LEGISLATIVE COUNCIL

Tuesday 18 October 1994

The PRESIDENT (Hon. Peter Dunn) took the Chair at 2.15 p.m. and read prayers.

PAPERS TABLED

The following papers were laid on the table:

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

Reports, 1993-94—
Casino Supervisory Authority.
Office of Information Technology.
Police Superannuation Board.
State Supply Board.

By the Attorney-General (Hon. K. T. Griffin)—

Reports, 1993-94—
Director of Public Prosecutions.
Industrial Court and Commission of South Australia.
Soil Conservation Council.
South Australia Police Department.
Workers Compensation Review Panel.
Regulation under the following Act—
Electoral Act 1985—Electoral Advertisements.

By the Minister for Transport (Hon. Diana Laidlaw)—

Reports, 1993-94—
HomeStart Finance Ltd.
West Beach Trust.
Regulation under the following Act—
Clean Air Act 1984—Exemptions.
Corporation By-law—Brighton—No. 12—Garbage Removal.
District Council By-law—East Torrens—No. 18—Moveable Signs on Streets and Roads.

By the Minister for the Arts (Hon. Diana Laidlaw)—

Reports, 1993-94—
History Trust of South Australia.
Libraries Board of South Australia.

SOCIAL DEVELOPMENT COMMITTEE

The Hon. R.I. LUCAS (Minister for Education and Children's Services): I move:

That, pursuant to section 21(3) of the Parliamentary Committees Act 1991, the Hon. T.G. Cameron be appointed to the Social Development Committee in place of the Hon. C.A. Pickles, resigned.

Motion carried.

LEGISLATIVE REVIEW COMMITTEE

The Hon. R.I. LUCAS (Minister for Education and Children's Services): I move:

That, pursuant to section 21(3) of the Parliamentary Committees Act 1991, the Hon. Barbara Wiese be appointed to the Legislative Review Committee in place of the Hon. R.R. Roberts, resigned.

Motion carried.

WATER QUALITY

The Hon. R.I. LUCAS (Minister for Education and Children's Services): I seek leave to make a ministerial statement about Hills water.

Leave granted.

The Hon. R.I. LUCAS: In response to yesterday's story in the *Advertiser* concerning water available to households in the Adelaide Hills, the EWS State Water Laboratory yesterday conducted urgent tests on supplies in the Adelaide Hills. The *Advertiser* story identified concerns with the level of three metals—aluminium, copper and iron—in the water which is sourced from the Murray River via the Mannum-Adelaide and Murray Bridge-Onkaparinga pipelines. I can report that the results of testing have confirmed that unfiltered mains water supplied to communities in the Adelaide Hills meets the health-related guidelines recommended by the National Health and Medical Research Council, contrary to the claims in yesterday's newspaper story.

The average levels found in mains water are: soluble aluminium, 0.09 mg per litre; copper, 0.13 mg per litre, although the average copper from two samples taken inside dwellings was 2.3 mg per litre; iron, 1.6 mg per litre. New national drinking water quality guidelines recommend levels of copper less than 1.5 mg per litre. There are no recommended guidelines on health grounds for iron. Having said this I understand the possible public concern over levels of aluminium in drinking water given recent speculation about unproven links between the consumption of aluminium and Alzheimer's disease. For this reason the State Water Laboratory paid particular attention to aluminium levels, finding that the levels in water sampled were substantially below the recommended limit of 0.2 mg per litre contained in draft guidelines.

It is important to note that the *Advertiser's* analysis of the water test results failed to draw the clear distinction between aluminium as found in suspended clay from Murray River water and acid soluble aluminium which can be absorbed by the human body. The *Advertiser's* tests took the total aluminium content in the water sampled and then compared it with the water quality guidelines of 0.2 mg per litre for acid soluble aluminium and that is clearly an invalid comparison. With regard to copper, the levels mentioned in the *Advertiser* came from samples taken inside households. The advice I have received is that these higher levels are likely to have come from the copper pipework inside the house and not the mains supply itself. Again, it is important to realise that the State Water Laboratory test results for copper in the mains supply on average of 0.13 mg per litre is much less than the recommended level 1.5 mg per litre.

The Hon. M.J. Elliott: Did you test for trihalomethanes—

The Hon. R.I. LUCAS: I am just the acting Minister for Infrastructure. Just let me cope with aluminium, copper and iron at this stage.

Members interjecting:

The PRESIDENT: Order! The Minister should get on with his explanation.

The Hon. R.I. LUCAS: EWS scientists at the State Water Laboratory—which I might add is an institution of national and international stature—are confident of the safety of the water supplies to these communities. They in turn are in frequent contact with the South Australian Health Commission from which they take advice on public health issues. We are assured by officers of the Health Commission that water supplies in the Adelaide Hills are safe and reliable. Finally, the Government has previously announced plans to accelerate the provision of filtered water to these areas and although filtering will not eliminate the presence of copper from household plumbing people living in hills communities as well as those in the Barossa and Murray River towns can expect greatly improved water quality with filtered water expected to be supplied to hills communities by the end of 1997.

MINISTERIAL STATEMENTS

The Hon. K.T. GRIFFIN (Attorney-General): I seek leave to table two ministerial statements, one from the Minister for Industrial Affairs on WorkCover and the other by the Minister for Emergency Services on crime.

Leave granted.

The Hon. DIANA LAIDLAW (Minister for Transport): I seek leave to table a ministerial statement from the Minister for Health on the Modbury Hospital redevelopment.

Leave granted.

QUESTION TIME

INDUSTRIAL RELATIONS

The Hon. CAROLYN PICKLES: I seek leave to make a brief explanation before asking the Minister for Education and Children's Services a question about industrial relations.

Leave granted.

The Hon. CAROLYN PICKLES: Last year the previous Minister directed her department to establish an industrial section to manage enterprise bargaining and related industrial issues. This decision reflected the specialist nature of industrial relations and the important issues to be addressed in the education area affecting about 18 000 employees. It also recognised the need to separate this function from the traditional personnel management role. One of the first decisions made by the new Minister was to abolish this section and, after almost 11 months in government, there has been no progress towards enterprise arrangements. In fact, the Government decided to go it alone and imposed a budget wage freeze, increased class sizes, cut 547 teacher jobs and employed four high priced lawyers to oppose the application by the Institute of Teachers for a Federal award.

The Deputy President of the Australian Industrial Relations Commission has also roundly criticised education authorities for failing to have meaningful consultations with employees on the future of teaching in South Australia. In his decision on the application for an interim award covering Government schools in South Australia, Deputy President Reardon said:

> In this regard the South Australian education authorities are clearly at fault and their conduct is to be neither approved nor encouraged. The employer concerned should consult. The lack of proper consultation between the parties is incapable of reasonable explanation.

It is interesting to note that today's *Advertiser* editorial states:

> Instead of branding the teachers' union actions as 'pointless', Mr Lucas should be sitting down at the conference table again and again if that is what it takes to reach a compromise.

The PRESIDENT: Is that opinion?

The Hon. CAROLYN PICKLES: All this indicates that the education authorities in this State are unable to manage properly the employee relations and industrial issues in this critical area of government. Will the Minister now immediately re-establish an industrial section in his department to deal with enterprise and other industrial issues and address the criticism levelled by the Deputy President of the Australian Industrial Relations Commission? What action will the Minister take to address this strident criticism? Is the Minister concerned that his department apparently has failed to establish proper consultation with teachers in South Australia?

The Hon. R.I. LUCAS: As Minister, I have indicated on a number of previous occasions that my door has always been open to the leadership of the Institute of Teachers and I have always been prepared to consult and talk with them on any issue that they might choose. It was an approach I adopted as shadow Minister when I met frequently with the leadership of the institute. I would suggest, although I have not checked my diary, that on average I would have met at least on a monthly basis, on a whole variety of issues, with the institute since becoming Minister for Education and Children's Services. As I indicated when I was last asked this question by the former shadow Minister for Education and Children's Services, my door is always open and I am always prepared to consult and discuss with the institute any issue at any time and at any place on behalf of the Government. What the Government will not do is give the institute a veto right over policy and decision making within Education and Children's Services. That is a privilege it shared under previous Labor Ministers of Education in a de facto sort of way where, in essence on many issues, there was a veto right or a need for agreement with the institute in a variety of management related issues.

So, there will not be a change in relation to that aspect of my administration or management of the portfolio. Certainly there also cannot and will not be any change in the budget decisions that the Government has brought down and recently announced only in August of this year. As are all other Ministers, I am given a budget within which to operate for 1994-95—a decision taken by Cabinet and by the Government—and as a responsible Minister I must work within those budget guidelines. There was discussion within the Institute of Teachers prior to the bringing down of the budget, but in the end the decisions are to be taken by Government, not by the Institute of Teachers, the leadership of the Institute of Teachers or the teachers union. I know they were disappointed that the final decisions taken by the Government were not given to them for their approval or a nod, but that is not the way the new Government intends to operate. We will consult, discuss and negotiate when we have to, but in the end it is Governments that are elected to govern, not the leadership of the teachers union.

The Hon. Carolyn Pickles: Answer my question.

The Hon. R.I. LUCAS: That is exactly the answer to one of the questions you put. In relation to the structure of the department, I believe that in relation to the administration of the industrial affairs function of my department the best expertise that exists within the public sector exists with the experts within the Department for Industrial Affairs. We have a Government agency such as Crown Law and Treasury, with Treasury experts advising us on Treasury related matters and Crown Law experts advising us on legal matters. In industrial affairs we have another central service agency that provides advice to each of us in the other agencies. I certainly do not intend to replicate, duplicate and waste resources within my department when I could use that money on early intervention programs or on children's services. I do not intend to duplicate an industrial affairs bureaucracy within education when we have a central agency that Government requires us to use in relation to these matters—the matter of the interim Federal award and other issues like that.

Finally, it is not true to say that any decisions I have taken have completely abolished any industrial affairs expertise that exist within the Education Department. We have a number of very capable officers who work within this area and whose responsibility it is to provide advice to me as Minister in this

area, to liaise with the Department for Industrial Affairs as the pre-eminent agency operating in the area of industrial affairs and to assist and provide advice on enterprise bargaining arrangements with unions or other groups of workers. It is a small unit; it is a small group of people who exist within the Personnel Directorate of the Department for Education and Children's Services. That is the way I have been managing the industrial relations aspects of my portfolio, and it is certainly is the way I intend to continue to manage them. I indicate again publicly, as I do privately whenever I speak to the Institute of Teachers, that I am always prepared to meet with them to discuss any issue and, indeed, I will be only too happy to do so in the very near future about anything that might be of concern to them or in relation to policy changes that the Government might be about to implement.

The Hon. CAROLYN PICKLES: As a supplementary question: will the Minister answer the second part of my question, which was: what action will the Minister take to address the strident criticism by the senior Deputy President of the commission; and is the Minister concerned that his department has apparently failed to establish a proper consultation process with teachers in South Australia, as outlined by the Deputy President?

The PRESIDENT: It is hardly a supplementary question.

The Hon. R.I. LUCAS: All I can do is refer the honourable member to the answer I gave to the first question.

FORWOOD PRODUCTS

The Hon. R.R. ROBERTS: I seek leave to make a brief explanation before asking the Attorney-General, representing the Minister for Primary Industries, a question on Forwood Products and supply of contaminated materials.

Leave granted.

The Hon. R.R. ROBERTS: Some weeks back I was approached by Mr Ken Gibbett of Brisk Shaving in Mount Gambier. Mr Gibbett runs a business which supplied wood shavings to the export lobster industry, shavings which were supplied by Forwood Products and on sold by Mr Gibbett. I understand that clear instructions were given to Forwood Products as to the intended use of the shavings in the food industry, and that assurances were given that the product was safe for such use. However, subsequent events have shown that a soluble chemical containing the product pentachlorophenol, which as I understand it is a proven carcinogen, was used on the wood materials before the shavings were actually produced, and that this product had contaminated the shavings, and it was in these shavings in which live lobsters were packed.

I understand that Mr Gibbett has so far paid out $350 000 in damages for compensation, with outstanding claims of $100 000 against him. Mr Gibbett has approached Forwood Products for compensation under its duty of care obligations but has only been made an offer of $150 000, which is obviously manifestly inadequate, especially as Mr Gibbett has also had to dispose of the contaminated shavings in an appropriate manner, and at his own expense as I understand it.

During the House of Assembly Estimates Committees hearings a few weeks ago, questions were asked about this matter by a colleague of ours in another place and she was advised that answers to the questions would be provided in writing. We are yet to receive a response to those questions. However, the situation has deteriorated with pressure being applied by creditors and the banks on Mr Gibbett who now faces receivership, and the owner of his business has occupied his premises. I also understand as a consequence of trying to save his business he has mortgaged his house, but that property will be sold by creditors next Saturday.

Mr Gibbett was offered an opportunity to have an independent arbitrator assess the case, to which he has agreed, so the many questions could be resolved and he could obtain more supplies of uncontaminated shavings. By the way, Forwood Products will not supply the product until such times as these matters have been determined, which is adding more pressure to Mr Gibbett. I understand that Forwood Products has now rejected this avenue of resolution and I have been told that Mr Gibbett received a fax this morning from the Minister's department saying that he had proposed commercial arbitration and it was hoped that this would resolve the issue. However, I am also advised that Mr Gibbett's lawyer received a fax from Forwood Products rejecting this avenue of resolution. If litigation is to proceed and Mr Gibbett cannot obtain a supply of material, he will miss the lobster season and will have no chance of recovering his business.

I am told that the landlord of Mr Gibbett's business is very supportive and will allow Mr Gibbett to continue to operate if he could obtain a supply of wood shavings to continue his trade whilst the outstanding claims are being resolved. My questions are:

1. Will the Minister prevail upon Forwood Products to enter meaningful negotiations with Mr Gibbett and put into place an independent commercial arbitrator to finalise this sorry saga?

2. Will the Minister prevail upon Forwood Products to continue a supply a clean product to Mr Gibbett to give him the chance to salvage his business forthwith?

The Hon. K.T. GRIFFIN: The Minister has informed me that there is some difficulty in respect of this issue. I do not have all the responses to the questions which the honourable member has asked, but I will undertake to have them followed up as a matter of urgency. I do understand that the Minister had in fact instructed Forwood Products to use the services of an independent commercial arbitrator, and that was a briefing note I had only a short time ago. If in fact Forwood Products have declined to use those services, I am certainly not aware of that.

