LEGISLATIVE COUNCIL

Wednesday 6 June 2001

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

QUESTION TIME

AIR TRAFFIC CONTROL

The Hon. CAROLYN PICKLES: I seek leave to make a brief explanation before asking the Minister for Transport a question regarding the future of air traffic control in Adelaide.

Leave granted.

The Hon. CAROLYN PICKLES (Leader of the Opposition): As the minister would be aware, Air Services Australia, a federal government authority, was examining the possibility of consolidating the Adelaide terminal control unit to Melbourne with the exception of the control towers at Adelaide and Parafield airports. This issue was first raised locally some time early this year. At the time, the Air Traffic Controllers Union, Civil Air and the Australian Federation of Air Pilots all raised concerns about the safety implications of such a consolidation.

The feasibility study into such a consolidation has recently been released and retains a proposal for the possible consolidation of the Adelaide TCU. Following the budget, however, it was reported that the federal transport minister instructed Air Services to, first, conduct a comprehensive study into the consolidation of Sydney TCU to Melbourne and, secondly, not to proceed with the consolidation of Cairns TCU to Brisbane, apparently on the basis that it did not wish to see the loss of jobs in regional Australia. However, it does appear that Adelaide is still a candidate for consolidation to Melbourne.

Obviously, South Australia is not considered regional enough and worthy of special attention. The economic and safety impact of such a consolidation would see the loss of 26 experienced controllers, plus technical support staff to Victoria. There is also a concern that any system or power failure in Melbourne, if it were relocated, would impact on services provided into and out of Adelaide. My questions are:

1. Will the minister confirm that the Adelaide Terminal Control Unit remains a candidate for consolidation to Melbourne and, if so, has she had any discussions with her federal colleagues about the matter?

2. Does the minister support the possible relocation to Melbourne at the expense of jobs and safety?

The Hon. DIANA LAIDLAW (Minister for Transport and Urban Planning): Definitely no to the second question. I have received representations from various parties over some months regarding this issue and, in each instance, those representations have been taken up with the federal minister. I am therefore interested in the federal minister's recent statement that excludes any reference to any decision relating to Adelaide. I therefore think that it is presumptuous and inflammatory of the honourable member to say, and I think that I took her words down accurately, 'Obviously, South Australia is not seen as regional enough or significant enough to warrant a decision not to exclude Adelaide from a consolidated move to Melbourne.' I say that it is presumptuous because, with no decision having been made, there is always a further opportunity for—

The Hon. Carolyn Pickles interjecting:

The Hon. DIANA LAIDLAW: Now the honourable member interjects and says, 'One can only hope.' That is exactly the issue. As no decision has been made, clearly a lot of consideration is being given to the issues that have been raised from South Australia by me and many others about the importance of retaining the entity in Adelaide. I am certainly aware that, at officer level, Transport SA has most recently advanced this issue again with its federal counterparts. However, I have not received an update on that matter and I will therefore make further inquiries.

SUPERANNUATION

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

Leave granted.

The Hon. P. HOLLOWAY: The budget statement at page 7.5 indicates that, following a triennial actuarial review of South Australian superannuation schemes, the Treasurer approved on 2 September 2000 the adoption of revised assumptions to the effect that the real earnings rate was assumed to be 5 per cent (formerly it was 4 per cent) and a real salary growth of 1.5 per cent (formerly 1 per cent). As a result of these revised assumptions, the balance of the unfunded superannuation liability was deemed to be reduced by $618.5 million and the annual superannuation expense—the new service expense—was reduced by $15 million per annum.

As a consequence of these revised assumptions, budget paper 5 at page 3.23 indicates that, in 2000-01, $14 million was actually removed from past superannuation provisions compared with a budget expectation that $35 million would be allocated for these liabilities in 2000-01. Notwithstanding these revised assumptions, the budget statement notes:

> It is expected that Funds SA earnings in 2000-01 will be below the long-term actuarial assumption. Consequently, the unfunded liability rises in 2000-01 and this explains why the reduction in the unfunded liability between June 2000 and June 2001 is less than $680.5 million flowing from the changed actuarial calculations.

My questions to the Treasurer are:

1. Will he release the actuarial review of the South Australian superannuation schemes which provided the $680.5 million paper windfall?

2. What is the expected earnings rate of Funds SA in 2000-01 and why is it expected to fall below the actuarial assumption; and, in particular, was the fall in Funds SA earnings expected and taken into consideration by the Actuary when the review was undertaken prior to the new assumptions being adopted by the Treasurer on 2 September last year?

3. Given the expected poor performance of Funds SA in 2000-01, how confident is the Treasurer that the new increased real earnings rate assumptions will be met in future years?

The Hon. R.I. LUCAS (Treasurer): I am quite happy to have the job as Treasurer of the state, but I do not purport to be an independent actuary judging the future earning rates of superannuation funds. I will leave that capacity to second-guess the actuaries to the Deputy Leader of the Opposition and the shadow treasurer. Perhaps he is reacting to the

pressure from the personal explanation yesterday. He is obviously under a great deal of pressure at the moment.

The Hon. T.G. Cameron: He's only got one big worry at the moment.

The Hon. R.I. LUCAS: I understand that that is a candidate for No Pokies in Hart.

The Hon. T.G. Cameron interjecting:

The Hon. R.I. LUCAS: I think there is a bit more to worry the shadow treasurer at the moment. There is a bit of pressure on him at the moment and his actions yesterday involving himself in that way were most unfortunate. Heaven help—

An honourable member interjecting:

The Hon. R.I. LUCAS: Dirty tricks. Imagine taking Mike Rann's budget policy response and circulating that to the electorate. That would be a real dirty tricks campaign. Having read the honourable member's budget reply, it would be a dirty—

The Hon. P. Holloway interjecting:

The Hon. R.I. LUCAS: We plead guilty: it would be a dirty tricks campaign to circulate in the electorate the Leader of the Opposition's budget reply.

Members interjecting:

The PRESIDENT: Order!

Members interjecting:

The PRESIDENT: Order, the Hon. Mr Davis!

Members interjecting:

The PRESIDENT: Order! I call for order.

The Hon. R.I. LUCAS: It would be a dirty tricks campaign to circulate the Leader of the Opposition's budget response. What this does highlight is: heaven help us if, under a little bit of pressure, the shadow treasurer reacts in such an extraordinary way. If he ever had to put himself—

An honourable member interjecting:

The Hon. R.I. LUCAS: —exactly—in a position where on a day-to-day basis he had to manage issues such as superannuation and yearly movements in the earnings capacity of the funds management organisations, looking at the results of actuarial reports, but if, as a result of a person taping the Leader of the Opposition's budget speech, he has to storm into the Stranger's Gallery, steal the equipment that a person had up there and then march into the House of Assembly and accuse everyone of a dirty tricks campaign because this person was taping the Leader of the Opposition's budget reply—

The Hon. K.T. Griffin: Isn't he proud of the reply?

The Hon. R.I. LUCAS: Well, he obviously does not want anyone to know about it. He wanted to take publicity off the speech to the—

The Hon. P. Holloway interjecting:

The Hon. R.I. LUCAS: You are obviously very reluctant to defend the shadow treasurer, Kevin Foley's, action—

The Hon. P. Holloway interjecting:

The Hon. R.I. LUCAS: Do you support what he did yesterday?

