suspect that they have.

The second part of the question is: who chooses the professional valuer to do what is called a desktop valuation? Is there some sort of tendering process, or is there some sort of panel to choose the person who is going to do this magical exercise of saying, 'Well, yesterday they were worth X. Now they are worth X plus 20 per cent'? In fact, now they are probably worth X minus 40 per cent. I am curious how one goes about that process and why it was brought forward. I know what it says there about it being an increase in value, but why bother to bring it forward because, as events have panned out, it probably would have been more sensible to leave the revaluation until the date that it was scheduled to take place, in June next year?

**The Hon. J.M. RANKINE:** First, there is a tendering process in the selection of a valuer to undertake this work and it was decided to do a desktop valuation, as opposed to a complete valuation, because more assets came into the department and, as the member recognised, there was a substantial increase in property values.

**The Hon. I.F. EVANS:** Page 432 of Volume II states:

Net Gain from Disposal of Assets

Land and Buildings:

Process from disposal—

shown as zero—

Less: Net book value of assets disposed—

shown as \$749,000. Can the minister explain what asset was disposed of that the government received nothing for that was worth \$749,000?

**The Hon. J.M. RANKINE:** I am told it was a retired asset that was obsolete and had no book value, but if the member is keen to know exactly what that is, I will take that on notice and get it for him.

**The Hon. I.F. EVANS:** If the minister would do that that would be good, and would the minister explain to me, if it has no book value, why it is in the books at \$749,000? She can give me that answer in her reply as well. The minister might want to take the next two questions on notice too, given the time. At page 411 in Volume II under 'Expenditure' it talks about:

- The need to implement a check to ensure that all payments processed through the manual payment voucher system are authorised in accordance with DFC's approved delegations.

Will the minister advise why the Special Investigations Unit investigators of the Tom Easling case sought payments from the department? The voucher reads, 'For reasons that cannot be disclosed due to the sensitivity of the investigations.' Further, will the minister advise: does this fit with all the Treasury guidelines and is it in line with all Treasury guidelines and the approvals of the department to have a voucher read in that way?

**The Hon. J.M. RANKINE:** I am happy to have that checked to ensure that it met with all those guidelines and advise the member.

**The Hon. I.F. EVANS:** My last question to the minister concerns page 432 of Volume II, and a series of bad and doubtful debts. Will the minister advise if any of the debt relating to an alleged victim in the Easling investigation was forgiven or capped while the investigation was being undertaken? If so, what was the value of the debt forgiven and capped, and why was it forgiven or capped? Will the minister advise what role the Special Investigations Unit investigators played in having the debt forgiven or capped? Did the investigators request or suggest that the debt be forgiven and capped, and, if so, why?

**The Hon. J.M. RANKINE:** I am advised that it is unlikely that there is any connection between that and the Easling case. I do not know, from my reading of the Auditor-General's Report, that there was actually any mention of the Easling investigation. There are a number of issues that the member has raised before, including the issue of the diary entry, which I think was

probably misrepresented in this house. It was made to sound as if someone had a notation in a personal diary, when, in fact, it was the investigations diary. People do not generally notate leaks. The member raises some serious issues which he should do with great caution in relation to this case.

**The CHAIR:** The time for the examination of the Minister for Families and Communities having expired, I now call the Minister for Police, Minister for Emergency Services, and Minister for Recreation, Sport and Racing to the table.

*[Sitting extended beyond 18:00 on motion of Hon. M.J. Wright]*

**Mrs REDMOND:** I will deal with police first. I refer to Volume III, page 870: Firearms Licences. The Auditor-General states that an instrument of delegation for firearm licence approvals needs to be developed and that there is scope to improve the follow-up system for expired licences and firearms purchases for which a licence application has not been made. Does the purchase of a firearm for which a licence application has not been made refer to the illegal purchase of a firearm?

**The Hon. M.J. WRIGHT:** My advice is that the audit identified a need to develop an instrument of delegation for firearm licence approvals. Further, there was scope to improve the follow-up of expired firearms licences and firearms purchased for which there was no licence application.