The appointment of an independent commercial arbitrator, which I understand from the honourable member has been agreed to by Mr Gibbett, would certainly enable his business to continue to be developed and to continue trading arrangements with Forwood Products. But they are issues that do need more specific responses. In respect of the issue of questions in the Estimates Committee, I am not aware whether or not they have been answered. Certainly, some obligations were placed upon Ministers during the course of the Estimates Committees to respond to questions within a particular time frame. Invariably, there is always slippage in that date but, again, I will have that issue followed up and undertake to bring back a reply.

WASTE MANAGEMENT

The Hon. T.G. ROBERTS: I seek leave to make a brief explanation before asking the Minister for Transport, representing the Minister for the Environment and Natural Resources, a question about waste management and disposal.

Leave granted.

The Hon. T.G. ROBERTS: My desk—and I guess the desks of many other members on both sides of the House—is starting to accumulate a lot of height, tonnage and volume from people writing to me from right across the metropolitan area and its outskirts in relation to the problems associated with land fill and waste management. The tenure of all the letters shows concern by people in the near environment to a lot of the waste disposal outlets in the metropolitan area and highlights the planning problems associated with urban development being built in close proximity to waste disposal dumps. The dumps take many forms and, in some cases, have been running for many years. Promises of closure and suitable alterations have been made and, unfortunately, the lives of these dumps keep getting extended and, in the case of the Highbury dump, problems associated with new land fills are starting to emerge.

The information that I have been able to accumulate, both from those letters and my position on the Environment, Resources and Development Committee shows that not only this Government but also previous Governments have faced problems associated with the extension of dumping and land fills. The problems associated with another layer on top of Wingfield is now self-evident—and probably to you, Mr President, as you fly into Adelaide Airport. One almost has to fly around it. A red light will be built on it shortly: not to indicate a house of ill repute but as a marker to make sure that aircraft do not hit it. Other problems in that area include an extension of the dump at Garden Island, and there is now talk of a dump being sited at Dublin. I also understand the Eden Hills dump is looking for an extension. All of these dump sites are causing concern to people in the metropolitan area and surrounds. My question is: has the Government a total recycling waste management and disposal policy that deals with all of the environmental and planning issues associated with new and expanding dumps and land fills and, if it has a total policy, when will it be announced?

The Hon. DIANA LAIDLAW: I will refer the honourable member's question to my colleague and bring back a reply. I am well aware in particular of the Highbury problem. My hairdresser's mother lives very close to that dump. Last time I went to the hairdresser he got very excited about this and was demanding that it all be stopped. I thought he was concentrating more on the dump than on my hair. I just thought this morning that I have not been back to the hairdresser for some time and I would not mind the issue being resolved before I go next time.

COLLEX WASTE MANAGEMENT

The Hon. M.J. ELLIOTT: I seek leave to make a brief explanation before asking the Minister representing the Minister for Housing, Urban Development and Local Government Relations a question about Collex Waste Management.

Leave granted.

The Hon. M.J. ELLIOTT: There is a great deal of concern about the State Government's backing of a liquid waste treatment plant proposed by Collex Waste Management Pty Ltd, which is opposed by both the Enfield council and the local community. Collex is a member of the Onyx group of waste management companies, which is a subsidiary of the French owned multinational *Compagnie Generale de Eaux*.

The Enfield council objected to the proposal planned for the old Tubemaker's site on Churchill Road, Kilburn. This would be within several hundred metres of a school and nursing home, but the State Government's Development Assessment Commission (the Department for Planning and Urban Design's planning authority) approved it. Last month the council effectively won an injunction against Collex and the Development Assessment Commission for the project to proceed when the defendants withdrew, with costs to the taxpayer expected to be $150 000. Local residents, who are outraged at the proposal, fear that the State Government may use a ministerial discretion section of the Act to override objections and to allow the proposal 'in the State interest'.

Only four full-time jobs will come of this, and all that would be gained would be the taking of business from other companies, with three existing jobs likely to go from the current operator, Cleanaway. There is therefore much concern about why the State Government is so firmly behind Collex, against the interests of both the local council and the community. I have been told that Collex's parent company is interested in running the State's water supply, as it does in France and partly in New South Wales. I have been informed that its representatives have already met with the Premier and the department to register their interest in such a proposal in light of plans to restructure the EWS. The head company already has won contracts to manage a portion of the water supply of New South Wales. My questions are:

1. Is the State Government pushing Collex's liquid waste treatment plant proposal as a sweetener in return for the head company's interest in running South Australia's water supply?

2. If not, what are the Government's reasons for going against local government and the community to back this proposal, which has little merit?

The Hon. DIANA LAIDLAW: There is considerable opinion expressed in the question, as well as in the explanation. However, I will refer the question to the Minister and bring back a reply.

WATER QUALITY

The Hon. M.S. FELEPPA: I seek leave to make a brief explanation before asking the Minister representing the Minister for the Environment and Natural Resources a question about toxic water supply.

Leave granted.

Members interjecting:

The PRESIDENT: Order!

The Hon. M.S. FELEPPA: Concern in relation to this important matter was first raised publicly by an article published in the *Advertiser* on 27 September 1994, and again this morning in the same newspaper. It has been brought to the attention of this Chamber by the Leader of the Government of this Council, and of course this has prompted me to ask the question.

A federally funded research group has urged the Government of South Australia to remove aluminium, which is a filtering chemical, from Adelaide's drinking water, as there is a suspected link between the aluminium and cell death and dementia.

The World Health Organisation has approved the use of aluminium as a filter on the understanding that aluminium is not absorbed and stored in the body. The research undertaken by this group supports the conclusion that aluminium is cumulative and could be linked to health problems. Dr Judy Walton is reported in the *Advertiser* of 27 September 1994 as saying:

It [aluminium] can kill cells and there is circumstantial evidence that it can cause Alzheimer's disease if enough is absorbed. But I don't know if any aluminium levels [in the body] are safe and I don't think anyone knows. The fact is that it is toxic to some human tissues and it should not be used.

That may be what led Dr Armitage to the opinion that the evidence is inconclusive and need not be taken seriously.

The New South Wales Government has seen fit to replace aluminium with iron salts. It has taken this action as a precautionary measure, although it admits that it is not a logical decision. In the circumstances it is a wise move, although the substitute is more costly. The *Advertiser* article further states:

In South Australia the Engineering and Water Supply Department, the Health Commission and the State Government said yesterday (26 September 1994) they would not follow New South Wales's lead.

Our Government seems to be willing to take a risk with the health of the community. My questions are:

1. Will the Minister table all the information and correspondence from the federally funded group which has urged the Government of South Australia to remove from Adelaide's drinking water the chemical suspected of causing dementia and cell death?

2. Although the linking of aluminium with cell death and dementia is considered by the Minister to be inconclusive, will the Minister acknowledge that there is wisdom in replacing aluminium as a filtering chemical with iron salts although there is a cost rise involved?

3. Now that the warning has been issued, will the failure of the Government to take precautionary measures lay the Government open to a legal claim of negligence in the future if the link is established?

The Hon. DIANA LAIDLAW: I will refer that question to my colleague in another place and bring back a reply.

SHEEP

The Hon. R.D. LAWSON: I seek leave to make a brief explanation before asking the Attorney-General, representing the Minister for Primary Industries, a question about live sheep exports.

Leave granted.

The Hon. R.D. LAWSON: The number of live sheep exported from South Australia in recent years has declined markedly; so, too, has this State's share of the total Australian live sheep market. This fall is illustrated by the following figures. In 1988, 2.2 million live sheep were exported from South Australia. The value of that export to this State was just over $76 million. In that year South Australia earned 32.9 per cent of the total value of all live sheep exported from Australia. In the following year, 1989, the number of live sheep exported from South Australia fell by about 1 million to 1.2 million and their value from $76 million to $32 million. This State's percentage of the total Australian live sheep export market in that year fell to 21 per cent.

In the following years the live sheep market has steadily declined in terms of the quantity exported and its value. The last year for which I have information is 1993. In that year the number of sheep exported from South Australia was 319 000 with a total value of $7.6 million (bear in mind that the figure only three years previously was $76 million), and this represented only 6.1 per cent of total Australian exports in this category. The figures show that exports from Western Australia have steadily increased and that that State is now the major source of live sheep for export.

On 19 April 1994, the Chairman of the Australian Livestock Exporters Association, Mr Don Clark, was quoted as saying that this State is in a good position to increase its share of the trade and that at that stage the figures for the current year were an improvement on the previous year. My questions are:

1. Are there any measures that the Government can take to encourage the restoration of South Australia as a major supplier of the export of live sheep?

2. If so, what are those measures and will they be implemented?

The Hon. K.T. GRIFFIN: I will refer that question to my colleague in another place and bring back a reply.

The Hon. T. CROTHERS: As a supplementary question, in the opinion of the Minister will the closure of the abattoirs at Bordertown have any beneficial effect in respect of increasing the number of live sheep exported from this State?

The Hon. K.T. GRIFFIN: I will refer that question to my colleague in another place and bring back a reply.

LOTTERIES COMMISSION

The Hon. T. CROTHERS: I seek leave to make an explanation before asking the Minister for Education and Children's Services, representing the Treasurer, a question about the Lotteries Commission.

Leave granted.

The Hon. T. CROTHERS: In recent days members would be aware of the gaoling of a former Soccer Pools promoter for 18 months on charges of obtaining a financial advantage by deception. This sad case involved a couple who had won approximately $2 million on the Soccer Pools in 1986 before being enticed to hand their winnings over, for investment purposes, to the then publicist for Soccer Pools. The publicist used his high profile public position of trust to obtain this couple's confidence and used the money to invest in his own business interests, which unfortunately failed. One of the victims of this crime described herself and her partner as 'unsophisticated and naive people lacking any experience in financial matters'. What more could any self-effacing con man ask for?

I wish to point out that I have the greatest respect for and confidence in the operations of the South Australian Lotteries Commission, which operates a number of games in South Australia, including the Soccer Pools. However, I feel that the people of South Australia who purchase Lotteries Commission products have a right to be assured that the commission acts with the highest levels of propriety when dealing with winners of large prizes, and I believe that, given the events that I have outlined, it would be timely for such an assurance to be forthcoming. Therefore, my questions are:

1. Can the Treasurer assure South Australians that officers operating as employees or agents of the South Australian Lotteries Commission do not act as investment advisers or as investment agents to winners of large cash prizes?

2. Will the commission ensure that all winners of large cash prizes are informed that they should obtain professional advice from independent investment advisers or from their bank before making investment decisions?

The Hon. R.I. LUCAS: I will refer that question to my colleague in another place and bring back a reply.

ARTS LOGO

The Hon. ANNE LEVY: I seek leave to make a brief explanation before asking the Minister for the Arts a question about the logo for the department.

Leave granted.

The Hon. ANNE LEVY: The Department for the Arts and Cultural Development, as its predecessor the Department for the Arts and Cultural Heritage, has a logo which was designed by the current Director of the department when she was Director of the arts division. It is a symbolic logo, which gives no information whatsoever as to which agency, statutory authority or body it comes from. Today, I received an invitation from the Arts Law Centre of Australia, which is supported by many Arts Departments around the country.

Across the bottom they have the logo and statement from the Ministry for the Arts in New South Wales. There is the well-known kangaroo and circle logo for the Australia Council, which is named as the Australia Council for the Arts. There is the well-known lyrebird from the Australian Film Commission, and written above it is 'Australian Film Commission'. There is the logo and statement saying 'Department for the Arts, Government of Western Australia'. There is the logo and written underneath 'Arts Victoria', which clearly identifies the State and department to which that logo refers. There is also the logo with 'Arts' written beneath and 'Northern Territory' written above, indicating the agency in the Northern Territory which supports this particular centre. Also there is the logo of the South Australian Department, with nothing saying 'South Australia', 'Arts', or anything: just a square with a back-to-front C, a curved line and another square with an upside down V, with no indication whatsoever as to what the logo represents.

I have on several occasions suggested that the logo for the department should be changed, or at least something added to it, so that when people saw it they would know to what it referred. Certainly some moves in that direction were made last year, but were not finalised before the end of the year and obviously nothing has happened in the nine months since. Does the Minister consider that the logo gives sufficient information to people who will know that it represents the Department for the Arts in South Australia? Does the Minister, like me, feel that there should be greater identification, so that when an invitation such as this arrives one is aware that the particular institution is supported by South Australia as well as by all the other States, and would the Minister reactivate the moves that were made last year at least to make the logo identifiable by people all around the country who are not familiar with its association with our Department for the Arts?

The Hon. DIANA LAIDLAW: It is not a matter to which I have given much attention in past months, having inherited quite a number of other substantial issues and having sought to implement our own aggressive arts program. I must admit that one—

The Hon. Anne Levy: Aggressive is right.

The Hon. DIANA LAIDLAW: Yes, that is right, in terms of the development of the arts that is true.

Members interjecting:

The PRESIDENT: Order!

The Hon. DIANA LAIDLAW: It is a proud record in a very short period of time.

The Hon. Carolyn Pickles interjecting:

The Hon. DIANA LAIDLAW: What's your problem?

The Hon. Carolyn Pickles interjecting:

The Hon. DIANA LAIDLAW: To get things done, you have to move fast, and at times you have to say things that people may not always wish to hear.

Members interjecting:

The PRESIDENT: Order!

The Hon. DIANA LAIDLAW: In terms of the logo, on one of the first occasions that were arranged for me to meet with members of the department, I was presented with logos on every form of card that you could imagine: letterhead, with compliments slips, calling cards and a whole range of other purposes. I was also given the price tag for the change to the logo, plus a new letterhead. The logo was in various colours, and I considered it to be an extravagance at that time. I will obtain for the honourable member the price that I was quoted for the implementation of the new design across all letterheads and the like. In relation to question 3, in terms of reactivating the logo, I think the logo we have at the present time is sufficient. In terms of identification, I agree that it could have the words 'South Australia' written underneath and that—

The Hon. Anne Levy: 'South Australian Arts' or 'Arts South Australia'.

The Hon. DIANA LAIDLAW: 'South Australian Arts' or 'Arts South Australia'. Certainly, that can be looked at and would be a good idea, but I do not intend, as was proposed by the former Government, adopting a new logo at some considerable expense.

The Hon. Anne Levy interjecting:

The Hon. DIANA LAIDLAW: That is what they were. I will show you—

The Hon. Anne Levy interjecting:

The PRESIDENT: Order!

