LEGISLATIVE COUNCIL

Wednesday 11 October 2000

The PRESIDENT (Hon. J.C. Irwin) took the chair at 2.15 p.m. and read prayers.

SENATOR, ELECTION

The PRESIDENT laid on the table the minutes of proceedings of the joint sitting of the two houses held this day to choose a person to hold the place in the Senate of the commonwealth rendered vacant by the resignation of Senator John Andrew Quirke, whereat Mr Geoffrey Frederick Buckland was the person so chosen.

Ordered that minutes be printed.

PAPERS TABLED

The following papers were laid on the table:

By the Treasurer (Hon. R.I. Lucas)—

Reports, 1999-2000—
- Department of Treasury and Finance
- Distribution Lessor Corporation
- ElectraNet SA
- Electricity Supply Industry Planning Council
- Flinders Coal Pty Ltd
- Funds SA
- Gaming Supervisory Authority
- Generation Lessor Corporation
- Motor Accident Commission
- Office of the Liquor and Gaming Commissioner
- Office of the South Australian Independent Industry Regulator
- Report of the Technical Regulator Electricity
- RESI Capital (No. 2) Pty Ltd
- RESI Corporation
- RESI Power Pty Ltd
- RESI Syn Pty Ltd
- RESI Utilities Pty Ltd
- South Australian Asset Management Corporation
- South Australian Government Captive Insurance Corporation
- South Australian Government Financing Authority
- South Australian Parliamentary Superannuation Scheme
- South Australian Superannuation Board
- Terra Gas Trader Pty Ltd
- Motor Accident Commissioner—Charter.

QUESTION TIME

INFORMATION ECONOMY

The Hon. P. HOLLOWAY: I seek leave to make a brief explanation before asking the Treasurer a question about the information economy.

Leave granted.

The Hon. P. HOLLOWAY: The report entitled The Current State of Play July 2000 from the National Office for the Information Economy states that as of June 1999 South Australia is moderately lagging behind the other states with 30 per cent of businesses on line as compared with the ACT with 52 per cent and New South Wales with 40 per cent. In the *Financial Review* of 12 September 2000—

The Hon. L.H. Davis: What's Tasmania?

The Hon. P. HOLLOWAY: I don't think it gave those figures. I suggest that the Hon. Mr Davis read the report: it is on page 20 if he wishes a reference for it. In the *Financial Review* of 12 September 2000, it was reported that Australia's broadband penetration was about 18 months behind that of other countries in the OECD and that the rollout of ADSL services was two years behind that of other developed countries.

It was reported in the *Financial Review* of 28 September 2000 that the city of Melbourne is considering a radical plan to provide its own ducts for broadband data cables in a bid to force Telstra to cut the cost of band width and help local businesses compete in the global economy. A task force set up to look at connecting Melbourne globally is set to release a summary paper that will argue that band width, or data capacity, is essential for Melbourne's prosperity but that pricing is the major issue. My questions are:

1. Is the Treasurer concerned that South Australian businesses are, in the words of the commonwealth agency, moderately lagging behind the rest of the country?

2. Given the obvious progress being made by other states in relation to assisting local businesses to access the information economy, will the Treasurer state what action the Olsen government has taken to enable South Australia to catch up to those states and improve our position in the global information economy?

The Hon. R.I. LUCAS (Treasurer): I refer the honourable member to a number of the recommendations in a detailed plan released by the Minister for Information Economy, Michael Armitage, I think only a month or two ago. I am surprised that the Deputy Leader of the Opposition has not looked at that particular strategy document—IE 2002. In a number of the recommendations in that document, the Minister for Information Economy tackles the sort of issue that the Deputy Leader of the Opposition is canvassing.

I am happy to have a copy of that document made available to him. I will take up with the Minister for Information Economy as to whether a senior officer might be able to brief the Deputy Leader of the Opposition and explain to him the considerable number of strategies that the minister is pursuing in this area.

There is no doubting that there is a shared objective between the views expressed in the report to which the honourable member refers and the South Australian government that we need to do more in this area. The work done through the IE 2002 plan and related strategies in which my own department, the Department of Industry and Trade, is involved will assist in meeting those objectives.

The only other point I make is that, when we debated the privatisation of ETSA, one of the key issues that was discussed was the capacity for the new operators of our electricity network not only to distribute electricity but, potentially, to use their capacity to compete in this area to provide greater connectivity. If the honourable member can recall those debates—it seems years ago now—there was considerable debate about the capacity for the new operators of the business to be more active in this area than the government owned utility had been in the past.

Part of the reason for the relatively good deal that the government has got, given the current circumstances for the acquisition of utilities in Australia, is clearly the view of the new operators that they will be more active in this area. From that viewpoint, I think everyone would agree that, the greater the competition in this whole area in terms of the providers, the better result we will have for consumers in terms of greater service options and, in particular, greater cost competition for the provision of those services.

If we can tackle those issues, we are likely to see greater connectivity from businesses and individual consumers in South Australia than has existed in the past. If we do see that sort of activity from the new operators of the electricity business, it will be a further advantage of the bold move that the government is prepared to take to encourage into South Australia new operators with a new vision to operate these businesses and, hopefully, provide greater competition and meet some of these objectives which have not been met in the past.

NURSING HOMES

The Hon. T.G. ROBERTS: I seek leave to make a brief explanation before asking the Minister for Disability Services a question about nursing homes.

Leave granted.

The Hon. T.G. ROBERTS: Recently, three nursing homes were publicly named and outed for not coming up to the standard of care that is expected of nursing homes which look after our frail and elderly. It is good to see that the process of certification, registration and investigation is working in some cases. We have had a number of publicly outed homes in New South Wales and Victoria which have created problems for the federal minister. The questions I have in relation to South Australia's responsibilities to our frail and aged are—and I have a bit of a vested interest in this question:

1. How many other nursing homes were investigated in the past financial year in South Australia?
2. How many other nursing homes were given advice to lift their standards of care to their patients, clients and/or staff?
3. What is the general standard of care in South Australian nursing homes compared to those of other states—and that may be a bit of a dorothy dixer for the minister?

The Hon. R.D. LAWSON (Minister for Disability Services): It is inappropriate to describe the process of accreditation which ascertains that a particular aged care facility is not meeting standards as outing that facility. The fact is that under the Commonwealth Aged Care Act, introduced by the current federal government, for the first time stringent standards have been laid down to be observed in all aged care facilities that are funded by the commonwealth. Those standards extend not only to the physical condition of premises but also to the quality of care and the standard of care that is provided in the establishment. It examines things like the levels of training and awareness, and, for example, the level of activity and stimulation that is provided to residents. All too often in the past these accreditation and certification measures focused merely on the physical standards of homes. However, this commonwealth government has bitten the bullet and said that unless facilities meet those standards of accreditation by the end of this year they will not continue to receive commonwealth funding, and I commend them for that.

In South Australia there are about 14 000 commonwealth funded aged care places. The honourable member referred to nursing homes. Under the current regime nursing home is no longer a category of aged care facilities. No distinction is now made between hostels on the one hand and nursing homes on the other—a distinction with which the community was very familiar but which under the new regime has been abolished. It is great that it has been abolished. Previously, for example, a resident would be in a hostel, where a lower level of care or support is required, and if they needed a higher degree of support they would have to be physically moved into the nursing home to ensure that the funding followed the resident. Now the resident is able to remain where he or she is in what used to be called the hostel and receive a higher level of care, and the operator will be appropriately remunerated for providing that level of care.

A number of other measures have been introduced. Certainly, the process of certification is a most stringent and comprehensive process, and it has been a taxing process for even the most capable operators operating in the most professional manner from the newest possible facilities. The standard expected of all facilities is very high indeed. In this state I was glad to read only earlier this week from the manager of the commonwealth department here that over 90 per cent of our aged care facilities have been certified and accredited, and received that accreditation. Accreditation is granted at present on the basis of three years or one year, and most of those 90 per cent have been accredited for the full three year period, which is very encouraging and should reassure people in the community and in this place that our aged care operators are maintaining very high standards.

Of course, all members will be aware that there are quite a number still in the metropolitan area and elsewhere of aged care facilities that were based upon originally a large house that was converted and then extended. Many of those facilities were established after the Second World War. The physical quality of those premises has made it very difficult to provide appropriate care. Quite a number of them are now closing and residents are moving to better facilities. A number of operators in this State have indicated that they will not seek to have their premises accredited in the future, and appropriate steps are being taken by those facilities and the commonwealth authorities to ensure that the residents are appropriately housed during any transition period.

The Hon. Diana Laidlaw interjecting:

The PRESIDENT: Order!

The Hon. R.D. LAWSON: It occurs to me that I have not mentioned comparative figures between this state and others. Although I do not have precise percentages, the remarks referred to earlier from the commonwealth department suggested that the number of facilities and the proportion of facilities which have received accreditation is substantially above the national average. A recent survey of client satisfaction in aged care facilities indicated that the highest proportion of client satisfaction was measured in this state. I believe that I have answered all of the honourable member's questions. If there any matters that I have left outstanding, I will certainly bring back a reply.

The Hon. CARMEL ZOLLO: I have a supplementary question. Is the minister aware that the nursing home in question has been reported as having not been inspected for three years and, further, is the Minister satisfied that in this state only trained and registered assessors are included on accreditation assessment teams?

The Hon. R.D. LAWSON: I have seen a number of reports in relation to the three nursing homes that have received adverse—

The Hon. Carmel Zollo interjecting:

The Hon. R.D. LAWSON: The honourable member did not mention any particular facility by name. However, three facilities have been mentioned.

The Hon. Carmel Zollo interjecting:

The PRESIDENT: Order! The Hon. Carmel Zollo has asked her question.

The Hon. R.D. LAWSON: I am not aware that there have been no inspections. I would be very surprised if it were the case that the commonwealth standards authority had not made any inspection for three years in relation to any of these facilities, because the whole process of accreditation and certification has been going on for about two years. I will certainly take on notice the honourable member's supplementary question and obtain accurate information in respect of the true position of those facilities.

NATIVE TITLE

The Hon. A.J. REDFORD: My question is directed to the Attorney-General. Given today's announcement by the Aboriginal Legal Rights Movement that it wants to proceed with negotiations for indigenous land use, can the Attorney-General indicate what progress has been made in this regard?

The Hon. K.T. GRIFFIN (Attorney-General): The government, as I think everybody knows, has had some fairly intensive negotiations for the past 12 months involving native title claimant representatives through the Aboriginal Legal Rights Movement and its native title unit, the South Australian Farmers Federation and the Chamber of Mines and Energy. We have taken the view that, if we can encourage negotiations for an indigenous land use agreement, that will be better for everybody in the longer term and will avoid costly and lengthy litigation which, at present, is likely to be the course that everyone is following.

I have said, perhaps ad nauseam, that there is substantial cost to everybody, including the state and its taxpayers, in going through all the legal processes in relation to something like 25 or 26 native title claims. Also, there is no guarantee at the end of the day that native title will be recognised by the courts. The only way to get a measure of certainty for everybody, including native title claimants, is to sit down around the table and negotiate an indigenous land use agreement, which will have an umbrella application to the state but which will still allow individual agreements at the local level, because we recognise that not every part of the state will be dealt with in the same way or that claimants will want every part of the state dealt with in the same way.

I was at Coober Pedy on Saturday and met with about 150 representatives of native title claimant bodies. I was in Port Augusta in February for a similar sort of meeting and in all that time there have been discussions between the government and indigenous land use agreement negotiators and the Native Title Unit of the ALRM, as well as with the Farmers Federation and the Chamber of Mines and Energy. As a result of Saturday's meeting, where subsequently the native title claimants discussed whether or not they wanted to participate in negotiations, I have been informed by Mr Parry Agius of the Native Title Unit that a firm resolution was that they did want to pursue indigenous land use agreement negotiations and that they did believe they should be preferred over litigation. I think that is a substantial step forward.

I do not think we ought to believe that that will all happen overnight. I think there is still a long, hard road ahead: we are really just taking the first step. However, it is reassuring that there has been that very clear indication that claimants through their representatives and ultimately the Native Title Unit of the Aboriginal Legal Rights Movement are prepared to negotiate.

That does not, of course, affect the legislation that is currently before us. I have indicated, as I have said in this chamber on previous occasions, that, if there are issues that representatives of Aboriginal people wish to pursue with me, I am prepared to sit down and talk. However, they do have to have some concrete proposals. I understand that there are some discussions currently taking place within the Aboriginal community about ways in which we can progress that legislation and I hope later in the week to meet with those representatives of Aboriginal people to see whether we can take the legislation forward, or at least some modification of it. I think South Australia needs to have that legislation in place. However, I recognise that in the minds of native title claimants that issue is interwoven with the broader issue of indigenous land use agreements, even though in fact and in law they are unrelated.

So, this is a significant step forward. However, we are still at a very early stage of trying to resolve native title claims in this state, and I will certainly be working, as will others of my colleagues in government, to try to ensure that there is a positive outcome. I do not think any of us ought to underestimate the difficulty of the task ahead of us. But there is a measure of goodwill in all areas, both in government and among claimants, as well as with the Farmers Federation and the Chamber of Mines, which hopefully will result in an outcome that will provide everybody with a measure of certainty which they do not have at the moment and which they have no guarantee of getting if these matters are ultimately resolved by the courts.

MENTAL HEALTH

The Hon. SANDRA KANCK: I seek leave to make an explanation before asking the Minister for Transport and Urban Planning, representing the Minister for Human Services, a question about Glenside Hospital and mental health care in South Australia.

Leave granted.

The Hon. SANDRA KANCK: Following my question of 4 July this year regarding abscondings from Glenside Hospital and the minister's inadequate response, further questions arise. In answering my question, the minister explained that there were a variety of situations where the staff would report the absence of detained clients. According to the minister, nursing staff will report a client as having absconded if they have wandered off to the canteen without notifying a member of staff.

This is certainly not the understanding of nursing staff of reporting procedures. When a patient is noted as being missing, a thorough search of the campus is undertaken and then, only after this is completed, will the staff report the client as missing and report it to police, as they are required to do. Staff have better things to do with their time than to cause themselves to unnecessarily write reports and contact police.

The minister has admitted to 105 abscondings in the 1999-2000 financial year, but I would query whether he was provided with an accurate record by management. Staff dispute this figure as being substantially better than reality. At this time I would also note that it appears that the Grove Close Ward is to be reopened to provide more secure or closed mental health beds in South Australia. While this may help contend with the ongoing crisis in acute mental health services, the action contradicts one of the priorities stated in the Brennan report. According to page 18, services at the

Glenside campus are to be rationalised, with acute services such as secure beds to be moved off campus and relocated to mainstream venues. This is to be done as a matter of urgency with a clearly specified time frame for completion. My questions are:

1. On what basis was the figure of 105 abscondees from Glenside in the 1999-2000 financial year derived? Why were some abscondings not included in the final figure?

2. What are the medium and long-term plans for acute metal health care beds in South Australia?

3. What is the time frame for these plans to be implemented.

The Hon. DIANA LAIDLAW (Minister for Transport and Urban Planning): I will refer the honourable member's question to the minister and bring back a reply.

UTILITIES CHARGES

The Hon. L.H. DAVIS: I seek leave to make an explanation before asking the Treasurer a question about power, gas and water bills.

Leave granted.

The Hon. L.H. DAVIS: It was hard to miss the headline in the *Advertiser* of Monday 9 October: it was some three centimetres high and read 'Family bills jump $198', and above that, in breathless type, was 'Special report: Power, gas and water.'

The Hon. Carmel Zollo: What is 'breathless type'?

The Hon. L.H. DAVIS: I will leave that to your imagination. The article, if I can paraphrase it, said that an investigation by the *Advertiser* revealed annual electricity bills had climbed $114, or 18.4 per cent, since early 1996. Figures analysed by the Institute of Chartered Accountants and accounting firm Deloitte Touche Tohmatsu showed that gas bills had risen $64, or 23.4 per cent for the same period, while water bills had risen $20, or 3.3 per cent. The article says that these figures are from early 1996, although later the article, which runs on for a couple of pages, gives the strong impression that it is in fact from 1 July 1996; so it is a period of at least five years. But the thrust of the article is to suggest that there have been massive increases in electricity, gas and water as a result of an increase in government charges. It suggests—

The Hon. T.G. Roberts interjecting:

The Hon. L.H. DAVIS: Well, it is not opinion: I am just reporting the opinion of the *Advertiser*, the facts. To restate it to the Hon. Terry Roberts, whose attention span is obviously as limited as the quality of his ties, the electricity bills have increased—

The Hon. Carmel Zollo: That is opinion!

The Hon. L.H. DAVIS: That is opinion, I will accept that—18.4 per cent over a five year period, gas bills 23.4 per cent, and water bills by 3.3 per cent. Nowhere on that page 1—

The Hon. T.G. Roberts interjecting:

The Hon. L.H. DAVIS: I repeated it because you obviously had not picked it up: you are a bit slow. So, we did it again. The clear impression from reading that report—from page 1, certainly—is that these price increases have been as a result of government intervention. It is only on the second page, buried away, that, in fact, it is revealed that, certainly with electricity and gas, it includes the GST component, which, of course, came into operation from 1 July, which makes a dramatic difference to the equation. My question to the Treasurer is: has he had an opportunity to have that report examined, and is he in a position to advise the Council as to what the increases for electricity, gas and water would have been over that five year period excluding the GST which, as we all know, had pluses and minuses but with net benefits to consumers?

The Hon. R.I. LUCAS (Treasurer): I thank the honourable member for his question because—

The Hon. R.R. Roberts: Has it caught you on the hop?

The Hon. R.I. LUCAS: No, it has not, because it has been occupying my mind since Monday morning. I was surprised not only for the reasons that the honourable member has outlined but also because this story was written about six to eight weeks ago by the journalist from the *Advertiser*. It was written so long ago that the journalist is no longer with the *Advertiser*: she has retired and gone to greener pastures elsewhere. It obviously has been kept in someone's bottom drawer for a quiet news day and, lo and behold, the Sunday leading into Monday's paper must have been a quiet news day.

The opening paragraph of this shock, horror story talks about a five year increase in charges, but it is a bit hard to ascertain—it may well be that it is four years or five years. It claims to be five years, although some other parts of the report refer to four year comparisons. With respect to the electricity figures (which are, I guess, at the top of the list for many of us), if one looks at the claim of the roughly 18 per cent increase in electricity prices, over 9 per cent of that—I think 9.3 per cent of that—has been due to the introduction of the GST and its impact on electricity prices in South Australia. So, more than 50 per cent of the claimed shock increase over five years of 18 per cent was due to the one-off impact introduced by the federal government in relation to the GST—

The Hon. A.J. Redford interjecting:

The Hon. R.I. LUCAS: Which the *Advertiser* supported, I might say. Therefore, if one talks in terms of aggregates, without getting lost in the detail, we are talking about a ballpark increase of just under 9 per cent over four or five years—the *Advertiser* says it is five years, so let us take it at its word—so, on average, we are talking about an increase in electricity pricing over that five years of less than 2 per cent per annum.

The Hon. A.J. Redford: Would that be less than inflation?

The Hon. R.I. LUCAS: Again, if you look back over that period, inflation has been of that order—a little above that in some years and a little below that in other years.

The Hon. T.G. Cameron: What about the aggregates?

The Hon. R.I. LUCAS: It is a bit hard with respect to the aggregates because, as I said, the first paragraph of the *Advertiser* report says that it is five years, whereas other parts of the report say four years. Given that the journalist no longer works for the *Advertiser* and this article was written so long ago, obviously, it is hard to have a detailed discussion with the journalist concerned. Maybe they waited for the journalist to retire before they put the story in so that we could not question the—

An honourable member interjecting:

The Hon. R.I. LUCAS: She has left and moved on to other employment. In respect of the aggregates, the electricity price increase is either just below 2 per cent or just above 2 per cent, which is roughly the order of the CPI or inflation increases for the past four or five years. It is deliberately misleading, and it is deliberately mischievous, to claim that there has been this huge jump in electricity prices, in

particular, of 18 per cent over the past four or five years, when the *Advertiser* itself knows full well that the most significant component of that has been the GST. If you take that out, as any sensible analysis would, we are roughly in the ball park of CPI increases.

The Hon. T.G. Cameron: That would have ruined a good story.

The Hon. R.I. LUCAS: It would have ruined the front page: they would have had to find a new front page. They might have been able to—

The Hon. Diana Laidlaw: Have some good news.

The Hon. R.I. LUCAS: Heaven knows what they might have been able to fill the front page with. They had run out of the Olympics, I guess, and someone said, 'Shock, horror! We've been filling the front page with the Olympics for the past two weeks: what are we going to put on the front page in the days after the Olympics?'

The only other quick point I would make relates to water pricing. The *Advertiser* article indicated that the price had gone up by 3 per cent or so over four or five years, because it is GST exempt. There did not appear to be too much 'shock horror' in a four or five year increase in water pricing of 3.3 per cent. Of course, to help the story along, the *Advertiser* had to go to Mr Rann to provide some alternative policy direction for utilities increases in the future.

We are delighted to know that in his policy commitments, when he was asked about what the Labor Party would actually do, Mr Rann said that it was committed to ensuring that power companies delivered a reliable supply at the lowest possible price for families. The other part of their policy promise—and this was the best part—came when, in answer to the question, 'What will you do about power and water increases?' Mr Rann said, 'We will enforce the privatisation contracts rigorously and I can guarantee that not one single public hospital will be privatised under Labor.'

He has guaranteed that not one single hospital will be privatised under Labor as the Labor Party's policy response to the question, 'What are you going to do about increases in electricity prices and water prices?' I am sure that the journalist was stunned at that revelation and realised that this was obviously the solution to power—

The Hon. A.J. Redford: Right on the button.

The Hon. R.I. LUCAS: It was right on the button. This was obviously the solution to power and water increases in the future. It has been faithfully and reliably reported by that policy tyro of the Labor Party, the engine room of all policy thought within the Labor Party, Mike Rann, that they will guarantee that not one single public hospital will be privatised under Labor.

MURRAY RIVER, FERRY OPERATIONS

The Hon. R.K. SNEATH: I seek leave to make a brief explanation before asking the Minister for Transport a question about the privatisation of and tendering for the Murray River ferry operations.

Leave granted.

The Hon. R.K. SNEATH: Some four years ago, the ferry operations on the River Murray were put out to tender, and the people who operated the ferries and who were employed at the time by the Department of Road Transport were given an opportunity to tender, after a meeting that I attended with the minister.

In fact, the AWU hired a professional tenderer to help the Department of Road Transport employees, and I am pleased to say that they were successful in every tender except one. My questions to the minister are:

1. When are these tenders renewable?
2. How have the minister and the department viewed the operations at the crossings where the Department of Road Transport employees were successful in their tenders?

The Hon. DIANA LAIDLAW (Minister for Transport and Urban Planning): I am particularly thrilled to receive this question and I thank the honourable member for his maiden question, because I was canvassing the same subject with Mr Rod Payze just last week in his final week in the job. In doing so, I said that it was one of the most satisfactory negotiations and outcomes in which I had been involved in the seven years in which I have had this job, and I remembered speaking with this prospective new member of the Legislative Council, Mr Sneath, on the balcony of my office as we talked about how we could work this through. As I recall, also present was a Mr John Lowe of the AWU who has since gone to work on some other water development near Mildura.

My understanding is that the union worked closely with the work force of Transport SA, and I was pleased to sign off opportunities for the work force to bid. I understand that the contracts have worked exceedingly well in both operational and customer terms and to budget. I will provide further confirmation of that for the honourable member as well as contract terms and renewals or the calling of tenders as well as what options are available for the future operation of the ferries.

AUDITOR-GENERAL'S REPORT

The Hon. T.G. CAMERON: I seek leave to make a brief explanation before asking the Treasurer questions about the Auditor-General's Report.

Leave granted.

The Hon. T.G. CAMERON: Whilst I have not read the Auditor-General's Report in full, over the years he has made much of the government's use of consultants and the tendering processes for consultants and contracts in general. I would like to know whether the Auditor-General practises what he preaches. I understand that his office spent some $1.6 million out of a budget of just over $9 million on various consultancies; that is, 17 per cent of his budget on consultancies.

The Hon. A.J. Redford: Were they tendered out?

The Hon. T.G. CAMERON: I'll get to that. I am unaware of any government department that spent anything like 17 per cent of its budget on consultancies.

The Hon. L.H. Davis interjecting:

The Hon. T.G. CAMERON: Well, it is probably closer to 18 per cent, but I wanted to give him the benefit of the doubt. The Auditor-General also referred to inadequacies in the tendering process or the lack of it for consultancies. I would like to know who is responsible for auditing the Auditor-General. My questions to the Treasurer are—

The Hon. T.G. Roberts interjecting:

The Hon. T.G. CAMERON: Well, his budget keeps going up. My questions to the Treasurer are:

1. Is it true that the Auditor-General spent 17 per cent ($1.6 million) of his budget on various consultancies?
2. If so, will the Treasurer table what the contract audit fees of $687 000 were for, what various consultancies of $192 000 were for, and what he spent $775 000 for on special investigations?

3. I would also like to know with whom they were spent, what they were spent on, and how much was spent: in other words, can the full details be tabled?

4. Did the Auditor-General engage in a competitive tendering process for all these consultancies; if not, why not?

5. If competitive tendering was not used, just what process did the Auditor-General use and why?

The Hon. R.I. LUCAS (Treasurer): I thank the honourable member for his question—

Members interjecting:

The PRESIDENT: Order!

The Hon. R.I. LUCAS: The Hon. Mr Cameron has demonstrated over the past 12 months or so that he has a particular interest in this area. There is no doubt that the issue of consultancies has been given some focus in recent weeks through comments made by the Auditor-General. I am not in a position this afternoon to provide the answers to the honourable member's questions, but I am pleased on his behalf to have these issues taken up with the Auditor-General and his team. I am sure that the Auditor-General will be pleased to be publicly accountable for the provision of answers to the questions raised by the honourable member during question time.

AQUACULTURE

The Hon. IAN GILFILLAN: I seek leave to make a brief explanation before asking the Attorney-General, representing the Minister for Primary Industries, a question about sustainability in aquaculture.

Leave granted.

The Hon. IAN GILFILLAN: Members may be aware that the long running court case *Conservation Council of South Australia v. Tuna Boat Owners Association* was finally settled on 3 October, more than a year after it began. It was noted that the minister ungraciously attacked those who had the temerity to point out through this case that the legislation for which the minister has responsibility is inadequate for ensuring ecologically sustainable development. However, it is recognised that, long after the court case will be forgotten, there will be a requirement for South Australia's marine aquaculture industry to be managed in an ecologically sustainable manner. The courts have determined what this means in a legal sense, but it is quite another thing for ecologically sustainable development practices to be implemented in the water—in this case the aquaculture—or on the ground. It is sound business practice, and it makes good economic sense, to ensure that development is ecologically sustainable. However, this information needs to be linked, in part, to business management.

There is concern particularly in Port Lincoln where there is a vital interest in the tuna industry, and several people who have been in touch with me have said, 'One cannot be green environmentally if one is in the red financially'. The say the alternative is:

> If they are being green, then that will help the industries to stay in the black financially, especially in the long term.

It is said that the tuna feedlot proprietors and other operators of marine aquaculture ventures would benefit, as their businesses would benefit, from understanding how environmental and economic principles relate to each other. My questions to the minister are:

1. What, if any, training is available for South Australia's marine aquaculture proprietors to assist them to integrate sound environmental practice with sound business practice?

2. If this type of training is available, who in the tuna feedlot industry has had such training, and what steps is the government taking to transfer this knowledge into a general product or service?

3. If this type of training is not available, will the government institute an education program on environmental sustainable principles for aquaculture proponents, including tuna feedlot proprietors?

4. As the Environment Protection Authority was not involved in the recent court case between the Conservation Council and the Tuna Boat Owners Association, does the minister consider that the EPA has the necessary credibility and respect from both sides to be able to assist with proactive education programs for the protection of the environment on the basis of principles of environmental sustainability?

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

BUSES, COUNTRY

The Hon. R.R. ROBERTS: I seek leave to make a brief explanation before asking the Minister for Transport a question about country bus runs.

Leave granted.

The Hon. R.R. ROBERTS: I have recently had some discussions with and some correspondence from bus and coach operators in country areas. There is a long and interesting story about the difference between government funding for country buses as opposed to metropolitan bus services, which are funded to a far greater extent. One piece of correspondence I have states:

> Whilst the city bus services consume large sums of the government's money, the rural services get very little and in addition must pay a fee for the privilege. Compared with the $220 million cost to the government for the city bus and rail services (from which $45 million is returned from fares), the country route services component is estimated to be no higher than $2.2 million.

That is some 100 times more. My constituents are very concerned about the future of country bus services and, along with other members who take an interest in country South Australia, I am aware of the problems for country persons trying to access public transport to get them to Adelaide for such things as medical appointments and the like. There is a clear urban drift at present, and the reduction in services is not helping those people in country areas.

The Hon. Diana Laidlaw interjecting:

The Hon. R.R. ROBERTS: In all services, and especially in respect of access to any public services.

The Hon. Diana Laidlaw: Not just bus services?

The Hon. R.R. ROBERTS: No, but that is the question. I am advised by my constituents that many of these routes have been established over a long period of time and have been operated by people who are indigenous to the area and who have a commitment to the area. However, I am advised that they are under extreme pressure and they believe that, if these bus services close down, they will never be reopened. My questions are:

1. What plans does the minister have to provide any relief to country bus services, including the reduction of the 2.5 per cent that they pay to the government for the privilege of running a bus service?

2. Can they receive some relief in the component of concession fares that are enjoyed by metropolitan bus operators?

The Hon. DIANA LAIDLAW (Minister for Transport and Urban Planning): The honourable member will be aware that this government has extended to all tertiary students concession fares on country bus services, and I know that this has been strongly welcomed by the bus operators in country areas. The honourable member might have found such reference in his correspondence but he did not choose to highlight that point. I can certainly say that in correspondence to me the Bus and Coach Association regularly acknowledges the extension of concessions to tertiary students travelling to and from country areas.

In the meantime, as part of this financial year's budget, I should alert the honourable member to the fact that the government, through the PTB, has allocated a substantial sum to assist the Bus and Coach Association and companies on an individual basis to market their services more strongly to the tourism market, particularly backpackers. As the honourable member would appreciate, with static or declining populations in some, but certainly not all, areas of the country, we have to build new markets.