The Hon. P. Holloway: Absolutely—

The Hon. R.I. LUCAS: The shadow minister for finance supports—

The Hon. P. Holloway interjecting:

The Hon. R.I. LUCAS: He did not support the stealing or taking of equipment from somebody else: did not—and do not suggest that he did. There are difficult decisions the Treasurer has to work with and superannuation is one. You need to be able to withstand a little bit of pressure now and again without wandering around, as one member in another place described it, like a mini fuhrer—I certainly would not use that term in this chamber but evidently it was allowed in another chamber. You have to be able to react calmly to some of these issues and make some decisions under a little bit of pressure occasionally, rather than as shadow treasurer storming around Parliament House grabbing equipment from staffers—poor staffers who do not know what is happening to them—and storming back into Parliament House demanding a privileges committee because a member is involved in a dirty tricks campaign by taping the Leader of the Opposition's publicly given speech. They must have thought a policy would come out at some stage!

The Hon. J.F. Stefani interjecting:

The Hon. R.I. LUCAS: ABC tapes—yes, the Hon. Mr Stefani would know a little bit about that. The state of mind of the Treasurer on important issues like superannuation and the funds earning capacity of our funds management organisations is important. You cannot afford to react in a knee-jerk fashion on a six month by six month earnings rate of your funds management company.

The Hon. P. Holloway: Just answer the question.

The Hon. R.I. LUCAS: I am answering the question. I am saying that you take expert advice, you do not set yourself up as an independent actuary as the shadow minister for finance and maybe the shadow treasurer do, but you take expert advice.

The Hon. P. Holloway interjecting:

The Hon. R.I. LUCAS: You were just told. You read it out of the budget paper.

The Hon. P. Holloway: That is when you made the decision.

The Hon. R.I. LUCAS: Then you got it before September 2000.

The Hon. P. Holloway interjecting:

The Hon. R.I. LUCAS: I did not get the advice after I took the decision. Maybe that is the way the Labor Party does it—take the decision and get the advice afterwards.

The Hon. P. Holloway interjecting:

The Hon. R.I. LUCAS: I just told you—we got the advice before September 2000.

The Hon. P. Holloway interjecting:

The Hon. R.I. LUCAS: I just answered it: you asked me when I got it: I got it before December 2000. You may like to make decisions and get advice afterwards, but I got the advice before September 2000.

The Hon. P. Holloway: Did it take into account that the earnings rate was expected to fall?

The Hon. R.I. LUCAS: We are in May 2001. If the report was done before September 2000, surely even the shadow minister for finance could understand that he or she will not be able to take into account the earnings rate between some time before September 2000 and April-May 2001. Even the shadow minister for finance—please help me here—could understand that. Tell me that you at least understand that.

The Hon. P. Holloway interjecting:

The Hon. R.I. LUCAS: Just tell me you at least understand that.

Members interjecting:

The Hon. R.I. LUCAS: Well, the *Hansard* record shows that the shadow minister for finance will not even indicate that he understands that, if someone has done a report before September 2000 based on the financial years up until then, he or she is not able to take into account the earnings rate of the funds management company from July through to April of this year. I despair! Not only do we have potentially a shadow

treasurer who cannot react to a little bit of pressure and goes storming around pinching equipment from staffers—poor staffers working in Parliament House—but we have a shadow minister for finance who cannot understand that an Actuary who has done a review prior to September 2000 on the financial years, three years probably, prior to that, cannot take into account the earning capacity of Funds SA and its fund management since July 2000.

I am happy to take advice about the Actuary's review. We have provided information in a number of sections of the budget papers about the major recommendations of the actuarial review. I will take advice as to whether or not we are in a position to be able to release the Actuary's review of Funds SA or whether, as a matter of course, in its annual reporting it does so anyway. I must confess that I do not know whether it releases that as a matter of course or whether there are aspects of the actuarial review that are possibly commercially confidential in relation to the operations of its funds management activities.

I do not know. I am not using that as a reason at this stage for not releasing it. I would need to take advice on the review from the chief executive and I will certainly consider whether or not we are able to release it. The key findings of the review are included in the budget papers. They are that the long-term—not the month by month or six month by six month, but the long-term—earnings growth of Funds SA, the funds management company, were more appropriately listed at 5 per cent rather than at 4 per cent with the associated change in terms of the assumptions on wages.

I am just cautioning the honourable member: if at any stage either Mr Foley or the Hon. Mr Holloway ever get into the position of being responsible for these areas, heaven help us if, as a result of a few months' change in the earnings rate of funds management by Funds SA, they respond in a knee jerk way because of that sort of advice. You have to take expert independent advice: you ought to rely on the expert advice of both the Actuary and Treasury, which is what I have done.

The Hon. P. Holloway interjecting:

The Hon. R.I. LUCAS: It is not me who is better off; it is the people of South Australia.

The Hon. P. Holloway interjecting:

The Hon. R.I. LUCAS: The snide inference of the Hon. Mr Holloway is that in some way the government is writing down the unfunded superannuation and directing the Actuary to act in this way.

The Hon. P. Holloway: I didn't say that.

The Hon. R.I. LUCAS: No, you didn't say that, but that is the inference. The Hon. Mr Holloway should not slink away from the real intent of the question. I have spent time in opposition, and I have spent 20 years in the parliament and I know what the inference of the honourable member's question happens to be, so he should not try to slink away from the inference in his question. The reality is that we have taken independent advice and acted on the advice of both the Actuary and Treasury.

ELECTRICITY, PRIVATISATION

The Hon. T.G. ROBERTS: I seek leave to make a brief explanation before asking the Treasurer a question about ETSA privatisation.

Leave granted.

The Hon. T.G. ROBERTS: Last night the member for Chaffey really opened her heart and mind and told the House:

It was entirely the Olsen government's responsibility to prepare South Australia for entry into the national electricity market, and it chose to create a submarket in this state to force up the sale price of our generators, and this in turn has resulted in the exorbitant price increases now faced by South Australian businesses. This is a very sad indictment on a government that purports to support those very people.

The honourable member also said that the ETSA privatisation had not delivered the claimed benefits to the budget and repeated her call for the responsibility for electricity to be taken away from the Treasurer. My questions are:

1. Is the Treasurer concerned about the judgment of his government made by the Independent member for Chaffey?

2. Does he dispute the honourable member's claim that the Olsen government is responsible for South Australia's power crisis?

The Hon. R.I. LUCAS (Treasurer): I am always interested in the views of members of parliament, whatever stance they wish to take on an issue such as ETSA or, indeed, any other issue. They are all valued contributions to the public debate and I will certainly treat the comments made by the member for Chaffey with the appropriate deference and the appropriate level of importance.

HIH INSURANCE

The Hon. J.F. STEFANI: I seek leave to make a brief explanation before asking the Attorney-General a question about the collapse of HIH.

Leave granted.