RADIOACTIVE MATERIAL

The Hon. G. WEATHERILL: I seek leave to make a brief explanation before asking the Minister for Transport, representing the Minister for the Environment and Natural Resources, a question about transporting nuclear waste.

Leave granted.

The Hon. G. WEATHERILL: A news story was brought to my attention this morning about nuclear waste being transported to South Australia and laid to rest at Woomera. Will the vehicles transporting this waste be clearly marked when travelling through South Australia and will they be escorted? What are the international standards for moving nuclear waste? If there are international standards for the transport and storage of nuclear waste, would the Minister make sure that those standards are strictly adhered to? Also, would the Minister oppose any suggestion of international waste being brought to South Australia and laid to rest at Woomera?

The Hon. DIANA LAIDLAW: I will seek answers to those detailed questions. The issue has also been raised with me, and I have written most recently to the Minister for Industrial Affairs about regulations under the Dangerous Substances Act because we are looking at new regulations in that area. The Federal Government is seeking some advice from us in the near future because it is its proposal that we look at the dumping of this material safely in South Australia.

WATER QUALITY

The Hon. SANDRA KANCK: I seek leave to make a brief explanation before asking the Minister for Education, representing the Minister for Infrastructure, a question about the chlorination of drinking water pumped from the Murray River.

Leave granted.

The Hon. SANDRA KANCK: I am informed that much of the plant life along the Little Para River has been killed off as a result of high levels of chlorine in the water released into the river at Paracombe in the Hermitage area of the Mount Lofty Ranges. I understand that the reason for this is that the EWS undertakes at Mannum chlorination of Adelaide's supplementary water supplies from the Murray River, and that, especially during the summer months when large volumes of water are pumped from the Murray, residual chlorine levels in the water are very high. It is fairly important to note that there is some medical evidence of a link between chlorine and bladder and rectal cancers.

I am also informed that a report on the chlorination of the water pumped from Mannum has been prepared by the EWS for the Minister. My questions to the Minister are:

1. Has the Minister received the report on chlorination of water pumped from Mannum? If he has, would he table a copy in Parliament?

2. In the light of reports on water quality in today's *Advertiser*, is the Minister aware of any health risks associated with high chlorine levels in drinking water?

3. What has the Government done to minimise the environmental destruction of the Little Para River resulting from highly chlorinated water being pumped into it?

The Hon. R.I. LUCAS: It might not surprise the honourable member to know that, together with trihalomethanes, the residual chlorine levels and the effect on the Little Para have not yet come across my desk. However, I shall be pleased to refer the question to the EWS and get a reply, and I hope the Minister will be in a position to respond in due course to the honourable member.

EWS COUNTRY INFRASTRUCTURE

The Hon. R.R. ROBERTS: I seek leave to make a brief explanation before asking the Minister representing the Minister for Infrastructure a question about the deteriorating EWS infrastructure in country areas.

Leave granted.

Members interjecting:

The PRESIDENT: Order!

The Hon. R.R. ROBERTS: Thank you, Mr President. Obviously, members opposite have not realised that they are now in government. Nonetheless, they still want to act as if they are in Opposition.

The Hon. K.T. Griffin: And the Opposition does not realise that they are in Opposition.

The Hon. R.R. ROBERTS: I realise it, and I don't like it. I want to get on with being in Opposition and, therefore, I need to ask my question. I note from the minutes of the Technical Services Section of the Port Pirie City Council that the council is harbouring great concerns about the state of EWS infrastructure in Port Pirie, particularly concerning water mains. There have been a number of burst water mains and many problems with water pressure throughout the city, causing the council to install expensive pumping equipment and associated services to enable it to maintain public utilities. The latest example was at Ferme oval, which is in one of the newer areas of the city. In the light of these concerns, will the Acting Minister for Infrastructure have EWS officers liaise with the Port Pirie City Council to assess the state of EWS infrastructure in Port Pirie? Will he assure the Port Pirie City Council and other country councils that any additional funding made available for infrastructure upgrades will be fairly distributed throughout South Australia to all areas in greatest need rather than just to the metropolitan area?

The Hon. R.I. LUCAS: As my colleagues noted, it is important to highlight that, if there was to be any problem in relation to EWS infrastructure, the responsibility for that should rest fairly and squarely on the shoulders of the Hon. Ron Roberts and his colleagues who have been in Government and who have been responsible for the infrastructure in this area for the past 20 years or so.

Members interjecting:

The Hon. R.I. LUCAS: As I said, if there was a problem, then fairly the responsibility would rest on the shoulders of the Hon. Ron Roberts and previous Governments. I must say that my colleague—

Members interjecting:

The Hon. R.I. LUCAS: Very serious—the Minister for Infrastructure is often heard around the Cabinet table and elsewhere indicating that on some measures the number—I am not sure what the technical word is for the number of burst water mains, but perhaps that is technical enough for the Hon. Terry Roberts with his metals background—of burst water mains and pipelines measured between States is such that South Australia does pretty well on those sorts of breakdowns. I shall be only too pleased to refer the honourable member's very serious question to the EWS and to the Minister when he returns and bring back a reply. Knowing the Hon. Mr Olsen's past rural roots before coming into his present position, I am sure that any distribution of funding-whether capital or recurrent-will be distributed fairly between the city and the rural areas of South Australia.

FEDERAL AWARDS

The Hon. CAROLYN PICKLES: I seek leave to make a brief explanation before asking the Attorney-General a question about the costs of opposing Federal awards.

Leave granted.

The Hon. CAROLYN PICKLES: The Minister for Industrial Affairs told the Estimates Committee that a special unit had been established in the Attorney-General's Department to fight applications by public sector unions for Federal award coverage. The Minister said this unit had a budget of around $800 000. He also said last week that the case for the teachers had been dismissed at a cost of $40 000 to the South Australian Institute of Teachers. However, the Minister did not say how much the Government had spent or that the Deputy President of the Industrial Commission had said he was not satisfied that there was no prospect of the union's fears being realised and he left open the option for the case to be relisted. Can the Attorney say who represented the Government to oppose the application by South Australian teachers for Federal award coverage and how much it cost?

The Hon. K.T. GRIFFIN: I do not have all the facts and figures at my fingertips. There is a special unit within Government which is specifically focusing upon industrial and legal issues relating to awards and enterprise agreements. As I recollect, the information was given by the Minister for

Industrial Affairs in the Estimates Committee and my recollection is that it was one of the many questions which I was also asked and on which we provided information. As to the question about the teachers matter, I will obtain information from my officers and bring back a reply.

RURAL ADJUSTMENT SCHEME

In reply to **Hon. R.R. ROBERTS** (9 August).

The Hon. K.T. GRIFFIN: The Minister for Primary Industries has provided the following responses:

1.533 applications for assistance have been received since 11 December 1993.

2.53 Re-establishment Grant applications have been received. Twenty-nine approved with 10 pending a decision. 54.7 per cent of the applications completed have been approved.

480 applications have been received for the other types of assistance available under the Rural Adjustment Scheme. 239 have been approved and there are 119 pending. 49.8 per cent of the applications completed have been approved.

The Minister for Primary Industries has also provided figures for re-establishment Grants on Kangaroo Island.

For the year ended 30 June 1993, 3 applications were received and 3 approved. For the year ended 30 June 1994, 10 applications were received, 1 was approved, 1 was withdrawn, 3 were declined and there were 5 pending completion.

3.The assessment of applications under the Rural Adjustment Act 1992 (Commonwealth) is based on a formal agreement between Federal and State Ministers responsible for administering the Rural Adjustment Scheme.

The Federal Minister of Primary Industries and Energy, Senator Collins, issues policy guidelines on each aspect of the Rural Adjustment Scheme for the guidance of the States, when necessary.

Should clients be unhappy with the outcome of an application under RAS Exceptional Circumstances, they may lodge an appeal with the Rural Adjustment Screening Committee. This Committee comprises: Mr Brian Annells, Chairman. Mr Annells was State and Northern Territory Lending Manager for Westpac before he retired. Mr Tim Scholz, President, South Australian Farmers Federation; Mr Graham Broughton, General Manager, Rural Finance and Development.

Any letters requesting a review should be addressed to:

Mr Graham Broughton
General Manager
Rural Finance and Development
GPO Box 1671
ADELAIDE SA 5001

Their letter should set out the reasons why they believe the current decision should be overturned.

PARLIAMENTARY REFORM

The PRESIDENT: I have a response to the question asked of me by the Hon. Ms Pickles last week about comments made by Dr Ian George. Much of Dr George's comment is correct. I believe the Archbishop has focused on the Federal Parliament, where much of Question Time is televised and a bear pit approach seems to prevail. The South Australian Parliament, and in particular the Legislative Council, rarely adopts these tactics and, from my point of view, the debate is informed and generally well presented. I am not in favour of the sin bin approach. We are not playing soccer, and a temporary removal of a member from the Chamber without proper determination by the Council could be deliberately used when a crucial vote was being held, thus placing the President in an untenable position.

ARTS AWARDS

The Hon. ANNE LEVY: I seek leave to make a brief explanation before asking the Minister for the Arts a question about the Keating awards.

Leave granted.

The Hon. ANNE LEVY: There has been a great deal of discussion in the media regarding the so-called Keating awards, which were announced yesterday, where 11 prestigious awards were given, as a recognition of excellence, to 11 creative artists around Australia. There has been much criticism of the fact that all 11 awards went to artists who are resident in New South Wales and the ACT.

Members interjecting:

The PRESIDENT: Order!

The Hon. ANNE LEVY: May I say that I share—

An honourable member interjecting:

The Hon. ANNE LEVY: Do let me ask the question.

The PRESIDENT: Order! The member will ask her question.

The Hon. ANNE LEVY: Thank you, Mr President, if you had stopped him I could do it faster.

The PRESIDENT: Order! The honourable member will ask her question.

The Hon. ANNE LEVY: Mr President, I have shared the concerns that have been expressed about the geographic distribution of these awards. However, I also raise specifically the gender distribution of these awards, to which, I am most disappointed to see, no commentators have referred. Of the 11 awards, only two went to women and nine went to men, which is statistically significantly different from a 50-50 ratio. The arts community—

Members interjecting:

The PRESIDENT: Order!

The Hon. ANNE LEVY: The arts community is, I imagine, probably the one in Australia where the gender ratio is the closest to 50-50 of any industry occupation in this country, with very many eminent men and women in the arts area. Is the Minister also concerned about the gender distribution of the Keating awards, as well as the geographic distribution of the awards, and does she feel that the criteria for selection should be reconsidered?

The Hon. DIANA LAIDLAW: I have made my views known to the media which have contacted me today as well as to the Federal shadow Minister for the Arts, Senator Richard Alston, namely, that I and the South Australian Government are most upset about the fact that not one award came to South Australia but, more particularly, that not one award was granted outside New South Wales and the ACT. We have an exceptional range of talent in this country; it is not all resident in New South Wales and the ACT. I will be writing to Senator Lee but in particular the Prime Minister. I hope that the Prime Minister hears the critical comments that have been made, because he professes to champion the arts.

The Hon. Anne Levy: Did the comments mention gender?

The Hon. DIANA LAIDLAW: The gender issue is not one that I have taken up, but I am pleased to do so. I understand—

Members interjecting:

The PRESIDENT: Order! The honourable member has asked her question.

The Hon. DIANA LAIDLAW: I noticed in particular that Elizabeth Dalman had won an award, and I have already written to her and indicated my pleasure at that. In terms of the arts, it is very dangerous to say that 50 per cent of the awards must go to men and 50 per cent to women.

The Hon. Anne Levy: I didn't say that.

The Hon. DIANA LAIDLAW: No; you mentioned a 50-50 quota system. There is considerable danger, and it is

interesting that the Federal Government has recently indicated that in appointments to boards and so on it will ensure a 50 per cent quota in all these areas. In terms of the grants, I think it would be—

The Hon. Anne Levy interjecting:

The Hon. DIANA LAIDLAW: I am making a statement. There are more than 50 per cent in various parts of the industry.

Members interjecting:

The Hon. DIANA LAIDLAW: It may well be; I do not know if you are all in chorus over there, but it is true—

Members interjecting:

The PRESIDENT: Order!

The Hon. DIANA LAIDLAW: —with this area, I suspect, as it is with general honours for women, that, until women start to apply, they will not be accepted or considered. This is certainly my understanding.

Members interjecting:

The PRESIDENT: Order! This is degenerating into a debate, not a question and answer time. The Minister.

The Hon. DIANA LAIDLAW: I know that there are South Australian men and women who applied or who were nominated at this time and that none of them has been given one of these awards. In any fair judgment, not only my judgment, that is a disgrace. What is so tragic about this situation is that, although Mr Keating brought in this scheme when he was the Treasurer, as Prime Minister he is bastardising arts patronage in this country and is discrediting the arts and in a way even the artists who have received these awards. That is the tragedy of what is being done here, because it is clearly becoming—

The Hon. Anne Levy interjecting:

The PRESIDENT: Order!

The Hon. Anne Levy: Why am I the only one who is being called to order?

The Hon. DIANA LAIDLAW: Because you are the only one who can't keep her mouth shut.

Members interjecting:

The PRESIDENT: Order! That is very unparliamentary, I ask the Minister to withdraw that reflection on the honourable member.

The Hon. DIANA LAIDLAW: The fact?

The PRESIDENT: I ask the Minister to withdraw.

The Hon. DIANA LAIDLAW: I withdraw, Sir. I have the very highest opinion of the artists who have these awards, but I happen to love and enjoy the arts and have some knowledge about them. What is happening across—

The Hon. Anne Levy interjecting:

The Hon. DIANA LAIDLAW: No, I'm not; don't take it so personally. What I am saying is that a lot of people in the community do not have the same regard for art and artists, and the way that Mr Keating as Prime Minister is abusing the system for his own personal and political advantage is discrediting the arts and artists who have received these awards. It is much wider than just a question of gender and geographical balance. It is how artists across this State and across the nation are received in the community and how in future we allocate money in recognition of their excellence. I was interested in Tim Lloyd's comments this morning, reflecting on this issue, and it is a pity when he feels he has to resort to this sort of comment. He makes the point that:

> The best place to apply for funding from the Australia Council appears to be from an office in Redfern, Sydney, just down the street from the council's headquarters. That Sydney is also in the heartlands of Mr Keating's own faction of the Labor Party just adds irony.