I wrote late last month, or early this month, to the Bus and Coach Association urging it to respond to the PTB's request for ideas on how it would like to spend the money that is in this budget for marketing purposes. Since the budget was announced in May, we have not had a response from it. If the honourable member would like to support my efforts to try to get a response from the Bus and Coach Association, I would certainly welcome his support, because the money is there and the offer has been made, and marketing is without question what is necessary to build patronage on these buses, as there is not necessarily the population in some country areas to build the patronage longer term. In terms of the licence fee, I am well aware that country bus operators have raised that issue, and that would have to be considered in the budget context.

TAB, ONLINE BETTING

The Hon. NICK XENOPHON:I seek leave to make a brief explanation before asking the Attorney-General, representing the Minister for Government Enterprises, a question in relation to the South Australian TAB's on-line betting facilities.

Leave granted.

The Hon. NICK XENOPHON: The South Australian TAB has recently implemented an on-line betting facility allowing customers of the TAB to bet via the internet. The first page of the on-line betting facility starts off by stating:

> The TAB encourages you to bet wisely and always within your means.

But with that statement it does not provide a contact number for a problem gambling help line. The opening page goes on:

> Is on-line betting fast, fun and safe? You bet. Now you can get in on the excitement of racing without leaving your home or work. Find out what on-line betting lets you do.

The information goes on to describe how easy it is and how safe it is by referring to secure financial systems and the issuing of a unique phone bet account number and PIN, which includes, I understand, the ability to bet on-line using a credit card. It also refers to two betting modes, namely, Speed Betting and Basic Betting. My questions to the minister are as follows:

1. What consultation did the TAB have with gambling rehabilitation service providers, in particular the Break Even Gambling Service, or any other entity involved in minimising the harm associated with problem gambling, prior to the setting up of the on-line gambling site?

2. Does the TAB concede that appropriate referral points to gambling rehabilitation providers are not set out prominently, or at all, on the site, and that the site is an abject failure when it comes to making any attempt to minimise the harm associated with respect to gambling?

3. Does the on-line site fail to have any self-exclusion mechanism for problem gamblers or a system for players to have limits on their bets on on-line gambling?

4. What level of inquiry did the minister and the TAB undertake as to the potential impact of problem gambling via the internet before it went down the path of providing this service, particularly given the Productivity Commission's finding that 33 per cent of gambling losses from wagering come from problem gamblers?

5. Given the reference on the website that '. . . you can get in on the excitement of racing without leaving your home or work', is the minister endorsing the TAB's approach of, in effect, encouraging employees of firms or, indeed, members of the public service to bet on-line whilst at work?

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

SAND MOVEMENT

The Hon. M.J. ELLIOTT: I seek leave to make a brief explanation before asking the Minister for Transport and Urban Planning, in her own right and also representing the Minister for Environment and Heritage, a question about sand movement costs for the Adelaide beaches.

Leave granted.

The Hon. M.J. ELLIOTT: I have on previous occasions in this place tried to get some answers in relation to precisely how much the government is spending on sand movement, particularly as a consequence of the construction of the breakwaters at Glenelg and West Beach. Previous answers I received told me how much was budgeted but not how much was actually spent. What I will be seeking from the minister is a clear understanding of how much money is being spent by her department and other departments in relation to sand movement, and also removal of seaweed as a consequence of the construction of both the Glenelg and West Beach structures.

The ERD Committee, with representatives of the Charles Sturt Council, had an opportunity to visit the beaches of Henley Beach and West Beach some seven or eight weeks ago, if my memory serves me correctly. At one particular beach we visited, probably about a kilometre north of the West Beach development, we were told by representatives of the council that they had spent several decades building dunes. They had put up fences which caught moving sand. They had volunteers revegetating. They had spent several decades building up these sand dunes and they lost them all in a single night. Clearly, there would have been storm episodes of a similar nature previously. It was not a particularly violent storm, but they lost the lot. Even at the dunes directly opposite the West Beach Caravan Park half of that dune system—which is a very large dune system—was removed in that same night.

Subsequent to that there was a massive exercise in replacing sand at that West Beach site, but the dunes that were lost further north appear to have been lost forever. Clearly, there was a significant cost incurred in relation to the sand movement to try to replenish those dunes. So I ask the

minister whether she can bring to this place details of the total costs involved in sand movement, sand dredging and seaweed removal in relation to the Glenelg and West Beach structures, and if the minister can do that relatively soon, because I have been asking questions on this matter for about 12 months and they have not so far been satisfactorily answered.

The Hon. DIANA LAIDLAW: I will seek the answers and bring back a reply.

WATER SUPPLY, YORKE PENINSULA

The Hon. CARMEL ZOLLO: I seek leave to make a brief explanation before asking the Treasurer, representing the Minister for Water Resources, a question about water supplies to Yorke Peninsula.

Leave granted.

The Hon. CARMEL ZOLLO: I thank the Treasurer, representing the Minister for Environment and Heritage, for his response of 15 August to my question without notice of 2 May on the water monitoring committee and water supply to Yorke Peninsula, and the minister's response and explanation provided on water quality monitoring relating to the toxic algal bloom earlier this year at the Upper Paskeville reservoir. It outlined the next stage of measures to improve the quality of country water supplies, which was to include the covering and lining of the open storages which serve Yorke Peninsula.

The minister concluded the response by saying, 'By this means, water quality will be further protected from such an occurrence in the future', which led one to conclude that the Upper Paskeville reservoir would be back in use and that measures were being undertaken to ensure its continued use. A media article several weeks ago reported that the same contaminated reservoir has not been able to be used and that a new covered water storage is being constructed. There appears to be no explanation as to what treatments had been applied and why conclusive results are yet to be made public. My questions to the minister are:

1. What have been the results of the testing on the Upper Paskeville reservoir?
2. Why has the Yorke Peninsula community in particular not been kept informed about the investigations or consulted on alternative strategies, given that water from the Morgan and Swan Reach filtration plants is being used on Yorke Peninsula?
3. Why was it decided not to take the action of emptying the reservoir and cleaning it, as originally anticipated?
4. What is the additional cost of the covered water facility being built to bypass the disused storage?
5. What are the options being considered for the water in the reservoir and the reservoir itself?
6. Will the action being taken ensure a safe and reliable supply in time for the coming summer season?

The Hon. R.I. LUCAS (Treasurer): I will refer the honourable member's questions to the minister and bring back a reply.

BUSES, SUNDAY

The Hon. SANDRA KANCK: I seek leave to make a brief explanation before asking the Minister for Transport a question about the provision of city loop and Bee-Line bus services on Sundays.

Leave granted.

The Hon. SANDRA KANCK: Last year 2 million passengers took advantage of the free city loop and Bee-Line bus services, but despite those impressive patronage figures the service does not run on Sundays. In order to improve Adelaide's tourist infrastructure network, in August this year I called for the extension of those services to Sundays. In response to this, the Minister for Tourism, Joan Hall, said that she intended to contact the Minister for Transport to discuss my proposal. To date I have heard no more about the idea. My questions are:

1. Has the Minister for Tourism contacted the Minister for Transport regarding this proposal?
2. What is the cost of providing the services on a week day, and what would be the cost of providing the services on a Sunday?

The Hon. DIANA LAIDLAW (Minister for Transport and Urban Planning): Work has been done on this over some time, so the honourable member's support is welcomed. I have been trying to get the Adelaide City Council to make some contribution towards this effort—not only the former mayor but the current mayor—to not only think that they provide transport support through parking stations but to think that perhaps some of the money they generate from their parking stations could be invested, as do other capital city councils in other states, in public transport and free public transport at particular times. All the free public transport in the capital city area of Adelaide is provided by the state government, and I do not think that that is fair or reasonable.

So I am very strongly in favour of an extension of the Bee-Line and city loop services not only on Sundays but at other times to other parts of the city, including the CBD. I am very keen to see that the Adelaide City Council recognises that this is not a state taxpayer cost, that it is of great benefit to the city and that it looks positively at making a contribution. I thank the honourable member for her support. Not only has the Minister for Tourism written to me but I have used the honourable member's support in my own negotiations.

AUDITOR-GENERAL'S REPORT

The Hon. R.I. LUCAS (Treasurer): I move:

That standing orders be so far suspended as to enable question time to be extended for one hour for the purpose of considering the Auditor-General's Report 1999-2000.

Motion carried.

The Hon. P. HOLLOWAY: My first question is directed to the Treasurer. I refer to part B of Volume I, page 21, where the Auditor-General comments on the sale and lease back of the South Australian government light vehicle fleet. The Auditor emphasises the need for proper management and an ongoing analysis of elements affecting calculation of the lease rates, taking into account such issues as changes in the residual values of motor vehicles, changes in tax laws and the number of replacement vehicle leases. Without that information, the Auditor-General says that we do not know whether we are achieving lower cost for the running of the state government's light vehicle fleet. The Auditor says that the Department of Treasury and Finance has initiated a review into the lease back arrangements, particularly in light of taxation changes, and that the report was to be finalised by September 2000. In view of that, my questions to the Treasurer are:

1. Has the Treasury and Finance review found that the lease back has achieved the targets for savings that were set when the lease arrangements were entered into?

2. Have any changes in taxation and other arrangements adversely affected the savings made through the lease arrangements and, if so, by how much?

3. What changes, if any, are recommended by the report?

4. Will the Treasurer make that report public?

The Hon. R.I. LUCAS (Treasurer): I will take the substance of that question on notice. Certainly, in response to the second part of the question, there have been significant issues at the national level in terms of taxation and other matters that have impacted on these schemes nationally—

The Hon. P. Holloway interjecting:

The Hon. R.I. LUCAS: A number of impacts, I should say. As I said, the substantive changes are those in relation to taxation but there also have been other impacts. A number of other states have reviewed their participation in such schemes. We have certainly had advice on that issue.

I will also need to consult Minister Lawson, wearing one of his hats (I cannot remember which one), because his officers, together with Treasury officers, have certainly consulted in relation to the Fleet SA contract arrangements. I will take the substance of the question on notice and bring back a reply as soon as I can.

The Hon. P. HOLLOWAY: The announcement that Flinders Power was to be re-leased to NRG Energy was made on 3 August 2000. According to the *Financial Review* of 4 August 2000, the public of South Australia faces a loss of $121 million because NRG, as lessee, will take over Flinders Power's 18 year contract to buy power at relatively high prices from the Osborne plant and to supply it with gas for a number of years after the government's gas contracts expire. That figure of $120 million was confirmed on page 82 of the Auditor-General's Report. But the Auditor-General also states, at pages 890-891 of Volume 3 of his report:

> . . . a provision for future co-generation contract losses is recognised in the financial statements of Flinders Power. A review of the provision as at 30 June 2000 has resulted in the provision decreasing by $13.1 million to $116.9 million.

So, at that time the provision was some $4.1 million less than the amount that was finally taken into account on the sale of Flinders Power just a month or two later. My questions are:

1. How does the Treasurer account for the $4.1 million discrepancy between the projected liability taken over by NRG and the accounting provision made a month earlier by Flinders Power, particularly since that discrepancy is to the detriment of taxpayers?

2.How was the final sale or lease figure by which this liability was calculated?

3. Who made or approved the original decision to enter into the co-generation contract, and what probity or other checks were made at the time that this contract was entered into?

The Hon. R.I. LUCAS: Did the honourable member say probity?

The Hon. P. HOLLOWAY: Yes—what checks, if any, were made at the time that was entered into?

The Hon. R.I. LUCAS: I will determine what probity checks were made of the companies associated with Canadian Utilities and Boral, which are the companies tied up with that. I am not sure what the honourable member is suggesting and as to why, for the first time, he is raising issues of probity in relation to those two companies by way of question in this Council, wanting to know what probity checks have been undertaken on those companies.

The Hon. P. Holloway interjecting:

The Hon. R.I. LUCAS: No, that is the question, and this is the first time I am aware that the Labor Party—and we have seen in a number of other areas that members of the opposition—

The Hon. P. Holloway interjecting:

The PRESIDENT: Order!

The Hon. R.I. LUCAS: —in the houses of parliament start raising questions about probity in relation to particular companies. We saw that in relation to EDS, National Power, some of the water companies and Motorola. To my recollection, this is the first time we have the Labor Party looking at the Auditor-General's Report and now raising questions about probity issues in relation to the companies involved with the Osborne co-generation plant.

Let us be quite clear what the Labor Party is snidely inferring by way of this question. The Hon. Mr Holloway is asking what probity checks we undertook in relation to that contract. When you are talking about probity checks, you are talking about checking the probity of the processes that were undertaken in relation to the companies that were involved in that case. I am at a loss: I really want to hear from members of the Labor Party as to what they are implying in this question, because this is the first time I have had any indication that there were issues in relation to probity with respect to this contract.

I must say, I am disappointed with the Labor Party and the Deputy Leader of the Opposition, the shadow minister for finance, who clearly acts at the behest of Mike Rann and Kevin Foley on this issue; he works very closely with Kevin Foley. I understand that a number of these questions today have been drafted in consultation with Kevin Foley, who, of course, is the local member. He has had considerable contact with senior management of the companies involved with this contract—and, I understand, contact even in recent times with senior management of the companies that have been involved. As I said, I am aware that the Hon. Mr Holloway has been consulting with Kevin Foley in relation to the Labor Party's response to the Auditor-General's Report and I am disappointed that, after that consultation, we hear this sort of question being asked in the Council today about the probity issues of the contract.

If I can return to the other parts of the honourable member's question—clearly not the key elements that he has been sort of snidely inferring in his question but the other parts of the question—

The Hon. P. Holloway interjecting:

The PRESIDENT: Order!

The Hon. R.I. LUCAS: Let the *Hansard* record show that the Hon. Mr Holloway has just said that $120 million has gone missing. That is what the Hon. Mr Holloway has just said. Here is the shadow minister for finance saying that $120 million has gone missing—

An honourable member: Where has it gone missing?

The Hon. R.I. LUCAS: Where has it gone missing? Exactly—as the Hon. Mr Terry Cameron has said. The *Hansard* record will show clearly that that was the interjection from the Hon. Mr Holloway—that $120 million has gone missing. That is an outrageous allegation, one which certainly should never be made by a shadow minister for finance, and one which certainly should never be made by a member of the leadership group of the Labor Party unless they are heading somewhere in relation to what they are seeking to do

on this contract and the parties that are involved. I challenge the Hon. Mr Holloway to provide any evidence that indicates that $120 million has gone missing in relation to this contract.

I will take advice on the other aspects of the honourable member's question. What we have is not money gone missing; it is actually a provisioning for potential future losses when people sit here in the year 2000 and look ahead 18 years or so and try to predict what electricity prices might be in the national market and compare them to the contracts that were written some three or four years ago.

It is not money that has gone missing, contrary to the outrageous claims being made by Mr Holloway on behalf of and after his discussions with Kevin Foley and Mike Rann. It is not money that has gone missing: they are provisions that are being made by people for potential losses. I will obtain some detail on this, because I am not sure how much I am able to reveal without ultimately breaching the commercial confidentiality of the contract, and that is a view that the individual parties have, I might say, about the commercial deal that they had entered into.

However, I think that I am in a position to be able to say that in the first couple of years, contrary to the provisioning for losses, money was actually made on the CUBE contracts. I think that the reference the honourable member made to a $13 million reduction in the provisioning for losses from some $130 million, ballpark, to $117 million gives the honourable member some indication that they have actually reduced their provision for losses, because after the first year or so's experience they actually made money rather than lost money on these contracts.

One will not be able to say whether or not money is actually lost on these contracts until the end of the contract. As I said, the early experience has shown that money has been made, contrary to all the estimates that have been made, and that is why the negotiated contract includes the provisioning for their taking over the liabilities of $120 million.

That is the current estimate: that is what was being carried in the books at the time the contract was being signed. The risk of whether or not they lose that amount of money over the next 18 years will now rest with a private sector operator in NRG Flinders and not with the taxpayers and government of South Australia. I will take advice as to what further information I can provide to the honourable member in response to his questions.

The Hon. P. HOLLOWAY: As a supplementary question, does the Treasurer deny that the financial impact of the deal with the Osborne cogeneration plant has, in the words of the journalist from the *Financial Review*, left South Australian taxpayers $121 million out of pocket?

The Hon. R.I. LUCAS: Certainly: I think I have just explained that. Although I do not have the figures with me here, we have just over $300 million in cash and responsibilities for unfunded superannuation, it must have been around $340 million, and they have taken over the responsibility for the current estimates for the provision for losses of $120 million.

The Hon. P. Holloway interjecting:

The Hon. R.I. LUCAS: No, that is not the case. As I have just explained to the honourable member, that is the current estimate of the provisioning for the losses. In the first couple of years they have actually made money on the contracts. In the same article (or certainly in the *Financial Review*) there is a claimed statement from NRG where someone, allegedly on its behalf, said that it did not believe that in the end the losses might be as significant as that. No-one will know.

All we can work on is the current provisioning that the Auditor-General has signed off in the audited accounts, which is the current provisioning of approximately $120 million for this particular contract. And we are getting rid of the risk. Whether in the end it turns out to be $120 million or zero or somewhere in between, we will not know until 18 years experience of the national electricity market. That is the risk that the private sector operator is taking over, as opposed to the taxpayers of South Australia.

The Hon. P. Holloway interjecting:

The Hon. R.I. LUCAS: The Hon. Mr Holloway, clearly embarrassed by his interjection, knows that his claim that $120 million has gone missing—past tense—is clearly wrong. It is disappointing to see a shadow Minister for Finance actually making that sort of claim in a response to the Auditor-General's Report.

The Hon. P. HOLLOWAY: In his audit overview the Auditor-General discusses the net benefit from electricity assets disposals. On pages 95 and 96 he provides information on the assumptions used by the government when it estimated that the sale has created a premium of $100 million that has been built into future budget estimates. This so-called premium is the excess of annual interest savings to the government as a consequence of the net proceeds of the electricity asset sale being applied to debt reduction, less the estimated dividend payments, including tax equivalent payments, that the government would have received each year. While the interest savings can be readily estimated and subsequently measured, the Auditor-General points out on page 97 that 'the revenues forgone can of course never be ascertained'.

According to the Auditor-General, the estimated distributions forgone included only $6 million from ElectraNet. The actual distribution from ElectraNet for 1999-2000 was estimated in the recent budget to be $53.7 million, with a further $18.7 million in tax equivalent payments to be made prior to the finalisation of its privatisation in 2000-01. The lease of ElectraNet, announced in August, indicates that $926 million is available for debt reduction. That is after the superannuation payment. This sum would equate to interest savings of $64.82 million based on the 7 per cent interest rate that has been used to determine the budgeted electricity premium. That fact is indicated on page 53 of the Auditor-General's Report.

Given that the budget does not take account of possible premiums that might arise in relation to electricity asset disposals to be completed during 2000-01, this suggests that a premium of almost $60 million should exist in budget forward estimates from the disposal of ElectraNet if the assumed dividends of $6 million from ElectraNet are built into future estimates of receipts. My questions to the Treasurer are:

1. Will he confirm that a budget premium from the sale of ElectraNet of the order of $60 million exists, given the very low and understated dividends from ElectraNet that are built into forward estimates?

2. If not, what is the premium from the lease of ElectraNet and what assumptions are built into this figure?

Given that the lease price of ElectraNet has been made publicly available, there should be no commercial-in-confidence reason to withhold such information.

The Hon. R.I. LUCAS: There is some convoluted logic in the honourable member's lead up to his questions that leads him astray in terms of some of the conclusions that he has made. It is certainly correct, and the government agrees with the Auditor-General that, as we move into the privatised electricity industry, the calculation of the net premium to the budget will be almost impossible to accurately depict, for the reason that the Auditor-General has clearly stated.

We will have privately owned and operated electricity businesses, as I alluded to in Question Time today, looking at new opportunities (such as telecommunications and others) with a renewed vigour and enthusiasm and taking decisions that publicly owned entities had not contemplated in the past and never would have contemplated in the future. Those privately owned businesses will be part of big organisations with the capacity to take punts in particular areas and to make decisions quickly in particular areas that publicly owned entities, subject to the rigours of the whingeing and whining Mike Rann and Kevin Foley and the Hon. Paul Holloways of this world, never would be able to do.

We will be able to make those assessments in the first year, and we have done that. The government's position all along has been that the net premium to the budget would be around $100 million per year, and we were pleased to report in this year's budget that the net premium to the budget was of that order.

The Hon. P. Holloway interjecting:

The Hon. R.I. LUCAS: The government has only ever claimed that there would be (a) obviously a very significant reduction in debt and (b) a significant reduction in risk, but that (c) the net benefit to the budget would be about $100 million. If the Hon. Mr Holloway wants to claim that the net benefit to the budget is now $170 million or $180 million or whatever his number is—

The Hon. T.G. Cameron interjecting:

The Hon. R.I. LUCAS: Well, I think he is. If one looks at his convoluted logic, that is what he is driving at. That is the claim—

The Hon. P. Holloway interjecting:

The PRESIDENT: Order! The Hon. Paul Holloway will cease interjecting.

The Hon. P. Holloway interjecting:

The PRESIDENT: Order, the Hon. Paul Holloway!

The Hon. R.I. LUCAS: If that is the claim of the Hon. Mr Holloway, that is his claim. The government has only ever claimed that it would see a net benefit to the budget of about $100 million or so. That will depend—

The Hon. P. Holloway interjecting:

The Hon. R.I. LUCAS: No, right from the word go. We did not say in 1998 or 1999 when we first went to this process that the net benefit to the budget, excluding ElectraNet, was $100 million. We actually said that we believed that the net benefit to the budget for all the electricity businesses would be about $100 million. If the honourable member has a different view, that is a judgment call for him to take.

In future, the net premium to the budget will depend on two variables. First, it will depend on the prevailing interest rate at the time and the recent history of it, and the likely interest rates in the future will be an important variable; and, secondly, it will depend on what we might otherwise have earned if we had kept them in public ownership. That is the issue that the Auditor-General is highlighting: that, as we move into the market, we will not be able accurately to pick.

It is good that we have been able to report in the first budget. Treasury has done the calculations. The Auditor-General has found no problem with those calculations. The net benefit to the budget is about the $100 million which the government claimed. As we move to the future, it is the government's strong contention that, compared to what we otherwise would have seen if we had stayed in public ownership, we will see a continuing positive significant benefit to the budget from this privatisation. As the Hon. Mr Cameron says, as interest rates go up and up, the benefit to the budget goes up and up as we do those calculations.

The Hon. SANDRA KANCK: I seek leave to make a brief explanation before asking the Attorney-General, representing the Minister for Government Enterprises, a question about the Auditor-General's Report on the South Australian Ports Corporation.

Leave granted.

The Hon. SANDRA KANCK: During 1997-98, the state government announced a scoping review into the feasibility of privatising the Ports Corporation. In April 1999, the state government announced its intention to proceed with the sale of the Ports Corporation. So, the government has known for quite some time the direction in which it was proceeding. The Auditor-General's Report recently released notes that in the financial year just completed the number of employees at the Ports Corp earning more than $100 000 per annum increased from 13 to 21, with the cost of remunerating those employees jumping from $1.5 million in 1999 to $2.4 million in 2000.

The report also notes that the corporation's cash flow from its operating activities fell from $48.7 million to $44.7 million at the same time as these massive wage rises. My question is: why did the Ports Corporation spend an additional $900 000 on the remuneration of its highest paid employees when the business was being prepared for sale at the same time as its operating activities fell by almost $4 million?

The Hon. K.T. GRIFFIN (Attorney-General): I will refer the question to my colleague in another place and bring back a reply.

The Hon. T.G. CAMERON: I seek leave to make a brief explanation before asking the Treasurer a question.

Leave granted.

The Hon. T.G. CAMERON: I refer to pages 125 and 126 of the Auditor-General's Report. Over the past two years, the South Australian government, by way of payments from SA Water, has taken more than the profits that it made. Yet, if you look at the graph on page 126 you will find that, in the previous three years, the amount of moneys that were taken by the state government from SA Water was less than its profits. This has prompted the Auditor-General to state at the bottom of page 125:

> A continual draw on retained profits has the potential to impact on the ability of the corporation to internally fund future operations and future capital projects.

The Auditor-General goes on to say (page 126):

> Audit understands that the corporation is negotiating with the Department of Treasury and Finance with respect to future dividend policies.

My question is: will the Treasurer advise the Council of the results of the negotiations that are currently under way?

The Hon. R.I. LUCAS: This has been an issue of longstanding discussion and debate between Treasury and SA Water. I remember in the first four years of the government being a member of the budget review committee or something like that, and I remember this issue being a matter of discussion between the then Treasurer and

SA Water at that stage. I think it is fair to say that the discussions with SA Water are still ongoing about the dividend policy.

I will make two or three points, and I will be happy to take further advice and come back to the honourable member with more information if required. One of the issues about whether or not the government takes 100 per cent of profits depends, of course, on what the definition of 'accounting profit' is. There has been some discussion and debate about the various depreciation regimes that SA Water has used in terms of arriving at the profit figure. If you use a particular depreciation regime which leads to a significant amount of depreciation, your accounting profit looks less and, therefore, the dividend can appear to be more than 100 per cent of the actual accounting profit that is recorded. So, the issue of the appropriate depreciation regime for SA Water for its assets has been one of longstanding discussion and debate between Treasury and SA Water.

The other point that I make in relation to the Auditor-General's comments which the honourable member has quoted is that I have some sympathy with the Auditor-General's broad comment relating to the issue of how much dividend governments take out of utilities and the potential impact on capital works. As the Hon. Mr Cameron will know, that was the issue that we discussed in relation to the electricity businesses when Mike Rann, Kevin Foley, Dick Blandy and a variety of others were saying that the Ebert figures that have been produced for the earnings before interest and tax for the electricity businesses could be ripped out of the businesses and taken into the budget and that the government was not doing that deliberately.

I think the Auditor-General's comments relating to SA Water, for those of us who were involved in that debate over electricity, are probably a little bit pertinent to that debate as well. I will refresh my memory as to the latest stage of the debate and discussion between SA Water and Treasury on the review of the dividend policy and provide further information to the honourable member as soon as I can.

The Hon. P. HOLLOWAY: The Auditor-General raises the question of whether the Treasurer's current budget settings are sustainable in the long term given that the government is reliant on asset sales and the use of abnormal items and transfers to boost the budget's bottom line. He points out that outlays exclusive of interest and abnormals will continue to grow. He also says (page 45 of the Overview) that asset reductions such as the ETSA sale also limit the already small revenue base that the state has. In this sense, these actions increase the risk profile by reducing flexibility.

Later in the report he characterised the government's approach as 'balance sheet reduction' as opposed to long-term gain in net worth for the public sector. In this light he suggests two things: first, a debate about the appropriate future level of debt; and, secondly, whether the focus should now turn to funding superannuation liabilities, because they are the equivalent of the debt, but also because such funding adds to the asset base and hence the net worth of the public sector (page 132).

I understand that the Treasurer is on record as saying that these issues will be some future Treasurer's problem. However, will the Treasurer outline the government's response to the Auditor-General's two issues: that is, first, what is now the government's target for debt reduction (what is now the appropriate level of debt following the ETSA lease); and, secondly, is the government considering a stronger focus on the funding of superannuation given that super provisioning has been declining in recent years and was, in fact, negative last year and that improved super provisioning would represent a genuine balance sheet improvement and increase in the net worth of the public sector?

The Hon. R.I. LUCAS: I must admit that over the past two weeks I have been bemused to see Kevin Foley, on behalf of the Labor Party, trying to preach to the government about debt policy and the need for the government to do more in this area. This government, in an apples to apples comparison, has reduced net debt levels from June 1993 of just over $9 billion to between $2.5 billion and $3 billion, depending on the end result of the further three privatisation bills before the parliament. That in itself is an extraordinary effort, particularly if one looks at June 1999 and compares it to the end of this year: one sees that net debt levels dropped from around $8 billion to just under $3 billion. A net debt level in the ballpark of $2.5 billion to $3 billion—wherever we eventually end up—is a manageable level of debt for the immediate future for the state of South Australia.

An honourable member interjecting:

The Hon. R.I. LUCAS: I think you will find that the Premier agrees with those views. The ideal world is obviously Queensland's situation, where you have not net debt but net assets. So, you have either zero debt or net assets. That is the ideal world; we would all aspire to that if that was possible. The practical reality of the difficult decisions we have taken is that I believe we have settled in and around a manageable level of debt for the state for the immediate future. At recent press conferences I have made the point that, come the year 2006-07, when the government starts getting the net benefit to the state of the GST which factors up, in a year or two, of between $100 million and $200 million a year, the Treasurer of the day—and I can assure the Hon. Mr Holloway that it will not be me—and the government of the day will be in a position to make one of three choices. If you have an extra $100 million to $200 million, you can choose to move into another stage of targeted net debt reduction: that is, the only way you can reduce debt further is to make profit or surpluses every year and put it away to pay off debt. So if you have $200 million a year, over a period of five to 10 years you could pay off another $1 billion or $2 billion of state debt if you want to.

The government of the day will have two other options. One will be potentially to spend more on public services such as hospitals, education, roads and police security. The third option is to reduce state taxation. If we find ourselves in a position where the other states have reduced payroll tax significantly so that they are more competitive than we are in South Australia on a state tax such as payroll tax, the government and the Treasurer of the day might have to look at reductions in state taxes—whether it involves payroll tax or stamp duties. Short of the government obviously significantly introducing new taxes over the next five years or cutting into education and health funding over the next five years, I do not envisage a set of circumstances where the government on an annual basis will be able to make huge profits and surpluses to pay off debt. The Labor Party's task is even more difficult than that of the Liberal Government, because the Labor Party has been roundly critical of the government as we have been balancing the budget in a cash management sense and still been accruing in an accrual accounting sense the deficits of $70 million or $80 million. Through Mr Holloway and Mr Foley, the Labor Party has

given a commitment that that will not be its direction, so it will have an additional task to raise further moneys in that area.

The Hon. T.G. Cameron: Is this their new fair tax?

The Hon. R.I. LUCAS: It is their new fair, progressive taxation that has replaced the Mike Rann policy from the last election. As we manage our process, the government will look at trying to meet accrual balanced budget targets as well, and we will announce our position on that over the next 12 months.

The honourable member's third question deals with superannuation. The government has a program which is mapped out to repay past service superannuation over 40 years. We are in the same ballpark as all the other states—Victoria, New South Wales and I think Tasmania, but I would need to check that—that have similarly mapped out either a 40 year or a 50 year repayment program for unfunded past superannuation. We inherited this $4 billion in unpaid superannuation from the Labor Party. We have mapped out a program for repaying it, and in the past four or five years we have been on target with our commitments in terms of repaying that past service superannuation in line with that 40 year commitment.