The Hon. J.F. STEFANI: There has been great publicity surrounding the collapse of HIH and the effects that the collapse has had on many people in South Australia. I am aware of at least two families that are coming to terms with their particular circumstances and the losses that they have incurred through the collapse. Can the Attorney advise what help is available in South Australia and what people affected by the collapse should do?

The Hon. K.T. GRIFFIN (Attorney-General): We do know that there is at least a small number of people who have had homes built or who have contracted to have their homes built, or who have suffered as a result of building indemnity insurance being withdrawn because of the HIH collapse when the work is yet to be completed.

We do not have any clear picture of how many people are affected in South Australia in respect of building work. I believe that the Hon. Mr Xenophon held a meeting last night where, he suggested, there were about 12 claims: there may be others. One of the difficulties is that, unless one knows or has a good feel for how many people might be affected and what the extent of the losses might be, we are not able to properly establish a mechanism for addressing the problem.

The Hon. M.J. Elliott: What are you doing to find out?

The Hon. K.T. GRIFFIN: Well, just listen and you will find out.

Members interjecting:

The Hon. K.T. GRIFFIN: You might learn. You are always ready to jump to conclusions and think the worst. The Office of—

Members interjecting:

The PRESIDENT: Order! The honourable member has asked the question and the minister is answering it.

The Hon. K.T. GRIFFIN: Notwithstanding that, legally—

Members interjecting:

The PRESIDENT: Order!

The Hon. K.T. GRIFFIN: —the government has no liability at all and certainly would not be covering losses through, say, other company collapses such as One.Tel, the Office of Consumer and Business Affairs has today set up a special inquiry centre to assist consumers. It will guide consumers through the commonwealth government's HIH claims support criteria regarding eligibility for assistance and it will register details of consumers' complaints or difficulties.

As of today's date, it may be somewhat surprising, but only a few inquiries have been received by the Consumer Affairs Branch at the Office of Consumer and Business Affairs regarding the HIH building indemnity claims. If consumers wish to register an interest, they should contact the Office of Consumer and Business Affairs on the general complaints telephone number, 8204 9777, and advise the operator that they are calling regarding HIH insurance and they will be immediately put through to the appropriate person who will be taking the details of the problem which the caller may have.

In the longer term, we do know, of course, that the commonwealth has resolved to make some funds available, I suspect very largely because the failure of HIH is more a commonwealth issue than a state issue, because the Australian Prudential Regulatory Authority did have responsibility for the oversight of HIH and other insurers. But it has a substantial fund that is available, although it is not for those who might be covered by state authorised schemes.

What is provided under the Building Work Contractors Act is that there should be a building indemnity insurance policy to cover building work before building work continues, and through the course of that building work it must meet some minimum standards set out in the act. However, it is not the responsibility of the state government actually to insure. It is its responsibility to ensure that there is an insurance cover and through both the HIA and the MBA there are master policy covers in place.

What will happen in the future remains to be seen. There is, of course, the issue that if some scheme is to be established to provide support to those who have suffered as a result of this private sector collapse, then who pays for it? Is it the taxpayers at large, the building work contractors and subcontractors, or is it the consumers? They are issues that still have to be resolved if one ever gets to the point of having to establish such a fund to help at least part of the way cover the losses that have been sustained.

RIVERLAND FRUIT COOPERATIVE

The Hon. IAN GILFILLAN: I seek leave to make a brief explanation before asking the Treasurer, in his capacity as Minister for Industry and Trade, a question about the Riverland Fruit Cooperative.

Leave granted.

The Hon. IAN GILFILLAN: I received a letter yesterday actually addressed to my colleague the Hon. Mike Elliott, dated 3 June, from Mr Maurice Bennett of Renmark, drawing to my attention the situation of the Riverland Fruit Cooperative, its subsidiary Sunnylands Fruits, the ANZ Bank and the plight of the cooperative's shareholders. I quote from the letter as follows:

> I am a 67 year old fruit grower. My wife and I have between $80 000 and $90 000 of our hard earned money, which represents our life's savings and superannuation, in the cooperative's grower credit balance, which does not belong to the bank, the receivers or the Sunnylands Fruit Cooperative.
>
> As it stands at the moment, we will lose it all, plus our shares. . . approximately $20 000 to $30 000, and our delayed fruit payments.

According to my information, the Riverland Fruit Cooperative was placed into receivership on 12 December last year following disappointing returns from the subsidiary, Sunnylands Fruits. The decision was made as a consequence of the ANZ Bank withdrawing its $1.2 million overdraft facility to the Riverland Fruit Cooperative, and I am advised that it gave the cooperative just seven days for refinancing. This was commented on in an article in the *Murray Pioneer* of Friday 2 March.

Payments of $200 000 owed to growers and funds of $900 000 in grower trading accounts are now frozen by the receivers. No information has been given by the receivers to date to grower shareholders, some of whom are well into retirement years and who face losing their life's savings as a consequence of the ANZ bank's decision, as to the cooperative's future prospects. The cooperative's two main competitors, Angus Park and Kangara (owned by the giant transnational company Chiquita) and Berri Limited also just happen to be major clients of the ANZ Bank.

If in fact the ANZ Bank had made a strategic decision to the effect that it might be overexposed to the fruit industry, it is possible to conceive that it saw the shareholders in the cooperative as comparatively easy targets for it to secure its own position by, in effect, palming off its potential losses to them. I ask the minister: has the board of Riverland Fruit Cooperative made any request for assistance or support from the government, such as a loan guarantee and, if so, what response has it had?

The Hon. R.I. LUCAS (Treasurer): I think it would be sensible if I took advice from the Department of Industry and Trade on the honourable member's question. There are some complicated issues, I understand. My colleague the Hon. Mr Dawkins tells me that he has some brief knowledge of some of the issues raised in the constituent's letter to the Hon. Mr Gilfillan, but I will take advice on the issues raised in the letter and also the honourable member's question and bring back a reply.

The Hon. IAN GILFILLAN: I have a supplementary question. Has the minister had any meetings with the CEO of Riverland Fruit Cooperative, Michael Brooks?

The Hon. R.I. LUCAS: Yes, I believe so; I think both formally and possibly even informally. I think the answer is yes.

AUSTRALIAN WORKERS UNION

The Hon. L.H. DAVIS: I seek leave to make a brief explanation before asking the Treasurer a question on the subject of the AWU.

Leave granted.

The Hon. L.H. DAVIS: On Thursday 17 May, the Hon. Bob Sneath in answer to a rather surprising question from the Hon. Ron Roberts claimed that, after he took over as secretary of the AWU in 1995, he improved the finances of the AWU by over $1 million in a short time. He said:

> We are better managers down at the AWU than is the government. It's a damned good job the AWU had me as treasurer and not the Hon. Mr Lucas.

I will not discuss the Hon. Bob Sneath's claim about improving the finances by $1 million, although that statement

shows that he is the one who cannot read balance sheets. Of more concern, and of public interest, is a letter from KPMG as auditors for the Australian Workers Union (SA Branch) and the Amalgamated AWU state union. This letter is dated 21 September 2000 and is addressed to Mr R. Sneath as branch secretary of the AWU. The date of 21 September is just two weeks before Mr Sneath replaced the Hon. George Weatherill in the Legislative Council.