Elsewhere, he states:

> Instead of making excuses, the Australia Council should attempt to sort out the problem. The island mentality developing in Canberra and Sydney about where arts funding should flow is of growing concern, especially because it is denied by the Sydney-based Australia Council. . .

So, the Keating awards, as they have now become known—

The Hon. Anne Levy interjecting:

The Hon. DIANA LAIDLAW: They are related.

The Hon. Anne Levy: They're not.

The Hon. DIANA LAIDLAW: They have come as recommendations. All I say in conclusion is that South Australia has had real, genuine grievances over the past few years in terms of arts grants funding. We have further grievances here. On the eve of the Federal Government's cultural statement it is very disappointing that by his own doing the Prime Minister has brought so much discredit on arts patronage and arts awards in this country.

APPROPRIATION BILL

Second reading.

The Hon. R.I. LUCAS (Minister for Education and Children's Services): I move:

That this Bill be now read a second time.

As the Bill has been dealt with in another place, I seek leave to have the second reading explanation and explanation of the clauses inserted in *Hansard* without my reading them.

Leave granted.

> On 25 August 1994 the 1994-95 budget papers were tabled in the Council. Those papers detail the essential features of the State's financial position, the status of the State's major financial institutions, the budget context and objectives, revenue measures and major items of expenditure included under the Appropriation Bill. I refer all members to those documents, including the budget speech 1994-95, for a detailed explanation of the Bill.
>
> Clause 1 is formal.
>
> Clause 2 provides for the Bill to operate retrospectively to July 1994. Until the Bill is passed, expenditure is financed from appropriation authority provided by Supply Acts.
>
> Clause 3 provides relevant definitions.
>
> Clause 4 provides for the issue and application of the sums shown in the schedule to the Bill.
>
> Subsection (2) makes it clear that appropriation authority provided by the Supply Act is superseded by this Bill.
>
> Clause 5 is designed to ensure that where Parliament has appropriated funds to an agency to enable it to carry out particular functions or duties and those functions or duties become the responsibility of another agency, the funds may be used by the responsible agency in accordance with Parliament's original intentions without further appropriation.
>
> Clause 6 provides authority for the Treasurer to issue and apply money from the Hospitals Fund for the provision of facilities in public hospitals.
>
> Clause 7 makes it clear that appropriation authority provided by this Bill is additional to authority provided in other Acts of Parliament, except, of course, in Supply Acts.
>
> Clause 8 sets a limit of $50 million on the amount which the Government may borrow by way of overdraft in 1994-95.

The Hon. CAROLYN PICKLES (Leader of the Opposition): I support the second reading of the Appropriation Bill. However, I must make absolutely clear that the Opposition regards the first Brown budget as unjust and unworthy of the people of South Australia. The people voted in last December's poll for a change of Government, to a Liberal Party which promised everything. Today, those

promises can be seen for just what they always were: cynical and dishonest.

This budget, along with the three to follow as part of the Government's so-called financial strategy outlined in May, will make South Australians poorer and the State of South Australia a less fair and less equitable community. We will keep our promise to the electorate to be a constructive and patriotic Opposition. That promise will endure beside the powers of junked policies and insincere reassurances doled out by Dean Brown as Opposition leader. Members of the Government all know what I mean: the promise to reduce debt rapidly; the promise not to exceed the job cuts of the April 1993 Meeting the Challenge statement of the previous Labor Government; the promise to increase education funding and maintain class sizes; the promise to increase hospital funding and reduce waiting lists; the promise not to increase taxes and charges; the promise to target 4 per cent annual growth in gross State product during its first year of office; and the promise to create 200 000 jobs over the next 10 years.

We will keep our promise to the electorate to be a patriotic and constructive Opposition, but we will not help the Government to hide the facts from the people. The facts are that not a single promise of significance of this Government has survived the 10 months of its first term. Let us consider those 10 months.

I turn now to the Audit Commission. Dean Brown promised an independent review of the State's finances. He also promised no further cuts of public sector jobs and community services. As we pointed out at the time of the election, the independent Commission of Audit was always going to be this Government's main vehicle for breaking the election promises Dean Brown had never intended to honour, as similar exercises had also been undertaken in New South Wales under Mr Greiner, in Tasmania under Premier Groom and in Victoria under Mr Kennett. Was it really an independent review? Certainly not. Don Nicholls was a main player in the New South Wales, Tasmanian and Victorian inquiries, as he was in our own.

Professor Cliff Walsh also served on the Commission of Audit. A former adviser to Malcolm Fraser, Cliff Walsh is now Director of the South Australian Centre for Economic Studies and a part time adviser to the Premier. Having worked on the report of the Audit Commission, he heads a centre in receipt of large amounts of Government money to advise on implementing many of the commission's recommendations—a cosy relationship indeed. No wonder Mr Brown so dislikes the Hilmer recommendations on competition policy. People of this persuasion were always going to find that the State was supposedly bankrupt, and that was all the fault of the previous Administration. The reality is something else again.

Today's debt levels are a shade above those of the early 1980s and well below those of the Playford era. However serious has been the experience of the State Bank and SGIC bail-outs for the State, the fact remains that current debt levels are modest by historical standards. The debt was coming under control under the policies of the previous Government without deep cuts to public employment and community services. Under Meeting the Challenge, the deficit on the recurrent account would have been eliminated by 1995-96 with the achievement of yearly reductions in outlays of 1 per cent in real terms, and falling debt in real terms and as a proportion of gross State product.

The $10.5 billion black hole was a shock horror *Advertiser* headline, but the reality was that all the debt and liability figures were known by Mr Brown prior to the last election when he assured us that he would not cut deeper than the Meeting the Challenge statement. Indeed, from Opposition, Dean Brown had the temerity and dishonesty to say, 'We are concerned that the Government has adopted a cut and slash policy.' This was in his response to the Economic Statement on 28 April 1993. At the same time, the Government and the Audit Commission deliberately understated the size of the State's assets, refusing to place any value on a range of key State assets. This led the Auditor-General to note that the commission's valuation methods were flawed. This is contained in the report of the Auditor-General of 30 June 1994, Part A, page 24.

This year's budget has conveniently dropped all reference to the value of the State's assets. You would have thought that as the issue of asset evaluation had been so central to the Audit Commission's concerns, some attention would have been given to it in the budget papers. It is almost as if the deliberate undervaluation of the State's assets by the Audit Commission and the Government having served its propaganda role, the Government is now prepared to allow the issue, the very issue that was the basis for the mendacious claim of a $10.5 billion block hole, to fade into the background.

Even the Audit Commission and the Government had to admit what conservative ratings agencies such as Standard and Poors were telling them, that under Meeting the Challenge, the State would achieve real and significant reductions in debt as a proportion of Gross State Product and on other measures. In short, debt was coming under control without cutting deeply into public sector employment and without cutting away community and public services at the time when they are most needed.

It has not been clearly explained to the public that this so-called underlying deficit is that of the non-commercial sector, not the Government's current account. But it is the Government's current expenditure compared with current revenues that is the most meaningful measure of any deficit or surplus. In short, the Government and its advisers bent over backwards to present as distorted and pessimistic an impression of the State's finances as possible. This was a softening up exercise, an attempt to soften up the public for the contempt the Government was to show the public come budget time, for this was to be the budget of broken promises. That softening up process had its results for the Government in its loss at the by-election for the seat of Torrens, won by Robyn Geraghty.

It was painfully obvious that the Financial Statement, which appeared after the three week consultation period on the Audit Commission recommendations, had been written in advance of consulting with anyone outside of the coterie of economic rationalists. It had been written weeks before its release. Where are all the Government's promises now? Its own budget tells us they are all dead. The Government told us it would reduce total outlays by 1 per cent for the next three years, but total outlays will fall by only 0.3 per cent. Its own budget papers show net real debt increasing, not falling, over 1995 and 1996. Net debt as a proportion of GSP will remain constant at 27.1 per cent over the next two years. Although the May Financial Statement forecast a budget deficit of $410 million, the budget reveals that this will actually be $448 million.

The Government told us its target for economic growth was 4 per cent per annum to be achieved in its first term of office, but the reality is that, largely as a consequence of its contractionary cuts to public expenditure, the Government expects South Australia to lag national growth rates markedly as follows: 3.25 per cent in 1993-94, 3.5 per cent in 1994-95, 3 per cent in 1995-96, 3.5 per cent in 1996-97, and 3 per cent in 1997-98. While the nation is achieving growth rates of around 4.5 per cent in five years' time, we will still be growing less than we were in 1993-94.

The Government promised to create 200 000 jobs over the next 10 years. The fact is that this year the Government only expects 10 000 jobs to be created. This means that in some subsequent years, there will have to be an employment growth of around 5 per cent if the Government is to meet this target. The Government promised not to exceed the Public Service job cuts of the last Government's Meeting the Challenge statement. The reality is that the Government intends to exceed those former job cuts by 6 500. In fact, if we include the Government business enterprises, planned separations probably will total around 11 500. This Government promised an increase in education expenditure, but recurrent funding will fall by $40 million over the next three years, and average class sizes will grow.

The Government may crow about the fact that class sizes in certain parts of the system will not exceed the national average this year (a national average, be it noted, already inflated by the handiwork of Jeff Kennett in Victoria since 1992), but they will certainly exceed the national average by the end of the three year period. Four hundred and twenty two teachers will go (and that is Mr Lucas's consistent figure), or should it be 547, as I indicated last week, along with 37 school services officers. About 40 schools will be closed, although the then shadow Minister of Education (Mr Lucas) promised during the election campaign that he would resign if more than 30 were closed.

The Government promised increased health expenditure but cut $35 million in this budget, with a further $33 million to be cut over the next two years. Overall, recurrent expenditure will fall 5.2 per cent (exclusive of interest payments) in real terms, in spite of the Premier's apparent concern as Opposition Leader about the former Government's 'cut and slash' policy. It is remarkable, even extraordinary, that in the face of these facts, the Government still maintains its policy will produce gain from the pain. The Government and its ideologues have claimed that, to beat debt and increase jobs, we have to make do with fewer Government services, fewer teachers, fewer health workers and fewer police.

But the Government's own budget tells us that it will deliver fewer teachers, fewer health workers, fewer police, as well as fewer jobs and less economic growth while debt will itself only get worse. This budget is, in spite of all the Premier's and the Treasurer's twaddle, an admission of failure. But given the Government's record on veracity, we do not expect an admission—just more twaddle. No gain but a lot of pain. And, what is worst of all, the lion's share of the pain is inflicted on those most vulnerable in the community. Was there ever a more mean-minded approach to policy than was displayed by this Government than in the framing of this budget?

Let us consider some of the following examples: the $3.3 million cut to schoolcard; tougher conditions for eligibility for schoolcard, including, for Aboriginal students, a cut in schoolcard benefits for all card holders. These changes amount to at least an extra $200 per year in transport costs per child. They will affect more than 80 000 State school students and 15 000 students of non-Government schools. The review of current eligibility criteria could result in a further reduction of up to 15 per cent in the number of schoolcard holders in 1995-96. Increased charges for basic services such as gas, water and electricity will absorb a greater proportion of the total income of the poorer sections of the community.

Apart from those increases already announced, the least well off are certain to be hit harder by the Government's requirement, in contradiction of yet another Brown election promise, that public utilities such as ETSA and EWS increase massively their contributions to the State coffers. South Australia spent decades building up the best system of public housing in the country. It was a system that was lauded not only nationally but internationally. This is a system that recognised the importance of public housing not simply targeted at the worst off in our society but large enough and well enough resourced to help those most in need and to provide a high quality of public housing overall.

Not only were subsidies provided to those most in need but the system encouraged a social mix of people in public housing. But this Government is to cut back to the point at which the richest a subsidised Housing Trust tenant could be is a low income earner. We are aware of the Government's consideration of market-based rents for non-subsidised tenants, a progressive reduction in the levels of this State's public housing stock by almost 50 per cent to the national average, an increase in rents for subsidised tenants from a maximum of 25 per cent of income to 30 per cent, and differentiation of rents according to capital value (principally location and desirability of the property).

So far the Minister has been unable to tell us what is intended to be the maximum income a subsidised South Australian Housing Trust tenant could earn. The consequence of all this will be to create offensive social distinctions between the haves and the have nots. That is recognised as being not only unfair but as leading to higher crime rates and less personal security, for what we will increasingly see is the concentration of the poor in remote lower quality public housing and we are aware that one of the trust's major performance indicators is to be:

> A significant improvement in the percentage of consumer debt recovered.

This statement is contained in the Program Estimates on page 382. We are also aware that there is to be an enormous increase in the outsourcing of trust operations, including 100 per cent outsourcing of revenue collection. This would have to be the first time in Australia that Government responsibility for so important a part of social policy has been entrusted to a Weeks and Macklin, a Lin Andrews, or some other private real estate agent. Only this week the Opposition highlighted the difficulties that trust tenants will have if they are unable to pay their rents.

It has been stated that the Minister will be putting them out on the street, and I find that an absolutely appalling situation. Cuts to health are likely to have a disastrous impact on the most vulnerable. It is just these people who have the greatest health problems and the greatest reliance upon a high quality, adequately funded public hospital and community health system. The problem is not the casemix system itself but the $35 million in cuts announced in this budget, with a further $33 million in cuts over the next two years. Many hospital CEOs are telling us that there is no fat left to trim.

A consequence will be that people will leave hospital quicker but sicker. The reduction of country pensioners' ambulance concessions to 50 per cent and the removal of free dental care for secondary school students are also deplored by the Opposition.

In public transport we know only too well that substantial increases in fares are under active consideration, with adverse impacts upon people in the outer suburbs and those who make particular use of lower off-peak fares, such as pensioners.

I would like to turn now to the issue of women in South Australia. As I am sure all members are aware, 1994 is a significant year—the centenary of women's suffrage in South Australia. I have joined with women throughout this year to celebrate the anniversary of so significant an achievement as the enfranchisement of women, but I must say, more in a spirit of disappointment and sadness than in anger, that this budget and the Government's financial strategy threaten to undo many of the gains being appropriately celebrated this year. In this one-hundredth year of women's enfranchisement this Government's policy has threatened to disfranchise many women from opportunities for participation in work and in the community.

This is the first time since I cannot remember when that the budget papers have not included a statement on social justice and a women's budget, yet I suppose this should not surprise us too much because the Government's policies will have an impact on women that no Government could be proud of. Women will be very badly hit by the public sector job cuts as workers as well as by the cuts in public and community services. For a range of reasons the improvement in the social and political position of women over recent decades has depended to a very large degree upon the opening up of public sector employment to them and the provision of a comprehensive range of community services that increase the options available to them.