Members interjecting:

The Hon. R.I. LUCAS: If you look at Victoria, New South Wales and I think Tasmania, you see that they have 40 and 50 year programs. I am happy to bring back that information. We have adopted a 40 year program. We think we are in the ballpark of repaying the unfunded superannuation at roughly the same rate as the other states. I will make two other quick points. For some reason, the rating agencies place greater store on the repayment of net debt rather than superannuation liabilities. The Auditor-General will need to factor that into mind when he makes his comments. Why that is the case one would need to take up with the ratings agencies. In terms of trying to see ratings improvements of AA+ which we have achieved and hopefully in the long-term AAA, we would need to bear in mind the rating agencies' views as to where you would target your repayments. So far, certainly one of the rating agencies I met with last year made quite clear that it placed greater store in reductions in net debt rather than reductions in unfunded superannuation.

The honourable member quoted the Auditor-General's statements in relation to reduced flexibility. He and others have not quoted the full context of the Auditor-General's statements in that respect. The Auditor-General has made a point that, if you do a range of things including significant privatisations, you clearly reduce your capacity to do more of those sorts of things in the future. That is just a statement of fact. There is nothing in the Auditor-General's Report which is critical of the government on that issue. Indeed, for the past two or three reports the Auditor-General is the one who has been warning of the risks involved in the national electricity market, and I will not waste time today in question time quoting chapter and verse the warnings he has been giving for two or three years about the risks involved in running government owned businesses in the national market.

The Hon. T.G. CAMERON: My question is directed to the Treasurer. I refer to page 123 of the Auditor-General's Report. Why does the Schlumberger contract not require formal review such as the annual performance appraisal and the triennial review like all other SA Water contracts?

The Hon. R.I. LUCAS: I do not know the answer to that, but I am happy to refer the question to the minister responsible and bring back a reply.

The Hon. P. HOLLOWAY: Given the Treasurer's responsibility for prudent and effective management of the state's finances, does the Treasurer intend to push for adoption of performance criteria for inclusion in the employment contracts of CEOs, as has been recommended previously by the Auditor-General, who complains (page 26 of his overview) that 'no action has been taken by the government during 1999-2000 to address this matter'?

The Hon. R.I. LUCAS: I saw those comments of the Auditor-General. I am having them checked. I certainly have a performance agreement with my CEO for Treasury and Finance. Although I need to check, I suspect the agreements are probably with the Premier. My recollection is that there are performance requirements in relation to that, although not bonus payments in relation to that performance agreement. I am having the issue checked at the moment. I am happy to take the question on notice and bring back a reply.

The Hon. P. HOLLOWAY: I asked a question, I think it was last week, of the Treasurer but I did not receive an answer to a particular part. In Part A at pages 35 to 38 of his report, the Auditor has raised the issue of changed budget reporting targets and formats. Is the government considering changed reporting formats for the budget, together with any revised targets? How will these be presented for the out-year projections in the next budget?

The Hon. R.I. LUCAS: I would need to refresh my memory of that section of the Auditor-General's Report. If he is referring to the issue—which he has referred to in other parts of his report—of portfolio outcomes and performance indicators, then the government in the last two budget papers has indicated that this issue of performance indicator measurement is an evolving issue in terms of the budget papers. We, for the first time, have tried to provide some specific detail about the performance outcomes of portfolios and agencies; not just measures of how much is spent in each particular area but to actually look at what the outcomes might be in education, literacy and numeracy. I mean, what is it that we are spending $1 billion plus on in education? Surely it is to provide literacy and numeracy, and to retain as many students as we can within education through to year 12. So there is a range of measures like that which are available and can be made available, which ought to assist a proper analysis of budget papers and agency performance. So if the section that the honourable member is referring to is that broad area—

The Hon. P. Holloway interjecting:

The Hon. R.I. LUCAS: The Hon. Mr Holloway tells me it is not; therefore, I will have to refresh my memory as to exactly what that one sentence that the honourable member has quoted from the audit report is referring to, and I am happy to bring back a response in due course.

The Hon. T.G. CAMERON: I direct a question to the Treasurer (page 596 of the Auditor General's Report) regarding his own department. Why is it that the Auditor-General now has an additional $515 000 cash in hand in the bank, up from $342 000 to $857 000; and there is another column which says that the cash as at July has gone up from $3 000 to $342 000? So my question is: why is the Auditor-

General sitting on so much cash, where does he invest this cash, and what return is he getting from it for the taxpayer?

The Hon. R.I. LUCAS: I would be pleased to take up the honourable member's questions with the Auditor-General and seek a response which I can provide to the honourable member. I am only speculating, but it may well be that the Auditor-General as at 30 June was holding onto some money to pay for some of the consultants that the honourable member was referring to in his earlier question in question time. But obviously I am only speculating. I think it would be safer for me to take the question on notice, refer the issue to the Auditor-General and bring back a reply as soon as I can.

The Hon. NICK XENOPHON: My question relates to Independent Gaming Corporation Limited, referred to at page 430 of the Auditor-General's Report. The Auditor-General makes reference to the fact that the IGC has been established pursuant to the Gaming Machines Act to monitor gaming machine operations in licensed venues and has, with the Treasurer's approval, set a charge on licensed gaming machine operators to provide for the ongoing cost recovery of its operations. My question to the Treasurer is: to what extent are the fees that he supervises limited to cost recovery for the purpose of monitoring machines, and, in proportionate terms, what surplus does he consider to be acceptable, given my understanding that the IGC does have quite substantial funds each year by way of a surplus with respect to its cost recovery, with respect to the fees it charges on gaming machine operators?

The Hon. R.I. LUCAS: A senior officer within Treasury has expertise in this area. It is the subject of annual and vigorous discussion between Treasury and the IGC and others who are interested in it, for example, the Gaming Commissioner. I will need to take some advice from Treasury on the honourable member's questions and bring back a reply.

The Hon. NICK XENOPHON: Does the Treasurer concede, given the matters outlined in the Auditor-General's Report and his understanding that the whole purpose of the levy on gaming machines for the purpose of monitoring via the Independent Gaming Corporation is essentially there for cost recovery, that any surpluses that do exist ought to be quite minimal in nature?

The Hon. R.I. LUCAS: I think the safest thing for me is to take this on notice and bring back a considered reply to both of the honourable member's questions.

The Hon. P. HOLLOWAY: The previous question I asked was in relation to budgetary targets and the statistical presentation associated with them, and the Treasurer did touch upon it in that answer. The measurement of outcomes is a matter I would like to follow up with him. I think the Treasurer just said that this government had introduced the system of providing outputs, and I think he gave some examples about how he thought that that would give a more useful measure of a government's performance. What the Auditor-General's Report says at page 169 of his overview is:

> From the outset, there was a clear premise that much improvement from the revised budget process would be through a better aligning of government priorities with budget outcomes. In essence this is the linchpin to the model for budget reform in this State and revisions to the 2000-01 budget pick up links between government outcomes and agency priorities for each portfolio.
>
> However, a decision to not pursue, for the 2000-01 budget, the measurement of outcomes, in Audit's view created uncertainty as to the validity of the overall reformed budget process.

Later on that page the Auditor goes on to state:

> In the absence of effective, external (ie, Parliament) performance measurement, the current model for budget formulation and measurement does not, in my opinion, provide the improvement in accountability that was envisaged in the original agenda objectives.

Certainly, in speeches in this Parliament previously, I have given my opinion on the value, or lack of value, in some of the output targets this government has given. My questions to the Treasurer are:

1. Who took the decision not to pursue the measurement of outcomes in the 2000-01 budget?

2. Why was this decision taken, particularly given the Treasurer's comments earlier today?

The Hon. R.I. LUCAS: As I have said on a number of occasions, whilst often I agree with the Auditor-General there are rare occasions where I take a different view. On this occasion I do have a different view to the Auditor-General and his perception of this issue. The budget papers that have been produced for the past two years do specifically outline performance indicators in terms of government outputs. There is an esoteric argument about outputs and outcomes, and a lot of people make a lot of money conducting seminars about it. From my viewpoint all I am interested in is: what is the public sector doing and how do we measure it? Whether you want to call it an output or an outcome I will leave to the Auditor-General and a variety of others to have that discussion or debate.

Whether you call all these things—literacy and numeracy, delays in court procedures (for example, getting into a court for your case), retention rates in schools, and the number of kilometres of roads that have been bituminised in the country—outputs or outcomes is, frankly from my view point, not the sort of thing I will die in a ditch over.

What I think we should have in these documents are performance indicators, and we can have a genuine debate about it. I acknowledge that the Hon. Mr Holloway has expressed concern that came from some agencies that the performance indicator is not explicit enough or does not provide enough information to genuinely indicate the performance of the agency. I think we can have a genuine debate about that. If the Auditor-General had commented in that way, I would have thought that that was an entirely reasonable discussion and debate to have. I believe that the government and the parliament need to discuss and debate the sort of performance indicators that will make sense and how we collect information for the benefit of sensible public debate about public service provision.

This section is not really about that, although it touches at the angles of it: it is really about whether we have output performance indicators and portfolio outcome performance indicators. As I said, what you call them is not really a thing I am prepared to die in a ditch over. All I wanted to see was performance indicators in terms of what it was the public sector was doing, and let us get those into the budget documents. How you label them and what you call them I will leave to greater minds than my own as a mere Treasurer, in relation to the titles that might be used and the descriptions of those performance indicators. So on this issue I do disagree.

When I was aware that the Auditor-General was making these statements, I conveyed my views through senior Treasury officers who asked me about this issue—that I had

a strong view, and I continue to have a strong view, that in this particular area we have a difference of opinion with the member of the Auditor-General's staff who was conducting the review of this issue.

So, as to who exactly took the decision at the time—probably the cabinet based on my advice, or it might have been my decision—I would have to check. As I said, I do not really see that as being a significant issue now: the decision was taken. We want to develop effective performance indicators. We are prepared to listen to sensible, constructive debate from other members of parliament about that, and I am prepared to have those discussions with my colleagues.

The Hon. T.G. CAMERON: I seek leave to make a brief explanation before directing a question to the Treasurer.

Leave granted.

The Hon. T.G. CAMERON: Pannell Kerr Forster, the auditors auditing the Auditor-General's Department, reported the results of their audit in a management letter dated 18 August 2000 (page 595 of the Auditor-General's Report). In that letter they indicated, 'No significant matters of concern were encountered in the course of the audit.' I find the terminology used by Pannell Kerr Forster somewhat in contrast to the terminology used by the Auditor-General. When he refers to the results of an audit into a government department, he uses the words 'they were satisfactory'. If Pannell Kerr Forster found that 'no significant matters of concern were encountered in the course of the audit', can the Treasurer detail to the Council what matters of concern were found by Pannell Kerr Forster?

The Hon. R.I. LUCAS: Again, I am happy to take up that issue on the member's behalf with the Auditor-General and ask him for that information. The honourable member will appreciate that obviously I am not in a position to know what issues of concern Pannell Kerr Forster (the auditors for the Auditor-General's Office) might or might not have raised with the Auditor-General as part of their annual audit. I will take up the issue with the Auditor-General for the honourable member.

The Hon. R.K. SNEATH: I seek leave to make a brief explanation before asking the Minister for Transport a question about the payroll functions at Transport SA.

Leave granted.

The Hon. R.K. SNEATH: The audit of the payroll function revealed that improvements in internal controls could be achieved in relation to the follow-up of outstanding bona fide certificates, control over manual cheque stationery, modifications to employee master file details, reconciliation of payroll holding accounts and evidencing of the independent checks undertaken. Has the minister considered what revised procedures will be implemented so that the improvements suggested in the Auditor-General's Report can be achieved?

The Hon. DIANA LAIDLAW (Minister for Transport and Urban Planning): What page was that?

The Hon. R.K. Sneath: I am sorry, minister, I do not have a page number.

The Hon. DIANA LAIDLAW: I have not noted the specific reference that the honourable member is quoting, but my understanding is that all comment provided by the Auditor-General was satisfactorily followed up in each instance by the relevant department or statutory authority. I was specifically told that there was no matter left outstanding arising from the Audit's findings. However, as I cannot find the actual reference, I will need to get some advice and come back with specific information from Transport SA on the matters the honourable member has raised.

The Hon. T.G. CAMERON: I seek leave to make a brief explanation before asking the Treasurer a question about payroll functions.

Leave granted.

The Hon. T.G. CAMERON: Page 120 of the Auditor-General's Report refers to inadequacies concerning controls over the payroll function. The Auditor stated that 'there is room for improvement in a number of key controls over the payroll function'. Could we be provided with information as to what they are?

The Hon. R.I. LUCAS: I am happy to take up the issue with the minister responsible for SA Water and bring back a reply.

The Hon. CARMEL ZOLLO: I seek leave to make a brief explanation before asking the Minister for Transport a question regarding the Auditor-General's Report.

Leave granted.

The Hon. CARMEL ZOLLO: I refer the minister to Part B: Agency Audit Reports, Volume II, page 818 on the subject of TransAdelaide. The Auditor-General's Report highlights a number of significant features including $37.8 million in separation packages due to a reduction of 935 employees. The minister claims the average net saving for the government is $7 million per year over the next 10 years, which includes whole-of-government costs, including TVSPs. Can the minister detail the other whole-of-government costs, including the cost of disengaging TransAdelaide from the bus business, which I understand is $2.3 million?

The Hon. DIANA LAIDLAW: I will have to obtain detailed answers for the honourable member; I do not have that information to hand.

The Hon. T.G. CAMERON: I seek leave to make a brief explanation before directing a question to the Treasurer.

Leave granted.

The Hon. T.G. CAMERON: I again refer to the section concerning the Auditor-General's department. At the bottom of page 600, under point 12, there is reference to remuneration of employees. I note that the total remuneration of the highest six paid people in the Auditor-General's department has risen from $795 000 to $853 000. I note that one employee receives between $240 000 and $250 000. Is the employee receiving between $240 000 and $250 000 the Auditor-General? Is that inclusive of allowances? Can the Treasurer detail the positions held by the other five staff members of the Auditor-General's department who are earning between $120 000 and $230 000 per year?

The Hon. R.I. LUCAS: I will take up the honourable member's questions with the Auditor-General and bring back a reply for him.

EDUCATION, ENTERPRISE AND VOCATIONAL BRANCH

The Hon. R.I. LUCAS (Treasurer): I seek leave to table a ministerial statement made in another place today by the Minister for Education on travel details of an employee of the Department of Education, Training and Employment.

Leave granted.

MATTERS OF INTEREST

AUSTRALIAN MUSIC WEEK

The Hon. A.J. REDFORD: Today I want to speak very briefly about Australian Music Week and, in particular, an event that I attended this morning. This morning Australian Music Week was launched at the city skate park on North Terrace on behalf of the Australian Music Foundation. This is the second year that the launch has taken place outside Melbourne, having taken place in Brisbane last year. I had the honour of representing the government at the opening and, in particular, the Minister for Education, Malcolm Buckby, and the Minister for Arts, the Hon. Diana Laidlaw. Those in attendance included the chair of the Australian Music Foundation, Brian Cadd (and some members might remember Brian in his heyday) and Sue Gillard, its hard working executive director. Importantly, Ella Hooper of Killing Heidi, was in attendance as this year's patron for Australian Music Week. I must say what a delight it was to both meet Ella and watch her react and relate to large numbers of young people. I have no doubt that she will be a great ambassador for the Australian live music industry throughout Australian Music Week.

Australian Music Week commences next week with the Australian Live Music Awards in Melbourne, which I will attend, and I understand that the Hon. Nick Xenophon also will attend his first awards.

The Hon. Diana Laidlaw interjecting:

The Hon. A.J. REDFORD: In fact, he wanted to go over to a gambling conference, and I said that while he was there he may as well join me. So, without any hesitation, he said yes.

We have some local events, which include Mel Watson, Renee Geyer, Billy February, E-Type Jazz and Honeyfix, just to name a few, over the next couple of weeks. The music industry in this state has enjoyed strong support from the government for its development and future support. Programs include: the funding for the position of ministerial consultant; funding for the South Australian Music Industry Association; the Recording Assistance Program; the annual Music Business Adelaide convention; representation at international trade fairs, including MIDEM, the Pacific Circle Music Convention; POPKOMM in Germany; regular music industry networking dinners, the Southwark/ArtsSA Extra Assistance program; and the newly established Music House, a one-stop shop for support of the music industry through funding provided by both the federal and state governments.

The development of the grassroots of the industry also has been assisted through support from the Department of Education, Training and Employment for Ausmusic, South Australia's new Rock Generation program. The program, which is in its tenth year, has helped secondary students to develop their skills for contemporary music. Last year the program provided opportunities for 239 students and ran performances for 33 secondary school bands to an audience of nearly 12 000 people.

We often talk about putting money into sport through the education system, and funding sport, and we had a feast of sport through the Olympics. But we often underestimate that putting funds into music programs for young people achieves many of the same outcomes that we do with sport. They develop team work and confidence and they grow into activities that involve groups of people. I would urge the government (and I know that it is currently being reviewed) to continue with the new Rock Generation program, simply because of what it does in terms of giving confidence to our young people.

I was privileged to hear Meatbix from Gawler High School. The members of that band were, in fact, very nervous about appearing before Killing Heidi (I do not think they worried about me so much). Indeed, Ella was a delight when she said that some of the name bands that were probably in their 20s (Ella is only 17) were the past generation and were on the way through. Indeed, in Victoria Ella is not allowed to appear in a hotel, even though she is now an international star. I acknowledge the support of Triple M and the support of the Gawler Skate Kru, who provided the background visuals. All the media attended.

Too often we see negative stories about our kids. I must say that, in the music industry, all I see are positive stories and bright, intelligent and enthusiastic kids, and I am very confident about the next generation and where it will take South Australia.

Time expired.

VIETNAMESE WOMEN'S ASSOCIATION

The Hon. CARMEL ZOLLO: One of the many functions that I attended during the parliamentary break was the second annual general meeting of the Vietnamese Women's Association of South Australia, an association which is now in its third year of operation. Although it is a young organisation, its many achievements and successes demonstrate a strong and stable growth in both serving the Vietnamese community and as part of the wider Australian community.

The Vietnamese community this month celebrates 25 years of settlement in Australia. Although I was unable to attend its larger celebrations last Saturday evening, I wish the community well and congratulate everyone on their achievements and contribution to our culturally diverse community. The main objectives of the association are to assist women of Vietnamese background and their families in adapting to a new environment within the context of the current social structure, particularly in the areas relevant to them, and to provide advice and representation, particularly in areas of unmet need, to women of Vietnamese background within South Australia. I understand that the Ingle Farm Salvation Army assists the association by providing it with office space, which is an enormous help to the workers in aiding and supporting the community.

At the AGM held in August, the outgoing president of the association outlined the various projects in which the association has been involved, including a Family and Friends Camp held at Rymill Conference Centre in October. Some 56 people attended the three day camp and enjoyed two half day workshops, exploring issues of intergenerational conflicts that are faced by Vietnamese families and community. I understand that much impressive feedback about the workshops was received.

I have now had the pleasure of watching the association's dance group, the Binh Minh Dance Group, perform on several occasions. I am told that it has blossomed in the past year and performed at various Vietnamese and multicultural functions and at schools, and it has received many other requests for performances from other institutions, organisations and community groups.

No community would consider itself a success without a means of regular communication, and the Ngay Nay radio program is one of the association's great achievements in terms of the success of team work and commitment of all those involved, including all the writers and presenters. The Vietnamese Women's Association also coordinates the Cross-cultural Parenting Project, which evolved from the Happy Mums and Healthy Children Project. This project was jointly set up by Northern Child and Youth Health Service and Northern Metropolitan Community Health Service. Following funding cuts, the Vietnamese Women's Association took over the Cross-cultural Parenting Project in order to meet the continuing needs of the community.

Earlier this year, several members of the association went to Melbourne to attend the National Vietnamese Women's Conference. I know that we all recognise the need to learn from each other as well as the sharing of ideas, and I understand that the women who attended came back even more inspired and enthusiastic about their community.

Another important project with which the association is involved is Christmas Sharing, a project that provides gifts to children. Last Christmas the project was a huge success, with a number of those who attended increasing dramatically from the previous year. In all, 70 gifts were distributed to Vietnamese children from three months to 15 years of age with the aid of the *Sunday Mail* Christmas Appeal.

At the annual general meeting held in August, the membership elected Bich Lien Navas-Nguyen as President, Giang Dao as Vice President, Minh-Ngoc Nguyen-Tran as Treasurer and Huong Ngoc Thi Kieu as Secretary. I congratulate all the dedicated women, in particular the past and present office holders, for the commitment they demonstrate to the Vietnamese Australian community and wish the association even greater success for the future.

VIETNAMESE SETTLEMENT, TWENTY-FIFTH ANNIVERSARY

The Hon. J.F. STEFANI: Today I wish to speak about the magnificent achievements of the Vietnamese community since its arrival in South Australia 25 years ago. The Vietnamese presence in South Australia occurred as a direct result of the civil war and the fall of Saigon, when the communist regime took control of South Vietnam in April 1975. Since that time Australia has become the home for many refugees and boat people who have come from Vietnam to settle in many parts of Australia, including South Australia.

Last Saturday evening, the Vietnamese community celebrated its twenty-fifth anniversary of settlement in South Australia with a special dinner held at the Vietnamese Christian Community Centre at Pooraka. This important celebration was a unique opportunity to acknowledge the rich and diverse contributions that have been made by the Vietnamese people to the social, cultural, commercial and religious life of South Australia.

The special guest of honour at the function was His Excellency Sir Eric Neal, Governor of South Australia, and Lady Neal. Other distinguished guests as well as many members of parliament and more than 700 people attended the dinner. Throughout the evening the numerous guests enjoyed a range of exciting cultural presentations as well as typical Vietnamese hospitality, music, foods and traditions.

The celebration also provided the Vietnamese community with an opportunity to showcase through a bilingual publication some of their struggles and achievements, and to record their history of settlement and the tremendous commitment that many Vietnamese have made to their newly adopted homeland as they work extremely hard to establish a new life in South Australia. It was interesting to read the many experiences and personal stories published in this anniversary book, which depicted the challenges and hardships endured by the many refugees as they made their special place in our multicultural society.

I was moved by the experiences described by one of the refugees as he related the story of his arrival in Darwin harbour. Equally moving were many of the personal memoirs recorded in the publication, as they gave an insight into the human struggles and resilience of the Vietnamese people. A constant theme reflected in each of the personal accounts was an expression of sincere gratitude to Australia and to the people of Australia for extending a warm hand of welcome.

As part of the celebrations, the Vietnamese Christian community unveiled a beautiful work of art, which had been painted on canvas and which became the complete backdrop to the stage. The painting vividly captured the colourful landscape of the Barossa Valley, with its heritage buildings, a church and the rolling vineyards. On the occasion of these special celebrations, the Vietnamese community with this symbolic gesture was acknowledging and paying a fitting tribute to some of the first immigrants, the German people, who had come to South Australia in 1838 to seek religious freedom and to work in establishing the famous wine area of the Barossa Valley.

Finally, as a close friend and strong supporter of the South Australian Vietnamese community, I express my sincere congratulations to all members of the South Australian Vietnamese community and the many Vietnamese organisations for celebrating 25 years of settlement. I extend to them all my very best wishes for every continued success in the future.

BENN, Mr B.

The Hon. R.R. ROBERTS: I take this five minutes to vale the life of Bruce Benn, who recently died a cancer victim in Port Pirie. Bruce Benn was what most people would call an ordinary sort of guy. I have known the Benn family all my life. They are a good working-class family, but to describe Bruce Benn as an ordinary kid and a working-class kid from Port Pirie would be a gross understatement.

Bruce Benn started his working life in the Australian Military Forces but left there because of an illness and took up work at Leigh Creek, where he became involved in a certain situation. For many years concern was expressed by people who lived in Leigh Creek about the oil shale fires at the ETSA operations. It was not very long before Bruce Benn himself was showing symptoms of chest ailments and other breathing problems, and he started a campaign in respect of the effects of those operations at ETSA Leigh Creek on the health of the local community.

I understand the position that Bruce Benn found himself in. At Port Pirie we had a particular problem with lead, and a number of citizens raised this matter. Immediately in those situations you come under attack from your peers because they are, obviously and understandably, frightened for their future incomes. That would have been one of the problems that Bruce Benn found himself facing at Leigh Creek, but he never wavered in his dedication to resolving this issue.

Almost with a lone hand he was able to instigate a number of inquiries that on no occasion ever properly addressed the

situation about which Mr Benn was concerned. Mr Benn has written to many politicians, and I have seen copies of letters that he has written to the Premier, pointing out the number of premature deaths of people who worked and lived at Leigh Creek.

Recently, he had the matter put before the Public Works Standing Committee and the Occupational Health and Safety (Rehabilitation and Compensation) Advisory Committee and was able at one stage to get some inspections to take place at Leigh Creek. However, on the day the inspections were to take place, I am advised that conditions were not appropriate and the meeting was cancelled. This is the sort of thing that Bruce Benn struggled with all his life.

I received some correspondence from him on 14 February. He had been talking for years about the problems at Leigh Creek with oil shale, only to be told that it was not oil shale but mudstone. Those facilities have been sold and, I am told, are now worth billions of dollars. In his correspondence he gave a list of some 20-odd employees from Leigh Creek who had died, including 14 year olds, 17 year olds, 35 year olds, 40 year olds and 31 year olds. Many of them died well before their time, and he asked the question: how long did it take them to die? Unfortunately, he now knows the answer to that.

In his conclusions he said that the story ought to be taken on and exposed, and his PPS was that it is time for that to happen. Since that time, Bruce Benn himself contracted cancer. In all his correspondence, at no time did he ever mention his own problems; he talked about the problems of his work mates and community members. I think that it behoves us all in this place and another place to ensure that there is a proper and full investigation into the effects of oil shale fires on workers, community members and those people past and present who were involved in the Leigh Creek coal mining operations in the north of South Australia. Vale Bruce Benn.

INTERNATIONAL MONETARY FUND

The Hon. T. CROTHERS: In the brief time available to me I would like to fleetingly touch on the events of the past six months as they relate to the International Monetary Fund and the number of protests that have been held against that body. I for one do not think that the real issue in the protests that occurred in Seattle, Washington, in Melbourne, in Prague, in Germany and in Britain were really about the International Monetary Fund: they were about the loss of good governance.

All political parties have now surrendered to the media and to globalised big business. If we give the people we are elected to represent good representation now, with those other predations on parliamentarians' futures and time, it is more by accident than by design. I think that the genie is well and truly out of the bottle, when one examines the events much more carefully than have the media, particularly in respect of the first of those events that took place in Seattle, Washington. The Americans as a nation are not known for violent protest. But if ever there was a violent protest it occurred there where the police had to disperse the crowd by using tear gas and other things as well. The same thing occurred in Prague and Czechoslovakia. This is just the start, because these events show that governments, with all the forces of law and order at their disposal, have lost the capacity to rein in the public protestations of the masses.

I think the Serbians took a leaf out of the book of Seattle, Prague, Melbourne and those other countries that I have mentioned when they clearly showed that no government of the day, even one with the armed might behind it that Slobodan Milosevic had, could withstand a non-violent, passive crowd (as long as it is large enough) and the wishes of the people. This was clearly shown to be the case at the Bastille and in Moscow in 1916. It was also clearly shown to be the case during the corn riots in Rome of 336AD. It has been clearly shown in history. As has been said, you can fool some of the people some of the time but you cannot fool all the people all the time.

As I said, the genie is out of the bottle. Governments would be wise to look to themselves, because I have no doubt that it was the disenfranchised left in our society who saw this as a replacement part when their political parties and political groups had fallen to pieces. Who can say that they are wrong? I, for one, am pleased to see that they have taken up the cause as a force majeure to ensure that the protestations of the left are not lost to society. It has been to society's disadvantage that the left of centre of politics has, for different reasons, since the collapse of communism lost its way.

However, society has now found its causes and I hope it takes up those causes, such as the ones that it took up in respect of petrol excise and so forth. There is a perception in the public eye that the art of governance for the well-being of a particular nation's public has been lost and that the politicians are in thrall to the popular media and the merchants of immense capital within the world's ranks. I am not talking about ordinary business people but about the 170 men and women who, between them, control enough of the world's wealth to control the conditions that prevail in the world. All I can say, in the words of Hereward the Wake: 'They had better be aware and awake because the genie's out of the bottle.'

PARLIAMENTARY REFORM

The Hon. M.J. ELLIOTT: Over the past couple of months, it appears that parliamentary reform has become the flavour of the month, although it is interesting when one puts some critical analysis to the particular proposals being made to see what people are trying to achieve. From talking to members of the public, it appears that the public wants greater accountability of government. The people are deeply concerned that government is becoming less and less accountable. There is growing concern that the executive dominates the government and the parliament and that, in fact, it largely ignores the parliament.

What does executive government want to do? It wants to further diminish the ability of parliament to, in any way, keep it accountable. The proposals coming out of the Liberal Party will most likely get Labor support from members who are thinking about their next term in government. They are interested in making sure that they are not kept to account. That seems to be the driving force of any parliamentary reform.

Amongst proposals being made is a proposal to reduce the size of parliament, and included in that is the size of the Legislative Council. Members of this place know that this is a relatively small chamber already. The ability of this chamber to serve committees is constrained by numbers. I am of the view that this Council should become a house of committees and that the spread of committees that is currently covered by joint house committees should be covered by committees of the Legislative Council alone. That would not be possible if the size of this chamber was diminished.

If we are going to talk about accountability, I think that an upper house which is increasingly independent, one which does not have ministers within it, a house where people cannot by behaving themselves on the backbench eventually be promoted to a ministry but in fact their career would be built within the service of committees of the upper house, would be a far more robust and independent house than the one that we currently have.

The Hon. A.J. Redford interjecting:

The Hon. M.J. ELLIOTT: It has been suggested by way of interjection from the government benches that we are nervous. I assure the interjector that there is no nervousness on the part of the Democrats. I draw to his attention, if he has not already seen it, a paper written by Venni Newton of the Parliamentary Library. She makes it quite plain that the Democrats are not under threat of any change short of going to single member electorates in the upper house. The fact that the Democrats are about to win lower house seats, particularly from members of the government, indicates that we are at no risk.

The people who are at risk are some of the smaller parties and Independents in the upper house. Indeed, the government is seeking to ensure that the widespread community is not represented. It believes that governments should be elected with about 30 per cent of the vote and have absolute power. It is the view of the government that sizeable sections of the community should not be represented.

It is worth noting that in the last upper house election one-third of South Australians voted non-Liberal and non-Labor, clearly expressing the view that they wanted other representation. So, if Liberal and Labor get together, it will be straight out collusion of self-interest. I hope that the Labor Party, which in opposition talks about accountability, will not go for that.