This three page letter from KPMG reveals serious concerns about the financial records of the AWU. The letter includes several comments and the first quote is:

During our review of payments procedures, we have noted a number of payments were not supported by invoice and in some cases no authorisation was noted. Not only will this increase the risk of misappropriation but also the union may not be able to claim the GST paid. As a result these poor internal controls will have a negative impact on the union's cash flow.

The second quote is as follows:

It is our understanding that there is no procedure in place to follow up long outstanding debts by either the accounting staff or the relevant officials. We recommend that a procedure be put in place to ensure timely collection of debts to eliminate possible loss of income.

The third quote is as follows:

The accounting transactions of both the federal and state unions have been recorded in one ledger. This allowed the processing of a transaction between the two unions without recognising that the unions are in fact separate entities. We recommend that a ledger be maintained for each union.

The fourth quote is as follows:

During our audit we have noted a number of adjusting entries being made throughout the year to correct processing errors. Some of these adjusting entries were not processed correctly either. In one instance, there was an investment of $200 000 that was not recorded in the accounting records. We recommend that a high level review procedure be implemented whereby all entries are independently reviewed each month.

The fifth quote is as follows:

We are still awaiting receipt of confirmations from the respective investment managers for the $596 000 that has been invested.

Of course, this is a letter dated 21 September 2000—nearly three months after the end of the financial year. The sixth quote is:

The federal union has a deficiency of net assets as at 30 June 2000 of $39 532. The branch executive needs to document the financial situation of the union in order to support the going concern assumption.

The seventh quote is:

We noted that a system error caused an imbalance in the trial balance. . . The cause of the problem should be investigated so that it will not occur again.

The Hon. R.R. Roberts: Will you get to the question?

The Hon. L.H. DAVIS: I am sure you are enjoying this, Ron. The eighth quote is as follows:

There was some difficulties in reconciling the payroll expenses against the group tax certificate submitted to the Tax Office at 30 June 2000. . . The first group tax certificate submitted to the Tax Office was noted to be incorrect and an amendment is still to be sent to the Tax Office.

That is three months after the end of the financial year. These are just some examples of the issues raised by the AWU auditors—I have not documented them all. Anyone with any knowledge of accountancy would recognise that some of these matters are serious issues, given that the AWU in South Australia receives nearly $2.5 million in income annually and spends a similar amount annually. I suspect the—

The Hon. R.K. Sneath interjecting:

The Hon. L.H. DAVIS: I have referred these matters to an accountant, who is a specialist in these matters, who suggested to me that the above criticisms would possibly disqualify the Hon. Robert Sneath from being short-listed as financial manager of the year. However, it has not stopped serious speculation that the Hon. Robert Sneath would be on the front bench in the unlikely event of a Labor victory at the next state election.

My question is: will the Treasurer take these latest examples of serious doubts about the management practices of the AWU and its close links with the Labor Party into account when addressing the issues that I have already raised about the AWU in previous questions?

The Hon. R.I. LUCAS (Treasurer): All members are indebted to the honourable member's continued pursuit of these matters of concern.

The Hon. T.G. Cameron: All except Bob Sneath.

The Hon. R.I. LUCAS: That is right; all except Bob Sneath. The Hon. Ron Roberts will be delighted that his timely intervention by way of question to the Hon. Bob Sneath on 17 May has led to further questions being able to be pursued.

The Hon. T.G. Cameron interjecting:

The Hon. R.I. LUCAS: All I can say with respect to the Hon. Ron Roberts is that he may well be backing the other side to the side that the Hon. Bob Sneath has been backing.

The Hon. R.K. Sneath interjecting:

The Hon. R.I. LUCAS: We would be worried about the side that the Hon. Ron Roberts is backing. We are indebted to the Hon. Ron Roberts for setting up the Hon. Bob Sneath in such a considered but, I have to say, a touch devious way. I understand that he did offer some assistance to the Hon. Bob Sneath.

The Hon. T.G. Cameron: It was just stupidity.

The Hon. R.I. LUCAS: It was just stupidity; okay. I was adding a touch of deviousness, perhaps, to the Hon. Ron Roberts' character traits. The issue of most concern to the employees and the members of the AWU must be—and this is an independent auditor, not a politician (Liberal, Labor or Independent) making these claims: this is the independent auditor KPMG, an international firm, employed by the Hon. Bob Sneath, I presume—

The Hon. R.K. Sneath: It might be employed by the national office—

The Hon. R.I. LUCAS: Well, employed by the union, then. Obviously, the Hon. Bob Sneath does not much like the audit report that KPMG brought down, even though it was addressed to the Hon. Bob Sneath.

The Hon. T.G. Cameron interjecting:

The PRESIDENT: Order!

The Hon. R.I. LUCAS: All the money has been transferred out of one branch or union into another one. So—

An honourable member interjecting:

The Hon. R.I. LUCAS: I am not sure. One states that it has a deficiency of net assets of $39 000. It sounds like a deficit to me. I am not sure: the financial management skills of the Hon. Bob Sneath may well see that as something to be proud of, but mainly only him. The issue that should be of most concern to members of the union is the part of the audit report that refers to a number of payments which were not supported by invoice with no authorisation being noted. The audit report, as the honourable member highlights, states that 'not only will this increase the risk of misappropriation'.

The Hon. R.K. Sneath interjecting:

The Hon. R.I. LUCAS: That is the audit report. It went to you, I thought. It went to the Hon. Bob Sneath. I think it was a 'Dear Bob' letter. It was signed by KPMG and states, 'Dear Bob Sneath'—

Members interjecting:

The Hon. R.I. LUCAS: 'Dear Bob', and the point—

The Hon. T.G. Cameron: Ring for the enemy. Who is the enemy?

The PRESIDENT: Order!

The Hon. R.I. LUCAS: I am not sure who the enemy is.

The PRESIDENT: Only one member is answering the question.

The Hon. R.I. LUCAS: It is a letter written to the Hon. Bob Sneath, so I am not sure why he is trying to distance himself from this audit report. As I said, the issue that ought to be of grave concern to members and workers—and thank goodness a few people in here are looking after the workers rather than some of the union officials—is the part that states:

> Not only will this increase the risk of misappropriation but also the Union may not be able to claim the GST paid. As a result these poor internal controls will have a negative impact on the Union's cash flow.

As the Hon. Mr Davis has highlighted, that is certainly a matter of serious concern for members of the unions depending on how many of them there are in this complex arrangement. It is obviously a matter of serious concern—

The Hon. T.G. Cameron: Not as many as the ALP thinks there are.

The Hon. R.I. LUCAS: No. It is about 3 000 or 4 000 less than the ALP thinks there are. The Hon. Bob Sneath has a loaves and fishes capacity in terms of the membership of the AWU. On some occasions, it is 10 000 and on others it is 14 000, and then I think he introduced a new number of 13 000. It depends on the day of the week.

The Hon. R.K. Sneath interjecting:

The Hon. R.I. LUCAS: It depends on the day of the week. The Hon. Bob Sneath plucks a number out of the air and says, 'Today, we'll pick 10 000. If I'm trying to sign them up with the Labor Party and get a few extra votes for the ALP, we will call them 14 000.' That seems to be a strange way to run a union. In the end, it will be a decision for members of the union whether or not this issue and the sort of controls that KPMG has highlighted will be allowed to continue.