Women will be affected adversely by the fact that so many of the jobs targeted for abolition are in areas of high female employment. One need only think of the cuts to employment in the health and education systems to see this, let alone the cuts intended across the Public Service. At the same time, given the nurturing and caring role of women within the family, women are the major consumers of community services. The cutbacks in both these areas—employment and service provision—will leave women in this State much worse off. Most often it will be women who will look after sick members of their family, who should be in hospital or receiving other formal care but who will be denied access to this as hospital admission rates fall or more outpatient services are privatised or rationalised.

We still do not know the future of women's health centres, and I have a motion before this Council with which I hope the Government will deal expeditiously, so that it might indicate to the Parliament and to the women of South Australia what it intends to do with women's health centres. Most often it will be women who will have to take care of their children's school transport when the privatisation of buses leads to fewer or no services on unprofitable routes. Most often it will be women who will have to help their schoolchildren with their homework as average class sizes increase and the quality of tuition falls. If children leave school earlier as a result of a decline in South Australia's current commendable school retention rates, for the most part it will be their mothers who will have to exercise guidance over their unemployed children if they are unable to obtain employment in South Australia.

Single mothers will suffer as a result of the changes to the Housing Trust, which will target provision of subsidised rents to the poorest sections of society, and by virtue of the sale of the more desirable housing stock quartered in remote low income suburbs. Women will be disproportionately affected by the job cuts and the extent to which jobs are available. Increasingly, they will be involved in casualised, low paid and insecure services that have been contracted out. I am an enthusiastic supporter of the Centenary of Women's Suffrage celebrations, but my concern is that this Government wants to commemorate the progress we have made on the one hand, but turn the clock back for women on the other.

In conclusion, members will be aware that the Council is able to question officers from various departments during the Committee stage of the debate on the Appropriation Bill. However, last year members adopted a proposal by the then shadow Minister of Education and Opposition Leader in this place, the Hon. Mr Lucas, to place questions on notice during the second reading debate for urgent response before the Council was asked to pass this Bill. This system worked satisfactorily, and I know that the questions asked by the Minister were answered within the required time. I propose that the same procedure be adopted this year, as a number of important issues have arisen since the Estimates Committee hearings that may have a significant impact on the budget, and I ask that the Hon. Mr Lucas will have the responses to the following questions, which I will read into *Hansard*, before we move to the third reading of this Bill. My questions are:

1. The education budget for 1994-95 makes no provision for teachers' salary increases and, following the decision by the Commonwealth Industrial Commission to award nurses a catch-up pay increase of $8 a week, there is now a distinct possibility that similar decisions will flow to other public sector employees. Has the Minister undertaken any preliminary budget analysis of a possible pay increase for teachers during 1994-95, and what cuts would need to be made to fund such increases?

2. The enterprise bargaining framework agreement requires a single bargaining unit to be established as a prerequisite to the bargaining process. Because of some ideological position, the Education Department appears to be having difficulty in determining how it can deal directly with 14 000 teachers rather than negotiating with the South Australian Institute of Teachers. When will the Government establish a bargaining unit to address employment and other enterprise issues in the Education Department, and will this unit be based in the Education Department or the Department for Industrial Affairs? What is the proposed membership for this unit?

3. On ABC television on Thursday 13 October, the Treasurer said that the decision to cut the Government's contributions to employees' superannuation to 9 per cent instead of 6 per cent would mean further job cuts. Can the Government categorically rule out any further cuts to the number of teachers as a result of the Government's decision on superannuation contributions?

4. The Treasurer and the Minister for Education and Children's Services have both said that 422 teaching jobs will go in 1995. However, we know that the Education Department has calculated a cut of 547 jobs, and schools have been advised of teacher allocations for 1995 that give that result. A reduction in the number of teachers will not only result in bigger class sizes, but will also affect the choice and availability of curriculum offerings. The Minister for Education and

Children's Services recognises that, and he told the Estimates Committee that there will be pressures on curriculum offerings as a result of teacher cuts. Has the Minister's department taken into account adverse effects on curriculum offerings as part of the process of allocating teachers to schools for 1995 under the new class size formula and, if so, how was this done? Will the Minister ensure that his department coordinates curriculum offerings to schools to maximise choice and access to subjects?

5. The Government's intention to cut 422—or 547—teaching jobs will necessitate a major staff separation program. How many targeted separation packages will be available for teachers? How much has been allocated for this purpose from Commonwealth funding, and what is the estimated cost to the department of paying employee entitlements such as annual and long service leave? How many teachers have made application for a targeted separation package?

6. There are a number of concerns associated with separating a large number of teachers by the TSP process rather than by letting natural attrition reduce numbers. Of particular concern is the potential to lose our most experienced and specialist teachers, and the effect this will have on general standards and the availability of courses. How will the TSP program be managed? What is the criteria to be applied to accepting or rejecting applications? When will teachers be advised of the result of their applications? Will teachers, who have been appointed to positions for 1995, be given separation packages?

7. What is the target number of teachers to be employed under contract in 1995? What percentage is this of the total number of teachers? Is it the Government's policy to increase or reduce the percentage of teachers employed under contract?

8. What is the estimated revenue for 1994-95 and 1995-96 from the sale of property? Could the Minister provide a list of those properties which are to be placed on the market this and the next financial year and which are expected to bring in excess of $100 000?

9. The Premier has announced that a major contract has been negotiated with EDS for outsourcing information technology requirements across Government. This has led to continuing speculation on which systems will be sold and/or operated by EDS, the capacity for savings and how these savings will flow to departments. Can the Minister list the information systems operated or accessed by his department, and what is the annual cost of these systems to the department? Which systems will be outsourced under the contract with EDS? Will EDS be involved with the introduction of EDSAS to schools? Has the department identified the savings from outsourcing and, if so, what are the details?

10. The Premier has announced a major development at Gawler, including a shopping complex and a TAFE campus for 1 000 students. A report indicated that the TAFE campus would replace existing facilities and be developed at a cost of $3 million by the Gawler council. Of course, the Opposition supports strongly the development of technical and further education, and welcomes the announcement that institute facilities at Gawler will be upgraded.

As this project is 'off budget' in 1994-95, there are a number of matters of interest relating to long-term arrangements between the Department of Employment, Training and Further Education and the Gawler council. Can the Minister for Employment, Training and Further Education provide details of arrangements under which his department will occupy the facilities to be built by the Gawler council; will the facilities be subject to a long-term lease; what are the major conditions of occupation; and will the Government have an option to purchase the property? Has the Commonwealth Government approved this development; will arrangements for the new campus attract financial support from the Commonwealth; and what are the details?

11. The Minister for Transport told the Estimates Committee that TransAdelaide fares would increase in January next year. What is the estimate for increased revenue in the 1994-95 budget as a result of fare increases; and what is the estimate for additional revenue for a full year?

12. It has been reported that the initial turnover through gaming machines has exceeded expectations and that Government revenue is likely to be well in excess of revenue projections. The Minister for Recreation, Sport and Racing also told Parliament on 13 October that TAB revenue had increased during August and September by 6.3 per cent and 7.8 per cent and said that there had been no apparent impact on the racing industry as a result of the introduction of gaming machines. What is the budget projection for income from gaming machines during 1994-95; how much has been received by Treasury to date; how does this compare with forecast projections; and what is the current forecast for revenue to the end of June 1995?

13. The Minister for Housing, Urban Development and Local Government Relations told the Estimates Committee that the report of the triennial review into the operation of the Housing Trust had been changed following comments made by the Auditor-General, and the Minister said that the report had not yet been sent to the Governor. The Auditor-General's Report, however, stated that the Auditor-General had written to the Chairman of the Housing Trust Board expressing the view that there were important limitations flowing from the Commonwealth-State Housing Agreement on the capacity of the Government and the trust to implement the strategies considered by the triennial review and that these should be explicitly acknowledged as the review had already been presented to the Governor. Has the review been presented to the Governor; and, if not, has the Auditor-General been informed? Does the review contain options and/or recommendations for increasing Housing Trust rentals, and what are the details? When did the Minister for Housing, Urban Development and Local Government Relations receive the Housing Trust triennial review; when will the review be tabled in Parliament; and which recommendations of the review have been changed by the Minister?

I put those 13 questions in my speech because I would like answers to them before the Appropriation Bill goes into Committee. From my previous discussions with the Minister I understand that he has agreed to this process, as indeed we did when we were in government last year.

The Government's financial strategy is fundamentally flawed. Not only does it fail to provide the promised debt reduction, economic growth and jobs but also its cuts to basic community services, which tear at the social fabric, fail the test of basic and simple fairness. For that, the Opposition, in supporting the second reading of the Bill, nevertheless makes clear its condemnation of this horrendous budget.

The Hon. J.F. STEFANI secured the adjournment of the debate.

The Hon. K.T. GRIFFIN: Mr President, I draw your attention to the state of the Council.

A quorum having been formed:

SECOND-HAND VEHICLE DEALERS BILL

Adjourned debate on second reading.
(Continued from 24 August. Page 206.)

The Hon. ANNE LEVY: The Opposition supports second reading of this Bill, although it has some concerns about many aspects of the legislation and expects to move a number of amendments in Committee. The amendments, which have not yet been prepared, may well depend on answers to several questions which I will ask during the course of my speech and which I hope the Attorney-General will be able to provide when he concludes the debate.

I need hardly stress that the Opposition is concerned about the protection of consumers who buy second-hand vehicles, which in most cases will be second-hand cars. There are many people in our community whose only means of transport is by private vehicle. Consequently, the buying of a second-hand car is extremely important to a large number of people, and the problems which can arise from the purchase of second-hand vehicles are such that this Parliament many years ago decided that specific measures needed to be implemented to protect consumers in this very important purchase.

In this Bill, as in three of the four Bills that we considered last week, the Government is again moving to replace the Commercial Tribunal by either the District Court or the Magistrates Court, and our objection to this abolition by stealth remains. We feel that the Commercial Tribunal has proved its worth in dealings involving second-hand vehicles, that it has specialist knowledge in this area, that it is a faster means of redress than the regular courts system and particularly that it is cheaper.

I know the Minister may respond that the cases involving consumers are usually taken by the Commissioner, so that there is no great expense involved for the individual consumer. However, the cases, particularly for second-hand motor vehicles, do not necessarily involve large sums. As the dealer concerned is a small business, the Commissioner does not represent him or her and, therefore, there will be considerable expense involved for the small business owner if the regular courts, rather than the Commercial Tribunal, are used. Certainly, the Commercial Tribunal is more efficient, cheaper and much more informal.

As I indicated previously with the Land Agents Bill, the Opposition is certainly not opposed to collocation of the Commercial Tribunal, if this is deemed desirable, in an effort to save costs, or that it should be part of the Courts Administration Authority for administrative purposes. However, we strongly feel that its essential elements should be retained very much for the benefit of both consumers and small business in this State.

Another concern that the Opposition has with this legislation relates to the changes being made in the warranty provisions. There is no doubt that the age of a vehicle is probably a good yardstick to use as the criterion for warranty provisions. We certainly object to lowering from 15 years to 10 years the age of a vehicle eligible for a warranty.

Currently any vehicle up to the age of 15 years, depending on its price, is subject to the warranty provisions of the Second-hand Motor Vehicles Act. The Bill before us suggests reducing that age to 10 years. We feel that this is most undesirable, particularly as in recent years cars have been made more substantially than they were in the past. Their lifespan is longer and there are many cars in the age bracket of 10 to 15 years which run on our roads, function extremely well and provide very good service to their owners. For standard makes and models such as Commodores and Falcons—of which there would be many thousands in this age group—parts are still readily available, and there is no reason at all why they should not be subject to warranty provisions on resale.

I suggest there would be very few cars indeed which are less than 10 years old in the prescribed range of $3 000 to $6 000. Most cars under 10 years would cost considerably more than that in the average dealer's yard and, indeed, many older than 10 years would also fall outside that range. Predominantly, however, cars in the 10 to 15 years age range would lie within the $3 000 to $6 000 prescribed range. This is the range for which the warranty is for 3 000 kilometres and/or two months from the date of purchase.

I would certainly welcome information from the Attorney as to the number of cars which are in the 10 to 15 year old age bracket and which are sold in South Australia each year, or in the past 12 months, so that we have some notion of the number of cars which are now covered by warranty when purchased second-hand but which will not be if this Bill passes without amendment to this age provision.

The Opposition also has many concerns regarding the abolition of the indemnity fund that has applied for the past 11 years and the provision of insurance by each dealer instead. I certainly appreciate the reasons why this is being suggested. Currently the indemnity fund is paid into by all second-hand vehicle dealers. It is used to fulfil the warranty obligations of dealers who are unable to do so either because they have gone bankrupt, are particularly obdurate, or have left the State.

The cry has come: why should the good guys be paying for the faults of the bad guys? There is some logic to this argument, but I point out that the principles of self-regulation, which the Government seems to embrace quite frequently, means that a group is accepting responsibility for other members of the group. It seems to me that the indemnity fund was an example of self-regulation of an industry which had a great deal to be said for it.

Of particular concern is the question what this insurance will cover. The Bill states that the requirements of the insurance will be set out in regulations. I understand that these regulations have certainly not been drawn up and perhaps not even decided at this stage. But, it seems to me that many important matters will need to be dealt with and to which satisfactory answers must be provided before one can consider that it is reasonable to replace the existing indemnity fund with a system whereby each dealer must have insurance.

What will be covered under this insurance? Is it the duty to repair faulty vehicles which are under warranty, so that if a dealer does not repair a vehicle under warranty the insurance company will then do so? Ms Acting President, I draw your attention to the state of the Council.

A quorum having been formed:

The Hon. ANNE LEVY: I ask the Attorney what it is intended the compulsory insurance will cover for the dealers in second-hand vehicles. Is it merely the cost of repairs under warranty if the dealer himself or herself does not meet the cost of those repairs? Is it the safety net if the dealer is unable or unwilling to provide the cost of repairs under warranty which will then be covered by insurance? We then have the question: what if no warranty applies? There is no warranty

for any vehicle which costs less than $3 000 and the Bill proposes likewise that there is no warranty if the vehicle is more than 10 years old. There would be many vehicles in that category to which no warranty applies. However, every vehicle sold must comply with the Road Traffic Act. In other words, it must be a driveable vehicle and fulfil certain safety requirements. I presume that the umbrella of the Fair Trading Act also applies to any vehicle sold by second-hand motor vehicle dealers.