There have been suggestions that the upper house might only be able to have three-month delays on legislation. If that is done, it will remove all power from the upper house. The Legislative Council in New South Wales could only exercise its powers in terms of insisting that certain reports be made to it because it had more than the power of a three-month delay.

Time expired.

WATER SUPPLY

The Hon. T.G. CAMERON: Recently, a proposal to reuse treated water from the Glenelg Waste water Treatment Plant was rejected by SA Water and the government. SA Water apparently regarded the scheme as uncommercial, because it did not want to sell reused water at 55¢ per kilolitre when it can sell new water at 92¢ per kilolitre.

This is a shallow vision and does not reflect sustainable water resource management for our state, a concept about which much has been made within the government's recently released State Water Plan 2000. Further, the Glenelg project could have attracted commonwealth funding under the Coast and Clean Seas program but for SA Water being the reluctant player. This was made clear in a letter from Senator Robert Hill to the City of West Torrens on 22 August 2000. In the *City Messenger* recently, the Local Government Association Executive Officer John Comerie said:

> The plan to reuse sewage water from the Glenelg treatment works was economically viable.

He went on to say:

> It's wrong to say that it is not viable. It is viable. It's just more profitable for SA Water to suck more water from the River Murray.

I agree with his comments. The Hon. Sandra Kanck, in the same article, said that ditching the plan was very short-sighted. She went on to say:

> It's very foolish for us not to maximise the use of any treated sewage.

Again, I cannot help but agree with the Hon. Sandra Kanck. However, the plan was ditched by SA Water when the study it conducted found it was technically possible but too costly. The minister Michael Armitage said that the plan would have cost taxpayers substantially more per kilolitre than the current reticulated water system. The minister is either misinformed or he is simply lying. Perhaps the minister could clarify the position for us and come clean with the full financial details of why SA Water did not proceed with this project.

The State Water Plan 2000 contains inconsistencies with SA Water actions and current policy. The plan states:

> There is a responsibility on SA Water to ensure that it meets acceptable community standards for its impacts arising from its activities. . .

The fact is that SA Water has never recognised, in any of its environmental planning, that it has an impact on the River Murray by taking water from it. The plan makes much of the issue of sustainability in water resource use and management. Sustainable water resource management means maximising water conservation, recycling and waste reduction. The facts are that SA Water has never recognised water conservation as a worthy goal and undertakes waste water recycling only where this does not impinge significantly on its revenue base, that is, in the north at Virginia and in the Southern Vales where it replaces depleted ground water.

The State Water Plan 2000 fails to recognise the considerable environmental stress of the River Murray by not requiring wherever possible for recycled water to replace new water extractions from the Murray. The State Water Plan 2000 proposes:

> The government by 2005 will, in conjunction with local government and other relevant stakeholders, prepare a waste water management statement to set out a consistent framework for waste water management and reuse in South Australia.

This is a good idea, but it is far too little and far too late. Other states such as New South Wales and Victoria are already taking action by having environment plans for Sydney water and Melbourne water under public consultation this year. South Australia needs to lead by example and stop treating the Murray as though we have some unassailable right to draw water from it.

The government should re-examine the Glenelg reuse scheme in the light of its recently released State Water Plan 2000, and its stated commitment to sustainability is in direct conflict with its decision on this important project. SA Water should be compelled to develop an environment plan which recognises the corporation as a significant extractor of water from the Murray—I think it gets 60 per cent from there. The plan should be subject to public consultation and should closely examine the links between water the corporation supplies and waste water the corporation treats. This would ensure that the community's interests in protection of the River Murray are considered with full public participation. At the moment, the community's interest in sustainable water resource management is being compromised by SA Water's commercial approach to effluent reuse schemes. In this way, South Australians would know that its

public water agency is acting in a way that supports sustainable water resource management for the good of all South Australians.

SELECT COMMITTEE ON INTERNET AND INTERACTIVE HOME GAMBLING AND GAMBLING BY OTHER MEANS OF TELECOMMUNICATION IN SOUTH AUSTRALIA

The Hon. R.I. LUCAS (Treasurer): I move:

That the interim report of the select committee be noted.

We have one of two options here: each of the five members of the committee can re-enact 17 months of investigations or I can speak for the next 10 minutes and hopefully try to summarise the major points.

An honourable member interjecting:

The Hon. R.I. LUCAS: If you time me, can we time you? The Hon. Mr Xenophon and I have reached agreement, so the heavens will open! It will not surprise members that, after 17 months of investigation, the committee divided as one would have anticipated, given the views previously expressed by members on the issues we were confronting. I will briefly summarise the committee's recommendations. First, the committee recognised that the parliament is not in a position to legislate one way or another in preparation for the arrival of interactive home gambling. Interactive home gambling is a fact of life, and it is already available to South Australians. When push came to shove, even the most extreme opponents of interactive gambling—and I guess we will hear from the Hon. Mr Xenophon soon—were not prepared to support publicly the view that the existing forms of interactive gambling should be banned, abolished, prohibited or removed.

We already have TAB bookmakers and trade promotions lotteries in South Australia conducting gambling activity by means of telecommunications. Individuals sitting in their home can send a totalizator bet to the TAB by telegram, telephone or electronic transfer—including the internet—for the amount of the bet. I might say that they can also do so for a range of TABs in other states, as well as the New Zealand TAB and those in other countries. South Australian licensed bookmakers can accept bets by telephone or fax, if endorsed to do so by the Racing Industry Development Authority (RIDA). Legislation also permits the Lotteries Commission and the casino to operate interactive technology-based gambling with appropriate approvals. So, the TAB, licensed bookmakers and trade promotions lotteries are clear examples of interactive home gambling already being available in South Australia. It is being enjoyed by a significant majority of punters from their homes. We are also clearly acknowledging that a small percentage of problem gamblers are caught up with the TAB and bookmakers. I hope that is not the case with the trade promotion lotteries, but only time will tell.

That is the background from which we operate. Some in the community hold the view that we need to stop it before it starts. The committee has provided evidence that it is not a question of saying, 'Let's stop it before it starts.' It has already commenced, it is well entrenched and well established. All members of the committee would concede that a variety of other interactive options have seen and will see an expansion of the potential for interactive home gambling in the future. It is an issue that we already have to confront. For the reasons outlined in the report—and I will not go through the detail of those—the committee's major finding was that the opponents of interactive gambling were not able to produce any evidence to the committee to demonstrate how you could effectively prohibit interactive home gambling. A lot of people in the community would like to see how you might do it, and if you could do it and they could be convinced you could do it they may well want to see it effectively banned.

It is unarguable—certainly from my viewpoint, having sat through this committee for 17 months—that the supporters of prohibition were unable to come up with a system where they could say, 'Here is an effective means of prohibiting interactive home gambling.' With all the suggestions that have been made, including from the much vaunted, 'Let's ban the credit card payments via the banks option,' which the Hon. Mr Xenophon and others have supported, still no evidence was produced to the committee that demonstrated that this could be done effectively and would achieve the objective of banning interactive gambling, regardless of whether you are talking about banning existing levels of interactive gambling.

There is a lot of evidence as to how the various models that the commonwealth government has been looking at in the past in relation to porn sites etc. can be subverted, and the various IT experts who gave evidence to the committee were able to highlight the loopholes, the weaknesses in the system, in particular, blocking internet gambling through ISPs and others. Again, time today does not permit me to go through all the detail of the evidence. I would urge members, if they are interested in this, to look at some of the evidence presented to the committee by the IT experts.

The very strong majority view was that prohibition could not be successfully implemented and that really what we had to do was to get on with the business of looking at how we might develop a regulatory framework which will achieve, hopefully, a number of goals: that is, to encourage people who do want to gamble, or already are gambling on these sites, to gamble on sites which are licensed and regulated. Certainly there is a strong view that if you do want to take a punt you are probably likely to do so on a site that has been licensed and regulated. If it has been done in Australia—

The Hon. L.H. Davis: Or the TAB in New South Wales.

The Hon. R.I. LUCAS: Or the TAB in New South Wales—you are likely to prefer something, particularly if something goes wrong and you have a complaint, where you can take it up with a government or an authority within Australia. If you are punting on a Caribbean site, the prospects of being able to take up a particular issue with the appropriate authorities in the Caribbean are probably slightly less than in the circumstances that I have highlighted. I think the opponents of regulation have not placed enough weight or significance on this important issue.

I believe the preference of consumers is to take a punt on properly licensed and regulated gambling sites in a jurisdiction where they know they can at least try to take up an issue with somebody if something goes wrong. I do not believe people, when given the choice of a properly regulated site here, or an unregulated, cheap and nasty site in the Caribbean, are likely in any large numbers to choose the Caribbean sites over the Australian sites. That is not to say that some will not do that. I am not foolish enough to suggest that some will not do that. However, we are now talking generally about what

punters might do, and certainly that is my view. I think it is the view reflected in some of the evidence that we took in the early stages of the committee debate as well.

The committee took a lot of evidence in a whole variety of other areas, but in the end I think our position is much the same as the two most recent major inquiries in this area. We have not heard much debate in the Council about the Productivity Commission's reports in this area. We have heard a lot about Productivity Commission reports in other areas. We have Net Bets, the Senate Select Committee Report on interactive gambling and now, after 17 months of exhaustive evidence taken by the Legislative Council's select committee, we have a third inquiry's report. They all broadly agree that this notion of being able to ban or prohibit interactive home gambling is, although a noble objective, just not achievable.

The longer we continue to delude ourselves with the notion that you can achieve it, the more we will delay the necessary work that needs to go on to develop a sensible regulatory framework which provides protection for those punters who want to punt but which also does whatever is necessary to assist gamblers who find themselves with problems, whether in relation to a poker machine in a hotel or a club, whether at the TAB or the races, or whether through betting on the many forms of interactive home gambling which are already available or which might soon be available. We all share the objective that we would like to help this 1 per cent to 2 per cent of the population who might be afflicted with a problem with gambling. The sooner we can divert our attention to that debate and discussion, the better it will be.

I conclude on the basis that it is now 10 minutes by saying that I have been enormously encouraged by the approach of senior non-government representatives in South Australia—people like Stephen Richards and others—who are sensibly trying to enter into discussion with leading proponents in the parliament. I have met with Stephen and others on two or three occasions in recent times. Not that they needed my active encouragement, because it is their decision, but with my active support and encouragement they have met with other members of parliament as well in the interests of trying to move beyond the 'let's ban everything stage'—which I think has unnecessarily created confrontation and conflict—to a stage of trying to develop a collaborative and cooperative framework where we try to find 'the things that bind us rather than the things that divide us', to use a hackneyed expression from the past, to see whether or not we can do more in relation to assisting the small number of problem gamblers and whether we can come up with a sensible regulatory framework that might have some degree of consistency with that in some of the other states. However, I do not think that will be 100 per cent achievable, for reasons I have explained before.

Whilst this is a conscience vote for government members of the parliament, I know I speak on behalf of all my colleagues when I indicate that we all, irrespective of our different views on issues of banning poker machines or banning gambling, share the commitment to be prepared to work together as a parliament to try to achieve a sensible regulatory framework with the objective of minimising harm to the very small percentage of problem gamblers in our community.

The Hon. P. HOLLOWAY: I support the motion that the report be noted. I was one of the three majority members of the committee, along with the Treasurer and the Hon. George Weatherill (who, of course, has subsequently retired from this place). Although the report took some 17 months to compile and, as the Treasurer said, notwithstanding that perhaps the views that were represented in the end by the majority and minority on the committee represented the views that those members held prior to the committee being established, it has in my view been a useful 17 months. The information that has been brought forward to the committee has been useful, and I would recommend that any members of this council and the public who are interested in these issues read the reports. If they wish to go further, they can look at some of the evidence that was given, because there was very important information there.

The majority on the committee noted that interactive gambling is already a fact of life: it is already with us. You can bet on the TAB through the internet using a phone betting account, and similarly with bookmakers. There is also the provision under current legislation for the Lotteries Commission and the Casino to operate interactive or technology based gambling if they have the appropriate approval. I think the point the majority was making was that these issues are already with us and we have to ensure that we get up to speed on these matters fairly quickly.

One of the pieces of information that came out of the 17 months of evidence is that the extent of internet or interactive gambling in the community at the moment is still fairly small—almost insignificant compared to other forms of gambling. Nevertheless, it is an area where there is a high growth rate in gambling over the internet but from a very small base. So the evidence, to this stage, that there is social harm coming from internet gambling is relatively scant because of the small extent of the gambling. It appears as though people are more likely to come to harm through existing forms of gambling. Perhaps it is that people are more likely to wish to gamble using poker machines or other forms of technology rather than using the existing forms of internet gambling which are still fairly clumsy and complex for many members of the community.

However, the committee did note that this situation may change in the future and that the potential for social harm is more likely to arise in a few years' time, particularly through on-line sports betting. That may be the case when interactive digital TV technology is introduced: the capacity, in an easy, convenient and user-friendly way, to gamble on sports events taking place on the television screen may well change the equation. I will refer to our recommendations on that matter later.

The majority also, in its recommendations, noted that the South Australian government really has very limited control over internet and interactive gambling. The internet is, after all, a global technology. As we have seen with the commonwealth government when it has tried to control pornography, it is extremely difficult to impose control outside the country: it is virtually ineffective.

The other problem we have to come to terms with is that internet gambling (that is, using virtual casinos) is already a fact of life in other states of this country. There are licences in the Northern Territory, the ACT and Queensland that permit that sort of gambling, so it is inevitable that South Australian customers of that sort of betting are, and will in increasing numbers, be betting on those sites. That means that the revenue that those sites provides will go to other states. That could provide an increasing dilemma for South Australia.

One of the questions that the committee was asked to determine was whether we can prohibit interactive gambling. The committee did not, in my view, receive from any source advocating prohibition viable proof that it could effectively be prohibited. Indeed, some of the people who were concerned with the potential harm from interactive gambling themselves advocated a regulatory model to deal with the problems, a fairly restrictive regulatory model, no doubt, but nonetheless they preferred a regulatory model. It is interesting to note that the Productivity Commission, which has been held up as an authoritative source of information on gambling in the country, supported managed liberalisation rather than outright prohibition.

There are two means that the advocates of prohibition suggest might be able to achieve the objective. The first one is similar to the so-called Kyl bill in the United States, which sought to control credit card payments as a means of preventing gambling over the internet, the logic being that, if you can prevent the flow of credit through the internet, you may be able to control those gambling sites. There are a number of difficulties in policing that matter, including who should be responsible for blocking the creditl. I will not go through all the discussion, but I recommend those parts of the report to any member who is interested in the subject.

The second means of prohibition was blocking through internet service providers. The technical evidence received by the committee was overwhelmingly in that, first, this would have detrimental impacts on the application of internet technology and e-commerce in this country because it would slow down information flowing through the internet; and also that it would be ineffective in the sense that, whereas you might be able to block local sites, you could not block offshore sites or block sites from moving offshore. The evidence the committee was given was that it was very easy to change the location of one of these virtual casinos in cyberspace, that you really did not know where the site was located.

The report of the committee is particularly timely because, on almost the same day that it was tabled in this Council, the Senate rejected the federal government's proposal to apply a moratorium on interactive and internet gambling. The commonwealth's proposal was announced on 19 May this year, and it was to be a 12 month moratorium ending on 19 May next year while the commonwealth government investigated the feasibility of blocking interactive gambling at the federal level.

The Hon. Nick Xenophon interjecting:

The Hon. P. HOLLOWAY: It may be recommitted for a vote, but given that the numbers appear to be against it at this stage it is unlikely that the legislation will be passed. That means that the onus comes back on the states to regulate interactive and internet gambling. As I pointed out earlier, some states already have taken various decisions in this regard.

So, the majority of the recommendations of the committee do conform with the Productivity Commission and with the Senate's select committee report (which I think was entitled NetBets), both of which recommended a program of regulation for internet and interactive gambling rather than outright opposition. Clearly, now that the commonwealth legislation has been rejected, the onus will fall on the state to make careful decisions in relation to this matter.

I think the most important question in this debate is, 'Where do we go from here?' The committee, in the majority report—and I assume that this would be accepted by all members of the committee—indicated that it is now important that it move on to develop a regulatory model for interactive and internet gambling in this state. I believe it is important that the state government negotiate with the commonwealth government and the other states to try to get some uniformity in these matters. I note in an answer that the Treasurer gave, I think last week, that the commonwealth government had been reluctant to pursue discussions with the gambling ministers in relation to this matter.

The Hon. Nick Xenophon interjecting:

The Hon. P. HOLLOWAY: As the Hon. Nick Xenophon says, it cancelled a ministerial council meeting. After the developments in the Senate, the commonwealth should resume discussions with the states and try to get some uniformity of approach in relation to this matter.

The Hon. R.R. Roberts interjecting:

The Hon. P. HOLLOWAY: As I understand it, the Senate also rejected the commonwealth moratorium. In my view, there is still a role for the commonwealth to play in this given that it has, under its Constitution, telecommunications and financial powers, whereas the state, under its constitutional rights, has powers over gambling at the state level.

It needs a joint commonwealth-state approach if there is to be effective regulation throughout the country. The powers of both governments will need to be brought to bear on this problem. Unless there is an agreed approach, gambling will go in all directions in different states, and I think that will be unfortunate. Even though there will always be some differences, I think there is time, if the commonwealth gets involved now, to come up with a uniformity of approach to many of the issues that are important.

The other issue that needs to be considered at this stage, apart from developing the regulatory model, is sports betting. The committee report makes the recommendation:

> On-line sports betting was identified as a major growth area that poses particular problems for governments, sporting authorities and society at large. The committee will further consider the regulatory challenge of these issues in its final report.

As I indicated earlier, the prospect of sports betting becoming much more pervasive throughout the community when these new interactive television technologies are available is something we need to consider. We need to consider not only the possibility of harm to individuals who might be addicted to gambling but also the impact on the sporting codes themselves. With international cricket we have already seen the impact gambling can have on sport and its administration.

The Hon. Nick Xenophon: And weather forecasts.

The Hon. P. HOLLOWAY: Yes, and weather forecasts. If there is to be a rapid increase in sports betting in the future due to these new technologies, clearly the sporting codes will have to consider what measures they take to properly regulate their sports. Traditionally, gambling has been the province of the racing industry, and the racing industry in its various forms has developed the mechanism over many years to protect against the impact of illegal betting. Clearly, if there is to be an explosion of betting into other sports those codes will have to look at ways to protect themselves against fraud or match fixing and other forms of illegal activity that gambling might encourage.

In my view, the majority report does not mean that we should jump straight into no-holds-barred internet and interactive gambling. We need to develop an appropriate regulatory framework, which includes harm minimisation measures. I hope the committee will contribute to this process in its next report. However, I am aware that that will not be

an easy task, just as total prohibition is not likely to be effective.

At the same time I acknowledge that the regulation of interactive gambling, particularly using the internet, will not be easy to achieve. For example, preventing children from gambling over the internet poses particular difficulties. I am sure that it is much harder to prevent a child under 18 years from gambling over the internet than it is from gambling in other forms where at least there are physical barriers or constraints. There are difficulties in this area, and they are matters which we will have to look at.

I believe that the committee's considerations were very useful because many of the issues that were raised in relation to interactive and internet gambling are similar to the issues that come up in e-commerce generally—issues such as security, privacy and fraud. I think that many of the lessons that have come out of the report will be applicable to the issues that come up with e-commerce. Part of the problem in these areas is that the technology always seems to be way in front of legislation and regulation. Internet gambling is already with us: it is already a way of life, and has been for some years. In relation to the new television technologies and a possible explosion in sports betting, we do at least have some time before that technology becomes widely adopted through the community and, therefore, we have some time to develop legislation to manage that problem.

I again commend this report to members. I believe that these are important issues that we will have to address in the next few years, particularly now that the issues are back with the state governments, given that the commonwealth appears to have been defeated in its attempts to veto this matter. I am sure that this will not be the last that we hear of interactive and internet gambling. I just trust that the committee, in its future deliberations (and, hopefully, they will be a bit shorter than the 17 months it has taken to date), will be able to come up with a report in the near future that will be able to contribute to some effective regulation and harm minimisation measures to deal with this problem. I commend the report.

The Hon. NICK XENOPHON: I rise to speak in support of the motion. At the outset, notwithstanding that it has taken some 17 somewhat tortuous months to consider this issue, this report is very useful in an ongoing public debate on an issue that I believe is very important to the entire community, particularly in the context of problem gambling and the impact that it has had in the South Australian community in recent years, especially since the introduction of poker machines in 1994.

The concern that I and others have is that the widespread introduction of on-line gambling in the community could lead to a rapid increase in the level of problem gambling in the community the likes of which we have never seen, notwithstanding that we already seem to be at saturation point with existing levels of opportunities to gamble in the community. We have a problem gambling rate that is one of the highest in the world. According to the Productivity Commission, some 2.1 per cent of the adult population has a significant gambling problem, each of them affecting at least five others. The Treasurer has suggested that it is only 1 or 2 per cent of the community, but that is really a misleading picture. We are talking about something like 10 per cent of the Australian population being affected in a direct sense as a result of problem gambling.

Notwithstanding the substantial and substantive differences that I have with the Treasurer on all gambling issues, it seems, I congratulate him on being a constructive and a very fair chair with respect to this committee, and I think that that ought to be acknowledged. However, I think it was somewhat disingenuous of the Treasurer to complain about the delays in the committee reporting given that one of the reasons why there were delays in meetings of the committee being convened was that the Treasurer was not able to attend a number of meetings—and I understand that because of his commitments as Treasurer. But I do not think it was fair for him to criticise the delay in the report being handed down given the fact that a number of meetings were delayed by virtue of his understandable unavailability.

I also would like to thank the secretary of the committee, Noeleen Ryan, and the research officer, Ian Clover, with respect to what seemed to be initially quite a mammoth task in bringing together the range of witnesses and with respect to the research leading to the publication of this report.

It should be noted that, whilst this is an interim report, in effect it is a substantive report in the sense that the committee has reached a majority view as to whether we go down the path of a regulated regime of on-line gambling. As honourable members are aware, my colleague the Hon. Angus Redford and I prepared a dissenting statement. No doubt, the Hon. Angus Redford will speak for himself in due course in relation to the dissenting statement that I prepared jointly with him.

Let us put this debate into perspective. We already know, from the Productivity Commission's landmark report into Australia's gambling industries, that Australians are the biggest per capita gamblers in the world, losing an average of $760 per adult, with losses in excess of $11 billion in the 1998-99 year. I understand that that figure now exceeds $12 billion in terms of the most recent figures.

The Hon. T.G. Roberts interjecting:

The Hon. NICK XENOPHON: As the Hon. Terry Roberts says, they must be the worst gamblers in the world, and I think we can safely say that it is very much a mug's game. But it has become a mug's game because Australian governments have given the seal of approval— the imprimatur of the state—in terms of expanding new forms of gambling, with a heedless and headlong expansion—

The Hon. Caroline Schaefer interjecting:

The Hon. NICK XENOPHON: The Hon. Caroline Schaefer makes—

The Hon. L.H. Davis: Two out of every three hotels in the 1930s had gambling.

The Hon. Caroline Schaefer: SP bookies.

The Hon. NICK XENOPHON: The Hon. Legh Davis and the Hon. Caroline Schaefer make a point about SP bookies and ask, 'What about when it was illegal?'. The comment I make, without in any way endorsing the activities of SP bookies, is that Pastor Morrie Thompson of Teen Challenge, who is a tireless worker in dealing with disadvantaged youth, made the point that SP bookies may have broken your legs if you did not pay up, but he never knew of anyone losing their home with SP bookmakers, unlike the case with existing forms of gambling. I am not endorsing necessarily the statements of Pastor Morrie Thompson, but they are worth repeating.

The Hon. L.H. Davis interjecting:

The Hon. NICK XENOPHON: The Hon. Legh Davis makes the point that there are many people who have lost homes as a result of a bad gambling habit, and that may well

be the case. However, I was simply repeating the point of Pastor Morrie Thompson. I think that we also need to put into context the findings of the Productivity Commission, which were that, with increased accessibility, particularly in respect of new forms of electronic gambling, the level of problem gambling increases substantially in the community. The increase in problem gambling and the increase in gambling losses has arisen as a result of new forms of gambling being available as a result of those new forms of gambling being sanctioned by—

The Hon. L.H. Davis interjecting:

The Hon. NICK XENOPHON: I am happy to deal with the Hon. Legh Davis's remarks. But, in terms of the whole issue of increased levels of problem gambling in the community and the quite profound impact that it has had for many individuals in our community, levels of problem gambling are clearly linked with levels of accessibility and the availability of new gambling products. In terms of—

The Hon. L.H. Davis: So, you would close down the internet gambling facility that exists in the TAB in New South Wales, for example?

The Hon. NICK XENOPHON: The Hon. Legh Davis makes the point about the TAB internet gambling facility in New South Wales—and, indeed, there is now an internet and on-line gambling facility for the South Australian TAB, to which I will refer shortly. However, with respect to this debate, I think we also need to distinguish between existing forms of gambling that are available offline in terms of the TAB, for instance, where a bet can be made via the phone or at a TAB agency and new ways of effecting that gambling in an on-line sense, and that is obviously an area of concern to which I have referred in the dissenting statement.

The area about which I believe this parliament ought to have a particular concern is in relation to new forms of gambling, particularly with respect to on-line poker machines which is, in a sense, interactive sports betting. A whole new range of potential gambling services can be made available on-line, and they are quite distinct from the existing forms of betting that are available, such as the New South Wales TAB and the South Australian TAB, about which I have concerns. I think we need to draw that distinction, and I think that that distinction was drawn by Senator Bob Brown of the Greens in the Senate two nights ago during the debate on the federal government's proposed moratorium on on-line gambling.

Senator Brown drew a distinction between new and existing forms of gambling, such as TABs, and expressed some concerns with respect to the Tasmanian TAB being affected. The point made by the Hon. Legh Davis is fair enough, and I propose to refer to that in the course of speaking to this motion.

The dissenting statement that I prepared with the Hon. Angus Redford discusses the very basis of the terms of inquiry for this motion; that is, first, whether there is the desirability of regulating or prohibiting internet and interactive home gambling in South Australia. With respect to the issue of desirability, I again refer to the Productivity Commission's report and the enormous problems we have had in the Australian community with gambling losses doubling in the past six to seven years, with the rapid increase in the number of people presenting to welfare agencies cases of hardship, cases of absolute devastation, in many cases, with respect to problem gambling triggered, to a large extent (between 65 and 80 percent of cases, according to the Productivity Commission) by the advent of poker machines.

The Productivity Commission makes clear that increased levels of accessibility to new forms of gambling are an area of particular concern. It is a significant driver with respect to increasing the levels of problem gambling in the community. Obviously, that is something that exercised the mind of the Prime Minister, the Hon. John Howard, when his government took the very courageous step of introducing its bill for a moratorium on on-line gambling.

The Prime Minister understood the level of community concern with respect to the devastation caused by gambling, saw the potential for increased levels of harm in the community, and that is why he went down the path of suggesting a moratorium, so that we could pause and have a look at which way, as a community, we ought to go. In terms of first principles, rather than throwing up our hands and saying that it is too difficult, let us look at what the community wants on this issue.

There seems to be considerable evidence, based on the Productivity Commission's findings, the most comprehensive national survey on attitudes to gambling ever undertaken in this country, that Australians are concerned about the expansion of gambling opportunities. Seventy percent of Australians overall believe that gambling does more harm than good in the community—in South Australia the figure is 85 per cent—and 92 per cent of Australians do not want to see more poker machines in their communities.

I would have thought that that is a fairly good indication that there is a level of concern here as to whether we want a new, potentially pernicious and highly addictive form of gambling in the living rooms of every Australian. It is not simply internet gambling: it is the advent of interactive digital television technology, which the Hon. Paul Holloway has referred to, where I believe we will feel the real impact unless we get it right.

It is worth quoting from the media release issued by none other than the Australian Hotels Association, South Australian Branch, and headed, 'AHA voices grave concerns over casino home invasion.' It states:

> The Australian Hotels Association has voiced grave concerns over this week's launch of Lasseter's Casino's global internet site, which has opened the door to uncontrolled gambling into millions of homes.

It quotes the AHA General Manager, Mr John Lewis, as saying that the sites would break apart families and needed to be wiped out before they tarnished the reputation of hotels that encourage responsible gambling. Mr Lewis went on to say that children are excluded from hotel gaming rooms, but who is going to stop them placing bets at home while their parents are out? He says that people are forbidden from using credit to play in hotel gaming rooms, but who is going to stop them running up astronomical debts on their credit cards playing at home?

Notwithstanding the many substantial differences that I have with John Lewis, I congratulated him on that media release. I think that he does make a point. Whatever differences I have with the Australian Hotels Association's arguments about regulation and the accessibility of poker machines in hotels, the fact is that there are some differences (even by those who are proponents of the gaming industry in hotels) that ought to be recognised and ought to be part of the framework of debate in terms of on-line gambling.

There are some substantial differences, such as access to minors and access to credit cards, that are significant enough, I believe, to push the balance into recommending a regime that would nip this industry in the bud. That is why the Hon.

Angus Redford and I have recommended an approach to regulate, in a sense—some would say, prohibit—on-line gambling by attacking the financial transaction.

Unlike access to other sites that may be offensive, such as child pornography, where there is no question in the community that the harm is caused by the publication of the images, when it comes to the issue of on-line gambling the damage caused to individuals is caused by the financial transaction, by the losses that have been incurred by people betting on line. That is why the Hon. Angus Redford and I have taken the approach that we need to attack the financial transaction.

Simply saying that it is all too difficult, we cannot do it, misses the point when we look at existing legislation, at the opportunity for reform, and that is something that I understand the Hon. Angus Redford will deal with in more detail when he speaks to this motion; that, with respect to the current provisions of the Lotteries and Gaming Act, it seems that there is a grey area as to whether such internet gambling transactions are legal or not.

Some tightening of the legislation can make it very clear. Consumers can be empowered to void an internet or on-line gambling transaction and, therefore, the harm that goes with that transaction would also, in a sense, be voided. The point has been made by the Treasurer that there was not conclusive evidence to say that we can go down this path. I respectfully disagree.