YOUTH PARLIAMENT

The Hon. T.G. CAMERON: I seek leave to make a brief explanation before asking the Treasurer, representing the Minister for Employment and Training, questions regarding the Youth Parliament.

Leave granted.

The Hon. T.G. CAMERON: The South Australian Youth Parliament program is a joint project of the government of South Australia through the Office of Employment and Youth and the YMCA. The program enables young people to gain an understanding of our political process whilst allowing the voice of youth to be heard at the highest level. Over a six-month program, which culminates in a week-long summit in July, teams are formed across the state from schools, universities, local councils and community groups.

During the months leading up to the sitting days participants are trained by young people on bill writing, parliamentary etiquette—I not quite sure what they are taught about parliamentary etiquette—and our system of government. These skills are then used to debate a bill which they have written themselves in the chambers of Parliament House. The primary role of the program is to give young South Australians a credible forum in which to express their views whilst providing them with the skills to make their views heard.

SA First fully supports the Youth Parliament in its endeavours to give young South Australians real experience in the political process whilst allowing their voices to be heard by government. That is why we support two SA First youth members in their participation in the Youth Parliament. However, rather disturbing information has come back from our two youth representatives. I am informed that the Youth Parliament is structured on a clearcut two-party system of a government and an opposition. No provision has been made whatsoever for third parties or Independents. This is hardly reflective of our current parliament. For example, I think we have four political parties represented in the lower house and four political parties represented in the upper house. Youth Parliament participants are placed in teams which constitute either the government or the opposition. It has been made very clear—

The Hon. Carolyn Pickles: Hear, hear!

The Hon. T.G. CAMERON: I can understand the Leader of the Opposition interjecting, 'Hear, hear!' It has been made very clear to the young people that if they are on the government team they have to support the bill no matter what their personal view might be and that if they are on the opposition team they have to oppose the bill no matter what. In other words, they are perpetuating what most people have had a gutful of: that is, the party line.

The SA First representatives are also concerned about the adversarial aspects of the proceedings. There is little or no provision for the government and the opposition to use compromise, discussion and merit whilst debating bills. Surely the last thing we need to perpetuate is the adversarial nature of our political system when it is clear that people are looking for a new style of politics that is conclusive, consensual and bases decisions on what works. The current adversarial nature of politics in our parliament has turned many people off politics and they have lost all hope in the two-party system. My questions to the minister are:

1. Considering that many young people as well as adults are turning away from the political process in this country because they reject the adversarial component of political debate in our parliaments, why is the Youth Parliament continuing to perpetuate the style?

2. If Youth Parliament is suppose to educate and provide experience to young people on how our parliament operates, why is there no room for third or minor parties or independents in the Youth Parliament and will future Youth Parliaments reflect this?

3. Why are participants to the Youth Parliament not allowed to voice their individual views during debate if it differs from the party line?

The Hon. R.I. LUCAS (Treasurer): I am delighted that there are now two of us in this chamber—the Hon. Mr Cameron and myself—who bemoan the combative nature of question time and the parliament and the adversarial nature of politics in the South Australian parliament.

The Hon. T.G. Cameron interjecting:

The Hon. R.I. LUCAS: Exactly. I am delighted to hear that the Hon. Terry Cameron and I share these views and I know that we can work together and hopefully convince other

members in this chamber that the combative nature is not good—

The Hon. T.G. Cameron: Even Mike Elliott.

The Hon. R.I. LUCAS: Even Mike Elliott—we may well get a question time without a snide interjection from the Hon. Mr Elliott at some stage, if we last long enough. I am happy to refer the honourable member's question to the minister. If the honourable member's question relates to this year's Youth Parliament, I have some inside knowledge of it. I will need to check the detail, but I think in the end the bill was in relation to—

An honourable member interjecting:

The Hon. R.I. LUCAS: Who runs it? An education officer, I think. Was it part of Law Week?

The Hon. T.G. Cameron: It is not political.

The Hon. R.I. LUCAS: I did not say it was political. The honourable member has raised an interesting question in relation to the instructions or otherwise that may have been given to the young people participating in the Youth Parliament. On that aspect I would need to take advice from the minister and his officers and bring back a response, and I am happy to do so. I am happy to share the honourable member's reflections in some other aspects of his question.

TRANSPORT, REGIONAL

The Hon. J.S.L. DAWKINS: I seek leave to make a brief explanation before asking the Minister for Transport and Urban Planning a question about community transport in the Murray and Mallee regions.

Leave granted.

The Hon. J.S.L. DAWKINS: In March this year I received correspondence from Mr Ken Coventry, the Executive Officer of the Murray and Mallee Local Government Association, in relation to a proposed Murray and Mallee community transport project. Mr Coventry wrote in his position of chair-convener of the working party that was established to advance this project. The other groups initially involved in this working party were the Murray Mallee Community Transport Scheme, the Riverland Community Transport Scheme and the Murray Mallee Strategic Task Force. The purpose of the project was to develop a blueprint for community transport in the greater Murray and Mallee regions for the next 10 years.

It was envisaged that the blueprint would address a range of deficiencies that have been identified in the current community transport services that serve the region. One of these deficiencies related to certain geographical areas including communities such as Karoonda, Swan Reach, Mannum and Blanchetown, which lie at the margins of the areas covered by the above mentioned transport services as well as the Barossa Community Transport Network. It is also worth pointing out that the working group recognised that the project would also take into account any impact on commercial transport services that may result from extensions to existing community transport schemes.

I understand that in response to this proposal the minister has recently announced the formation of a Murray and Mallee Community Transport Strategic Plan Working Group. My questions are:

1. Will the minister outline the structure and funding sources of this group?

2. Will she indicate the particular focus of the working group?

The Hon. DIANA LAIDLAW (Minister for Transport and Urban Planning): I thank the honourable member for his continued interest in passenger transport issues in the country area, particularly in regional and remote South Australia. This passenger transport initiative is an example of where a whole of government approach has been taken, both in funding and support terms, to see how we can improve passenger transport for people who live outside the bigger regional towns in country South Australia and who are somewhat removed not only from services such as health and hospital facilities but also from the route services provided by the country bus operators.

The government has provided $45 000 through a number of agencies: the Passenger Transport Board, the Department of Human Services, the Department of Education, Training and Employment and the Office of Local Government. As I noted, this is a whole of government approach to support an initiative that has come from the local community, and I applaud the efforts of the councils in the area, namely Coorong, Mid Murray, Southern Mallee, Karoonda/East Murray, the District Council of Loxton Waikerie and the Rural Council of Murray Bridge, or at least the rural areas of both those latter two councils.

The task force will include representatives of the East Murray Area School, the Lameroo Hospital, the Murray Mallee Strategic Task Force, the Murray and Mallee Local Government Association, the Murray Mallee Aged Care Service, the local commercial bus operator, the Passenger Transport Board and the Murray Mallee Community Transport Scheme. One can see from the wide variety of interests that not only is this a keenly felt need in the local community but it has strong local support.