**Mrs REDMOND:** With respect, minister, that is exactly the point I was asking about. I read that myself in the report; that is what it states at the bottom of page 870. The question is: when you talk about the purchase of a firearm for which a licence application has not been made, is that per se the purchase of an illegal firearm? We have records about firearms for which people have an application, and my understanding—and the minister can correct me if I am wrong—is that if you want to purchase a firearm in this state lawfully you have to get a licence. Where the report of the Auditor-General states, 'firearms purchased for which there was no licence application', does that per se mean that unlawful purchases—illegal firearms—are circulating?

**The Hon. M.J. WRIGHT:** I understand the point you are making. I will take that on notice and come back to the member.

**Mrs REDMOND:** On the same topic, *The Advertiser* on Saturday referred to a commonwealth document entitled, 'Criminal use of handguns in Australia'. It reported that 41,519 handguns were registered in South Australia. That is the article the minister no doubt saw as well as the rest of us. Does an instrument of delegation for licence approvals refer to the officers who are authorised to grant approvals? If so, given the non-existence of this instrument of delegation, as referred to in the Auditor-General's Report, who approved the licences held by the owners of the state's 41,519 handguns?

**The Hon. M.J. WRIGHT:** I do know the article that the member is talking about and can inform the house that incorrect information was supplied. The member is right: it was reported at 41,000 whereas, in effect, in South Australia it is 14,000 plus something (I am not sure of the precise number). It is my understanding that incorrect information was supplied and, obviously, that is a bad mistake to occur and it is regrettable. The member asked a detailed question about licensing and, once again, I will obtain that information for her.

**Mrs REDMOND:** The minister is one step ahead of me because I was going to ask him about the fact that there seems to have been a little transposing of a one and a four. There is a significant difference, of course, between 14,000 handguns and 41,000 handguns. Is it now the minister's statement that, in fact, there are 14,000 (and some) handguns in the state? What basis does the minister rely on in giving me that figure, as opposed to the figure that was supplied to the commonwealth in a formal sense?

**The Hon. M.J. WRIGHT:** I take the point that the member makes. I think we were all a wee bit surprised at that figure of 41,000, particularly when looking at other jurisdictions and comparing it with bigger states, where we had the higher figure. The information that has been provided to me only today (it may have been yesterday; I cannot be 100 per cent sure) was that the figure is 14,000 and something. That information comes from the commissioner.

As I said, obviously, it is regrettable that a mistake was made—and a mistake of that size. Yes; I can confirm with the member that the true figure for South Australia is 14,000 and something—I am not sure of the last couple of digits.

**Mrs REDMOND:** I have a fascination with handguns today, Madam Chair.

**The CHAIR:** That is unusual.

**Mrs REDMOND:** Yes. Members will be pleased to know that when I did the exercise Executive Stretch with the Defence Reserves, I managed to get 10 bullseyes with the standard assault rifle, and my secretary has been decidedly well behaved ever since that day.

**The Hon. M.J. Wright:** From what distance?

**Mrs REDMOND:** Whatever the standard distance was. Still on this issue of handguns, on 13 October *The Advertiser* reported that a document prepared by the police showed that 1,498 gun-related incidents occurred in Adelaide over the five years leading up to 30 June this year. During last year's Auditor-General's questioning (responding to questions over similar concerns raised by the Auditor-General) the then police minister stated:

One of the things future budgets will need to look at is improving the computer systems to maintain better licensing.

Given the documented evidence that gun crime appears to be extremely rife in South Australia, why is there no current budget measure to improve that accountability on firearms licences?

**The CHAIR:** I think that is an estimates question. Minister, can you supply any information?

**The Hon. M.J. WRIGHT:** No, it is an estimates question; there is no doubt about that. I cannot be sure of the answer; that pre-dated me as police minister. Largely, what was sought by the commissioner, generally speaking, was received in their budget.