In other words, any item sold must be fit for the purpose for which it is sold. Certainly, vehicles under the Road Traffic Act would have to be capable of being driven safely, and certainly capable of being driven. We have the situation where a dealer can sell a car that is not covered by warranty, because it costs less than $3 000 or is more than a certain age, but if the vehicle is not fit for the purpose for which it is sold, presumably action can be taken so that the dealer will be responsible for putting that vehicle into a safe condition, such that it can be driven safely as set out in the Road Traffic Act.

If the dealer refuses to undertake such repairs for a car that is not under warranty, will that also be covered by the compulsory insurance or is the insurance only for vehicles under warranty? There are then questions relating to excesses on insurance. Most insurance companies have excesses on their insurance policies. If a dealer is bankrupt and there is a defective vehicle under warranty and it is the dealer's duty to repair it and the insurance company is called on to do so, if there is an excess under the policy, who will pay it? I presume it should be the dealer but, if the dealer is bankrupt, does it mean that the poor consumer may find himself or herself liable for the excess? Certainly, I would like to suggest that the conditions for the insurance be that excesses are not permitted so that, when the insurance policy is called on, there is no danger whatsoever that the consumer will be left to pay any excess.

Another question relating to insurance is our concern whether the dealer's rights will be subrogated to the insurance company. This may result in haggling over minor claims, even when they are clearly the responsibility of the dealer and may cause great delay in settling matters. We all know that insurance companies have skilled para-legal officers who can argue convincingly against relatively unsophisticated consumers who probably have no legal representation. The involvement of insurance companies may well slow down consumers in getting their rights or being repaid for repairs that they have had done at their own expense. Of course, this will be of greatest disadvantage to those on low incomes and young people, who are mainly those who buy at the cheaper end of the second-hand vehicle market.

Furthermore, as to the conciliation conferences mentioned in the Bill which the Opposition certainly does not oppose in principle and which we welcome, who will represent the dealers at a conciliation conference? Will it be the dealer or the insurance company with whom the dealer is insured? As happens with motor vehicle accidents, which are covered by insurance, often it is not the car owner but the insurer who represents the insured person in any legal proceedings and it is important that we should know these matters before agreeing to replace the indemnity fund with an insurance scheme. Further, what about the premiums that dealers have to pay, particularly if it is laid down as a condition in the regulations that no excesses should be available under these insurance policies? Has there been any cost analysis at all about what such insurance is likely to cost?

Is it likely to be any cheaper than the current system of paying into the indemnity fund? Will it end up being cheaper for dealers or cheaper for consumers, as the cost of premiums will doubtless be added to the cost of the second-hand vehicles? It is obvious that such insurance premiums would have to be paid by all second-hand dealers, even those who have always paid regularly on warranties and have not in any way defaulted. This will be an extra imposition of cost on them that they currently do not have to pay. Insurance, like the indemnity fund, is a way of spreading the cost so that the good guys end up subsidising the bad guys. In any insurance system it is the whole basis of insurance and I fail to see that this principle will be changed if we move from an indemnity fund to an insurance scheme.

Certainly, I would like the Minister to advise me whether the regulations will ensure that no dealer can renew his annual licence unless he can prove that he has insurance cover for the whole period for which he is seeking a licence, because otherwise there may well be licensed dealers who let their insurance lapse and the cover given to the consumer will vanish. It is all very well to say that there will be a penalty for the dealer in that situation if it is detected, but a penalty paid by the dealer is of no assistance whatsoever to the consumer if he has no means of redress and no means of recovering the financial loss to which he is entitled.

Another query which I would like the Attorney to address is the question of liens on a car which has gone for repairs. Not all second-hand dealers undertake their own repairs for cars on warranty. If a car is being repaired under warranty and the dealer goes broke, if there is an insurance scheme and if the dealer has authorised work and then not paid, is it possible to place a lien on the car? If this question is not addressed, a consumer could be left without his car, for which he has paid good money, for a very long period of time while the lien is sorted out and the insurance company perhaps persuaded to pay the repairer so that the consumer can recover his car. This needs to be addressed if we are changing from an indemnity fund to insurance. It can be crucial for some individuals to not be without their car; being without it can disrupt their lives and employment and make their lives virtually impossible for them. If questions arise from niggling by insurance companies such that a repairer puts a lien on a vehicle, the consumer may be deprived of that vehicle for many months while the matter is sorted out.

The Hon. K.T. Griffin interjecting:

The Hon. ANNE LEVY: I agree that there is that problem with the indemnity fund, but it seems to me that the indemnity fund can be far more flexible and compassionate than most insurance companies, and it is likely to be a greater problem with insurance companies than with the indemnity fund. I must say that there are other changes between the existing Act and the Bill before us to which we have no objection whatsoever. An example is that there is no longer a requirement to register repair premises on the part of the dealer. Certainly, the place to which a vehicle under warranty is to be delivered for repair will be mentioned in the contract of sale as being either a particular repair place or the dealer's own registered premises. That certainly seems adequate protection for a consumer without adding to the list of items which have to be registered. Likewise, we have no objection whatsoever to changing the definition of a dealer as someone who deals in more than four cars per year as opposed to the current six cars per year.

Objections have certainly been raised by the Motor Trade Association that surreptitious backyard dealers are posing as

private sellers, so avoiding the responsibilities of warranties and registered premises which the straightforward dealers are obliged to undertake. They obviously feel that a private individual may sell up to four vehicles a year but that six vehicles a year will be sufficient to categorise that person as a dealer. The MTA has long complained that there are backyard dealers who pretend that they are undertaking private sales. As far as I am aware, the department has always indicated that it is very happy to undertake prosecutions in such cases if evidence is provided to it, but while I was Minister no evidence was ever provided by the MTA, even though it complained that this practice occurred. I understand that the MTA has now computerised itself and consequentially this will make it easier for it to follow up such things as phone numbers for advertised private car sales to see whether the same phone number is turning up frequently, which may suggest that it is not a private sale at all but one of these backyard dealers. I certainly hold no brief for backyard dealers who are avoiding their responsibilities in this way and hope that if they are active in South Australia they can be detected and prosecuted.

On a different topic, I note that the contracts in section 17 have to fulfil a whole lot of obligations and that these are basically the same as those which have applied for the past 11 years. However, the Bill states that if these contracts do not fulfil these requirements, there will be a penalty for the dealer. It does not specifically state that if the contract is not of the proper form it is avoidable. It would seem to me desirable that this should be included in the legislation. The fact that a dealer may be liable for a penalty if the contract is not correct may be a deterrent to him or her as regards having a proper contract, but if it is not a proper contract or does not fulfil the requirements of the proper contract, the fact that the dealer is liable for a penalty is no use whatsoever to the consumer who has had one of these contracts which does not fulfil the requirements but which is presumably still a legal contract. It would seem to me desirable that we insert in the legislation not only that is there a penalty to the dealer but also that the contract is avoidable, in other words, if the departure is gross enough, that the consumer can then say, 'That is not a proper contract; I do not have to fulfil my obligations given that the dealer has not fulfilled his.'

The same applies in section 32, which deals with interfering with the reading on an odometer. It is an offence to change an odometer reading, and we all agree that it should be an offence. If an odometer reading is altered there is a penalty for the dealer who has interfered with it, but does that mean that the consumer can void the contract which he has signed, believing the odometer reading to be accurate? It would seem desirable to me to make clear that, if there has been interference with an odometer so that the consumer has been perhaps misled into purchasing the vehicle with an odometer wound back, the consumer should be able to void the contract in that situation without having to go through the lengthy civil proceedings to get the contract voided. This would seem to me a most desirable matter of consumer protection.

I will not repeat at great length the comments I made in the Land Agents Bill regarding the power of delegation of the Minister and the agreements which the Minister can make with a professional organisation which obviously means the Motor Trade Association. I still feel that the power of enforcement is not something which should be delegated and that, while it may be appropriate to delegate certain administrative responsibilities to the MTA, I would certainly maintain that Parliament should have the power of approval of these agreements and we should not be giving blank cheques as to what the MTA will be responsible for in terms of buyers of secondhand motor vehicles. I expressed a great deal of my concern in that regard on the Land Agents Bill, and will not elaborate on it further here.

I did wonder whether the Attorney had given any thought to having a cooling off period for secondhand vehicles. Was this considered in the review process? If so, was it rejected, and if it was, for what reasons? There does seem to be a considerable logic in having a cooling off period in purchasing secondhand vehicles. This does apply in Victoria and, as far as I know, the new Liberal Government there has made no attempt whatsoever to change the law in this regard. In Victoria there is a cooling off period of three business days in the purchase of secondhand vehicles.

This cooling off period can be waived if the consumer wishes, but as a general case it is a very useful matter of consumer protection. Particularly, it will enable the consumer to see whether finance is available for the purchase at a price that he or she can afford. Many contracts say that they are subject to finance being available, but consumers do not realise that if they are not able to find finance at a reasonable interest rate the dealer may say, 'I can find finance for your purchase' at some exorbitant interest rate, which is certainly not in the consumer's interests. Because the clause in the contract speaks of its being subject to finance being available, but sets no limit on the interest charges which may be part of the availability of the finance, consumers can find themselves caught. If there were a three day cooling off period, the consumer would be able to shop around and see whether finance is available at a price that he or she can afford and then clinch the deal after the three days.

I cannot see that a cooling off period would be of any disadvantage to a dealer who does not apply a high pressure sales pitch. If there were such a clause in a contract, it would certainly make it clear to consumers that the contract is not a holding document on a vehicle but is in fact a binding contract. Many consumers claim that they have been told the contract they are asked to sign is a holding document only and not a finite contract, but if they wish to change their minds they find they are not able to do so. We must remember that, although cars are a lot cheaper than houses, after housing they are probably the most expensive purchase in somebody's life. Particularly for people on lower incomes who are in the rental market rather than the buying market for housing, their cars are the most expensive item they will ever purchase. It can be such a necessity for employment and other reasons for a very large number of people that they have a working vehicle which, for many, means a secondhand vehicle.

One query I have received is as to whether section 16 prohibits consignment selling. Without being a lawyer, I am not sure on this. I think it probably does, but if the Attorney suggests that it does not I would certainly wish to see amendments moved to prohibit consignment selling on the part of a dealer because otherwise it can certainly be used as a back door method of avoiding warranties. I presume also that section 44, which deals with the liability of employees, officers and agents, etc., will be amended by the Attorney in the same way as the corresponding clause was amended in the Land Agents Act. If not, I would certainly move the corresponding amendment.

We are very glad to see a new clause in this piece of legislation which prevents rights being waived. This ability

was in the old Act and it is commendable that the ability to waive one's rights has been removed. I would ask the Attorney if he has information on how many waivers have been granted, be it in the past six months, 12 months or 10 years, and on what basis these waivers have been granted. That would be desirable information before one can really speak other than as a matter of principle about the desirability or otherwise of being able to waive one's rights.

Overall, we are apprehensive about the protection which will be provided to consumers under these new arrangements, particularly relating to the insurance provisions. We must admit that secondhand motor vehicle dealers do not rate very highly in public esteem. In fact, I think they are probably on a par with politicians and journalists. The rhetorical question of, 'Would you buy a used car from this person?' indicates the unfortunately low esteem in which many secondhand motor vehicle dealers are held.

We certainly wish to obtain a lot more information on what the regulations will be regarding this proposed compulsory insurance to protect consumers, and perhaps some information regarding this insurance and how it will be organised. Will it be a free-for-all amongst all the insurance companies operating in South Australia? Will the MTA organise its own insurance scheme, as the LGA organised its own insurance scheme for local government? How far have discussions gone in this matter? It might perhaps be better to delay detailed consideration of this Bill in Committee until we have definite answers available on some of these matters.

We certainly need to be sure that in replacing the indemnity fund with individual insurance on the part of the dealers that protection for consumers will not be lost and that, in fact, the baby is not going out with the bath water, but we support the second reading.

The Hon. L.H. DAVIS secured the adjournment of the debate.

MINING (ROYALTIES) AMENDMENT BILL

Adjourned debate on second reading.

(Continued from 8 September. Page 316.)

The Hon. R.R. ROBERTS: The Opposition supports this Bill. We recognise, however, that the introduction of this Bill is a revenue raising exercise by the Government. This is the Government that came to power saying there will be no new taxes.

The Hon. K.T. Griffin: This is not a new tax.

The Hon. L.H. Davis interjecting:

The Hon. R.R. ROBERTS: The effect of this measure is to raise income, and one of the important considerations is that whereby all of the extractive industries levy used to go into rehabilitation, half of the levy collected will now go to rehabilitation and the other half will go directly into Government revenue. The object of this small Bill is to have a portion of the royalty, currently payable on extractive minerals, paid to the Government revenue. This information derives from the briefing supplied to me, and I am happy to have that briefing. Under the present Mining Act 1971, 100 per cent of the royalty on extractive minerals used to be paid to the Extractive Industries Areas Rehabilitation Fund (EARF), which is available to mining companies for subsequent rehabilitation works. The proposal in this Bill will split the royalty evenly such that 50 per cent will go into the fund and 50 per cent will go into Government revenue.

Under the present Mining Act 1971, the amount of royalty is 2.5 per cent of the assessed value of all minerals, except extractive minerals, which are in fact quarry products, where the amount of royalty is 5 per cent. No royalties are presently payable on opals. The MESA Review Committee determined that a common royalty rate of 2.5 per cent of the assessed value should apply to all minerals and that the different rate of 5 per cent for extractive minerals ought no longer apply. Section 17(2) of the Mining Act should thus be amended to provide for a royalty rate of 2½ per cent on all minerals, except opals.

Opals will remain exempt from royalty where they are mined in the normal manner within the three declared precious stones fields: Andamooka, Coober Pedy and Mintabie. The review committee considered that the present arrangements with regard to royalties on extractive minerals could be perceived as inequitable, in that the extractive industry was not contributing directly to Government revenue by way of royalties as a result of mining the Crown's minerals. I would have thought that the minerals belonged to the people of South Australia. Thus, the decision was made to split the royalty stream on extractives, such that half would go into the EARF (as now) and half would go into Government revenue.