The government has funded this study because we see it as an opportunity to develop a blueprint for the improved operation of community transport services outside the metropolitan area and outside the larger rural towns. Over recent years there has been an enormous increase in support for community passenger networks, and it is now time to assess the operation of them all to see, in terms of their success in meeting local community needs, how we can include more transport options in the future.

One instance is the greater use of the school bus network and other investments in transport capital across the regional areas and rural areas of South Australia. There is a lot of potential to see how we can better utilise the transport options that are available and, in addition, to see how we can better serve the interests of local people, of whom many are older. A number of women, for instance, whose husbands or partners may have died, are not as confident driving to facilities that sometimes, with the rationalisation of projects in recent years, are somewhat distant from their local community.

We can provide a lot more support and make improvements to the quality of life for people in rural and country areas by improvements to community transport networks. I am confident that the study that the honourable member has referred to will assist in all those areas.

The Hon. M.J. Elliott interjecting:

The Hon. DIANA LAIDLAW: Well, you won't if you don't stand up.

WORKERS' ENTITLEMENTS

The Hon. R.K. SNEATH: I seek leave to make a brief explanation before asking the Treasurer about government assistance for employees of bankrupt companies.

Leave granted.

The Hon. R.K. SNEATH: In the last few years a number of companies have, unfortunately, gone bankrupt, and when this happens in a lot of cases the workers are left out of pocket. They certainly do not get their full entitlements, sometimes going without long service leave, annual leave and even wages. Looking at the recent state budget, I have not been able to find any commitment from the government to start funds or to assist, through the budget, workers who are left in that predicament. I have asked the Treasurer a number of questions about the predicament of the workers at the Manor Engineering company to see in which way he was assisting those people. He is certainly not as quick getting on to that as he is in bagging the Australian Workers Union.

Perhaps the Treasurer will give some assistance to workers through the government in the next few months by either putting a committee together or arranging some sort of fund that will attract interest and be there for workers who are left without their entitlements. My question to the Treasurer is: does the government intend to assist workers who have lost their entitlements, annual leave, long service leave, wages, etc. because companies have become insolvent and, if not, does the government intend to assist workers financially in any other way?

The Hon. R.I. LUCAS (Treasurer): The Minister for Workplace Relations, the Hon. Robert Lawson, has ministerial responsibility for this area. I notice some comments from the Hon. Mr Lawson in either the *Australian* or the *Age* today and the honourable member might like to direct the specific questions of detail to the appropriate minister. In relation to whether or not the budget papers include a special fund or allocation, my understanding of that would be no. I would be happy to check with the appropriate ministers to see whether or not that is in fact the case.

WORKERS, ITINERANT

In reply to **Hon. R.K. SNEATH** (3 April).

The Hon. R.D. LAWSON: The Minister for Government Enterprises has provided the following additional information:

1. Yes. The issue of coverage for workers who work in more than one jurisdiction has been on the national workers compensation agenda through the Heads of Workplace Safety and Compensation Authorities (formerly Heads of Workers' Compensation Authorities) for several years.

2. A working party of workers' compensation authorities from each state and territory has sought to develop nationally consistent draft legislation to be adopted across jurisdictions. South Australia, through WorkCover Corporation, has played a key role in facilitating the development of a solution. The need to produce a workable legislative solution to this complex issue has meant a significant amount of time has been spent working on detailed legislation.

Two draft bills were considered by a meeting of the working party in February this year. It was agreed that the general thrust of a draft bill developed by the South Australian WorkCover Corporation and Parliamentary Counsel would be advanced. At its May meeting the Workplace Relations Ministerial Council noted progress towards finalising the issue of state and territory cross-border coverage for workers' compensation. To bring about final resolution ministers agreed that Parliamentary Counsel be asked to examine in the next month the South Australian draft and that the states/territories will accept the outcome of their advice and then proceed with implementation.

LEGISLATIVE REVIEW COMMITTEE

The Hon. R.R. ROBERTS: I lay on the table the 22nd report of the committee.

MURRAY RIVER

The Hon. M.J. ELLIOTT: I seek leave to make a brief explanation before asking the Treasurer, representing the Minister for Water Resources, a question about Murray River funding.

Leave granted.

The Hon. M.J. ELLIOTT: My question relates to recently proposed changes to funding for projects to save the Murray River. In this year's federal budget, $14.3 million was cut from the National Heritage Trust funding to the Murray-Darling Basin. My office rang the Murray-Darling Basin Commission which informed my office that this funding has been removed from the $76 million Murray-Darling 2001 project, which has been funded dollar for dollar by the state and commonwealth governments and overseen by the commission. The commission has also informed my office that the National Heritage Trust funding to new projects in the Murray-Darling Basin will not be allocated until 2002-2003, leaving current projects at risk and slowing the growing momentum to save our Murray River.

With this risk to projects in mind, I draw the minister's attention to the piece on page 11 of today's *Advertiser* where he is reported to have entered into a bond with young South Australians to:

> . . . continue remediation projects already under way, repair damage and ensure no further damage is caused and to encourage responsible use of the river by the people.

My questions to the Minister for Water Resources are:

1. Will the state government continue its commitment to remediation projects already under way in South Australia by not reducing its funding in line with the commonwealth government?

2. If so, how does the state government propose to distribute state funding to protect current projects and maintain the momentum to save the Murray River between now and 2002-2003?

3. Will the minister give the people of South Australia a commitment that no project to save the Murray River in South Australia will suffer because of the reduction in federal funding to the Murray-Darling Basin?

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

MATTERS OF INTEREST

INTERNATIONAL COLLEGE OF HOTEL MANAGEMENT

The Hon. J.S.L. DAWKINS: On 26 May, along with my colleague the Hon. Legh Davis, I was pleased to attend a charity dinner at the Graduates Restaurant, Regency Institute of TAFE. The dinner benefited Operation Flinders Foundation, about which I have spoken in this place on two occa-

sions. It was conducted by the students of the International College of Hotel Management (ICHM) which is based at the Regency institute.

Meals were served by first year students of ICHM under the supervision of second year students who also designed the format of the evening and provided the comperes. As the name suggests, ICHM is truly international. It brings together a partnership unmatched by any other Australian college in that field, and includes the Swiss Hotel Association, the world's first and foremost hotel trainer, providing ICHM with three affiliated colleges in Switzerland; Le Cordon bleu, the world's most prestigious culinary school; and the Regency Hotel School, a global educator with facilities unmatched in Australia and offering a wide range of courses for the tourism and hospitality industry.

ICHM's curriculum is industry oriented. The emphasis throughout the course is on applying principles and practices relevant to the international hotel industry and on developing the entrepreneurial skills and business abilities crucial to successful careers in the hotel management profession. The college employs teachers with high level international industry experience. Some of the practical facilities at the campus include three commercial training restaurants, 10 training kitchens and a range of other simulated facilities including a fully operational winery and an export standard butchery and bakery.

Students at ICHM generally live on campus, and in this family environment they make friends from many countries. At last count, students from more than 40 countries had enrolled at ICHM. The Swiss Hotel Association diploma is the leading international qualification, and ICHM is the only hotel management school outside Switzerland where students can attain this prestigious diploma.