I refer members to the evidence of Mr Ian Gilbert of the Australian Bankers Association who, when asked whether consumers were empowered to void the transaction, with the difficulties alluded to by the Australian Bankers Association of being policemen of the scheme, of having to block sites and weed out those sites that were illegal on-line gambling sites, Ian Gilbert's evidence was that giving consumers the power to void the transaction was a very different proposition. I quote from Mr Gilbert's evidence as follows:

> If the community is given a right that is exercisable in those circumstances, of course we would recognise it and are quite happy to do so. That is what the law of the land provides. There is no equivocation on that. We would be very concerned about transferring the costs of detecting, identifying and policing onto the private sector, which is simply providing financial services for a whole range of legitimate consumer activities.

These are the sorts of issues that I believe ought to be looked at. Let us not give up on something that is of significant community concern. I believe that there is the power within the states (although a joint Commonwealth-State approach would be preferable) to deal with this issue, to actually empower consumers and, in a sense, to obviate the harm that can be caused by internet gambling.

Obviously, if someone were dead keen to gamble on the internet in the Bahamas, the Cayman Islands or wherever, and wanted to send their $50 note or a bank order to that casino, it would be very difficult to stop that. But if you give consumers the right to void a transaction via their credit cards, which I think is acknowledged as the means by which virtually all these transactions will take place, we can effectively prevent the harm from this industry occurring.

The point has been made by the Hon. Paul Holloway that it is a fact of life that there is a licence in the Northern Territory with Lasseter's Casino. The fact is that the Lasseter's Casino site, by virtue of its licence, cannot offer on-line gambling services to individuals outside a 50 kilometre radius of Alice Springs. It can offer its services anywhere overseas, but it cannot offer them to any other Australian citizens. That is something that ought to be borne in mind.

The Hon. T.G. Cameron interjecting:

The Hon. NICK XENOPHON: The Hon. Terry Cameron asks: what internet gambling services are currently available? There are gambling services available at the TAB. That point was made by the Hon. Legh Davis. It is my view that there ought to be heavy regulation of TAB sites, including access to credit cards.

The Hon. T.G. Cameron interjecting:

The Hon. NICK XENOPHON: The Hon. Terry Cameron asks whether you can actually gamble on a casino via the internet now. You can via a number of overseas gambling sites, but consumers are understandably wary of those sites because you hand over your credit card details and a whole range of details such as that. It is a case of 'Buyer, beware!'.

My concern and that of others, which is reflected in the Productivity Commission's report about increased levels of accessibility, is that, once you have a seal of approval by a state or a federal government regarding the licensing of a particular gambling site, the potential for harm is increased because, in a sense, that is saying that this is a safe site. However, we know that, when you go down the path of having a so-called regulated site, that level of regulation in terms of protecting consumers is illusory. Because of the very nature of a gambling business, they can only win if the consumers at large lose.

The point needs to be made that on-line gambling is different from going into a casino or a gaming machine venue in that there are no controls. The whole basis of the industry would be built on credit. We know that the Gaming Machines Act quite rightly says that you cannot gamble on credit, that you are not supposed to use your credit card to gamble because that has the potential to increase levels of problem gambling significantly. In other words, in a sense, you are not using the money in your pocket.

Those are the sorts of issues that need to be taken into account. For those members who are in favour of or do not have a problem with existing forms of gambling in the community, there is a clear distinction between on-line gambling. Kids can have access to on-line gambling in people's living rooms. We have laws that say that, not only can children not gamble in a casino or in a gaming room, they are not supposed to be on the premises, because from a public policy point of view it is not desirable to expose kids to gambling services in that way. That is the sort of thing that I believe ought to be debated by this parliament in the context of a framework that reflects community concerns.

The view of the Productivity Commission that there ought to be 'a regime of managed liberalisation' with respect to internet and on-line gambling sits at odds with the remainder of the commission's report, because the commission says that the existing forms of regulation that we have in Australia are inadequate, haphazard and do not protect consumers as they should. To date, we have not got it right when it comes to existing forms of regulation.

To all those proponents of the regulation of on-line gambling who say that it will do a wonderful job of protecting consumers, I say, 'Let us get it right with respect to existing forms of gambling that we have in the community', particularly when you look at the Productivity Commission's figures that in excess of 20 000 South Australians have a significant gambling problem each affecting five others.

I think that is an unacceptable figure of harm in the community. Those are the sorts of people whom I see on a

regular basis. Gambling counsellors tell me that, in some cases, family members take their life because of gambling addiction. My fear is that, if we go down the path suggested by the majority report, we will see a rapid increase in harm in the community.

I urge all members to read the interim report in its entirety, both the majority and the dissenting statements that have been produced. This issue will not go away. I believe that we have an effective role to play in this parliament to ensure that the community's wishes are reflected on this issue. Whilst I consider that in many respects a regulatory model would be largely illusory, I am not saying that I will not do my best to ensure that, at the end of the day, legislation is passed which, at least in some respects, reflects community wishes and, more importantly, ensures that this industry is effectively nipped in the bud so that the harm associated with it is also effectively stymied.

The Hon. T.G. ROBERTS secured the adjournment of the debate.

STATUTORY AUTHORITIES REVIEW COMMITTEE: ANNUAL REPORT

The Hon. L.H. DAVIS: I move:

That the annual report of the committee 1999-2000 be noted.

The annual report of the Statutory Authorities Review Committee details the activities of that committee. Again, it has been a productive and profitable year. The committee tabled two reports in that year and it has three ongoing inquiries currently. The committee's 21st report on Boards of Statutory Authorities Remuneration Levels, Selection Processes, Gender and Ethnic Composition made several recommendations, and I am pleased to note that the government has accepted most of those recommendations.

One recommendation which received some surprising prominence in the *Advertiser* (page 2) earlier this week picked up on a recommendation that we made one year ago. That recommendation was that remuneration levels should be shown in bands of $2 500 for members of boards and committees who receive less than $10 000 per annum.

The point of this recommendation is that about 50 per cent of all board and committee members have remuneration levels well under $10 000. Many receive sessional fees: in other words, they receive a fee based on their attendance at a meeting. Some, of course, receive an annual fee, but many of the smaller boards and committee members may be receiving amounts of only $2000 or $3000. Therefore, to show them as having remuneration in the band $0-10 000 can be misleading. Therefore, the committee believed that it was more appropriate to have bands of $2500 up to a level of $10 000. The committee sticks by its recommendation and hopes that the government will in time review it, although it is certainly not at the bigger end of town as a recommendation.

The committee also recommended that ministers should review unclassified boards and committees at least annually to see whether they should continue to meet and whether they should have a formal classification. The committee noted some extraordinary anomalies. For example, the board of the Botanic Gardens and State Herbarium was not remunerated in any way even though it has extraordinary responsibilities. I am pleased to note that the minister has picked up that point and is in the process of ensuring that board members of the Botanic Gardens do receive fees.

The committee also recommended that ministers should always consult the Multicultural Skills Register when considering appointments to government boards and committees. It also noted that South Australia continues to lead the way in terms of the number of women on boards and committees. As at 30 June 1999, 31.35 per cent of government board and committee members were women. That was a slight increase on the previous year, and that continues to set the pace amongst Australian states and territories with the exception of the ACT.

The committee was also encouraged to note that the Department of Primary Industries, Natural Resources and Regional Development had a strong program to ensure that there was increased female representation on primary industries boards and committees.

The committee's next report was into the timeliness of annual reports by statutory bodies. Again, the committee saw that there had been improvement in the timeliness of these reports. However, there is some inconsistency in legislation relating to tabling requirements. The committee recommended that, where legislation does not stipulate a time frame within which an annual report must be tabled, ministers should adopt the practice of tabling the annual reports according to the provisions of the Public Sector Management Act. It also recommended that, in time, there should be amendments regarding reporting requirements to ensure consistency in reporting requirements across the board. The committee further recommended that, if a minister happens to be late in tabling an annual report, a reason for that late tabling should be given to the parliament.

I am pleased to say that ministers have generally responded very positively to these recommendations. We continue to maintain very strongly that the government should establish a separate register of South Australian statutory authorities and publish this on the South Australian government web site. That is in the public interest. That is not a difficult task, given the information technology that is available. It is already in operation in many states, in particular in Queensland, and we recommend that that should occur. We also suggested that sometimes, given that there are long breaks between parliamentary sessions, the government should make provision for annual reports to be tabled out of session to ensure that they are made available to the public without delay. Of course, that is already provided for with reports by the committees themselves.

Finally, I advise the Council that we have an ongoing inquiry into the South Australian Community Housing Authority. We hope to report later this year on that matter. We also have an ongoing report into soil conservation boards, and animal and plant control boards. We have taken an enormous amount of evidence on that and have travelled to Eyre Peninsula, the Mid North, the Riverland and the South-East to hear evidence.

We are also pleased that the Hon. Diana Laidlaw has responded positively to the recommendations of our three reports on the West Terrace Cemetery. In fact, some of the recommendations that have been made there have been acted on, including a recommendation for an improved management report; and, of course, there is legislation relating to that matter before the Council. Finally, we have reopened an inquiry into the Commissioners of Charitable Funds in view of the earlier recommendation that we made that the commissioners should be abolished.

The Hon. T. CROTHERS secured the adjournment of the debate.

[Sitting suspended from 6.2 to 7.45 p.m.]

PARTNERSHIPS 21

The Hon. P. HOLLOWAY: By leave, and on behalf of the Hon Carolyn Pickles, I move:

I. That a select committee of the Legislative Council be established to consider and report on the introduction of Partnerships 21 to government schools in South Australia including—
(a) the impact of Partnerships 21 on the budget for the Department of Education, Training and Employment;
(b) global budgets and resources for schools;
(c) preferential funding for Partnerships 21 schools;
(d) schools' reliance on top-up funding;
(e) teacher recruitment and placement issues, transfer rights and temporary relief teachers;
(f) special programs including disability funding;
(g) school audits, accountability and cash reserves;
(h) the impact on workloads for school service officers;
(i) DETE implementation staffing and costs;
(j) school maintenance funding;
(k) Risk Fund and insurance issues; and
(l) any other relevant issue.

II. That standing order 389 be suspended as to enable the chairperson of the committee to have a deliberative vote only.

III. That this Council permits the select committee to authorise the disclosure or publication, as it thinks fit, of any evidence or documents presented to the committee prior to such evidence being presented to the Council.

IV. Standing order 396 be suspended as to enable strangers to be admitted when the select committee is examining witnesses unless the committee otherwise resolves, but they shall be excluded when the committee is deliberating.

In the past week the Minister for Education and Children's Services has been desperate to avoid a committee of the parliament being established to inquire into Partnerships 21. Indeed, there was a Dorothy Dix question asked in the House of Assembly of the minister that further reveals that desperation. On the first day of the sittings, the minister denied the need for a parliamentary inquiry, which he said was based on nothing but spurious claims by the Australian Education Union. The Minister claimed that the union had run a dishonest, intimidatory and negative campaign against Partnerships 21. Let me assure the Council that the opposition has made up its own mind on the need for an inquiry into Partnerships 21 based on information coming from a wide range of sources.

These include complaints from schools, leaked documents and persistent rumours emanating from the minister's department about a lack of accountability. On the second day of sitting, the minister moved to reinforce his opposition to any inquiry by misrepresenting to the parliament the content of an address to the annual convention of the Australian Education Union by the Leader of the Opposition on Labor's policy directions for education. The minister even complained that he had never been asked to address the education union. I guess that says it all. Clearly the minister does not want an inquiry for his own reasons and is doing everything in his power to convince members that they should take Partnerships 21 on trust.

The one thing the minister got right about Partnerships 21 in his statement to parliament was when he said:

> Partnerships 21 is the most significant reform of South Australia's schooling and pre-school system yet undertaken.

There is absolutely no doubt that this change will affect every pre-school, primary school and high school in South Australia. Partnerships 21 will dictate how our public schools are run in the new millennium, and if for no other reason this alone would be sufficient to warrant the scrutiny of such changes by this parliament.

This year taxpayers are spending over $1.6 billion on schools and vocational education. If we are to have an edge in providing our children with the best education we can afford, we must get it right. The minister's view that he alone knows what is best for local school management is not shared by everyone. Assertions made by the minister simply do not stand up and, as an example, I refer to the following statement by the minister:

> . . . an enormous effort has ensured that the new funding mechanisms take all relevant social, economic, geographic and other factors into account to ensure that the education dollar is distributed equitably.

This claim is simply not true, and the 27 page document headed 'Policy Shaping Group Recommendations', dated 28 August 2000 and prepared by the Department for Education, details major funding and equity problems. These include the need for a new formula for school global budgets and critical issues such as funding for children with disabilities. I will refer to those issues and others in detail later. Another assertion made by the minister is:

> . . . the process has always been transparent.

This claim does not stand up to any scrutiny at all. The truth is that parliament has had to rely on leaked documents, including the 27 page document referred to above, and leaked computer print-outs to discover the financial structure of Partnerships 21 and how offers being made to schools in 1999 were being calculated.

Members of parliament found out how schools in their electorate would be affected by Partnerships 21 only because people in the minister's department were concerned about what was going on behind closed doors and leaked some of the information. Members will recall how leaked documents showed that resource profiles for funding for schools were altered on three occasions and how schools complained that they could not get the accurate information they needed to make a decision about joining Partnerships 21.

In July 1999 the government told schools that they would be given information on 1999 costings and be guaranteed global budgets for three years to assist them in deciding whether to opt in for year 2000. Leaked documents show that there had been three sets of figures, and even the third set, dated October 1999, was probably wrong because of errors in costing SSO salaries and Aboriginal education. Importantly, an analysis of the October figures showed that on a statewide basis the department had cut its figure for 1999 costs by an unexplained $28 million and had cut the global budgets on offer to schools by $20 million. Reductions of this magnitude cannot be explained away as adjustments for errors and omissions.

The analysis showed that country schools were making a profit from global budgets and made an extra $16.5 million, while country schools making a loss required a top up of $3.3 million. Metropolitan schools making a profit from global budgets received an extra $9 million, while global budgets for schools in the city making a loss required a top up of $22.9 million. Curiously, this meant an unexplained transfer of about $13 million from metropolitan to country schools at a time following the elections in Victoria, which

saw the Kennett government swept from office by a rural backlash.

It took another leaked document to reveal that the government had engaged the former Victorian General Manager of Education as a consultant to develop a new index to determine which students are eligible for disability funding, and plans to include such new factors as parents' occupation and education rather than just income. It took another leaked document to reveal a plan to cut the number of children with disabilities from 6.9 per cent to 3 per cent. This same document also revealed a plan to fund the minister's promise that disadvantaged schools would get more money by transferring $38 million from year level allocations to schools using the new socioeconomic disadvantage index. None of this was transparent and nothing has changed since.

Before outlining other reasons for a select committee to inquire into Partnerships 21, I want to briefly remind members about other policy directions for education being implemented by the Olsen government at the same time. It is important to put these into context, because we believe that the Olsen government's agenda for local school management is more about cutting funding and passing on costs to parents than it is about improving educational outcomes through greater community involvement in our schools.

Members will recall that in May 1999, in a major embarrassment for the minister, the government's budget strategy to cut $181 million from the education budget over three years from 1998-99 to 2000-01 was leaked to the opposition. These cuts were to be achieved by a range of measures including closing schools, cuts to TAFE and rationalising school bus services. Savings to be made directly from schools involved evolving the charges for water, energy, telephone and the costs of temporary relief teachers to schools.

At the same time, school operating grants and school card concessions were frozen for three years and the government introduced regulations to make school fees compulsory. Anyone surely would have to question the agenda behind a combination of budget cuts, a three year freeze on school operating grants and compulsory school fees.

To coincide with these decisions, the Cox committee was established in 1998 to develop plans for local school management. The working party included representatives of school principals associations, the Association of State School Organisations, the Association of School Parent Clubs, the Children's Services Consultative Committee and the Australian Education Union. The Cox report was handed down in December 1998 and recommended a process to improve school operations through shared responsibility for educational outcomes and the establishment of a local school management implementation group to advise and monitor progress and set out a detailed action and implementation plan.

While the move for local school management was welcomed by the opposition, we cautioned that the devil would be in the detail—and how true that warning has turned out to be. It is now a matter of public record that the government seized the opportunity presented by the goodwill and community expectations generated by the Cox report to impose its own agenda on local school management. On 20 April 1999 the Premier launched Partnerships 21 as the vehicle for the Olsen government's version of local school management and promised trials to be conducted during the third and fourth terms of 1999.

The Auditor-General has reported that during 1999-2000 a total of 386 schools were operating under global budgets, including 183 primary schools and 142 preschools. But significantly, the Auditor noted that only 16 metropolitan schools had joined the scheme. The government stressed that the scheme was voluntary and that no school would be worse off, but already an ever-widening gulf has appeared between schools in Partnerships 21 and those that have chosen not to join.

For example, while the school card gap is paid to schools in Partnerships 21, it is not paid to other schools. Recently the minister announced $1 million in environmental grants to be made exclusively to Partnerships 21 schools. Also, in a memo dated 18 August 2000, the Chief Executive of the Education Department has told schools that, if they join Partnerships 21 next year, a whole range of new and exclusive benefits will be available to them. These incentives include laptop computers for preschools, priority access to new school services officer positions, a further $1 million in environmental grants, preferential open merit staff recruitment arrangements, a re-offer of uncommitted DECS*tech* computer subsidies, and computer training for principals.

I want to make the point that it is not a case of Partnerships 21 schools sharing in extra funding: that is what the minister would like people to believe. In fact, these funds have come from programs that previously went across all schools. So much for the Premier's promise that no school would be disadvantaged. This latest offer throws out any sense of equity and divides our schools into two groups as the government struggles to entice schools into Partnerships 21. Instead of delivering equity to school children across South Australia, the minister has deliberately divided schools for his own political purposes.

I mentioned earlier the 27 page document prepared by the Department of Education which sets out problems with Partnerships 21. The minister claims that this is all part of the process—and that shows the extent of his state of denial. This document states that problems with Partnerships 21 include schools with 300 to 400 students being forced into debt while other schools with far fewer students have become flush with funds; country teachers may be locked out of transfers; more than $2 million may be wasted on unplaced teachers; the need to devise a global budget formula; disadvantaged schools face even greater difficulties in attracting staff because of new school's choice recruitment options; country teachers could be locked out of city transfers; an increase in the number of unplaced teachers in the metropolitan area; industrial and budget implications of new school leadership arrangements; Partnerships 21 schools worse off as a result of inadequate cover for temporary relief teachers; difficulties in allocating resources to early childhood centres; uncertainty about the future of funding for music schools; a proposal to change the school financial year; and proposals for an equitable resource allocation system for children with disabilities. These are just some of the issues that warrant the attention of a select committee.

The government is currently reviewing the Education Act and has issued a number of discussion papers for public consultation. Obviously, any new act presented to the parliament by the minister will reflect the government's intention for local school management. The imperative for the government is to change the Education Act to accommodate Partnerships 21. For example, the 27 page document includes a series of recommendations for the type of structures that should apply to school governing councils. While I imagine that the minister intends to include school governance when he moves to amend the act, this is just one of the many issues

raised by Partnerships 21 that the select committee should consider.

The opposition wants to see appropriate local school management aimed at improving our children's education through community involvement in our schools, as advocated by the Cox report. If we are to achieve those goals, I believe that it is essential for the community to be given the opportunity that a select committee would provide to guide this process and take valuable advice before being asked to make historic changes to the Education Act. There are just too many questions to be answered about Partnerships 21.

During the Estimates Committees the minister declined to answer questions from the opposition as to the effect Partnerships 21 would have on forward funding for education. Even though this year's education budget has a $28 million deficit, the minister would not tell the Estimates Committee the extent to which cash reserves would continue to be run down by his department. Before amending the Education Act, the opposition would want to know the answer to that question. Schools not in Partnerships 21 want answers about global budgets, program funding and what happens when top-up funding ceases.

Teachers want to know how they will be affected and what new recruitment options will mean for them. Importantly, everyone wants to know how the benefits are being delivered to our children. Local school management must be about education and not just about running schools like businesses and compulsory school fees.

Bearing in mind that the former president of the Australian Education Union signed off on the Cox report, it is extraordinary that the minister now accuses the Education Union of running a dishonest, intimidatory and negative campaign against Partnerships 21. Local school management is supposed to be about working together to achieve goals for our children, not using parliament to deliver inflammatory language against those who express genuine concerns about Partnerships 21. It is clear that Partnerships 21 is being made up by the minister as it goes along. It is policy on the run. According to the leaked papers, his own department is even now revising how global budgets will be allocated, but notes that it must take into account all the promises made by the minister. I believe, therefore, that it is essential that a select committee be established to inquire into Partnerships 21, to examine the issues I have outlined and to test the level of accountability. We must give schools security and direction about local management. I commend to the Council the terms of the motion in the name of the Hon. Carolyn Pickles.

The Hon. CARMEL ZOLLO secured the adjournment of the debate.

CONTROLLED SUBSTANCES ACT REGULATIONS

The Hon. M.J. ELLIOTT: I move:

That regulations under the Controlled Substances Act 1984 concerning expiation of offences, made on 24 August 2000 and laid on the Table of this Council on 4 October 2000, be disallowed.

This is one of I do not know how many regulations that have been disallowed by this chamber and then immediately brought in again by the government. It is just one more contempt of the parliament by this government. I have certainly gone on the record as advocating some significant changes of laws in relation to cannabis. In fact, under the proposed laws that I would have I would be discouraging any form of commercial growing of cannabis, large or small. The change that I have advocated is that the government actually take total control of the market, to destroy the back market, that the government licence the growing, processing and sale, and I have advocated sale through licensed outlets and, in particular, pharmacies. In conversation with pharmacies, many of those are prepared to take on that role. It would be fair to say that some are not, but I was never advocating that it should be compulsory for pharmacies to do so.

I have had a strong view that, whilst many people in the community may have a view that people should not use cannabis, the reality is that a significant number of people do, and I think that we should be adopting a harm minimisation approach, both in relation to cannabis itself and in relation to what else stems from the current laws. In that regard, one of the concerns that I expressed in debate in my private member's bills in relation to regulated availability of cannabis was that we need to separate the sale of cannabis from other drugs such as amphetamines, cocaine and heroin. By the government regulating the availability, as distinct from legalising, because legalisation implies being able to advertise, promote, sell to minors etc., it would separate the market of cannabis from other drugs. Some people argue the stepping stone theory in relation to drugs. They say that people having used cannabis will then automatically move on to other drugs. I do not believe that is true, other than the fact that the people who sell cannabis will often sell other drugs as well, so the people who are in the market for cannabis will be constantly offered other drugs.

So I state again that my view is that it is not a good thing that people use cannabis but I recognise that they do. I think we should be seeking to minimise the harm, certainly through education programs, through schools and the community. We should be educating people about drug use, and not just the illicit drugs like cannabis but also the licit drugs such as alcohol, tobacco and caffeine. As I said, that is my preferred model, and I have gone into that in much more detail on other occasions.

What we have before us right now is a rule which relates to the number of plants that a person can grow and that it be expiable. In fact, since the Controlled Substances Act first came in, the expiable amount of plants was 10. The police had certainly been lobbying for some time for a reduction in that number, and they were arguing that organised crime was using it as a loophole, that there were large numbers of mini-crops, if you like, being controlled by syndicates and that that was producing substantial amounts of cannabis and that was leading to significant interstate trade, etc. I have never disputed that that may well have been happening, but let us ask ourselves, first, what percentage of the total supply was coming along that route?

The police and the government have never put any evidence on the table to show what the percentage was. They have simply said that by cutting this back it would be a good thing. The government introduced the regulation taking the number of plants from 10 to three, but anybody who knows what is going on out in the community will know that the supply of cannabis did not change. The change in the law did nothing to the supply of cannabis. I suppose the reason is pretty obvious. It is really a supply and demand situation. In my view, whilst some organised syndicates were growing crops and trying to get under that 10 plant loophole, a substantial part of the market was being supplied in other ways. Certainly, once the regulations changed back to three

plants any shortfall due to that change in regulations was filled almost immediately.

So what are the consequences? The police and the government would like to argue that one consequence is that the loophole is not being exploited. That may or may not be true, but I think there are some other very important consequences as well. I think that the majority of the people who were perhaps exploiting the 10 plant loophole were not organised crime, people who were members of syndicates; they were, in fact, what some people might call disorganised crime. They were individuals who grew—

The Hon. Diana Laidlaw: Not were but are.

The Hon. M.J. ELLIOTT: Well 'are'—it is a three plant rule at the moment, and it was for 12 months. What happened under the 10 plant rule is that there were a number of people who were growing for personal consumption and also growing for sale but were selling really to their own circle of acquaintances. Has the government managed to cut them out, to have their acquaintances stop using cannabis? No, they have not. They have just had to get it from somewhere else. If they were not getting it from disorganised crime, where were they then getting it from? They were getting it from organised crime. The suppliers that they previously had, the people who sold them cannabis—and perhaps people say that they wish that they did not—were supplying cannabis and nothing else. The people who are now supplying the cannabis are now also saying, 'Would you like amphetamines, would you like cocaine, would you like heroin? What else would you like—LSD? We've got the works.' Organised crime has increased its market share. The people who were using cannabis and were not being exposed to these other drugs are now being exposed to them.

I think it is time that people were pragmatic and practical about the impact of the changes to the law. The impact of this change in regulation by the government is to make things worse. On that basis alone, we are foolish not to have rejected it. I was a little surprised that the government did not perhaps regulate for five or six plants rather than going back to 10, because my suspicion is that, had it been five or six plants, organised crime would have dropped right out of the situation: I think that having syndicates of people growing five or six plants would not be as attractive as growing nine or 10. But I do think that the disorganised crime of which I spoke would continue to function, so the government probably would have achieved some sort of optimum result. However, it chose not to do that, for whatever reason. I note that, indeed, there were members of this chamber who seemed to indicate that they thought 10 was too many and that three was too few. So, the government had, effectively, been offered an olive branch—or perhaps a cannabis branch—and chosen not to take it. The government is simply not living in the real world.

I think it was two mornings ago that I heard the police minister on radio talking about how he had visited the Netherlands. I am not sure how in-depth his research was, because he talked about walking past cannabis coffee shops. He did not say that he went into cannabis coffee shops, which I did when I visited the Netherlands, to talk with the owners and the clients and get a feel for what was happening under their model of regulated availability, and I severely doubt that he spoke to any of the local politicians or any of the local police, which I took the time to do when I was there. It is worth noting that all the major political parties in the Netherlands and the police have supported regulated availability. So, I do not know to whom the police minister spoke to form his view about the way that things are happening in the Netherlands. He did say that he was travelling with his CEO, so I guess he was talking with him the whole time and they worked things out between them.

I hope that the government reconsiders its position—although its record with respect to these sorts of things has not been good. As I said, this is not about whether or not you think cannabis consumption is a good or a bad thing: it is the practical consequences of this set of regulations. Whether one is for or against cannabis, one would realise that all the government has managed to do with this regulation is to make things worse.

The Hon. T. Crothers: What's happening now—it's working, isn't it?

The Hon. M.J. ELLIOTT: It's not working. In fact, they had the three plant regulation in place for 12 months and they did not come back into this place and produce a shred of evidence to show that, indeed, it had improved the situation in any way whatsoever; none at all. In fact, in my view, they are really trying to play the sort of cards that Howard is playing, which is really playing on the fears of conservative South Australians who have honest concerns, but they are being played upon. The government, which should be in a position to at least have all the facts in front of it and to make sensible decisions, is more bothered about playing the political cards than doing what is right, particularly for the young people of South Australia. I urge all—

Members interjecting:

The Hon. M.J. ELLIOTT: They don't learn their lessons. I do hope that—

The Hon. T.G. Cameron interjecting:

The Hon. M.J. ELLIOTT: In fact, if you talk to police individually, many police privately acknowledge that we really have to change the way that things are working. I urge all members to support this motion to disallow the regulation and let commonsense prevail.

The Hon. P. HOLLOWAY secured the adjournment of the debate.

PARTNERSHIPS 21 SCHEME

The Hon. M.J. ELLIOTT: I move:

I. That a select committee of the Legislative Council be appointed to investigate and report on the Partnerships 21 scheme and, in particular, to identify—

(a) any strengths or weaknesses of the current scheme;
(b) differences in the level of funding between Partnerships 21 and non-Partnerships 21 schools;
(c) the process by which schools opt into the Partnerships 21 scheme; and
(d) any other related matter.

II. That standing order 389 be suspended as to enable the chairperson of the committee to have a deliberative vote only.

III. That this Council permits the select committee to authorise the disclosure or publication, as it thinks fit, of any evidence or documents presented to the committee prior to such evidence being presented to the Council.

IV. That standing order 396 be suspended as to enable strangers to be admitted when the select committee is examining witnesses unless the committee otherwise resolves, but they shall be excluded when the committee is deliberating.

The terms of reference of the proposed select committee are fairly similar to those of the Labor Party. I have not tried to make the terms of reference so extensive in particular detail but, in fact, term of reference (d) refers to 'any other related matter', which does, indeed, allow us to look at all things which are relevant to Partnerships 21.

From the beginning I have said that some aspects of Partnerships 21 are, indeed, very positive and some are of concern. Unfortunately, I found myself having to be constantly critical, but not about just Partnerships 21. My criticism has been more about the process of implementation carried out by this government. The Australian Democrats support greater school council and parent participation in public schooling. I have been a member of school councils, both as a teacher representative and also as a parent representative, over a number of years. I also note that, indeed, South Australian school councils have always enjoyed a very high level of parent participation in schooling—far more than Victoria, for instance, which the government sought to model us on: Victorian parents have virtually no say at all. South Australia has a very long history of principals having a great deal of freedom and progressively, since that freedom of authority document of the early 1970s, school councils also have had an increasing say. Indeed, I felt, as a member of a school council, that we were in a position to influence all things—

The Hon. Diana Laidlaw: Were you there as a teacher?

The Hon. M.J. ELLIOTT: And as a parent. I spent several years—

The Hon. Diana Laidlaw interjecting:

The Hon. M.J. ELLIOTT: No, I said as a parent as well. If the honourable member had been listening when I spoke earlier, I said in both capacities. We are concerned about growing evidence that the Partnerships 21 model has more to do with the government's ideology than it has to do with school flexibility and student benefit. On 10 November last year, I moved a motion to express concern about the pressure being placed on school councils and school communities to enter Partnerships 21 rapidly, without a chance to properly assess the impact on their schools in both the long and the short term—and I think that the long-term impact is the more significant one. As part of that motion, I also called for an inquiry to explore concerns over how global budget allocations were to be made. So, 12 months ago I was already raising the sorts of concerns that now, unfortunately, have come to pass.