The review committee further agreed that the currently assessed value of extractive minerals of $2 per tonne was far too low and that there was a need to raise this in line with other mineral assessments and those prevailing for similar commodities interstate. In discussions with the industry generally, and with the Extractive Industry Association in particular, it was agreed that a more realistic assessed value (on an ex mine gate basis) for most extractive minerals would be $8 per tonne. Mr President, one can see by that one change there is a 400 per cent increase in the assessed amount to be collected.

At 2.5 per cent royalty, the proposed common rate, this would yield a royalty of 20¢ per tonne, which is considered by those particular bodies as being reasonable at this time. The effect of this Bill will be to split the 20¢ such that 10¢ is payable to the EARF, and 10 per cent is to be paid into State consolidated revenue. The Hon. Mr Davis interjected that it is not a new tax, but it is certainly an increase in income for the State's consolidated revenue. This will mean that in a full year, with annual production of extractives of about 10 million tonnes, approximately $1 million will be paid into the rehabilitation fund with a further $1 million paid into revenue.

As part of this proposal, I understand it is intended to review the assessed value of extractive minerals throughout the State and assess them collectively at $8 per tonne, as being more closely representative of their actual value. This will become effective from the date of the enactment of the Bill. We will be asking a couple of questions when this Bill goes into Committee. As I said, the Opposition recognises that there is an increase in revenue. I am advised by my colleague in another place (Mr Quirke) that this Bill has been supported in another place. We take the view that it is a budget measure and that the Government is in Government to do the budget. Therefore, we will support the second reading and will support the Bill in Committee.

The Hon. K.T. GRIFFIN: I thank the honourable member for his contribution in the debate and for his indication of support for the Bill. He has acknowledged it is not a new tax that is being imposed. It will result in the

diversion of some of the collections from the fund to other areas of Government. When we get to Committee I can give the honourable member some figures in relation to the Extractive Industries Rehabilitation Fund, which will demonstrate that there has actually been a steady increase in the receipts to that fund, so that presently funds available are in excess of $4 million, but we can deal with that during the Committee stage.

Bill read a second time.

In Committee.

Clause 1—'Short title.'

The Hon. R.R. ROBERTS: As I indicated in my second reading contribution, whilst the Opposition is supporting this Bill I have a question: could the Attorney-General say how much money has been collected under the present scheme, how much money is available for rehabilitation, and what is the expected amount for rehabilitation in the light of these current proposals?

The Hon. K.T. GRIFFIN: I will run through a few figures for the honourable member, and I hope that this adequately covers the field. If there are any gaps I will have to undertake to get the information. The receipts for the 1993-94 year were $1 089 000; the expenditure in that year was $1 055 000; at 31 August 1994, the balance was $4 914 000; and commitments that are outstanding are $780 000, and this means that at 31 August funds were available of $4 134 000. The estimated revenue for the current year is between $2 million and $2.4 million, of which between $1 million and $1.2 million will go to the fund, and $1 million to $1.2 million will go into Government revenue. A number of projects have been approved and comprise that amount of commitment of $780 000. I think they number about 34, in respect of which the commitments relate.

The Hon. R.R. ROBERTS: I thank the Attorney-General for that information. I have no further questions.

Clause passed.

Remaining clauses (2 to 4) and title passed.

Bill read a third time and passed.

CORRECTIONAL SERVICES (PRIVATE MANAGEMENT AGREEMENTS) AMENDMENT BILL

Adjourned debate on second reading.

(Continued from 13 October. Page 435.)

The Hon. T.G. ROBERTS: I oppose this Bill, and I hope that further consideration, through negotiations, will be made by the Government in relation to this Bill. I understand that the Democrats intend to oppose parts of the Bill as well, although I am not quite sure just how many, although I suspect that we may end up in a conference on this matter if no ground is given.

The position that the Government has got itself into in relation to this Bill is most unfortunate in that the Minister is trying to do too much too quickly in relation to a very sensitive area. The problems within the correctional services area do not relate to ownership, but currently running alongside the privatisation debate in the correctional services area are the matters of restructuring and many other reforms that the Minister wants to take place.

It is very difficult to get a handle on what the Minister actually requires or what he is trying to achieve in relation to his privatisation agenda, and there is confusion in some of the public statements that the Minister has made. The original pre-election position was to examine the proposals around privatisation and that perhaps the Mount Gambier prison would be ideally suited for private sector ownership. One would then assume that other services associated with the management of the prison would be privatised, and I believe that communities were being consulted about services, such as linen services, catering, maintenance services, and so on. I suspect that negotiations were advanced in relation to the prison at Mount Gambier.

There was no indication that any of the other existing prisons would be earmarked for privatisation, and no priority appeared to be given to privatisation in this sector until the Audit Commission report was delivered. That report made noises about private ownership of the prison system and some of the supposed benefits that could be gained by that. The problem that the Minister has is that he is now caught up in a philosophical argument about ownership, control and management of prisons, while he has growing restlessness in the prison system, particularly through the correctional services officers, who are being asked to do many tasks in a period of restructuring that normally they would not cooperate to do. For instance, they are working massive hours of overtime and having to change many work practices in relation to prisons administration in order to achieve some of the savings that are required by the negotiations that the Minister has set up through enterprise bargaining.

So, we have the Minister under pressure to deliver the savings mooted by the Audit Commission back into consolidated revenue; and we have a system of privatisation being advocated in relation to an area of Government service of which, historically, Governments in this State have always been in control.

I have some sympathy for Mr Matthew in his attempt to bring about a solution to all these problems. I have no sympathy for him for bringing all these problems together at a time when he requires maximum cooperation for the running of an efficient and effective correctional services system in this State. It is my view that the two items should have been separated out, that the savings that were to be required in the correctional services area should have been subject to consultation with the respective unions and associations and the negotiations should have included the restructuring, revamping and reconfiguration of work practises and the management of prisons so that some of those savings could be brought about through negotiations at an enterprise level.

Unfortunately, we now have industrial relations mixed up with a philosophical expression of ownership and control. Ownership of prisons is not the issue in relation to the saving of moneys. There are no guarantees that the private sector will be able to run prisons any more efficiently or any cheaper than could the public sector if the public sector were given a chance to put together a constructive package around the running of an efficient and effective correctional services system. The way in which it has been managed at the moment does not lead me to believe that the saving of money is a priority by the Minister, because at this stage correctional services officers, particularly in the Remand Centre, are not only under pressure for doubling up and increasing the numbers in the Remand Centre but also are under extreme pressure to work extended hours over a long period. Overtime is usually used as a cover for short-term sickness, injury or absence, but in the case of the Remand Centre it is now being worked as a necessity to keep the Remand Centre in a safe

manner and in a way in which people can say that the correctional officers are in there doing their work properly.

The pressure applied to the correctional services officers in this area comes from the overcrowding that is occurring in the Remand Centre, and the restructuring of work practises has nothing to do with the Bill before us but a lot to do with the climate in which the Bill is being negotiated. The Audit Commission recommended that a new prison be constructed and managed by the private sector. I have nothing against building new prisons. If new prisons are required to service some of the out-dated and older prisons that exist in this State, I have no problem with renovations to make the life of prison officers and prisoners more acceptable with respect to international standards and to the international criteria around human rights. However, I do object to prisons being built and managed by the private sector in a climate where negotiations within the existing system have not proved fruitful in being able to run an efficient and effective system and the pulling together of the private sector into an area that does not necessarily accommodate privatisation.

Privatisation or the sale of Government assets and enterprises, or in this case the sale and/or management of Government assets and enterprises, started back in Maggie Thatcher's time, in Thatcher's Britain. Thatcher decided that privatisation was one way of reducing not only Government responsibility but also Government debt levels and taxation. That was the theory, but if you do some comparisons on the costs of private versus public sector ownership, in many areas there is not a lot of difference in the overall costs. The first tenders for private sector running public sector organisations, including prisons, may look attractive to Governments, but in the end cost levels will build up and arguments will be placed before the Government to bring those costs levels back to where the public sector had them.

At the moment I do not think anybody can argue, particularly members opposite who may have a different philosophical viewpoint, that the public sector does it any worse than the private sector or, in some cases, that the private sector does it any better than the public sector. The whole history of prisons is such that everybody acknowledges that savings can be made, but everybody also acknowledges that we need to sit down and find ways to make it happen.

When it comes to the State relinquishing to the private sector its responsibilities towards the administration of punishment for prisoners, something needs to be said. We oppose privatisation on the basis that we do not agree with the allocation and administration of punishment resting with the private sector in the handling of prisoners. It is the Government's responsibility to set sentences and to allocate punishment to prisoners once those sentences have been set in relation to their behaviour within the prisons.

If we were to ask Correctional Services officers about their ability to run a prison, given that carrots and sticks have to be offered in some cases to bring about better behaviour, there are a lot of knowns in relation to the administration of prisons that experienced officers will tell us, and one is allowing people to live in circumstances where they are able to maintain their dignity and to be rehabilitated rather than punished.

The withdrawal of freedom from an individual by incarceration is enough. Others, including some members opposite and, I suspect, Mr Matthew, believe that continual punishment needs to be meted out to prisoners, and his way of doing that is to have crowded prisons with continual threats of assaults by prisoners on prison officers and a climate of fear being built up in prisons through poor administration and management. In my contribution I have to separate this private management agreements Bill and the program inherent in it from the industrial relations problems that are being attempted at the moment.

The other threat made by the Minister during the early part of the negotiations was that if Parliament did not accept the private management of prisons or at least a management structure to privatise prisons he would bypass Parliament and do it in another way: he would use regulation rather than legislation and achieve the same result, but it would be messier and, because of the messier way in which the regulations would be used to administer the private management agreements, somehow or other we would be to blame.

I suspect that a certain amount of bluff is being played here. It may be that the Minister will attempt to carry that bluff through into the conferencing processes of the Parliament, but he is also playing a fairly dangerous game at the moment with the pressure that he is placing on Correctional Services officers in relation to their industrial relations restructuring. As far as the Minister is concerned, it is a matter not of negotiation but of confrontation. It does not augur well for getting in place the new reforms that are required for cost savings; nor does it augur well for getting a privatisation structure that will be sufficiently slick or streamlined to be efficient and to enable the required savings to be achieved.

Privatisation has traditionally been brought in by Governments of a conservative persuasion, although some Labor Governments in Australia have walked down this path. I am sure that members opposite in their contributions will tell me that Queensland has a privatised prison and that other States are perhaps looking at the situation now. I think that Victoria has indicated that it may be looking at privatising a prison. I would still argue that, although areas of reform and restructuring take place in the transfer of Government enterprises and assets to the private sector, prisons represent an area that cannot be transferred and the Government cannot absolve itself of responsibility for administering the twin areas of punishment and rehabilitation.

The Hon. A.J. Redford interjecting:

The Hon. T.G. ROBERTS: I understand that the PSA is prepared to talk and is now talking to the Minister about reconfigurations of personnel and changing some of the work practices.It may be that a lot of the costs, given the current restrictions around the size and nature of the buildings, are such that the Government cannot introduce a lot of reforms. That is an area where the prisoner-Correctional Services ratio, through the design, nature and function of the buildings, is difficult to achieve. You cannot necessarily throw a magic wand at those problems. There are new designs for prisons that have more electronic surveillance and lower prisoner-Correctional Services ratio, but in terms of rehabilitation that is a trade-off. I went through a prison in New South Wales where Correctional Services officers would not necessarily have to come into contact with prisoners on a daily basis. My view is that Correctional Services officers play a role in rehabilitation by normalising conversations, contact and attitudes with prisoners, particularly younger prisoners who have no role models. I know that a lot of members would say that it is difficult for a young offender who had offended repeatedly to pick up a Correctional Services officer or religious Minister as a role model in a prison. It is drawing a long bow, but those things happen.

Increasingly, there are different styles that correctional officers use. There is no longer the law of fear that correctional officers used to run. I was not one who supported or would protect prison officers who used fear to kept prisoners in check: it should be done through personal contact and treating people with respect. In the main, if you treat prisoners with respect, they will treat correctional officers with respect, as long as they are not affected by drugs, alcohol or overcrowding. All those problems come into play when dealing with individuals, particularly in the Remand Centre. The Remand Centre has a lot of people adversely affected by alcohol, drugs or overcrowding. There is nothing that a correctional officer can do to satisfy some of the problems those people have. In many cases, prisons can be very violent places.

The other area in which privatisation can be used is by deregulation, and that means allowing open competition with existing Government services. This is a case where the Bill attempts to get some private sector involvement. I am not quite sure how far the Minister for Correctional Services wants to go with it. Does he want to privatise all prisons or is he interested in privatising only some? The general view regarding privatisation of prisons is that model prisoners, who are no trouble to administer in the prison system anyway, would be transferred to privatised prisons, because privatised prisons, like private schools, have caveats on whom they will accept. They will not accept people with histories of bad behaviour. There are a lot of criteria set for the behaviour of prisoners that the private sector will not allow. The ratio of prison officers to prisoners in private prisons looks very good when it is matched against that in a public prison, which does not have the ability to filter out those people who have bad behaviour records.

Some of the caveats placed upon prisoners who will not be transferred to private sector prisons include: prisoners subjected to extradition or deportation; reception prisoners who are sentenced and/or in remand direct from courts or the police; prisoners requiring standard hospital or infirmary care; prisoners who have escaped or attempted to escape during the preceding 12 months from a high, medium or low security institution or while under escort; prisoners who have serious breaches of regulations, for example, violent assault or behaviour on either prisoners or staff during existing and/or previous periods of imprisonment within the preceding 12 months; prisoners with documented recent history of psychiatric or emotional behavioural disturbance; prisoners who have been involved in the taking of a hostage while in legal custody; genuine protection-high risk prisoners; and prisoners identified as suffering from communicable diseases (hepatitis B and AIDS).

Once you take those prisoners out of the prison system, life is all very easy for the private sector administrators. I would not mind a job as the chief correctional services officer in a privatised prison if you were going to have prisoners with the records of those who would be left. It would be a very easy job. What the Correctional Services office in the public sector ends up with are all those prisoners who do not fall into that category. We could say that the only prisoners who would be left would be those who had been framed; they would not have had any record or they would not have been guilty of any bad or violent act at all.