**Mrs REDMOND:** I think this is strictly an auditor's question, because I am referring to what the Auditor-General's Report stated last year. The Auditor-General stated this time last year that a benchmark had been set for reduction of outstanding expired licences by 25 per cent to 536 for the financial year just finished. Was that target achieved?

**The CHAIR:** I point out to the member for Heysen that we are examining the report of the Auditor-General for the year ended 30 June 2008. Matters relating to the report for 2007 are not under consideration. However, I invite the minister to provide any information he can.

**The Hon. M.J. WRIGHT:** Yes; I can provide some information which I hope will help the member. The number of expired firearms licences has been continually reduced and a benchmark (1 per cent of all firearm licences) has been set. The last four monthly audits reveal that the benchmark has been exceeded, so they are pretty good results.

**Mrs REDMOND:** I appreciate the tolerance of the chair. My difficulty is that I want to know what has happened, given the Auditor-General's comments and the reports last year, and how that compares with this year. One of the things raised was that discussions needed to take place between police ministers (and the new police minister may not have been in the job long enough) about registers of licences going national. Has that been progressed at all?

**The Hon. M.J. WRIGHT:** I am not sure of the answer; I will have to obtain that. As the member said, it would have pre-dated me. There is a police ministers' conference coming up in about two to three weeks but I will have to check whether or not that is on the agenda.

**Mrs REDMOND:** I have only one more question on guns.

**The CHAIR:** I am relieved.

**Mrs REDMOND:** I have some others on SAPOL. Michael O'Connell, the Victims of Crime Commissioner, recently said, 'The figures show the fight against guns is failing.' Minister, you recently called for a gun amnesty to be set up. However, it is my understanding that, when we had the last amnesty (in 2006), where people could hand in their guns without penalty, that yielded a goodly sum of 1,490 firearms. However, the briefing paper shows that between 2003 and 2008 overall gun crime dropped by only 1.5 per cent, from 315 incidents in a year to 310 incidents. That seems a very nominal reduction. The suggestion to me from the figures (and maybe I am wrong) is that, in fact, honest people hand in guns during an amnesty and it has very little effect on the fight against illegal gun crime.

**The CHAIR:** Again, it is beyond the scope of the report but do you have anything to contribute, minister? No?

**Mrs REDMOND:** I will move on, Madam Chair.

**The CHAIR:** I think that is wise.

**Mrs REDMOND:** I refer to page 888 (an auspicious number if ever there was one). On that page, it is listed that there has been an increase of 498 employees within SAPOL earning above the famous \$100,000 per annum mark. During question time, the Treasurer stated that senior sergeants commonly have remuneration packages of \$100,000 and went on to say that by questioning that increase of 498 employees, the opposition was attacking senior sergeants. My question to the minister is: how many of those 498 people are senior sergeants; how many are sworn operational officers; and how many are bureaucrats?

**The Hon. M.J. WRIGHT:** What I can tell the member is that the majority of them are operational police. We can get some greater detail for the member in regard to the breakdown, but the advice that I have received is that the SAPOL increase is for non-executives and is mainly as a result of last year's enterprise bargaining agreement which comprises an average wage increase of 16 per cent during the three-year life of the agreement.

I am also advised that there has been a decrease of executives. For example, SAPOL senior sergeants and above commonly have total remuneration packages above \$100,000 as the member has already referred to. If I could also just add on another topic, I have been advised that the previous issue that was raised by the member is on the police ministers' meeting agenda coming up in a couple of weeks' time.

**Mrs REDMOND:** Can I just confirm the minister's response then. Is he saying that none of the 498 people referred to on page 888 were executives who have moved into that hundred thousand dollar plus bracket and that in fact there has been a decrease in the executives within the department?

**The Hon. M.J. WRIGHT:** What I said in my previous answer was that they were predominantly operational police. In 2007, there were 13 executives, and there were 13 executives in 2008. The non-executives were 427 in 2007 and 925 in 2008.

**Mrs REDMOND:** I have two questions on page 827, dealing with SAPOL employee benefit expenses. There was an increase of \$44 million in SAPOL employee benefit expenses and I am just trying to find that.