At every opportunity the Democrats have emphasised that the education of our children is an important resource for the future. It is not a budget line to be cut back and it is not a public asset to be privatised. However, almost 12 months later, it seems that my concerns have been confirmed. There is now increasing reason to believe that the rush into Partnerships 21 has caught both schools and the department unprepared—in fact, the very speed at which things were moving was political. This was highlighted by the release of a DETE document last month that revealed a department trying to patch up problems with Partnerships 21 on the run.

There are also serious doubts about the freedom of schools to join or leave Partnerships 21—in fact, there is no mechanism for schools to leave Partnerships 21 if they find it unsatisfactory. If anything, the state government has become more blatant about its attempt to get schools to join the scheme and more scathing in its personal attacks on those who would critique the scheme.

From the outset, the minister has misrepresented the findings of the Cox report on which Partnerships 21 is based by claiming that the scheme improves educational outcomes. Yet almost 12 months after my warning there is still no clear evidence that Partnerships 21 will result in better educational outcomes for students.

My concerns about the minister's ideological view blinding him to the growing body of research that questions the supposed benefits of Partnerships 21 was confirmed just last week. In a statement to parliament, the minister presented the co-author of a book which detailed and advocated the privatisation of Victorian public schools as if he were an independent expert on Partnerships 21. In a ministerial statement, the minister quoted this person—a very strong advocate of the sort of model we have in South Australia—as justifying what was happening here in South Australia. Unfortunately, it seems that Minister Buckby believes him to be an independent expert; but perhaps other people will not.

Over the past 12 months, the state government has continued to ignore evidence of problems with Partnerships 21. Despite growing levels of concern raised by independent bodies and research, it has dismissed all criticism as being linked to an AEU wage claim.

Meanwhile, I do not think that Labor helps matters by turning Partnerships 21 into a political football. The Democrats support local school management and have looked at both sides of the Partnerships 21 argument. We are convinced that, for the sake of our children and the future of South Australia, it is time for a balanced view of Partnerships 21, and that a select committee inquiry will provide that balanced view.

In relation to the rush into Partnerships 21, it is worthwhile looking at a brief history. Partnerships 21 emerged from the Cox report that was commissioned into local school management. The government's interpretation and implementation of the findings of this report were first announced in a ministerial statement on 9 July 1999. The first round of schools were encouraged to opt for information and training within six weeks of the ministerial statement, and encouraged to sign a service agreement by 19 November 1999.

This gave school councils I think about four months (between hearing about the scheme and signing up) to assess the impact of P21 on their school and community. However, by November 1999 the *Advertiser* reported that about 33 per cent of schools had signed an agreement. This is a case of really using statistics to try to favour your argument, and it is reinforced if one looks at the Auditor-General's recent report.

The fact is that most of the schools that went in were small schools and preschools and, in terms of the percentage of students in the state system, the figure was significantly lower. At the time, I raised concerns about the possibility that many schools would receive increased financial responsibility but lose funding and financial flexibility. It was a concern that was confirmed in March 2000 when DETE gave out four contracts for cleaning suburban schools, which prevented P21 schools from getting their own competitive quotes.

This concern was confirmed again when DETE gave a commercially confidential contract for internet provision to Telstra, preventing P21 schools from getting their own local competitive quotes and service. This particularly hurt regional areas, and I had a number of people from country schools expressing concern. Over the following months, concerns also emerged from ethnic and special needs groups over the possibility that revenue guaranteed for certain purposes need not remain dedicated to that purpose within global budgets.

However, these concerns were steamrolled by the rush to get schools into Partnerships 21. The impact of this rush was highlighted again in September this year by DETE documents showing an ill-prepared department trying to patch up P21

problems on the run. This document highlighted the following areas of grave concern

- massive funding errors that are causing some schools to go into debt;
- a loss of more than $2 million in the area of unplaced teachers;
- restrictions on the employment of staff only to disadvantaged schools;
- problems funding and obtaining replacement staff;
- fears that country teachers are being locked out of city transfers;
- an admission that it takes two to three months to get guidance support for country students with disabilities;
- plans to outsource guidance and support services;
- plans to replace financial school support staff with business centres;
- severe internal division within the Department of Education, Training and Employment due to the implementation of P21; and
- that global budgets for next year will not be finalised until the end of this month.

This last point is significant, because it highlights how little flexibility and freedom to plan schools have, when they have not received their funding information for next year. It shows a scheme which espouses greater school council and parent participation in public schooling but which has not backed up these virtues with practical implementation strategies.

However, despite all the above concerns, the Auditor-General's Report last week reported that over 386 schools had entered P21 and 45 more would by January 2001. In a little over a year, the state government has managed to get almost 50 per cent of schools into P21. It leaves one with the question: how did they do it so quickly? There are a couple of answers, and the first is bribes.

The second is pressure on principals and, finally, there is the improper behaviour of some principals themselves. On the matter of Partnerships 21 bribes, as early as November 1999 leaked Public Service documents revealed that, under Partnerships 21, money would be redirected to schools in country and marginal Liberal-held seats. Around that time, I was also aware that schools were told that they would receive up to $240 000 if they opted into P21, but that they must opt in quick or there is no guarantee the money would be available later.

As the months passed, more bribes to schools to enter P21 emerged, such as schoolcard gap payments, priority access to Pathways SA, and over $1 million in environmental grants. Over this period the number of stories grew of departmental employees and superintendents being called in by their superiors to explain why less than the department-set quota of schools had joined P21. In the past few months, I have been amazed at how blatant and brazen the minister has become over the pressure that the state government is putting on schools.

In August this year, the minister openly confessed that financial bribes were behind P21, when he noted in the Gawler paper that schools in the Gawler area not opting into P21 had missed out on $2.6 million. He also justified, in a release, the fact that environmental grants would only go to P21 schools on the basis that they were more community conscious. When I pointed out publicly that many non-P21 schools have high community involvement and would be insulted by such statements, the minister, in a twist of logic that I am still trying to fathom, accused me of insulting P21 schools.

I can only suppose that the minister's ideological blindness has stretched to deafness as well. I made the point that my own children have been through Belair Primary and that the third is still there. That school has had very long-term programs of environmental action. For close to two decades they have been going every year into Belair National Park and revegetating significant degraded areas. Because it was a non-P21 school, it could not apply for the environmental grants. But for anyone to suggest that that school did not have any community consciousness is just a nonsense.

The Hon. T.G. Cameron interjecting:

The Hon. M.J. ELLIOTT: It is a lie. This, however, is not the only personal attack I have received by calling for a carefully researched and properly examined model for local school management. Each time I have raised community concerns about the lack of research showing any educational benefits from P21, and the bribes for schools getting into P21 quickly, the government and its mouthpieces have sought to attack me, my office and my party, rather than address these concerns.

The one that most surprised me was a personal letter that I received from Mr Woolacott from SASO. I found it sufficiently insulting that I did not reply to it. I was quite happy to reply to a letter that concentrated on the issues, but the letter went well beyond that. I must say that I have never made any criticism of SASO publicly before, although I have had some reservations about its behaviour.

But I am astonished, not that SASO would have a view on P21 or might support P21, but I am surprised that an organisation that is supposed to represent all public schools would take a single side of the argument. Further, it has not said a word about the fact that schools are being bribed to go into Partnerships 21; that some state schools are being disadvantaged by the decision not to go in, not because of the merits or otherwise of P21 itself but simply by the decision not to go in.

Where is SASO? Why is it not representing all public schools and saying to the minister, 'We are prepared to support you on the merits of the argument of P21.' I do not have a problem with its doing that, but why does it stand by and allow the government to behave in a blatantly political and partial manner and treat schools differently on the basis of whether or not they do what the government wants politically? SASO should not do that.

It concerns me that at this time the President of SASO is also a senior employee of the Education Department. It seems to me that, although he is elected in a democratic fashion, when one has something that is so politically dangerous as this issue it would be very careful about that sort of thing. I must say that he, at least at a public level, I believe, has behaved in a balanced manner, in that I have not seen him involved in personal attacks. But I do think that the closeness of SASO at this stage with a senior government employee does make it difficult when one has an issue of this nature.

What my attackers failed to realise is that I have had extensive experience as a teacher in South Australian public schools. I have been a school council member at public schools, including the school my children attended for many years. Further, a member of my staff responsible for researching my responses has a doctorate in education and education policy. I believe that these together mean that I am in some position to have an understanding of the issues, yet just last week in a ministerial statement the minister sought to use the words of a SASO employee who said:

A call for an inquiry into P21 reflects the desperation of a recalcitrant union which is losing its battle against progress, and the cynical political opportunism of a headline-seeking minor party.

Well, let us concentrate on the facts, shall we? Let us have a debate about the facts—Yes, Minister! I am not sure what I should be concerned about here, but I will try to concentrate on the issues.

By way of example, I note that, in his ministerial statement last week, the minister chose to quote Professor Brian Caldwell as a world authority to vouch for Partnerships 21. In his statement, Minister Buckby spoke of Professor Caldwell as if he was a totally independent expert. It is worth noting that Professor Caldwell, together with a former Victorian education minister, Don Hayward, co-authored a book entitled *The Future of Schools: Lessons from the Reform of Public Education*. Former Minister Hayward said:

We already had models of highly successful schools in the non-government or independent schools, which were attended by more than 30 per cent of Victorian school students. What we needed to do was to make all our schools independent. We needed to dismantle the system.

He went on to say:

However, in discussion with some school principals, they urged that all schools should move toward autonomy at a slow, gradual, uniform pace. I saw many objections to this. . . if you are going to make a fundamental cultural change, you have to move quickly before those who have an interest in the status quo can organise their opposition.

I encourage all members to read this book, because it gives an understanding of not only what happened in Victoria but what has been happening in South Australia. The chief public servant involved in its implementation in Victoria was Geoff Spring, who was subsequently recruited to South Australia and is now the senior public servant in relation to education and the implementation of P21 in South Australia. What is needed is a proper inquiry, a truly independent inquiry to consider the strengths and weaknesses of the scheme. I say again—

The Hon. T.G. Cameron interjecting:

The Hon. M.J. ELLIOTT: Otherwise, you ask the government—

The Hon. T.G. Cameron interjecting:

The Hon. M.J. ELLIOTT: If you don't mind, otherwise you ask the government to set up an independent inquiry. On the government's present record, we know precisely what form that would take. I agree that select committees are not ideal, but when you look at the choices they must be better. What is needed is a proper inquiry, yet today Minister Buckby again ruled out support for such an inquiry even before debate on its merits has taken place.

His comments remind me of a similar pre-emptive statement made by the minister over a Democrats call for an inquiry into government services for attention deficit hyperactivity disorder. We can only hope that, like the ADHD inquiry, reasoned debate in parliament and pressure from some reasonable Liberal backbenchers will get the Minister to look past his ideology and towards the best interests of the children of our state.

What possible objection could there be to such an inquiry which, ultimately, would produce the best education outcomes for our children. Independent research raises doubts about Partnerships 21. Given that the government seems more interested in attacking me than addressing the issues at hand, it is perhaps not surprising that it has overlooked my previous comments about the need for further independent research. Let me remind the government of the research that I referred to 12 months ago. First, the Cox report found that proposed improvements in school management conditions could not be causally related to significantly improved learning outcomes. The Cox report states:

The implementation of local school management is premised on the belief that student outcomes will improve. This needs to be tested. The research literature is ambivalent about the degree to which this has been achieved in other locations. The causal relationship between changes in school management and improvement in student learning is complex and hence the research strand needs to focus on a range of factors and use multiple methodologies.

It is quite plain from the Cox report that there is a question about the causal relationship. It stresses the need for research. On that basis, one must ask: why the hurry to get all schools into P21 as quickly as possible?

Secondly, I draw the government's attention to recent doctoral research on public education in Australia. The work of Simon Marginson found that Partnerships 21 style shifts to local school management result in tighter control of schooling by departments which could overturn decentralised administrative arrangements at a whim, as well as maintain control of resources and definitions of quality education. Dr Marginson's research was the winner of the University of Melbourne's chancellor's prize and the Harbinson-Higginbotham Research Scholarship for Excellence. The published version of his dissertation entitled Markets in Education made the following observations:

Markets penalise non-conformism and experimentalism in teaching, and enforce standardised curriculum contents and modes of participation. In the production of knowledge goods, innovations per se is not penalised, but it is constrained to narrower and shorter paths.

At the same time markets atomise, rank and segment the people they control. Far from creating a realm of general prosperity in which success is determined by merit, markets interact with the positional character of education so as to create a top tier of institutions and a corresponding tier of consumer users which are 'market immune' and difficult to displace. Below, producers and consumers form matching clusters on each level of the positional hierarchy, down to the bottom where schools and students are mutually locked into an education poverty cycle. The intensification of market competition strengthens the privileges of the leading families and reduces the pressure on the leading institutions to become efficient and consumer responsive.

Thirdly, I referred in my speech to the work of Professor John Smyth. Professor Smyth worked at Deacon University at the time Schools for the Future was introduced but has subsequently come to South Australia to head the Flinders' Institute for the Study of Teaching. This branch of Flinders University is an international leader in educational research. In his publication *A Socially Critical View of the Self-managing School* Professor Smyth notes concerns amongst experience educationalists that school self-management is all responsibility and no power. Referring to the shift to self-management, he writes:

Is a way of the state arrogantly shirking its responsibility for providing equitable quality education for all. It promotes greater inequality as those who have the financial and cultural capital are able to flee by buying a better education and the rest remain trapped in some kind of educational ghetto.

Treating schools as if they were like convenience stores, managing their own affairs deflects attention away from the educational issues by making people in schools into managers and entrepreneurs. Turning principals into mini chief executive officers may have limited rhetorical appeal, but it takes them a long way from being the kind of educational leaders our schools desperately need.

Giving schools budgetary control may not produce staffing profiles of the best trained, qualified and experienced teachers, as principals and their councils cut corners in order to balance dwindling budgets.

> Schools need to be properly resourced in order to do their crucial work. School based management is about cutting resources to schools and getting school communities to own and manage their own decline.

I am pleased to note that DETE is currently conducting further research into local school management. While I recognise that this is not a study of Partnerships 21 but local school management generally, I look forward to the release of these findings. I also encourage the state government to place a moratorium on Partnerships 21 until these findings and the findings of other such research can be considered as part of a parliamentary inquiry into Partnerships 21.

When one considers the Victorian experience of local school management, proper independent research is not only attractive but essential. My own research in Victoria in October 1999 found that local school management had failed because it was not adequately resourced and schools were left holding the responsibility without any additional funding and flexibility; for example, funding to Victorian public schools has dropped by 15 per cent since the scheme was introduced in 1992. Further, I note the December 1999 study, Voices from our Schools, which took 160 submissions from all sectors of the community. I quote several major findings, as follows:

> The increasing dependence on locally raised funds is creating an ever-widening gap between richer and poorer areas. The more essential fund raising becomes, the greater will be the inequalities between schools. Schools vary enormously in their ability to raise funds. An individual school's fund raising capacity depends on many factors, many of which—for example, its location and the composition of the community—are outside the control of the school.
>
> The competitive culture presently encouraged within the state education system is undermining and replacing the sense of cooperation and partnership that formerly existed between schools. Inevitably, the losers are our children. Greater flexibility for schools in some areas has been offset by greater control—tighter regulations and stipulations, curriculum requirements, accountability frameworks and a growing emphasis on tied funding. New management arrangements in schools are leading to the atomisation of the system with no central locus of responsibility.

In short, this study warns that the model on which Partnerships 21 is based depoliticises problems in public schools by shifting responsibility to the local school governing council.

My concern is that, despite the fact that some problems are already emerging in some Partnerships 21 schools, for many schools in the short term it may work reasonably well in terms of perhaps a marginally more efficient spending of funds. However, the bigger risk is in the long term. If we had had Partnerships 21 for the past two decades, where would the pressure have come from to provide computer facilities in our schools? The government response would be, 'You have a global budget. If you want computers, you can buy them out of the global budget.' In other words, with any issue that comes up—whether it be technology, children with disability or whatever—previously you could have a debate across the whole system and about whether or not resources should be applied. Another example is attention deficit disorder, which is something that really had not been diagnosed until fairly recently. It is a real problem, and it is treatable. However, it does have resource implications.

As the debate evolves, we will see that schools with global budgets will be told, 'You've got a global budget; you allocate funds to look after it.' The ability for systemic pressure to improve things in particular areas or more generally will be gone. There will be increasing pressure for schools to find money in other ways. So you will find McDonalds sponsored canteens and schools coming back to the government and saying, 'We want our school fees raised, because we do not have enough money.' That is one of the things I have been concerned about with compulsory school fees. It sounds fine to say, 'Look, some parents are bludging off others.' However, the combination of Partnerships 21 and compulsory fees is deadly. It is deadly because, knowing the way the political process works—not just the educational process—I know that governments without commitment to public education in the future will reduce funding, and the way some schools will get out of it is by asking for their fees to be increased. So, that de facto privatisation of schools that I have talked about will accelerate, and I do not think it is a matter of if but when.

I note briefly the Purple Sage project released earlier this year that was a product of six organisations—the Victorian Women's Trust; the Stegley Foundation; the Victorian Local Governance Association; the People Together project; the YWCA; and the brotherhood of St Laurence. Between 1998 and this year, this project involved over 6 000 Victorians and engaged them in serious dialogue over what these people thought were important issues. This project found that Victorians were concerned by recent funding cuts to education and the pressure on school councils and parent clubs to secure more money through fund raising, and they were sceptical about the capacity of privatised bodies to provide quality community services such as education. If for no other reason, the experience of the Victorians who have gone before us in the privatisation of education should serve as a warning and a reason for careful and considered action in the future.

I note that there are Victorians who see some improvements but, of course, as I said earlier, they have not come from the same base. Victorians had very little say in the running of their schools, whereas for several decades South Australians have enjoyed a significant say already in the operation of their schools. So, there are undoubtedly some Victorians who, on the swings and roundabouts, might feel that they have made a net gain. We have already made most of the gains because, before Partnerships 21, parents already had a significant say in the running of schools.

All I am calling for is less haste. There should be no special incentives for schools to go in. If Partnerships 21 is a good scheme, schools will go in because they are convinced it is a good scheme. I have been contacted by many parents over just the past couple of months who are on school councils that have not gone into Partnerships 21. They have been saying to me that some of their councils have been considering going into Partnerships 21 not because they think it is a good thing but solely because they are concerned that the bribe is there. It is money that they could use in the school—

Members interjecting:

The Hon. M.J. ELLIOTT: I haven't got to the principals yet. There is money if they go in but there is not if they do not go in. I suppose there is a sense of inevitability. It is not because they think it is a good thing: in fact, they have serious reservations. Because they are concerned about their kids and extra money is there, they go in. If SASO feels that is a good thing—that the end justifies the means—I am shocked.

By way of interjection, the Hon. Paul Holloway made a comment about principals. Certainly, I have had direct and indirect reports of a couple of things regarding principals. Firstly, the principals have been simply called in and told what they should be doing. Principals have been told that, if

their school is a P21 school and they go for an appointment at another P21 school, they will have a much better chance of getting a job because they have experience with Partnerships 21. Many principals have a simple career choice which has nothing to do with what is good for the school: it is what is good for them. By getting in early and getting P21 experience, they can apply at any other school but, if they do not have P21 experience, they cannot.

An honourable member interjecting:

The Hon. M.J. ELLIOTT: Well, it is a form of blackmail, but it is a matter of whether self-interest gets in the way of the interests of the school itself. I would also be interested to see the statistics on the number of principals who are on one-year placements and the number of their schools that have gone into P21 as distinct from others. I am aware of a number of schools that fit into that category. Although we were told that schools would not go in without the majority support of both parents and students, quite a few schools have gone in without that.

I am aware that there is enormous pressure in Belair Primary School right at the moment. When there was a vote of staff at the school, one staff member voted in favour of going into Partnerships 21, yet the school council is seriously considering this. As I recall, I think it was 27 against and one for, and four abstained. Yet we were told that this was a partnership between parents and teachers. One teacher in the whole school supported going into Partnerships 21, yet the council looks like saying 'Yes, we're going in.' It is absolutely extraordinary, and that is just one example I am aware of because my youngest daughter happens to go to that school. I have any amount of correspondence from members of school councils, parent bodies and teachers who are saying that all sorts of manipulations are being used to get a result which does not have majority support.

In conclusion, the Australian Democrats believe that Partnerships 21 gives public schools all the financial responsibility but none of the power to budget or to make major financial decisions. This is of great concern, because the shift can then be used to cover up cutbacks by state governments in human and financial resources. While we support school council and parent participation in public schooling, we are concerned about a scheme that espouses these virtues but ignores the warnings of independent research, dedicated professionals and South Australian parents. We call on the state government to learn from its mistakes of the last 12 months, to slow down the pace, to take off the pressure to join, and to let schools choose to join because they are convinced of its merits and its merits alone. And we call on the government to support an inquiry into the scheme and allow that to be completed. I urge all members to support the motion.

The Hon. T.G. CAMERON secured the adjournment of the debate.

SOCIAL DEVELOPMENT COMMITTEE: RURAL HEALTH

The Hon. CAROLINE SCHAEFER: I move:

That the report of the committee on rural health be noted.

The committee began taking evidence on 8 December 1999 and concluded its hearing on 5 May 2000. It heard from 91 people representing 47 health organisations, agencies or groups, and nine individuals. The reference was first introduced into the Legislative Council by the Hon. Sandra Kanck on 3 July 1996 and adopted on Wednesday 31 July 1996 as an inquiry into obstetric services in country South Australia.

Therefore it may seem that this report has taken an extraordinarily long time to complete. However, it was deferred due to the state election in 1997. When parliament resumed the inquiry into the Voluntary Euthanasia Bill, which had previously been with a select committee, was referred to the Social Development Committee. A huge number of submissions had already been put forward to the select committee on the Voluntary Euthanasia Bill, so it was decided to defer our inquiry into rural obstetrics until after the Voluntary Euthanasia Bill inquiry but to expand the terms of reference so that it was a more general inquiry into rural health.

Our terms of reference then became to examine, report on and make recommendations about health services in rural areas with particular reference to: access to a complete range of services, with emphasis on acute care; mental health and obstetrics; adequacy of facilities and equipment; availability of appropriately trained medical and nursing staff; the impact of medical indemnity insurance (including the role played by government in negotiating and brokering medical indemnity insurance); improvement in the claims management and work practices by the medical profession with a view to reducing the number of claims and therefore reducing the cost of medical indemnity insurance; the role of the legal system and its effect on the cost of medical indemnity insurance; the impact of regionalisation; and any other related matters.

We began our inquiry in December 1999. The committee was aware that considerable changes had been made to the method of health delivery in country South Australia since July 1996, so letters were sent to both state and federal health ministers seeking an update on what advances had occurred and asking for any recommendations that they might have on aspects of rural health that might need further investigation.

Members believed that assessing the level of satisfaction or dissatisfaction within rural communities about the current policies and programs with any degree of accuracy would be difficult. We therefore decided to send out a questionnaire to a cross-section of health agencies to find out whether there were any emerging trends or gaps in health service delivery to country South Australia. Seventy-nine health agencies, including regional health services, hospitals and boards, community health and Aboriginal health organisations and the Division of General Practice, were sent the questionnaire.

The response rate to that questionnaire was only 24 per cent, which was perhaps indicative of the attitude of many of the divisions. However, there was sufficient interest in the issues for us to decide to continue with the inquiry. The questionnaire was based on the terms of reference and asked the following:

1. What is the current situation with regard to access by rural South Australians to acute care services, mental health services and obstetric services?

2. Are the facilities and equipment available in rural health centres, in particular rural hospitals, adequate to provide a satisfactory standard of care?

3. Please comment on the availability of appropriately trained medical and nursing staff in your region.

4. Please comment on what impact, if any, you feel medical indemnity insurance has on the provision of medical services in rural areas.

4a. Please comment on what impact, if any, the following have had on the provision of medical services in rural areas:

the role of government in the negotiating and brokering of medical indemnity insurance; improvement in work practices and claims management by the medical profession in reducing the number of claims and thereby the cost of medical indemnity insurance; the involvement of the legal profession and in particular whether such involvement has had any effect on the cost of medical indemnity insurance.

5. What impact, if any, has regionalisation had on the provision of health services in rural South Australia?

In the main not only the respondents to the questionnaire but also those who gave verbal and written evidence addressed those questions. Specific trends that emerged from the first question on acute care services indicated that the larger centres such as Port Augusta, Mount Gambier, Whyalla and Bordertown were able to offer a broad range of services—in fact many more than in previous times. However, the greater the distance the greater the difficulty in maintaining services. This appears to be due partly to staff issues. For instance, it is hard for a single practice GP to offer more than general services. Transporting patients to hospitals with good facilities was also often difficult.

Respondents were unanimous in their concerns with regard to mental health services. Many pin-pointed the weaknesses as being not enough staff, particularly not enough trained in mental health services and poor access to specialist staff such as psychiatrists. Tele-medicine, in particular tele-psychiatry, was seen as helpful particularly for routine treatment programs but less helpful in crisis situations. Many were also critical of how long was needed to make advance bookings for non-urgent situations—often up to three months.

Obstetric services were good in the more populous areas such as Port Augusta, Whyalla, Mount Gambier and even Jamestown and Loxton but less so in smaller more isolated communities. Among the reasons given for this was the lack of experience in delivering babies because there were just not enough births per year to reach the required safety standards. This lack of sufficient deliveries meant a lack of opportunities for trained staff to retain their skills and a disincentive in attracting trained staff including mid-wives.

The general message was that services and facilities were adequate or better but a few places were only just holding on and needed extra funds for maintenance and improvements to facilities and equipment. Again, recruiting and retaining staff was a major problem. Most hospitals had recently undergone renovations and updating and were delighted with the results, but some were still in need of capital works. This was also borne out in the committee's visits to several country hospitals. We were impressed by how well-equipped and well-maintained and sensitively decorated most of the country hospitals we visited were.

Early in the lead up to the inquiry members had decided it would be necessary to visit as many regions as possible for community consultation and to see a cross section of the health facilities for ourselves, including some of the smaller health facilities. In February and March this year the committee visited five of the seven rural regions: the South-East, the Riverland, Eyre, Northern, Far West and Wakefield. We considered that the other two regions were near enough for people wanting to give evidence to the committee to visit Adelaide without causing them a great deal of inconvenience or having to travel too far.

In all, the committee made on-site tours to Naracoorte, Berri, Port Lincoln, Cleve (which is part of a multi-purpose service that also includes Cowell and Kimba), Port Augusta and Wallaroo. We also visited the South Australian Centre for Rural and Remote Health based at the University of South Australia Whyalla campus. Most representations raised the problems of staff shortages, pin-pointing a shortfall of nurses, mid-wives, mental health and allied health workers. Some communities were also still experiencing a lack of GPs with skills in specialist areas such as obstetrics, accident and emergency and anaesthetics.

Our committee was impressed with many of the initiatives being undertaken in regional centres. One such incentive was the scheme developed in the Riverland to allow local people to have hospital-based nurse training, thus encouraging nurses to the region early in their careers. It became very clear to committee members early in the investigation that the federal government's incentive packages to attract overseas trained doctors and Australian doctors to the country to practise had made some inroads into the shortfall of doctors, and an example is the 23 extra doctors in South Australia in the past 12 months. However, there are still a number of places in South Australia and elsewhere in Australia that have too few or no GPs.

Respondents were fairly optimistic about keeping GPs in country practices since the state government's medical indemnity insurance incentive was introduced. However, a number of them warned that the same problems would quickly resurface if the subsidy was not maintained. A few also talked about lawyers promoting a litigious climate, which had meant that doctors would prefer to send patients to specialists rather than to look after them themselves to avoid the possibility of being sued.

Most of those who commented on regionalisation agreed that it had streamlined services and was a more direct and effective approach to service delivery. A few, usually the smaller communities, indicated that it had led to an extra level of bureaucracy and had taken away their autonomy.

At the outset, members determined that Aboriginal health would not be part of the inquiry. We believed that this subject needed to be considered in its own right because the many health issues that specifically related to Aboriginal people and individual communities could not be canvassed satisfactorily in this review. Soon after our inquiry started, the committee began to realise that the targeted funding and strategies instigated by federal, state and local governments had already begun to have an effect on addressing some of the long-term inequities that existed between health services for country and urban South Australians, and that in a sense some of the more urgent issues when we began our inquiry were being addressed.

In the past three financial years, targeted funding for health initiatives for rural and regional Australia has increased by 50 per cent. In South Australia, overall health spending increased from $2.43 billion to $2.63 billion, or almost 8 per cent. Spending in South Australian public hospitals rose by $104 million to $1.04 billion. More specifically, rural health Australia wide has received massive injections of funding in the past two federal budgets. This included $171 million over four years to improve access to services, strengthen rural health work forces and build on established rural health programs.

These programs involved the state based rural work force agencies which are involved in improving the recruitment and retention of GPs in rural Australia, a broad range of education and training measures, significant funding for multipurpose services, Aboriginal medical services and the Royal Flying Doctor Services, as well as major aged care infrastructure, nursing homes, hostels and community care services.

The federal government also set aside $43.1 million to introduce retention payments for long serving GPs in rural and remote areas to encourage those who stay there for only two years or less—which is about half the number who go to country areas—to remain longer. There is recurring funding of $1 million each year over four years to provide medical students from rural areas with scholarships to meet their accommodation and other support costs, plus $308 000 over four years to support first-line emergency care courses for remote area nurses.

Over $500 000 was allocated to upgrade the bush crisis line, which provides crisis support and counselling for job related trauma to isolated rural and remote area health practitioners and their families through a 24-hour free call number; $40.8 million was allocated to set up 30 regional health service centres in rural and remote communities; and another $2 million is to be used specifically for aged care places in these centres. Some $8.2 million was set aside for a fly-in, fly-out female GP service to increase access to primary health care interventions such as cervical cancer screening, breast and skin examinations, and other preventive health care.

An amount of $2 million was reserved for 100 aged care places as part of the new regional health service centre initiative, and $5.3 million was provided to deliver more flexible and autonomous aged care services. Additionally, $19.2 million was provided to establish additional Medicare easy claim facilities in rural and remote areas to make it easier for people to submit their Medicare claims from outlets within their own communities and to receive payments by cheque or via electronic funds transfer.

The latest federal budget allocated an additional $562 million to rural health initiatives for bridging the city-country health divide. Among these initiatives is a series of strategies to address the chronic shortage of doctors in rural health, and a long-term bonding study strategy to encourage young people to practise in rural and remote Australia. The package also includes $49.5 million to increase the range of services designed to attract and retain more general practice nurses, psychologists, podiatrists and other allied health workers to the country to support GPs in their work.