ICHM is also the only institution outside France at which students can graduate with the famous Le Cordon Bleu diploma. ICHM students can graduate with two internationally recognised diplomas at the completion of three years' study. With a three year diploma program followed by an additional 26 weeks to gain a bachelor degree, ICHM offers the most comprehensive industry orientated hotel management program available in the Asia Pacific region.

ICHM accepts responsibility for negotiating three undergraduate industry placements in hotels, restaurants and resorts for students undertaking the diploma program. These industry placements are arranged in a network of 150 leading hotels in Australia and overseas. In Australia and some overseas countries, students are paid during their placement. ICHM offers an unequalled on-campus living facility which incorporates the special requirements of particular cultural groups. An estimated 90 per cent of the growth of tourism worldwide is taking place in the Asia-Pacific region and ICHM is ideally located to service this huge and burgeoning Asia-Pacific market.

Initially, students master the fundamentals of their chosen profession. First year students develop the skills required to work as operative level staff in food and beverage, front office and housekeeping departments. Year 2 study equips students with supervisory level skills and knowledge, and other areas include marketing, wine studies, total quality management and so on. Year 3 is a pivotal year and provides students with management level skills, essential for careers in the international hospitality industry. Following a further 26 weeks of study, students can graduate with a Bachelor of International Hotel Management Degree.

In conclusion, I emphasise how successful the function was. It obviously provided valuable experience for ICHM students and assessment opportunities for college staff. It also provided an excellent fundraising event for Operation Flinders, which raised approximately $6 000 on the evening. I extend my gratitude to Mr Michael Brearley, the Manager of Education Program ICHM for his assistance to me in preparing this contribution.

Time expired.

ABORIGINAL COMMUNITIES

The Hon. T.G. ROBERTS: I bring to the attention of the Council a problem with which we are living in this state and other states, that is, the bureaucracy that deals with the difficult problems of Aboriginal health, housing, education and so on. A specific problem is brought to public notice through an article by Paul Toohey in the *Australian* today (Wednesday 6 June). The article headlined 'Bureaucracy bogs down $1 million assault on petrol sniffing' indicates the problems which are on the ground and which impact on community life in many remote and regional areas. Agencies that are dealing with the problem of young people getting around with petrol cans around their neck and sniffing petrol until they drop are bogged down by inactivity as a result of the agencies not being able to make decisions in a way that would have some hope of eliminating or fixing these problems. The article states:

> More than three months after John Howard announced $1 million in funding to combat the petrol sniffing crisis in the Northern Territory, bureaucrats are yet to decide on where or how the money should be spent.
>
> An official body calling itself the Volatile Substance Misuse Working Group (Northern Territory) met for the first time a fortnight ago and broadly agreed that two petrol sniffing pilot programs would be set up, one in central Australia and one in the Top End. It is doubtful either program will start before September. No decision has been taken on which communities will get the pilot schemes or how they will operate.
>
> 'There are too many players, that's the trouble,' said one member of the working group. . . A member of the group said one of the main problems was that the Territory Government had agreed to administer projects but had since changed its mind. 'And frankly nobody else wishes to administer them.'

That is an indictment on the bureaucratic structure in which these people have to work. I pay tribute to all the people working in those institutions and organisations that are currently dealing with alcohol and drug abuse within indigenous communities and to those people who are trying to deal with the problem of petrol sniffing. It is not as if petrol sniffing, alcohol and drug abuse are new problems that have been inflicted upon remote and regional Aboriginal communities. It has been around for as long as I have been in this Council.

The Hon. Carolyn Pickles interjecting:

The Hon. T.G. ROBERTS: There was a select committee in this Council. John Cornwall was one of those who first brought it to the attention of the Council, and Martin Cameron was one of the supporters of the government's initiative at the time and took the issues back into the Liberal Party's party room at the time to get support in a bipartisan way for the preventive programs that were being put in place in South Australia. Many of these programs had an element of removal and isolation in them, but we have learnt a lot since those programs began.

It appears that, because of the governance and bureaucracy that plagues Central Australia, in particular, we are not able

to get a combined program effected. We have both commonwealth and state bureaucrats, and in some cases local government and health bureaucrats, all arguing about which way to proceed. In the middle is the Aboriginal communities' leadership trying to get across a point of view which, in many cases, is not listened to. The plea that needs to be made across the board is to try to get a form of governance between the Northern Territory and South Australia, particularly in those areas where we share borders, where the Aboriginal or indigenous people, the original tenants of that part of the country, wander between northern South Australia and southern Northern Territory and do not recognise borders. We must remove some of the barriers we have built into our bureaucracy to allow the administration of projects into regional and remote Aboriginal communities so we can get the services required to deliver the programs to those people who need them and not be soaked up in bureaucratic fights and arguments about who is to proceed, and not be soaked up by salaries without any delivery at the bottom.

AUSTRALIAN WORKERS UNION

The Hon. L.H. DAVIS: I want to detail some of the interesting matters relating to the Australian Workers Union, which I have been raising in question time. Throughout the year 2001, there have been serious allegations raised both publicly and privately in relation to the Australian Workers Union. Indeed, on 27 January this year, the *Advertiser* reported that federal police were being called in to investigate allegations of electoral rorts in the AWU—allegations that had been referred to the union's federal body. This involved a very serious matter, namely, that membership records had been backdated to enable ineligible union members to stand for a union ballot overseen by the federal Electoral Commissioner. That election is now on and runs for some weeks, and is being fiercely contested.

I am indifferent to the outcome of it, but I have been interested in the allegations that have been flowing about serious electoral rorting and also allegations of financial mismanagement. Only today we saw very serious matters raised by KPMG, signed off by a senior staffer of KPMG, regarding numerous deficiencies in the financial accounting and procedures adopted by the AWU during the time that Mr Robert Sneath was secretary of that union.

As I have mentioned in the Council on several occasions, the AWU has clearly engaged in electoral rorting in the sense that it has signed off for 14 010 affiliated members for the ALP, entitling it to more members at the ALP Council than otherwise it would have been entitled to. Indeed, if members take into account that Mr Robert Sneath as AWU secretary signed off for a figure of 10 208 members of the AWU as at 30 June 2000, and even if you add in the glass workers in South Australia (300 members) and the Whyalla-Woomera branch of the AWU (650 members), you come up with a total of 11 158 members, which is nearly 3 000 fewer than the 14 010 members for which the AWU claimed Labor Party affiliation. And when members take into account that, following the disgraceful performance of the Labor Party in stacking branches in 1999, where 2000 new members were signed up with a handful of cheques, including 20 people at Coober Pedy who did not even know they were being signed up by someone who—

The Hon. Carolyn Pickles interjecting:

The Hon. L.H. DAVIS: They were real people. There is a big difference between dead people and people who do not know that they are being signed up. As a result, Mike Rann, Leader of the Labor Party, in the *Advertiser* of 14 May 1999, said:

> If there is any evidence of rorting membership recruitment, those responsible must be dealt with severely and prosecuted to the full extent of our rules because that kind of stupid behaviour is unacceptable and should not be tolerated and will not be tolerated.