**The CHAIR:** That is Premier and Cabinet.

**Mrs REDMOND:** I will check that. The minister may be able to answer the question without the specific page reference anyway. The question is: of the total \$44 million increase in SAPOL employee benefit expenses, how much of that money is accounted for by the recruitment of operational police officers in the financial period just finished?

**The Hon. M.J. WRIGHT:** I will have to get that sort of detail for the member.

**Mrs REDMOND:** I have one other question while I am on page 827.

**The CHAIR:** Could it be page 872? Could there have been a transposition?

**Mrs REDMOND:** It could be. It is a thing with this department; we like transposing figures. But while we were on page 827, I was puzzled and would love an explanation—

**The CHAIR:** Excuse me, member for Heysen, I have seen what you are referring to, and it is page 872.

**Mrs REDMOND:** The minister has already indicated, though, that he will get me an answer on that. I do have a question, though, on page 827, and it is fundamental human curiosity that sparks this question. Halfway down the page, there is net loss or gain from disposal of assets.

**The CHAIR:** But 827 is Premier and Cabinet.

**Mrs REDMOND:** I was wondering why the police had works of art.

**The Hon. M.J. WRIGHT:** We don't!

**Mrs REDMOND:** Exactly how many more sworn police officers working on the beat need to be achieved by 2010 in order to fulfil the government's commitment to 4,400 such officers?

**The Hon. M.J. WRIGHT:** From memory, I think it is like this: as of 30 June, we had 4,144. To get to 4,400 requires another 256, so it is in that vicinity. I do not want to be held to that precise



number, but I would say that is around about the figure and the advice that I am getting is that there will be another hundred this year and another hundred next year. It might be a bit more than that, as I said, from my calculations.

I know that in the short time that I have been police minister, I have been fortunate enough to have been invited to at least two graduations, and there is another one coming up in the next week or two. It is fantastic to be present at these graduations, and I know the opposition has also been represented. We will continue to work hard to get to that number of 4,400. We remain very confident that we will do so. What also strikes me, as we see the graduates coming through, is the diversity of backgrounds and experiences that these new officers have and I am sure they will do us and the police force proud into the future.

**Mrs REDMOND:** I have only a couple more questions on SAPOL. These relate to page 870 and, in particular, to the area under the heading 'Workers Compensation'. I know it is not up to me to comment, but some bright spark must have spent hours coming up with the acronym IDEAS; I assume it is the name of some sort of computer system. The commentary under the heading 'Workers Compensation' states that the documented records of workers compensation payments made to SAPOL staff did not reconcile with those approved by the Commissioner and, further, that no controls exist to make sure that payments are checked and input into records. Finally, amongst other reconciliation issues, a number of related invoices were paid without evidence of appropriate approval.

SAPOL has stated that it has amended payments and authorisations for consistency. In amending these payments so that they reconcile with authorisations, has any money been written off as a cost to the department? If so, how much?

**The Hon. M.J. WRIGHT:** The advice I have is that we have not written off any money. Further to the member's question regarding financial delegations in the integrated desktop environment for applications and services (IDEAS) not being consistent with the delegations approved by the Commissioner, there is a disparity between the SIMS level of authority and SAPOL requirements. This is because the SAPOL levels of authority are at a lower level than the SIMS requirements. The delegations within the workplace instructions are in place to ensure compliance with SAPOL requirements. The authority for approval was vested in the manager prior to final processing by the relevant administration staff. The injury management work instructions contain financial authorisations that were lower than those authorised by the Commissioner.

Regarding invoices paid without evidence of appropriate level, the injury management work instructions have been changed to ensure that accounts are paid only once invoices have been approved by the position with approval authority. The relevant manager is required to approve expenditures. Systems have been reviewed to ensure that there is evidence of appropriate expenditure approvals.

In terms of no overall control to ensure all workers compensation payments are checked and put into IDEAS, the Auditor-General's Report referred to the previous IDEAS system. With the implementation of the new SIMS system all invoices are to be entered onto SIMS before payments can be processed. This audit finding has been resolved by the implementation of the new system.