An additional $48.4 million is for covering the expenses of specialists willing to travel to the country so that country Australians can be treated in their own communities. Some $10.2 million has been set aside to provide professional support to GPs to assist them in maintaining their links with their peers and continuing their medical education. An amount of $41.6 million has been allocated over four years to improve access to pharmacy services in rural and remote areas. There is another $32.4 million for a new scheme that will give 100 students $20 000 a year to study medicine. Students who choose to take up these support scholarships commit to working in rural areas for six years after they have graduated and will be issued with a restricted Medicare provider number.

There is no doubt that the health of the rural population is being looked after through many federal and state government initiatives, and some of them are reaching fruition. For example, there are now 23 more country GPs working in South Australia than there were 12 months ago. Nonetheless, we recognise that there is irrefutable evidence that country populations have a poorer health status and inferior access to health services than metropolitan residents, and that this is likely to remain the case. The isolation and sparseness of the population of outback South Australia, and the fact that we have few regional centres, will always make equity of access impossible. These factors make it very difficult for South Australia to be able to deliver economically health services to some parts of the state. Perhaps Western Australia is the only other state with a similar spread of population and therefore similar problems of delivery. The committee is aware that, although the situation is not ideal, many new technologies and communications systems have eased some of the isolation problems and, hopefully, advances will continue to be made in this area.

One of the most serious gaps in the system, according to most witnesses, is the inadequacy in mental health services. That was universally regarded as being inadequate throughout the state and in need of a major overhaul and system-wide improvements. Most people were not so much critical of the existing services but of the fact that there were not enough staff or services to cover the growing need, and that this put a strain on communities and the families of people with a mental illness. There is mounting evidence that mental health problems in rural communities throughout Australia are escalating and that the suicide rate is on the rise throughout country Australia, particularly amongst young people and men. The state government has allocated $550 000 of a $2.5 million budget package for mental health in the 2000-01 budget to enhance the coordination of existing 24-hour emergency access, triage and information services, and to promote greater integration of mental health services in regional networks.

Tele-psychiatry has made it possible for many mental health patients in the country to receive better coordination of care for their illness and to remain in their own communities supported by their families and friends. The Social Development Committee reached the conclusion that, to try to circumvent the increase in mental illness, certain hospitals within each of the seven South Australian country regions should have a designated room, or at least one that can be converted with a minimum of fuss, for people who suffer acute episodes of mental illness. But for this to be truly effective it is essential that these hospitals be resourced with appropriately trained support staff to look after their patients.

The committee also recommended that GPs and nursing staff receive more training in the psychiatric care and counselling of mental health patients, and that the Medicare schedule of payments should reflect the time and expertise of GPs with patients who are diagnosed with a mental illness. Some other recommendations dealing with mental health issues include that a system be devised which gives GPs, psychiatrists, mental health workers and carers access to any changes in the treatment regimes of patients without jeopardising the confidentiality and privacy of the patient. This was as a result of evidence by carers who said that they were often not informed of changes to their son's or daughter's medication.

It was also recommended that a more extensive and coordinated system of providing psychiatric advice and service to rural remote areas be developed. The other serious weakness in the rural health system raised by most respondents and witnesses was the long-standing problem of recruiting health professionals to the country. The committee endorses the federal government's initiatives for attracting and recruiting local and overseas trained doctors and believes that they should be maintained until the shortfall of doctors in certain areas of country Australia, and South Australia in particular, is overcome. However, we consider it is important that similar strategies be instigated to encourage more nurses,

nurse practitioners, midwives, allied health professionals, and specialists to work and consult more frequently in the country.

The committee has made a number of recommendations in this field, such as: that recruitment and retention incentives be expanded to include allied health practitioners; that financial and housing benefits be allocated to help recruiting and retaining rural nurses and allied health workers; that exchange programs be initiated to support health professionals in the country to upgrade and expand their qualifications; that specialist doctors and nurses undergoing further training and allied health students undertaking rural placements receive financial support during their training to help defray out of pocket expenses; that commonwealth funded scholarships be made available to all health professionals; that training schemes be established to allow health professionals to train within their own region; that university departments of rural and remote health be requested to include allied health professionals on their advisory and steering committees; and that the number of training places be expanded to encourage more doctors to train as general practitioners.

Some of our other recommendations include: that overseas trained doctors who are appropriately accredited be encouraged to fill vacant positions in country South Australia where there are no Australian trained doctors willing to take up those positions; that overseas trained doctors be given access to rural and remote general practice programs; and that the Australian Medical Council examinations be reviewed to ensure that any inequities and unnecessary barriers to overseas trained doctors gaining entrance to country practice be removed.

We also recommended: that the federal government give nurse practitioners a restricted provider number to enable them to order an appropriate range of investigative reports; that the federal government give nurse practitioners limited and appropriate prescription rights for pharmaceuticals; that training and induction of nurse practitioners be accelerated and promoted; that recruitment and retention incentives be expanded to include allied health practitioners; that the numbers of all community 24 hour access services be included and displayed prominently in the country editions of the Telstra *White Pages* and in the *Yellow Pages*, and promoted in local and regional media as community service, prominently displayed in community health centres and regional and local hospitals and included regularly in any regional and community health centre newsletters; and that the public assisted transport scheme be better publicised so that people are better informed about their rights and their access to the scheme.

We have further recommended: that the state government investigate the feasibility of funding the patient repatriation service, in conjunction with the Royal Flying Doctor Service, from regional hospitals to remote communities; that the current medical indemnity system and state government subsidy arrangement be continued; that a scheme similar to WorkCover be introduced to allow medical compensation claims to be capped; that the suitability of compensation settlements paid as an annuity or pension rather than a lump sum be investigated; that community health services establish a system that enables carers to receive a regular respite service, particularly with regard to mental health carers, and that the Department of Education, Training and Employment and the Department of Human Services develop an early assessment and intervention strategy to deal with children at risk of physical or mental illness; that the state government take steps to ensure regional autonomy and to avoid duplication of functions in the central office of the Department of Human Services; that the state government reassess the validity of Casemix funding for regional areas and make adjustments if required; that the effectiveness of regionalisation be subject to continuous review; that a more comprehensive public dental service be established in rural and remote areas through the auspices of the South Australian Centre for Rural and Remote Health; and that a more comprehensive approach to rural health issues be instigated by ensuring that the research and information conducted by the Australian Institute of Health and Welfare, the Australian Bureau of Statistics, and other rural health data and studies, be collected and stored in a single clearing house.

In conclusion, I would like to thank the staff of the Social Development Committee, Robyn Schutte and Mary Covernton, for their assistance in this report, and all members of the committee for their cooperation.

The Hon. T.G. ROBERTS secured the adjournment of the debate.

FREEDOM OF INFORMATION BILL

The Hon. IAN GILFILLAN obtained leave and introduced a bill for an act to make official information more freely available; to provide for proper access by each person to official information relating to that person; to protect official information to the extent consistent with the public interest and the preservation of personal privacy; to establish procedures for the achievement of those purposes; and to repeal the Freedom of Information Act 1991. Read a first time.

The Hon. IAN GILFILLAN: I move:

That this bill be now read a second time.

It gives me great pleasure to introduce tonight a bill which has taken more than three years to arrive. In February 1997 the Legislative Council passed a resolution requesting the Legislative Review Committee to 'inquire into and report upon the operation of the Freedom of Information Act 1991'. The inquiry from the LRC took a long time in coming, but just last month, after three and a half years, its report was issued. As the Presiding Member will no doubt mention when he comes to speak to the committee's report, there was unanimity on the committee from Labor and Liberal members and myself representing the Democrats, unanimity that the present FOI Act is not serving the purpose for which it was enacted. There was also unanimity in recommending what ought to be done about it.

The bill that stands in my name today is virtually the bill which was recommended unanimously by the Legislative Review Committee. The difference between my bill and the bill endorsed by the committee is very slight. There have been a handful of technical changes only, as suggested by Parliamentary Counsel. They do not change the substance or the spirit of the bill which was endorsed by all members of the Legislative Review Committee. Therefore, this bill, even before it is introduced, has tripartisan support. That might indeed make it unique among private members' bills ever introduced into this chamber.

However, for the benefit of members who have not had time to read the LRC's report, I will explain why we need to change the existing FOI Act. South Australia's FOI Act was described only last month in the International Law Journal

FOI Review as a 'Charter to withhold information'. I quote from the introduction to that article as follows:

> Freedom of information legislation in South Australia was enacted in 1991, nine years after the commonwealth and Victoria, and one year after New South Wales had enacted similar legislation. It was claimed at the time (by Labor Attorney-General Chris Sumner) that South Australia had 'drawn on the experience of the operation and administration of the legislation in these other jurisdictions' to produce legislation which 'strikes a balance between the rights of access to information on the one hand and the exemption of particular documents in the public interest on the other'.

The introduction continues:

> This claim appears to have largely succeeded, when viewed from the perspective of a person seeking access to documents concerning their own personal affairs. But in contrast, access to information about broader policy and administrative matters is not balanced 'in the public interest'. In particular, the protection of 'business affairs' (both the state government's and private interests) is not subject to any evaluation of the 'public interest'. Contrary to the act itself, full statistics are not collected. From those which are collected it is apparent that many hundreds of FOI applications are refused or granted only partially each year, in reliance on exemptions which are not subject to any 'public interest' test. Furthermore the District Court has rejected an interpretation of the FOI Act which relies upon the objects of the act to create a presumption in favour of disclosure.
>
> Rather than striking a balance, the role of the act appears to be providing a set of instructions for withholding all but the most innocuous information.

I remind honourable members that that was the introduction to the article entitled 'Charter to withhold information', published last month in the international journal *FOI Review*.

The South Australian act is unique among FOI statutes in all Australian jurisdictions as to the total exemption which it grants to any information which touches or concerns business affairs. It has been contrasted with the New South Wales and Victorian acts, which allow almost any information to be released if, on balance, it is in the public interest. The LRC came to much the same conclusion. Its report states in the executive summary:

> . . . in the act is a complex scheme of provisions setting out a range of exempt agencies, exempt documents and involved procedures which often make the implementation of the basic objectives of the act cumbersome, complex and in some cases, the very antithesis of the objects of the act. Indeed, as one witness put it, the act should be renamed the 'Freedom from Information Act' having regard to their experiences.

It is not only the members of the committee and academics who have found the present act unacceptable. The Ombudsman, in successive annual reports, has highlighted very similar problems and has proposed solutions similar to those put forward in this bill. There are times when official secrecy is in the public interest. Official secrecy is important for law enforcement, personal privacy and the protection of trade secrets, among other purposes. In most cases, however, it is a question of balance whether secrecy in a particular context is of greater value than the benefits of openness, accountability and informed decision-making, which supposedly are the premises on which the South Australian FOI Act was based.

The unstated assumption in the current FOI Act is that the listing of each exempt agency and each class of exempt documents is, of itself, necessarily in the public interest. The Ombudsman, several academics and all members of the Legislative Review Committee disagree with that view. We believe that, rather than specifying agencies and classes of documents which must be exempt, it is preferable to state a principle of availability, which this bill does at clause 8, and then state unambiguously a few special public purposes which are served by withholding information (that is in clause 9), and then, for any other instances where there might be some doubt, provide that that information will be released if, on balance, it is in the public interest to do so (clause 10 of my bill).

That is a sketch of the bill. It is not necessarily in toto the bill which I would have produced if I was starting from scratch to rewrite the Freedom of Information Act, but it is a bill which has tripartisan support. It has much to recommend it, and it is certainly a big improvement on the current act. FOI legislation (and I quote from Chris Sumner, the Attorney-General in 1991) is:

> ...based on three major premises relating to a democratic society, namely:
> (a) The individual has a right to know what information is contained in government records about him or herself;
> (b) A government that is open to public scrutiny is more accountable to the people who elect it;
> (c) Where people are informed about government policies, they are more likely to become involved in policy making and in government itself.

There is much more that I could say, but I am hoping that members will take the opportunity to read at least the executive summary of the LRC's report on the act and on FOI reform. There they will see that the arguments I am putting up are not merely my own but have support from the whole of the Legislative Review Committee. It is a rare opportunity that we have to correct the mistakes of the past and move forward in a rare show of unanimity towards a future that will fulfil the aims of the original act—and I would like to feel optimistic that we can embrace the Independents and SA First in that. It is quite clear that the Hon. Nick Xenophon already has indicated serious involvement, with an intention to support legislation, which I predict may be very similar to that which I introduced in the Council today. I urge honourable members to support not only the second reading of my bill but also its final passage.

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

STATUTES AMENDMENT (DUST-RELATED CONDITIONS) BILL

The Hon. NICK XENOPHON obtained leave and introduced a bill for an act to amend the Survival of Causes of Action Act 1940 and the Workers Rehabilitation and Compensation Act 1986. Read a first time.

The Hon. NICK XENOPHON: I move:

That this bill be now read a second time.

Members may recollect that a similar bill was introduced on 12 July this year in this Chamber but, because it did not proceed beyond the second reading stage, it must be reintroduced. This is also a bill that must be passed as a matter of urgency if the merits of the bill and the injustice it intends to remedy are taken into account.

I disclose for the sake of completeness and out of an abundance of caution, as I previously have, that I am a principal of a law firm that continues to act for injured plaintiff workers, although in relation to asbestos-related claims in previous years my firm has not ordinarily conducted such claims, preferring to refer them to firms that have a specialist interest in this area.

This bill, in essence, seeks to remedy a great injustice relating to those individuals in our community who suffer from dust diseases and, in particular, the worst form of dust disease, mesothelioma, and other asbestos-related conditions such as asbestosis, asbestosis-induced carcinoma and

asbestosis-related pleural diseases. The current legal position is that, if a person develops such a disease and dies before their claim is resolved, they lose the right to claim for non-economic loss, that is, a claim for pain and suffering, and their estate can no longer maintain such an action in respect of such a claim after that person dies.

Given the current legal position on the survival of causes of action with respect to common law claims and workers' compensation claims under section 43 of the Workers Rehabilitation and Compensation Act with respect to non-economic loss, these claims are now extinguished on the death of a worker, hence the reason for introducing this bill for an exemption to be made for dust diseases, given the long latency periods before such diseases are manifest in a serious medical condition from the time of exposure.

Similar reforms were passed several years ago in New South Wales and earlier this year in Victoria. At that time the Hon. Mr Rob Hulls, Attorney-General of the state of Victoria, set out quite succinctly the rationale behind the Administration and Probate Dust Diseases Bill, which has now been passed into law in the state of Victoria. The policy views as expressed by the Victorian Attorney-General are as follows.

First, the financial position of the deceased's estate and beneficiaries can be greatly affected by whether the person dies before or after the action is finalised. If the person dies after the action is finalised, their estate benefits from these types of damages. If the person dies the day before the action is finalised, their estate will not benefit from these types of damages. This is anomalous and introduces a large element of luck for the deceased and their estate.

Secondly, the exclusion of these types of damages once a person has died provides a financial incentive for defendants to delay settlement of actions for as long as possible in the hope that the plaintiff dies before the action is finalised. Thirdly, the potentially great difference between the amounts that may be awarded to a plaintiff before and after death puts enormous pressure on sick and dying plaintiffs to press ahead as quickly as possible with litigation, the pressure of which may greatly increase the plaintiff's distress.

These limitations are especially pronounced in actions arising from certain dust diseases such as asbestosis and mesothelioma. Once these diseases become apparent, they often lead to death within 12 to 18 months. Litigation regarding liability for these diseases is often very complex. The diseases may have been contracted decades ago. The person suffering from the disease may have worked in several locations for different employers, leading to lengthy arguments about liability.

As a result, there is a high risk that a plaintiff may die before their action is finalised. That situation has occurred on too many occasions. I am aware of cases where that has occurred in this state, and a great injustice has been caused in those cases. It is important that this place debates the issue as soon as possible and goes down the path of this important legislative reform. This is particularly the case given that this Chamber has in effect been given notice of this bill since 12 July this year.

This bill essentially mirrors the reforms that have already occurred in the states of Victoria and New South Wales. It is worth reflecting on the catalyst for the changes to laws in Victoria. The *Australian* newspaper of Wednesday 12 January 2000, in an article headed 'Dying mother hangs on to win asbestos payout' reported:

> A mother dying of an asbestos-related illness won a substantial payout from the federal government yesterday after settling a claim over exposure to asbestos dust while working in commonwealth offices in Melbourne. Kerry Ann Halleur, 40, was readmitted to hospital gravely ill on Monday night and had just days to live, her lawyer, Peter Gordon, said outside the Victorian Supreme Court yesterday.
>
> He said she had been determined to live long enough to see the case decided because, under current Victorian law, a jury would not have been able to award her family compensation for her pain and suffering had she died before or during a trial. 'I am sure that one of her feelings is relief that she has been able to achieve that,' Mr Gordon said.

The article continues:

> Ms Halleur's lawyers criticised the federal government for trying to delay the civil trial, which they had tried to start in late December after doctors gave her only weeks to live.
>
> 'It's a shame that her last Christmas, her last new year at the start of the new millennium, her last weeks, have been taken up with this when, in my opinion, there was no reason why the matter could not have been proceeded with in December,' Mr Gordon said.

The article reports that Ms Halleur and her partner Eamonn Mulhern have a daughter Bridget, two, and an eight week old son Aidan. In 1980 Ms Halleur worked as a clerk for the Commonwealth in a Melbourne building since demolished, a building riddled with asbestos. I might say parenthetically that there are many buildings in the CBD of Adelaide that are riddled with asbestos, which still potentially expose their occupants to risk and have done so over many years.

Ms Halleur was diagnosed with mesothelioma, an asbestos-related cancer, while pregnant with her second child, but refused medical tests for fear they might harm her unborn child. The *Australian* on 14 January 2000, in an article headed 'Mother put baby first in life-or-death decision', reported:

> Four months into her second pregnancy Kerry Ann Halleur was told she would never see her children grow up. Worse, she was asked to choose between seeking treatment that might delay her death from mesothelioma, an asbestos-related cancer ravaging her lungs, or delivering a healthy son. Her partner of 15 years, Eamonn Mulhern, wept yesterday as he told how Halleur had chosen the life of 10 week old Aiden over her own. She succumbed to the cancer on Wednesday, only a day after she settled a claim with the federal government for exposure to asbestos dust. With her children Bridgette, 2, and baby Aiden, Mulhern said his wife would not have died had the federal government stopped people working at her office complex, which is riddled with asbestos.

That case prompted the Victorian Attorney-General to vow that he would change the law so that families were not disadvantaged by a partner's death.

The current legal position with respect to a cause of action for pain and suffering not surviving beyond the death of a plaintiff deserves reform where asbestos-related conditions are involved. As I will set out shortly, these cases are by no means isolated but they are exceptional and deserving of special consideration because of the long period of latency between the time that exposure to the disease occurred and the time that the disease was diagnosed. Sometimes it is a period of up to 40 years.

What makes reform even more pressing and essential is the conduct of those who were responsible for peddling asbestos in the Australian community for the last half century knowing that asbestos could seriously injure and kill those who were exposed to it.

The Public Service Association of South Australia's occupational health and safety representative's asbestos handbook contains information that is not in dispute that sets out the awful truth of asbestos as a deadly product. That information from the PSA has relied on material, including published details in the *Medical Journal of Australia* on 6

March 1989 in an article headed 'The Rising Epidemic of Mesothelioma in Australia', which states:

> Mesothelioma is the cause of more work-related deaths in Australia than any other single disorder or injury.

It goes on to refer to mesothelioma as the 'most disastrous occupational epidemic in Australia's history' and states that 'the incidence rate in Australia is higher than in any other country'. It goes on to state:

> For every case of mesothelioma there are two cases of asbestos-related lung cancer.

The *Medical Journal of Australia*, on 17 August 1987, in an article headed 'Asbestos Blues', by Charles E. Rossiter, Professor of Occupational Health at the London School of Hygiene and Occupational Health, states:

> Australia leads the world in the incidence rate of mesothelioma. . . the rate of mesothelioma in the United States is half the rate in Australia.

The handbook I referred to states:

> Asbestos has caused death, disablement and disease amongst workers in all industrial nations this century, including Australia. In terms of public health disasters, the international epidemic of cancer caused by asbestos exposure, both in the past and in the years up to the end of the century, ranks as one of the largest tragedies on record.

The case of Kerry Ann Halleur is not an isolated case. It is estimated that 3 000 Australians will die from mesothelioma in the coming years, with South Australia having one of the highest rates of mesothelioma and asbestos-related diseases in the country. The PSA handbook goes on to state:

> Even before the turn of the century (that is, 1900) the health problems of asbestos were being discovered. In 1899 scarring of the lungs was found to be a cause of death of a worker in the carving room of a London asbestos textile factory. An autopsy was performed on the body of a 33 year old worker, who was the last survivor of a group of 10 men who had similarly died in their 30s.
>
> By 1930, the UK factory inspectorate had noted that lung disease amongst asbestos textile workers had reached near epidemic proportions.

In that year a report by Merewether and Price, of the factory inspectorate, 'on the effects of asbestos dust on the lungs and the dust pressure in the asbestos industry' was published. This showed that more than one in four workers was suffering from asbestosis. As a result, British parliament passed legislation in 1931 making asbestosis a compensable disease and requiring improved ventilation and dust control in asbestos textile factories. These controls proved to be completely inadequate and the industry continued to expand unchecked.

Next, the link with cancer was established, first in the 1930s and then definitively in 1955 when Richard Doll published a paper establishing that workers in the Turner Brothers plant at Rochdale died from lung cancer at 10 times the expected rate. Again I quote from the handbook of the PSA:

> The path-breaking studies of Dr Irving Selikoff, conducted in conjunction with the US International Association of Heat and Frost Insulators in asbestos workers revealed to the world the true dimensions of the asbestos tragedy and created a sensation at the 1964 conference on asbestos convened by the New York Academy of Scientists.
>
> Also in the 1960s the link between asbestos and mesothelioma, another cancer of the chest and abdomen, was established, first with the blue variety and subsequently for all types. By the 1970s, enough was known about the carcinogenic properties of asbestos for the International Agency for Research on Cancer to declare in 1977 that all forms of asbestos cause cancer and that there is no safe level of exposure. Yet the industry continued to expand and regulation of workers' exposure proceeded at a snail's pace.

The views expressed in the PSA's handbooks have been backed up by consulting actuaries Mr Tim Andrews and Mr Geoff Atkins, who prepared a paper entitled *The Asbestos Related Diseases: the Insurance Cost*, which was published in the early 1990s and reported in the Australian *Financial Review*. This paper, of which I have obtained a copy, confirmed the following:

> Australia has used asbestos since the 1900s and was the highest per capita user in the world during the 1950s.

The actuaries reported that the total number of cases of mesothelioma reported between 1981 and 1990 was 2003 and in the early 1990s it was running at around 300 additional cases per annum. The actuaries note that mesothelioma has a long latency period and that, once diagnosed, the disease is invariably fatal within one or two years. I have been told of cases where death has followed diagnosis sometimes in a matter of weeks, hence the need for the reforms set out in this bill as a matter of urgency.

The actuaries estimated that future mesothelioma cases (this was in the early 1990s) could vary between a low figure of 4000 to a high figure of 9000 with 2000 past cases. The actuaries also added an appendix to their paper, which discussed foreseeability issues. They confirmed that in 1930 the paper of Merewether and Price paved the way for the documented link between scarring of the lung (asbestosis) and asbestos exposure. They referred to the 1955 paper of Richard Doll confirming an increase in the incidence of lung cancer amongst asbestos workers, and in 1960 Wagner's paper made the association with mesothelioma. The actuaries state:

> Superficially, it would appear difficult to prove negligence in cases of mesothelioma arising wholly from exposure prior to the 1960s (which probably accounts for more than one half of all cases). In practice, however, the defendant has still often been found liable even if the particular injury which eventuated could not have been foreseen, as long as the class of injury was foreseeable. Asbestosis and mesothelioma have been shown to be of a similar class. On this basis the plaintiff can try to argue that the risk of injury was foreseeable even where exposure was prior to 1960.

So, there you have two senior actuaries stating in unequivocal terms that for at least 40 years the link between exposure to asbestos and the diseases arising from that exposure have clearly been foreseeable from a liability point of view.

That brings me to the conduct of those who have peddled asbestos in this country in the last 50 years when the preponderance of evidence available was unequivocal—that asbestos could cause injury and death to those who worked with it and, indeed, to those who were even inadvertently exposed to it.

At this stage, I would like to pay tribute to the work of Jack Watkins, the UTLC asbestos liaison officer who has campaigned on this issue for 20 years. He has been a tireless campaigner for justice for victims of asbestos in this state and for improved occupational health and safety in removing asbestos from the workplace. I also acknowledge that the Hon. Ron Roberts has had a particular interest in this matter and has raised a number of important issues regarding the incidence of asbestos exposure in the community and I note more recently the incidence of asbestos exposure in the David Jones building.

It is also worth noting that the Asbestos Victims Association of South Australia Inc. was recently formed to fight for the rights of compensation and support for victims of asbestos exposure in this state. I believe that when members weigh up whether they ought to support this bill they should consider the conduct of those involved in the asbestos industry,

conduct which I consider goes beyond inadvertence, negligence or even gross negligence but which in some cases on the basis of the evidence that has been presented has veered into the realm of something much more serious.

I have followed with interest the case of Ron De Maria, an employee of James Hardie Industries in this state from 1969 to 1972. As a result of Mr De Maria's employment with James Hardie, he now suffers from asbestosis, a condition that will almost inevitably result in further serious medical problems and a substantially reduced life span. I have obtained an affidavit of Peter McKay Russell, a person who worked for Mr De Maria's employer, James Hardie and Co., between 1948 and 1970. I would like to put on the record a number of the very serious issues that Mr Russell has raised in his sworn affidavit.

Mr Russell commenced employment with James Hardie as a laboratory assistant at the end of 1948. He undertook testing and quality control work on asbestos cement products—physical testing and strength testing. He also did analytical work on those products. In approximately 1959, he was promoted to the insulation factory at the Camellia plant, which is near Parramatta in Sydney. At the insulation factory he began to see a number of employees who had been injured by exposure to asbestos dust. It was at this time that he became aware of the hazards of asbestos as opposed to merely respiratory problems from dust. In his affidavit he says:

> When workers had become ill, the term used to describe their illness was that they had become 'dusted'. My understanding at that time was merely that they had inhaled too much dust, without recognising or understanding that part of the dust itself was toxic.

At that time, Mr Russell had become aware of a claim against the company by Mr Leabon, who died of asbestosis within about six months or so of Mr Russell's coming to the plant as a factory superintendent. In 1961, Mr Russell was appointed as a safety engineer and fire officer at the complex at Camellia. He says that in 1961 there was an accepted standard of 5 million particles per cubic foot of asbestos fibre which was taken as a guideline, but in the factory the conditions were such that 40 million particles per cubic foot were quite common. In his affidavit he says how the asbestos dust that was created was an obvious dust generated by the electric sawing and sanding of asbestos products. He said:

> Normally Safety Officers throughout the industry have as part of their responsibility authority to close down a dangerous operation or situation.

He said that he had 'no such authority in my job as Safety Officer'. He said that had he had such authority he would have 'had to suspend operations in about 50 per cent of the plant at Camellia at the very least'. He talked of shoddy workplace safety and practices that he was powerless to do anything about in that plant.

It seemed as though shoddy practices were duplicated in other plants throughout Australia, including plants in Adelaide at Elizabeth West and Largs Bay which have since closed down. He said that the abrasive nature of the asbestos and vibration near fans and other equipment often caused leakages to the sacks containing asbestos dust and that the filter bags sometimes developed holes or blew off. He said also that it was not uncommon for workers to complain of a snowstorm of asbestos. He said:

> When this happened a bag had become loose [from the filtered bags] and the system was pumping asbestos around the district.

He goes on to say that James Hardie would dump some 30 to 50 tonnes of scrap from sheet trimmings sometimes as open landfill around the district—that is 30 to 50 tonnes over very short periods of time. In his affidavit, Mr Russell says:

> The turnover rate each year for labour in the factory was approximately 100 per cent. This meant that 600 people were becoming exposed to the dust each year, and then would on average move on.

Mr Russell said that, when he became the Safety Engineer, there was a file in James Hardie and Company's office at Camellia called the 'Dust File.' He said:

> As well as containing the names of workers identified as having a dust health problem, it also identified those workers employed by James Hardie who were considered likely to have such a problem in the future.

In the Dust File, Mr Russell found a report incorporating the results of two major surveys conducted in relation to dust levels in the factory by the New South Wales Department of Health—one in 1952-53 and the other in 1956-57, referring to the test and X-ray results regarding some of the employers who had been tested at that time. He goes on to say that he believes that what prompted the Public Health Department surveys, based on his later reading, was the fact that, as the plant had been operating in excess of 20 years by that stage (the approximate average time after exposure until symptoms start to show up), cases of asbestosis had started to emerge amongst the workers who had been exposed to asbestosis in the plant.

Mr Russell reports in his affidavit of regular meetings that were held from 1961 to 1964 to discuss the asbestos dust problem. A safety officer of Camellia, he participated in regular meetings held by management staff at the Camellia plant of James Hardie to discuss the dust problem within that plant. There were occasions when those meetings, generally held monthly, were cancelled, and in this period the safety officer attended some 20 or so meetings. This occurred at the same time as James Hardie was notified by Manufactures Mutual, an insurer, that it had declined to renew the insurance covering workers' compensation and common law claims by employees at the plant.

In early 1963, Mr Russell was so concerned that he discussed his asbestos dust problem with Ted Heath who was by then the Federal Production Manager of James Hardie. Mr Heath told Mr Russell that he could talk with a Dr Smith at the Department of Tropical Medicine at Sydney University because, Mr Heath told him, 'it was not a problem to talk to people at the Department of Tropical Medicine as they valued the annual grant that James Hardie gave the department each year'. Time and again Mr Russell raised complaints in respect of the risk posed to workers at James Hardie's plant, only to be ignored by the management.

In May 1965, as a result of the New York symposium on asbestos to which I have referred previously, James Hardie issued a memorandum to branch managers in all states, including the branch manager in South Australia, expressing concern about the findings and accepting that as a company it had a 'moral obligation of ensuring that the health of its operatives and staff is adequately safeguarded'. Despite the moral responsibility referred to by James Hardie's own memorandum and the urgings of Mr Russell that a written warning should be put on all James Hardie asbestos products, those recommendations were ignored. Mr Russell was admonished by a branch manager as a result of this request to have simple basic safety warnings, and he was told that he had embarrassed him by raising the issue of written warnings at a meeting.

Mr Russell discovered that dust levels exceeding 5 million particles per cubic foot had occurred as far away from the plant as two miles towards Carlingford, a suburb near the plant. In his affidavit Mr Russell says:

> Profits were considered more important than the health and safety of those working with the company, or coming into contact with asbestos, or even the end users of the product.