The Hon. A.J. Redford interjecting:

The Hon. T.G. ROBERTS: There is a whole differential between the type of client who would be in a public sector prison and the type of prisoner who would be in a privatised prison. The general principle is the same with any privatisation argument that has been put forward basically by conservative Governments in the Western world. Even in the Eastern countries that are privatising, the private sector moves in, picks the eyes out of the best bits of the public sector, and generally gets them at a sale price or a clearance house price. In fact, in Eastern Europe they are giving them away to allow the private sector to come in. It is not that bad here, but I emphasise the principle that the more profitable areas of the public sector are going private—and are encouraged to—and the rest is left in the public sector.

The public sector is then left with, in effect, the most inefficient and difficult areas of the economy to handle. Then the private sector keeps saying, 'We do it a lot better than the public sector.' I do not necessarily ask members opposite to accept my arguments but they should look at some of the experiences of countries that have gone down the privatisation road. I am not opposed to some of the Government's assets and enterprises going to the private sector but, in the case of prisons, it is ludicrous to separate two sections of a Government's administration system. We will still have to have a public sector involvement in prisons. It is not as if we are giving it all away—that the Government can get out and the Minister can say, 'This is the private sector's responsibility.'

I had a discussion with the Hon. Mr Crothers earlier, and it is not that Governments are being forced out of the role of governing: it is that they are giving away a lot of the responsibilities that Governments have had to administer and to govern in partnership with the private sector. We need to be careful about those areas that Governments need to stay in and those areas that Governments can quite easily extricate themselves out of and hand over to the private sector, or sell to the private sector, so that the taxpayer gets a reasonable return for the taxpayer's investment.

In the case of Britain, it had a war-time economy which was based on a lot of public sector ownership for defence and security reasons. It did not move until the 1960s and 1970s: in fact, it was caught in a time warp but, suddenly, it had to get rid of a lot of Government enterprises that were not functioning. They had become moribund. The Government then threw a blanket over all Government enterprises and decided to privatise. You now have the ludicrous position of not only private prisons in Britain but they are now lining up to sell larger and larger sections of the public water supply.

The utilities are now all up for grabs—electricity and water—and there are tolls on freeways and roads; the list is endless. So, bringing it back to South Australia and the prison system, there is a myriad of information that is available from people who have been opposed to the privatisation of prisons and who have placed themselves on record as opposing it. Mr Foley, the previous shadow Correctional Services Minister, referred in the Lower House to a paper by Mr Paul Moyle. He referred to a number of areas that Mr Moyle was opposed to in relation to privatisation of prisons. He was saying that, with private prisons, from the outset one should look at two fundamental issues; that is, the role and function of prisons and the Government's role in the allocation and administration of punishment. That then lends itself to rehabilitation and the way in which prisons are administered.

There are people who have studied the side opposed to the privatisation argument, and they are not all on my side of politics; there are people on the conservative side of politics. In the United Kingdom, Kenneth Clarke, who was the Secretary of State, stated:

Even in private prisons, the use of force and coercive powers can be applied only with the authority of the controller who is based there as a Crown servant to ensure that matters, particularly the use of force, are closely supervised.

So you do not have a distinct separation of powers that allows the private sector to manage prisons completely. You have a complicated arrangement between the public and the private sector. It may be that people feel that the efficiencies of separation are the management and running of the prison system. I would say that that is not the only way it can be done. Given the correct climate to negotiate, the prison officers themselves can work out labour configurations; they can work out efficiencies that can be incorporated into the running and administration of prisons. If Mr Matthew, the Correctional Services Minister, would avail himself to negotiate at a proper level with the correctional services officers' representatives then I am sure that savings could be made.

Again I place on record that the Minister should have separated out the two positions, that is, the Bill dealing with the private management of the prison system from the already rapidly changing management system that is being put together in the public sector, to allow those people in the public sector to negotiate on behalf of their members a cost savings that I think the Government would probably welcome at the end of the day. I hope that the ability for the Government to negotiate those changes has not passed. If, on the one hand, the Minister is threatening the privatisation of the remand centre and other prisons, while trying to negotiate changes to the prison system which bring about a more streamlined service system and which allow costs to be cut, then he should do it now. I think his time is almost up.

If the confrontation that is now emerging between prison officers and the Minister continues, I just cannot see that the goodwill that would be necessary to get the cost savings that are required by the Minister will be achieved. If they cannot be separated and managed properly, then I am afraid that the goodwill that has been shown by the prison officers and the ability to cover for long absences, such as sick leave and holidays by using overtime, will at some point run out.

Forwood Products, another area of the public sector with which I am familiar, used almost the same tactics to discredit its cost structure. I was told by a shopfloor worker that his overtime levels had doubled and almost trebled in one period, when he worked almost no overtime at all at one stage and then suddenly there was a rush for extra hours. He said that it did not make administrative sense because workers were told that they had to run a tight, lean and mean budget, yet suddenly there was overtime galore and people worked until they had to have time off to recover and then the lines would stop. What sort of administration is that of a public sector enterprise? In the case of that enterprise it was clear that arguments were being put together to foreshadow the sale of Forwood Products to the private sector. That is what is happening now under another Minister. The principle remains the same: you undermine the confidence of the people working in the industry; you work them to a point of confrontation within a certain area or field and then you try to bring about changes by threats. That is not the way to negotiate.

The Hon. Diana Laidlaw: Are you accusing the Minister of doing that?

The Hon. T.G. ROBERTS: Yes. I think the Minister has made a rod for his own back by integrating the privatisation of prisons and the ownership of prisons with the reforms required to get the public prison system more effective and efficient and therefore to survive under its own steam through enterprise bargaining negotiations. As I said, if the savings cannot be made, then architectural designs and different methods of operating need to be looked at. It is not necessarily a problem of labour. It may be a problem of capital. If capital is required, then the same capital amounts will be required to build, extend or improve a new public sector system, just as it will be required for a private sector system.

If the public believes it will get correctional service and rehabilitation at a cheap rate, it will be the Minister selling that story to the public. At the end of the day, we will find that the public will be the loser because private sector costs will come up to where public sector costs already are. One of the key issues to the privatisation debate as outlined is the user pays principle in charging for Government services. It is difficult to work out, although we can do some comparative costs of keeping a prison system operating or comparing how much it costs for one system against another per head of prisoner but, if we do not compare prison systems and structures, we can never get the comparison right. Anyone who goes to line up one State's administrative costs against those of another State's costs without looking at the total expenditure on capital works and, as I alluded to previously, the changing nature of electronic surveillance used as an adjunct to Correctional Services officers, it is difficult to get an accurate comparison. I suspect that the argument we are now having within this Bill will end up being discussed at a managers' meeting.

Although I am not confident that we can separate out the two issues, I am sure that they will be tied together and that one will aggravate the other. One of the objectives of privatisation of prisons is to subject public enterprise to competition involving efficiency. Members who have visited Mobilong and other prisons would agree that the South Australian prison system does not lag behind the other States: our system is as good as any of the interstate ones. The Minister in another place would argue that it is too good a system and is costing too much, but I think members would find that the prison system in this State can be run as efficiently and effectively as interstate prisons even with their introduction to part privatisation.

Another objective of privatisation is to break down employee representation and, as is clearly stated in some British privatisation plans, to break the power of unions and associations which represent their members. That is not a new philosophy; it has been stage managed in many countries including Australia. That happens not only in the public system but also in the private system. As I said before, the power of labour is far less important than the power of capital or of Governments to direct capital. Another important factor is the invoking of the user pays principle for Government services. As I have said, it is difficult to compare correctional services in the States and other countries because they do not match equally. I will file some amendments for discussion in Committee; and I look forward to further debate.

The Hon. K.T. GRIFFIN secured the adjournment of the debate.

POLLUTION OF WATERS BY OIL AND NOXIOUS SUBSTANCES (CONSISTENCY WITH COMMONWEALTH) AMENDMENT BILL

In Committee.

Clause 1—'Short title.'

The Hon. K.T. GRIFFIN: On behalf of my colleague the Minister for Transport, who is otherwise engaged, I will attempt to provide some answers to the Hon. Barbara Wiese's questions, which she asked during her second reading speech. If the honourable member has difficulties with answers that have not yet been finalised, I will seek further information. The Federal legislation was enacted on 6 July 1993. The honourable member asks why it has taken so long to enact mirror legislation.

The Bill was first introduced to the Legislative Council on 14 October 1993 by the former Government. The Bill then lay on the table of the Council and was reintroduced during the last sitting of the Council, and it was not finalised before the session ended. There were some other amendments to the State legislation that was introduced, and those amendments arose from deliberations of the Marine and Environment Protection Council of the International Maritime Organisation, which came into operation on 3 July 1993. The amendments mirror Commonwealth legislation, namely, amendments to the Protection of the Sea (Prevention of Pollution from Ships) Act 1983, assented to on 24 September 1992 in accordance with article 15 of the entry into force of the MARPOL 73 convention, at clause 1, and article 16 amendments. Those amendments required a third or more of the parties or the parties of the combined merchant fleets which constitute 50 per cent or more of the world's merchant fleet to agree to the entry process for the amendments to come into force.

South Australia is one of the first States in the Commonwealth to enact the mirror legislation. It is understood the other States are in the process of drafting the legislation. The role of the State Chairman of the committee under the national plan to combat the pollution of the sea by oil has passed to Capt. Walter J. Stewart, Manager, Marine Safety Operations and legislation of the Marine Safety Section of the Department of Transport. Captain Stewart also has the role of State spill commander as per the national plan review. In line with the national plan review, the State Government is at present reviewing all aspects of the State's responses to oil spill incidents. I hope that satisfies the honourable member.

Clause passed.

Remaining clauses (2 to 8) and title passed.

Bill read a third time and passed.

PAY-ROLL TAX (SUPERANNUATION BENEFITS AND RATES) AMENDMENT BILL

Received from the House of Assembly and read a first time.

The Hon. R.I. LUCAS (Minister for Education and Children's Services): I move:

That this Bill be now read a second time.

Given that this second reading speech and the explanation of clauses have been given in another place on another occasion I seek leave to have them incorporated into *Hansard* without my reading them.

Leave granted.

Employer contributions to recognised superannuation funds are currently not subject to payroll tax. It is clear that such contributions are an increasing leakage from the payroll tax base.

This is due to:

- the Federal Government's Compulsory Superannuation Guarantee Scheme, where scheduled contributions will rise from 5% currently to 9% by early in the next decade;
- remuneration packaging practices where cash salaries and other benefits are traded off against employer contributions to superannuation schemes.

Wages and salaries paid in respect of employee contributions to superannuation schemes are currently included in the payroll tax base. Both anecdotal evidence and the inquiries being received by the State Taxation Office indicate that many organisations have removed, or are preparing to remove, employee superannuation contributions from gross wages and thereby from the payroll tax base.

Employer contributions towards superannuation are a form of remuneration for labour and it is not appropriate for their payroll tax treatment to be different from other forms of remuneration.

Accordingly, the Payroll Tax Act will be amended to include employer contributions towards superannuation in the definition of gross wages liable for tax.

Generally speaking, taxes will be less distorting the broader the base and the lower the rate of tax.

This extension of the payroll tax base is to be undertaken in concert with a reduction in the marginal rate of payroll tax from 6.1% to 6.0%.

These changes will take effect with respect to wages payable on or after 1 December 1994.

The net impact of the rate reduction and the extension of the tax base is to increase payroll tax revenue by $16 million in a full year ($8 million in 1994-95).

The reduction in the rate of tax to 6.0% confirms South Australia's position as a low taxing State with respect to payroll tax. The rate of payroll tax is 7% in NSW, Victoria, Tasmania and the ACT, 6% in Western Australia and 5% in Queensland.

Explanation of Clauses

The provisions of the Bill are as follows:

Clause 1: Short title

This clause is formal.

Clause 2: Commencement

The measure will come into operation on 1 December 1994 (and so the changes effected by this legislation will apply to wages paid or payable on or after 1 December 1994).

Clause 3: Amendment of s. 3—Interpretation

This clause enacts a definition of 'superannuation benefit', and specifies that 'wages' includes a superannuation benefit, as defined. The definition is principally based on the definition of a superannuation fund under relevant Commonwealth legislation and is expressed to include payments by employers under the Superannuation Guarantee (Administration) Act 1992 of the Commonwealth, and other payments to a superannuation, provident or retirement fund or scheme.

Clause 4: Amendment of s. 4—Application of Act to service contracts

This clause provides for amendments to section 4 of the Act. This section addresses the issue of service contracts by providing that payments under certain service contracts will be taken to be wages paid by an employer to an employee. Consequential amendments must be made to this section by virtue of the decision to include superannuation benefits within the concept of wages.

Clause 5: Amendment of s. 4A—Employment agents

This clause provides for amendments to section 4A of the Act. This section provides for the creation of an employer-employee relationship in respect of employment agents and their contract workers in defined circumstances. As with section 4, the concept of wages must be expanded to cover superannuation benefits. (The opportunity is also taken to provide greater certainty and consistency in the drafting in relation to the operation of this provision to benefits generally.)

Clause 6: Amendment of s. 4B—Third party payments

This clause provides for amendments to section 4B of the Act. This section relates to third party payments. As with the previous clauses, consequential amendments must be made.

Clause 7: Amendment of s. 4C—Agreement, etc., to reduce or avoid liability to pay-roll tax

Section 7 of the Act is a special anti-avoidance provision. Consequential amendments must also be made to this provision.

Clause 8: Amendment of s. 9—Imposition of pay-roll tax on taxable wages

This clause provides for a reduction in the rate of taxation from 6.1 per cent to 6 per cent in respect of wages paid or payable on or after 1 December 1994.

Clause 9: Amendment of s. 13A—Meaning of prescribed amount

This clause provides for amendments to section 13A of the Act that are consequential on the change of rate of pay-roll tax. These

amendments are related to the operation of sections 13B and 13C of the Act. Section 13B of the Act allows an adjustment to be made to the liability of an employer under the Act when it appears that an incorrect amount of tax has been collected over a whole financial year. Section 13C allows an adjustment when an employer ceases to pay wages during a particular financial year. The formulae set out in the amendments relate to the imposition of the tax over the relevant period. Two notional 'financial years' are required for 1994—95 due to the change in the rate of tax. The changes to items C and D update the relevant amounts to 1994-95 figures.

Clause 10: Amendment of s. 18K—Interpretation

This clause amends section 18K of the Act in a manner similar to clause 9, except that these amendments relate to the grouping provisions.

The Hon. R.R. ROBERTS secured the adjournment of the debate.

ADJOURNMENT

At 5.50 p.m. the Council adjourned until Wednesday 19 October at 2.15 p.m.