**Mrs REDMOND:** With respect, minister, I know that you were just reading what was put in front of you, but that was as clear as mud, and I would like to clarify it. Is it the case that the new system is something called SIMS (and that is a computer system); that the old system is something called IDEAS; and that there has been a discrepancy between the authority level for each officer? So, under one system an officer at the level of, say, senior sergeant was authorised to approve payments and under the other system someone more senior had to do it. If that is the case, could you explain it in plain English so that I can get into my head what, in fact, that response meant. I think I get the gist of it, but I do not precisely understand what was the problem.

**The Hon. M.J. WRIGHT:** The member is correct with regard to the SIMS system being the new system and IDEAS being the old system. With the old IDEAS system clerical people had a lower level of delegation than financial delegations, but that has been rectified with the new SIMS system with the delegations for IDEAS.

**Mrs REDMOND:** The underlying question I want to get at is, given all that (and I accept it is basically a hiccup of changing from one system to another), has there been any cost to the department? Have there been write-offs, for instance, for the department in reconciling the problem identified by the Auditor-General in his report?

**The Hon. M.J. WRIGHT:** The advice I have received is that there have been no write-offs, and the only costs that would have occurred would have been in transitioning from the old to the new.

**Mrs REDMOND:** Madam Chair, I would like to move on to emergency services for the few minutes left to me. I refer to Part B, Volume IV, page 960, and the issue of SAFECOM consultants. SAFECOM consultants increased from four consultants engaged last year to 15 this year, and the cost of these consultants totalled \$232,000 compared with \$31,000. So, we went from four with \$31,000 to 15 with \$232,000. What did these consultancies relate to?

**The Hon. M.J. WRIGHT:** I thank the member for her question. Regarding what consultancies there were, I can quickly go through those. I will give you the amount in dollars as well. Aquarius Learning, \$450; John Bridgeland, \$1,040; Ranlee, \$2,450; Anita Lebed, \$3,150; Mercer, \$4,400; Workplace Resolutions, \$4,427; Governance Matters, \$5,000; Deloitte, \$5,850; PKF, \$6,045; Anita Lebed (another one for them), \$6,400; Stillwell Management Consultants, \$20,000; Protegic, \$27,800; Deloitte, \$29,200; GHD, \$41,545; and John Murray Consultants, \$78,409.

**Mrs REDMOND:** Minister, I know you may not have the detail of all of those, and particularly some of those smaller ones like Aquarius Learning that you started out with, but some of those bigger ones: what were the consultants being engaged to do for SAFECOM and what was it about the work that could not be done in-house by SAFECOM?

**The Hon. M.J. WRIGHT:** Perhaps if I tackle three or four of the bigger ones, as a starting point anyway. Protegic, that was a communications strategy external to SAFECOM. Deloitte, tax consultant services, that was to look at its FBT. GHD, building replacement review, that was looking at the efficiency of building processes. John Murray Consultants, as the member would probably be aware, that was a review of the Fire and Emergency Services Act, which obviously needed to be independent of SAFECOM.

**The CHAIR:** The agreed time having expired, I thank the minister, his advisers and members.

Progress reported; committee to sit again.

#### **SUMMARY OFFENCES (INDECENT FILMING) AMENDMENT BILL**

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

No. 1. Clause 4, page 2, line 15 [clause 4, inserted section 23AA(1)]—Delete all words in this line and substitute:

Maximum penalty:

- (a) if the person filmed was a minor—\$20,000 or imprisonment for 4 years;
- (b) in any other case—\$10,000 or imprisonment for 2 years.

No. 2. Clause 4, page 3, line 3 [clause 4, inserted section 23AA(3)]—Delete all words in this line and substitute:

Maximum penalty:

- (a) if the person filmed was a minor—\$20,000 or imprisonment for 4 years;
- (b) in any other case—\$10,000 or imprisonment for 2 years.

At 18:12 the house adjourned until Wednesday 29 October 2008 at 11:00.