He goes on to say:

> My warnings to company executives were brushed off. It seemed to me their only concern was 'covering their backside'. The prime concern of James Hardie throughout this period of time was its bottom line. Profits were considered more important than dealing with the issues associated with exposure to asbestos than I have detailed above.

On 10 November 1964, Mr Russell wrote a detailed memorandum to his employer about asbestosis, setting out his concerns and details of research into the risks involved, and all that was ignored by James Hardie and Co.

Mr Russell eventually resigned in 1970 because he was frustrated with his attempt to deal with the asbestos problem. From his early days as safety engineer he would approach senior management, only to be ignored—and James Hardie at this time knew of the dangers associated with asbestos. Mr Russell in his affidavit concludes by stating:

> The company adopted an official line that asbestos exposure was not dangerous unless the exposure was very intense and of long duration. That was not true. It was a demonstrable falsehood. The company knew that it was false at the time, as detailed in the company's own documents. I knew that children of persons in contact with asbestos had contracted cancer, I knew that wives and mothers of asbestos workers had contracted cancer. I knew that James Hardie was being deliberately deceitful in pushing the line that they did. People were dying because of James Hardiey's greed and deceit.

Mr Russell could not live with the knowledge that James Hardie's senior management were part of a cover-up, were part of a farrago of lies and deceit, lies and deceit that were killing an increasing number of those exposed to their deadly product.

Mr Russell's affidavit is backed up by a number of documents that confirm his warnings to management, including official company documents confirming the dangerous nature of asbestos. What adds to the awful truth set out by Mr Russell's affidavit is the fact that medical records of South Australian workers who have been exposed to asbestos at factories of James Hardie apparently have been sent to James Hardie's head office in Sydney. I do not know whether or not those documents have been destroyed. I understand that the Hon. Ron Roberts has been inquiring into this matter, so in a moment I will seek leave to conclude my remarks later so that I can—

The Hon. Diana Laidlaw interjecting:

The Hon. NICK XENOPHON: I can assure the Hon. Diana Laidlaw that I will be finishing in two or three minutes and that I will seek leave to conclude my remarks later so that I can follow up whether or not those documents have been destroyed because, if they have, that could well prejudice the rights of a number of workers, and the imperative to ensure that this particular amendment is passed is even greater because it raises issues of difficulty of liability brought about by the very conduct of James Hardie, if that is what has occurred.

Based on the evidence of Mr Russell, many Australians would find James Hardie's conduct in this matter disgraceful. I am more than willing to share with members details of the documents that I have obtained, if members need to be convinced further on this issue. I urge all members, and in particular the minister responsible (Hon. Robert Lawson), to consider this bill with the compassion it deserves and with an acknowledgment of the gross injustice that occurs to those who have been exposed to asbestos only to be condemned, in many cases, to a death sentence many years later, and this is a plight that could affect many hundreds, if not thousands, of others in this state.

It is also essential in order to remedy the terrible wrong that has been inflicted on those South Australians, a terrible wrong made worse by the conduct of the senior management of James Hardie and Co., who deserve to be condemned as the perpetrators of a truly horrible industrial genocide in this country. I seek leave to continue my remarks later.

Leave granted; debate adjourned.

OCCUPATIONAL HEALTH, SAFETY AND WELFARE (PENALTIES AND PAYMENTS) AMENDMENT BILL

The Hon. NICK XENOPHON obtained leave and introduced a bill for an act to amend the Occupational Health, Safety and Welfare Act 1986. Read a first time.

The Hon. NICK XENOPHON: I move:

That this bill be now read a second time.

This bill was introduced into this place during the last parliamentary session. However, because it did not pass the second reading stage, it must be reintroduced but I do not propose to restate what I have previously stated on the record.

In essence, it provides injured workers with the right to bring a prosecution, and it gives the industrial magistrate the discretion to award part of the fine imposed to the injured worker. I have had discussions with a number of interested parties and, in particular, the Hon. Robert Lawson, the minister responsible for the Occupational Health, Safety and Welfare Act. I would like to think that there will be a positive response from the government, or at least a substantive response in relation to the concerns raised by this bill.

There is no point in restating the arguments put previously but I urge the minister to deal with this issue expeditiously, given that the government has shown a bona fide commitment to increase fines for breaches of the act. That was introduced last year but it has still not been dealt with; whether it is because of these amendments, I am not sure. I would like to think that there will be a sensible compromise so that injured workers will have additional rights that they currently do not have to bring forward a prosecution or to assert their rights.

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

CONSTITUTION (PARLIAMENTARY SITTINGS) AMENDMENT BILL

The Hon. NICK XENOPHON obtained leave and introduced a bill for an act to amend the Constitution Act 1934. Read a first time.

The Hon. NICK XENOPHON: I move:

That this bill be now read a second time.

A bill relating to parliamentary sitting days was moved earlier this year by me but that bill dealt with the discrete issue of the gap between the number of days of sitting in this place. That was prompted by parliament having something like 127 days away over the 1999-2000 Christmas break, which was close to a record break. I think there was a degree of community

disquiet as to the gap involved with respect to the parliamentary sittings in terms of issues of accountability of the executive arm of government being held accountable to some degree by the legislature. This bill goes a step further to ensure that there are a minimum number of sitting days, and the number of days set out in this bill is 100, something that has caused some consternation amongst my colleagues, but I do not want to suggest that MPs are in any way part-time.

However, I am concerned that the number of days we have had in recent years, in the mid to low 40s, is simply not adequate for the appropriate scrutiny of the executive arm of government by the legislature, and it puts into question the very role of parliament. If I may refer briefly to David Hamer's book *Can Responsible Government Survive in Australia?*, published only a few years ago—and I understand that the Hon. Robert Lawson has an autographed copy of the book.

The Hon. R.D. Lawson interjecting:

The Hon. NICK XENOPHON: Hopefully, the Hon. Robert Lawson is—

An honourable member interjecting:

The Hon. NICK XENOPHON: I admit that David Hamer does not talk about 100 days of sitting but on page 4 of his book he describes issues of accountability and looks at the issue of responsible government as described by Bagehot; and I quote from that passage as follows:

> The key to the system as described by Bagehot was responsibility. The cabinet was responsible to the Commons and the Commons responsible to the people. But the Commons was much more than an electoral chamber. It was of course a legislature, but in Bagehot's view it had four other functions: an expressive function—it should express the mind of the English people 'in characteristic words the characteristic heart of the nation'; a training function—it was to educate the people by ensuring 'that it [the nation] was forced to hear two sides'; an informing function—it should keep the executive in touch with informed opinion; and a scrutiny and review function, 'watching and checking' government ministers.

Those principles espoused in David Hamer's book are pertinent with respect to this bill. I also refer to—

The Hon. K.T. Griffin interjecting:

The Hon. NICK XENOPHON: The Attorney suggests that you can also do it through committees, that the parliament is not the only mechanism by which government is kept accountable, and I agree with him but I would have thought that the best option would be to go via the parliamentary system where ministers could be subject to question time—

The Hon. K.T. Griffin interjecting:

The Hon. NICK XENOPHON: The Attorney is also ignoring some of the other matters raised in David Hamer's book: that the legislature should be there to express the heart of the nation (in this case the heart of the state), to have a training function—to educate the people by ensuring that it (in this case, the state) is forced to hear two sides of an argument; an informing function—that it should keep the executive in touch with informed opinion; and a scrutiny and review function. All those functions together are what parliament ought to be about, and it does not appear to have been the case for quite a number of years.

I am not in any way singling out this particular government. In terms of numbers of sitting days over a number of years during the Bannon Labor government and the Arnold government in some years the number of sitting days was not much different from the number of sitting days we have now. I believe that it is a systemic problem. The blame should not, in any way, be sheeted home to any particular party.

Dean Jaensch, in an article in the *Advertiser* dated Thursday 5 October and entitled 'Debate about issues that matter in my parliament of the possible', talks about these sorts of issues. He talks about the emphasis of going back to the original source of the word 'parliament', from the French 'parlement', translated as speaking house. His article states:

> Instead of spending so much time with repetitive speeches, with point scoring, with party propaganda, the parliamentarians could spend their spare 54 days—

and, if I can say parenthetically, he said that he figured that we could sit an extra 54 days in addition to the 46-odd days that we sit—

> focusing on some of the key issues facing South Australian society, and attempting to come up with consensus (now, that would be a pleasant surprise) about how to solve them.

I think that Dean Jaensch's 'parliament of the possible' is something that we ought to strive for. This is not an issue where the government should be singled out for blame. Indeed, it is something that has crept up on political parties of all persuasions, where the parliament has been sidelined in terms of its true and potential role. I would like to table a schedule of parliamentary sitting days for the past 27 years, which I also have in electronic form for the benefit of *Hansard*.

The PRESIDENT: What is the honourable member attempting to do?

The Hon. NICK XENOPHON: Perhaps I will seek leave to conclude my remarks and incorporate that schedule on the next day of sitting. That might be the easiest thing to do. It appears that the schedule I have is not the most up-to-date. I seek leave to conclude my remarks later so that I can seek leave to table the schedule on the next occasion.

Leave granted; debate adjourned.

RACING (TAB) AMENDMENT BILL

The Hon. NICK XENOPHON obtained leave and introduced a bill for an act to amend the Racing Act 1976. Read a first time.

The Hon. NICK XENOPHON: I move:

That this bill be now read a second time.

I previously debated this bill on 20 October 1999. I do not propose to necessarily restate what I said on that occasion. I refer members to that speech. My position has not changed. The information is contained in that speech. It is disappointing that the opposition and the government have not seen fit to comment on it, although I am grateful that the Hon. Angus Redford did contribute to the bill, even though he disagreed with it. At least he took the trouble to comment on the bill and to make a number of suggestions, notwithstanding his apparent lack of support. Essentially, the bill relates to having ATMs within TABs.

Given apparent plans by the government to allow that to happen in TABs and to privatise the TAB, my concern is that this proposal could well occur and would be undesirable given the ease of access to ATMs and the link with problem gambling at gambling venues.

The Hon. P. HOLLOWAY secured the adjournment of the debate.

CASINO (MISCELLANEOUS) AMENDMENT BILL

The Hon. NICK XENOPHON: I move:

That the Casino (Miscellaneous) Amendment Bill be restored to the *Notice Paper* as a lapsed bill pursuant to section 57 of the Constitution Act 1934.

Motion carried.

GAMBLING INDUSTRY REGULATION BILL

The Hon. NICK XENOPHON: I move:

That the Gambling Industry Regulation Bill be restored to the *Notice Paper* as a lapsed bill pursuant to section 57 of the Constitution Act 1934.

Motion carried.

FREEDOM OF INFORMATION BILL (No. 2)

The Hon. NICK XENOPHON obtained leave and introduced a bill for an act to make official information more freely available; to provide for proper access by each person to official information relating to that person; to protect official information to the extent consistent with the public interest and the preservation of personal privacy; to establish procedures for the achievement of those purposes; and to repeal the Freedom of Information Act 1991. Read a first time.

The Hon. NICK XENOPHON: I move:

That this bill be now read a second time.

I seek leave to conclude my remarks later.

Leave granted; debate adjourned.

LISTENING DEVICES (MISCELLANEOUS) AMENDMENT BILL

The Hon. K.T. GRIFFIN (Attorney-General): I move:

That the Listening Devices (Miscellaneous) Amendment Bill be restored to the *Notice Paper* as a lapsed bill pursuant to section 57 of the Constitution Act 1934.

Motion carried.

ADDRESS IN REPLY

Adjourned debate on motion for adoption.

(Continued from 10 October. Page 87.)

The Hon. R.D. LAWSON (Minister for Disability Services): I rise to support the Address in Reply and begin by expressing gratitude to His Excellency the Governor for the speech with which he opened this parliament and to thank both His Excellency and Lady Neal for the exemplary way in which they are discharging their vice-regal functions.

I know it is conventional to express that gratitude to the Governor, but in so doing it is no empty formula in this particular case because Sir Eric and Lady Neal have been most assiduous, most warm, most encouraging and most inclusive in the way in which they have gone about their duties throughout the state. We have been well served by Governors over the years; each has brought to the position their own particular style, interests and enthusiasm, but Sir Eric and Lady Neal, especially in the way in which they have opened Government House to many organisations—and I am especially aware of this in relation to organisations related to disability services and to older members of the community—have been most encouraging and we, the South Australian community, are indebted to them.

Dr Basil Hetzel retired as Lieutenant-Governor and, although not much mention has been made in this place of his service and retirement, I think it is worth marking our appreciation of Dr Hetzel's service, and also Mrs Hetzel's. I was delighted, as I know many members are, by the recent appointment of Mr Bruno Krumins as Lieutenant-Governor. Mr Krumins, as many will know, was born in Latvia and came to this country and has served the community in a number of ways. His appointment is most fitting and I believe that he and Mrs Krumins will discharge their functions when required in a most effective and wise way.

I was honoured to be at a function last week for the opening of Celebrate Seniors in this year, and Mr Krumins, who was one of the three guest speakers, made a very thoughtful and wise address using the basis of his own experience. The other two senior citizens who spoke also provided very interesting insights, that is, Dr Barbara Hardy and Dr Lowitja O'Donoghue. In supporting the motion, I will mention, all too briefly, a number of areas of my portfolio which I think are worth a special note in this particular context.

First, in respect of disability services, His Excellency noted that this year it has received a record allocation of $173.9 million, the highest ever. As His Excellency also noted in his speech, a new disability services framework is currently being developed. It is now in the final stages of development after widespread community consultation. This framework will provide a tool for the allocation of additional resources to disability services, most of which, of course, are provided in our community by parents, friends and carers, but much also is provided by way of a number of charitable, public and church institutions, as well as government institutions which have grown up over the years.

The scope of our services is very widespread, but the priorities for funding in this year, as in last, will continue to be the provision of appropriate accommodation for people with disabilities to enable them to reach their full potential. Too often in the past there has been an unnecessary focus upon institutional care. Other forms of accommodation can be provided, such as group homes and other similar forms of non-institutional support. The provision of respite for families of people with disabilities remains a high priority. Amongst the allocation of new funding to disability services there will be an appropriate focus on respite programs.

The Moving On program which this government initiated has once again been extended this year and will be extended to rural and regional South Australia. Because of the incidence of disability in the community and because, certainly in some of the less populated parts of the state, it is difficult to provide appropriate services to populations that are relatively small, too often in the past the particular needs of people with disabilities and their families in the country have not been appropriately addressed. I am delighted that we as a government have changed that emphasis and that our Moving On program is being extended into country areas.

It is worth mentioning that the Paralympics are soon to be held, and a number of South Australians will be participating as competitors. Neil Fuller, a sprinter and another athlete, Katrina Webb, both won gold medals in Atlanta, and they will again be competing. A number of other athletes and competitors with disabilities who have participated with distinction in the past will also be participating. In particular I mention Libby and Stan Kosmala, both shooters who have previously represented Australia with distinction. We wish all our para-athletes every success in the games, which I am sure will be a great success, as were the Sydney Olympics.

It is great to see that people with disabilities are increasingly participating in sporting activities, whether at the elite

level such as at the Paralympics or, perhaps more importantly, at the local level, participating not in an elite sporting competition but in some setting that enables them to reap the benefits and the enjoyment that sport provides for so many people. There are many ways in which people with disabilities can use their abilities. One of them is through sport and another is through artistic and cultural endeavours. I was delighted that earlier this year we had the second High Beam festival for people with disabilities. That included people with not only physical but also intellectual disabilities. Cultural activities are to be encouraged, and I am delighted that we have been able to allocate funds to Arts in Action, a body which has provided the artistic direction to the High Beam festival and which, as in relation to sport, includes not only elite artistic endeavour but also community artistic endeavours.

I believe that, through our disability services, this state is meeting the objective of providing opportunities for people with disabilities to enable them to fulfil their potential, live their lives and express themselves, whether artistically or through other activities in the community, and to exercise their citizenship to the full, which is the objective of all of our programs.

Whilst on this subject I mention the Guardianship Board, which provides a very important service to the community. I am delighted that Mr Ian Shephard, a person who himself has a disability (he is sight impaired—in fact, he is blind), and a man of great compassion, recently was appointed to the chairmanship of the Guardianship Board. I believe that already he has been providing sterling service and leadership to the board. The Public Advocate, Mr John Harley, who was appointed not in the most recent year but who was appointed by this government, is exercising his statutory functions with great zeal, and I am delighted that we were able to allocate additional funds to the Guardianship Board and the Office of the Public Advocate for this current year.

In relation to the ageing portfolio, I think it is worth recording that we do seek to build upon some of the achievements of the International Year of Older Persons, which occurred last year. As part of the international year we commissioned a number of items of research, because we have a number of distinguished researchers in various fields in relation to ageing issues in this state. One report that recently has received some attention was commissioned by the Office for the Ageing and prepared by a number of South Australian researchers based on the Centre for Ageing Studies at Flinders University. It was entitled 'Ageing and the Economy in South Australia'. It is a report in which a number of economists sought to value the productive activities of older adults in this state and the value put upon the activities undertaken by older adults (that is, those over the age of 65 years), which included child care, care of other adults, formal volunteering work, work for community and service organisations as well as work for themselves, and it was assessed by the researchers as at least $5.2 billion, a significant contribution to the economy of South Australia. It is interesting to note that, using the same criteria, the researchers concluded that the total cost of supporting the older population of South Australia—and that total cost includes pensions and all forms of health care and other services—is about $1.8 billion. So, the value of those productive activities is $5.2 billion; the total cost of supporting the older population is $1.8 billion.

That piece of research—and a very extensive piece of research it is; the booklet runs to 100 or so pages— explodes, if explosion be necessary, the myth that older people are a burden on our community. Far from it. They are valuable and valued participants and contributors to our community, and our programs of encouraging positive ageing are designed to encourage that participation by older people.

The Centre for Lifelong Learning, which has been established at Flinders University with Professor Dennis Ralph as director will, I believe, provide significant benefits not only to the ageing community but also to the whole age spectrum. The Centre for Lifelong Learning for many people is to do with vocational activities and the retraining of people throughout their lives, and research indicates that people coming into the workplace now will have to be retrained several times during the course of their ordinary working life. I think it is also important to remember that lifelong learning includes learning by older people not for economic purposes, not for the purposes of employment but for the purposes of stimulation and enjoyment. I believe that the board of the centre is well alive to that important aspect of lifelong learning.

There have been a number of programs for older people which build upon that desire for lifelong learning. For example—and, once again, contrary to stereotypes—older people are very active users of the internet and, given the opportunity, are keen to learn the use of computers.

A number of programs that we are funding through the Home and Community Care program and other funding lines are encouraging people to participate in that type of activity. Seniors On Line, for example, is one program that comes to mind. The Networks for You program, where broadband connection to the internet has been provided across the whole state, is a program accessed usually through schools and libraries in country areas, but many older people are benefiting from that.

The role that older people play as carers in the community is very important. Just the other day I was delighted to be present at Port Augusta at a celebration of the anniversary of the establishment of Eyre Carers and the Northern Country Carers Group, which is based upon the northern region of this state.

One of the pilots that we are operating there, under the auspices of the Carers Association of South Australia, is a program to use the internet to connect carers and to break down that feeling of social isolation that exists for many people in the caring role. If we can provide that sort of support to carers, older carers and also younger persons caring for older persons, we will provide a better community and better society.

In relation to the ageing portfolio I note one other program that was recently being developed. This is a program using the talents of older people to educate the community in the use of medication and the dangers of the inappropriate use of medication. It is amazing to see the figures concerning the number of especially older persons who are admitted to our hospitals because of some inappropriate use of medicinal drugs. That is, inappropriate use in the sense of mixing a cocktail of medicines quite innocently, which lead to undesired consequences; using medicines that are out of date; using medicines in inappropriate dosages; using medicines that were prescribed some years before for a condition that the patient thinks has recurred, overlooking the fact that the person involved might be taking some more recently prescribed medicine.

For all sorts of reasons it is very important that people appreciate the dangers of the inappropriate use of medication. I must say that many older people are victims of this, as well

as people from non-English speaking backgrounds who perhaps find it difficult to read and understand those directions that are printed on medicines. We have been using older people to speak to senior citizens to undertake a short course of training and then to go out to senior citizens' clubs and other groups in the community to tell people of these risks and to provide information and assistance in the way in which the risks can be minimised. There is a huge number of programs which I am delighted we are supporting through Home and Community Care, which this year will total $81.5 million.

Of course, as has been mentioned today in other discussions in this parliament, the residential aged care service is a very important provision for older people. It is not one in which the state government is largely involved from a funding point of view, but it is one which, of course, interfaces with our hospital services as well as our community services. The aim of state funded programs is actually to keep people out of aged care facilities but, of course, it is acknowledged that there is a necessity for residential care for many people who require that level of support.

There are almost 14 000 aged care places in South Australia funded by the commonwealth, which this year allocated to this state an additional 1 380 places, by far the largest number of new places ever allocated by the commonwealth government. There has been some criticism from the opposition, and especially at a federal level, of the federal government's programs in relation to aged care, but I want to place on record my admiration for the fact that this federal government has bitten the bullet in relation to aged care, has introduced a new scheme of accreditation which requires both physical standards and standards of care to be raised to appropriate levels and which will see a number of services that have been in existence for very many years going out of business and operators of aged care facilities developing new and higher standards. This can only benefit our aged population.

We in South Australia have a proud record of residential care. A number of our organisations are Australian leaders in the provision of residential care, and I believe that, with very few exceptions—and those exceptions will be weeded out in the accreditation process—we should be proud of the service that is provided.

I believe, notwithstanding the criticism that might be levelled by some of those opposite, that this federal government, by providing a new mechanism for accreditation and raising standards, by establishing an independent organisation under its own board to oversight that process and also by allocating in this year the largest number of additional places ever, has been making a significant contribution to residential aged care.

In relation to my administrative services portfolio, the services there provided depend essentially upon our having a healthy economy, a base from which we can build the state, both in the sense of building infrastructure and supporting industry and the like. His Excellency the Governor in his speech recorded that the economic and financial health of this state is in better shape now than it has been for a number of years, so the provision of those services to the community and the government has some prospect of being successfully delivered.

In relation to building and construction, which comes under the building management section of the Department of Administrative and Information Services, I believe that a number of very sensible initiatives have been taken which will lead to greater efficiencies and which will enable us to participate more effectively. For example, the South Australian tenders and contract web site is using the new information technologies to achieve efficiencies not only for government in relation to its tenders but also in relation to suppliers. The new program, e-purchase, which has been developed, admittedly to a pilot stage only, will enable South Australian suppliers and businesses more efficiently and effectively to sell goods and services to government.

We have a new system of prequalification under which not only builders but also professional consultants in architectural, engineering and other fields are able to prequalify, and we can determine competence and the capacity to undertake work for the government in a way that is far more rational and organised than it has been in the past.

I am delighted that my colleague the Minister for Information Economy, Michael Armitage, has recently released his IE 2002 report, which contains a number of significant initiatives not only for the public sector but for the community as well.

The Hon. T.G. Cameron: He isn't trying to create a guernsey for himself, is he?

The Hon. R.D. LAWSON: The honourable member seemes to be warmly supporting the virtual electorate concept, but that was but one of a number of significant initiatives. I was delighted that we were able to reach agreement with the operators of the Medina group of serviced apartment hotels in relation to the old Treasury Building on the corner of King William Street and Victoria Square. That building will now be restored and maintained in its present condition and used effectively for a purpose that will ensure its ultimate preservation as a significant part of our history. It is another project which will enhance the tourist infrastructure of our city.

Regarding workplace relations, I want to make a few comments. As has been mentioned in His Excellency's speech, it is the government's intention to reintroduce amendments to the Industrial and Employee Relations Act. It is a pity that on the last occasion when certain amendments were introduced there were expressions of opposition from a significant number of members opposite in this place.

I was interested to hear the Hon. Bob Sneath in his maiden speech mention that in his view—I hope I am correctly quoting him—enterprise agreements and enterprise bargaining had gone far enough and that all the productivity increases that could be achieved had been driven through. However, there is more to enterprise agreements than productivity increases.

There are a number of times in which the inflexibility of the current award system does adversely impact upon people's working lives, especially those who want to work hours that are inconsistent with the provisions of the industrial awards. We will be seeking to have more flexible workplace arrangements. So a number of provisions will be introduced in the Industrial and Employee Relations Bill, and we will be seeking the support of those opposite for more flexible workplace relations which more accurately reflect in many cases the desires and aspirations of people seeking to enter the work force.

An honourable member interjecting:

The Hon. R.D. LAWSON: Indeed. When productivity increases, I can assure the honourable member that there is still something to be rorted. The occupational health and safety legislation is treated seriously by this government. A number of programs have been recently launched and

announced to emphasise to various sectors of the community the importance of occupational health, welfare and safety; for example, the Work to Live program was recently relaunched in a number of languages to appropriately educate and encourage those for whom English is not a medium for communication. That is a particularly important innovation by WorkCover. The Farm Work is Not Child's Play campaign was very graphic and very successful in getting over the message—

An honourable member interjecting:

The Hon. R.D. LAWSON: Farmers love it, actually. The Hon. Ron Roberts has not spoken to too many farmers if he thinks that they do not like it. I will conclude my remarks by—

Members interjecting:

The ACTING PRESIDENT (Hon. T. Crothers): Order!

The Hon. R.D. LAWSON: His Excellency mentioned the passing of former Governors Dame Roma Mitchell and Sir Mark Oliphant, as well as the passing of David Tonkin. It is appropriate that I mention the great service of those individuals. I was delighted today to approve the publication of a notice inviting public comment on the naming as Roma Mitchell Bay the northern bay in Carrickalinga where Dame Roma Mitchell had a house and spent many pleasant times. I will be interested to hear the community comment on that proposal. However, unless there is adverse comment, it is certainly the intention of the government to proceed with that measure to appropriately recognise a wonderful South Australian.

I did not speak on the condolence motion for the Hon. David Tonkin, but the celebration service of his life that was conducted this very day in Bonython Hall was a wonderful tribute to him. Many people in this parliament knew him as a most enthusiastic, conscientious and kindly man whose achievements in a number of fields were of the highest order, not only as Premier of the state but as a leading ophthalmologist and humanitarian, as Secretary-General of the Commonwealth Parliamentary Association and as a member of many boards and community activities. He made a signal contribution to this state. I commend the motion.

The Hon. P. HOLLOWAY secured the adjournment of the debate.

ASSOCIATIONS INCORPORATION (OPPRESSIVE OR UNREASONABLE ACTS) AMENDMENT BILL

Adjourned debate on second reading.

(Continued from 10 October. Page 88.)

The Hon. P. HOLLOWAY: The opposition supports the second reading of this bill. The bill is familiar to the parliament as the Attorney said, having been recently tabled in the House. We have before us quite a simple bill with a simple intention and a good intention at that. The concerns this bill seeks to address were first raised with the government by the Law Society. Speaking of the Law Society, I refer to the following letter that it sent to the opposition concerning this bill:

> The society considers that the proposed amendments to section 61 of the Associations Incorporation Act will largely satisfy the concerns which we have previously raised with the government. This proposed broader access to the courts by an aggrieved member or members of an association will, we believe, to a large extent overcome the existing restrictions which only allow access to the justice system by well resourced parties.
>
> The Law Society has believed for some time that many issues could be adequately resolved by a lower court, without forcing relatively impecunious individuals or groups to either approach the Supreme Court or remain aggrieved.

As the Attorney and the Law Society rightly conclude, the costs associated with Supreme Court action tend to be highly prohibitive for smaller and less well resourced associations.

The government's proposal to confer jurisdiction in these matters on the Magistrates Court is a welcome and sensible change. Such a move does not limit the jurisdiction of the Supreme Court, but instead creates another avenue of redress in the Magistrates Court. However, the Supreme Court will still maintain the reserve power to wind up an organisation, or appoint a receiver or manager of its property. Furthermore, this bill enables either the Magistrates Court or the Supreme Court to decline to a hear a matter that belongs in another court.

Finally, the bill expands the categories of members who can apply to the court to include members of associations who have resigned or failed to renew membership. However, the limitation on this action is six months. The opposition will support the bill.

The Hon. T.G. CAMERON: SA First also supports this bill. By way of background, when a member of an association is aggrieved by the oppressive or unreasonable actions of their association towards them, they can seek a legal remedy in the Supreme Court of South Australia—I suppose similar to the action Ralph Clarke took against the Australian Labor Party. However, the Law Society has raised concerns that some members and smaller associations may not be able to afford Supreme Court legal costs and this is a barrier to justice. Concerns have also been raised about the remoteness of the Supreme Court for country members and associations and the question of the necessity of the Supreme Court to deal with matters when matters of fact are not questions of law.

This bill seeks to remedy those situations by confirming upon the Magistrates Court the power to deal with these types of cases that do not require the Supreme Court's consideration. However, such cases can be raised in either the Magistrates Court or the Supreme Court. The object is to give the Magistrates Court jurisdiction in some cases. However, the bill does not confer the power to wind up an association to the Magistrates Court; such a remedy is available only to the Supreme Court. However, it does give the Magistrates Court the power to refer a complex case or a question of law to the Supreme Court.

This bill also provides that, in addition to any member of the association, any former member, regardless of how their membership ended, can apply to the court for a remedy within six months of the end of their membership—I guess I am out of the time limit.

SA First supports this bill. It does transfer some power to the Magistrates Court to deal with matters of oppressive or unreasonable acts. However, the Supreme Court remains the only court that can wind up an association and it has reserved the power to deal with complex questions of fact or law.

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

ELECTRONIC TRANSACTIONS BILL

Adjourned debate on second reading.

(Continued from 10 October. Page 90.)

The Hon. K.T. GRIFFIN (Attorney-General): I thank honourable members for their indications of support for this important bill. The Hon. Carmel Zollo and the Hon. Ian Gilfillan raised the issue of exclusions from the legislation for certain types of documents. As both honourable members stated, during the consultation process on this bill the Law Society wrote to me drawing my attention to certain types of documents, such as powers of attorney, wills and property documents executed in registrable form, that it believes should be excluded from the terms of the bill.

The government is in the process of conducting a detailed audit of the state's major transactional statutes and regulations for the purpose of determining what laws, including what documents and transactions, should be excluded from the legislation. Consideration as to whether the documents referred to by the Law Society will be excluded from the legislation will occur when the results of the audit are analysed.

Bill read a second time.

ADJOURNMENT

At 11.03 p.m. the Council adjourned until Thursday 12 October at 11 a.m.