The fact is that because the AWU has overstated its membership by 3 000 members, at least, it has altered the results—the outcomes—of elections within the ALP. That is pure and simple electoral rorting. Chris Schacht has been relegated from a number two to a number three position on the ALP state ticket; Bill Hender was dumped and he subsequently resigned from the Labor Party as a result of this rorting; and, of course, the AWU has secured itself a member on the ALP executive to which it otherwise may not be entitled. I made the challenge last week to Mr Ian Hunter in my question about this serious discrepancy of 3 000 in the membership affiliated with the AWU and the ALP of 14 010 and the actual membership as signed off by the Hon. Bob Sneath. It is a difference, as I said, of 3 000.

There has been deafening silence from Mike Rann. There has been deafening silence from Ian Hunter and, of course, not surprisingly, there has been extraordinarily deafening silence from the Hon. Robert Sneath, who is a central figure in this electoral shenanigans. It sets a new low in terms of electoral rorting in the Labor Party in South Australia. It follows hard on the heels of the electoral rorting which we saw in Queensland and which led to the sacking of several members of parliament.

The Hon. R.K. Sneath interjecting:

The Hon. L.H. DAVIS: That is a matter of fact. Several members of the Labor Party were sacked in Queensland. Of course, there are serious allegations of—

The ACTING PRESIDENT (Hon. J.S.L. Dawkins): Order!

The Hon. L.H. DAVIS: —AWU manipulation in New South Wales.

The ACTING PRESIDENT: Order! The honourable member's time has expired.

The Hon. R.K. SNEATH: It was not my intention but I think that I will take the opportunity to speak about the AWU elections. It is obvious that this place has been used, unfortunately, by Mr Wayne Hanson's opponents. They are giving quite a bit of false information to the honourable member, which is quite obvious. The only electoral rorts that have happened in the AWU occurred in 1989. That matter went to court and a judge found—

The Hon. L.H. Davis: Are you going to tell us about the membership?

The ACTING PRESIDENT: Order!

The Hon. R.K. SNEATH: —that there were electoral rorts. At that time one of the opponents of Mr Wayne Hanson's ticket was the secretary, a Mr John Dunnery. The ballot was overturned. He won by 137 votes. His opposition took it to the courts in 1989. The judge said that there were a number of irregularities and he named some of the things that Mr Dunnery was accused of doing. So, perhaps that is where the honourable member—

The Hon. L.H. Davis interjecting:

The ACTING PRESIDENT: Order!

The Hon. R.K. SNEATH: —has got his information from.

The Hon. L.H. Davis interjecting:

The ACTING PRESIDENT: Order, the Hon. Legh Davis!

The Hon. R.K. SNEATH: As far as the AWU's financial position is concerned, there are two balance sheets for both the state union (the amalgamated AWUSA) and the greater South Australian branch that have been signed off by the state auditors. They are available to the press or to anyone. They have been distributed to the membership and to anyone who wants to have a look at them. If the Hon. Mr Davis wants to flap around a letter which fell off the back of a truck and which was put together for the national office, so be it.

The Hon. L.H. Davis: You are impugning KPMG, which signed the letter.

The Hon. R.K. SNEATH: KPMG is the national auditor. In the last ALP conference the South Australian branch of the Australian Workers Union sent 13 delegates representing the greater South Australian branch, the Whyalla-Woomera branch and the glass workers branch. There were 13 delegates. If you have 14 010 members you get 14 delegates. You get one delegate for every 1 000 members. Surely the honourable member can work that out for himself. He says that he is so good with figures—he should have worked that out. As I said, 13 delegates were sent to the ALP conference.

The Hon. L.H. Davis interjecting:

The ACTING PRESIDENT: Order! The Hon. Bob Sneath has the call.

The Hon. R.K. SNEATH: I would imagine that the next trick by the Hon. Legh Davis will be to have a go at the funds that the AWU has set up in aid of charity. The AWU has given a number of charitable organisations donations. I think that this will probably be the honourable member's next trick because I understand that his informants have also given him a bit about this. I want to let the Council know about this fund. Unfortunately, because of some of these riffraff running around the place the AWU might decide not to continue with it. I hope that it does continues with it. To date, the AWU has given donations to spinal research, Cans for Kids 5AA, Kids for Cancer, Life FM Christmas for Kids, Rotary—

The Hon. L.H. Davis: What has that got to do with rorting?

The Hon. R.K. SNEATH: —this will be the honourable member's next trick—the Port Pirie railway project, the Adelaide Show, another Rotary Club and the Queen Elizabeth Hospital.

The Hon. L.H. Davis: Tell us what the membership is.

The ACTING PRESIDENT: Order!

The Hon. R.K. SNEATH: Like every union, the membership, of course, has dropped and who has played a big role in that?

The Hon. L.H. Davis interjecting:

The ACTING PRESIDENT: Order!

The Hon. R.K. SNEATH: This government has played a big role in the decrease in memberships of most unions. This government has played a role because of the downturn in manufacturing. People are leaving this state and going elsewhere. Workers are losing their jobs and this government is doing nothing about it. That is what has played into the hands of all unions losing membership in the last few years. Members opposite want to take a good look at themselves because they are doing industry no good in this state. Instead of union bashing they might want to take time to fix up HIH; they might want to take time to look at Harris Scarfe; they might want to take time to look at some of these companies that are going down the gurgler.

The Hon. Diana Laidlaw: What are you suggesting happened with Harris Scarfe?

The Hon. R.K. SNEATH: Well, what happened to it? Members opposite might want to take time to look at some of these companies that are going down the gurgler while they are in government. Members opposite might want to do that instead of union bashing. Members opposite might want to help the workers at Perry Engineering.

Time expired.

The Hon. L.H. Davis interjecting:

The ACTING PRESIDENT: Order! I would remind members—

The Hon. L.H. Davis interjecting:

The ACTING PRESIDENT: Order! I would remind members that they should address their remarks through the chair.

ABORIGINAL HOUSING

The Hon. SANDRA KANCK: The issue of Aboriginal housing has recently been in the spotlight because of the hardline stance of the Adelaide City Council. A fortnight ago the council threatened to evict homeless people—a significant number of whom are Aboriginal—from the parklands. This approach, just days before the beginning of Reconciliation Week, is a turn-around from a recently existing more enlightened one. A few years ago, along with other MPs, I took up the offer of a guided tour of the Adelaide parklands. For me the most impressive part of that whole tour was being shown what a then forward-thinking council was doing in the west parklands.

Recognising the reality of the existence of homeless people, the council had deliberately planted groves of casuarinas so that the needles that gradually fell to the ground from the trees formed a soft under-bed, which would provide a place of retreat, and especially somewhere to sleep, for homeless people. I remember being just a little bit proud that South Australia's principal metropolitan council was acting in such a humane way—how things change! A few months ago, in the company of Aboriginal woman Amelia Campbell and the Reverend Bruce Stocks of the Anglican parish of West Adelaide, I visited the Uniting Church's Byron Place Community Centre, the Baptist Church's Westcare and homeless people in the west parklands in order to get a clearer picture of the problem.

I note that, while I visited only these two centres, all of the mainstream churches in our city centre are involved in helping these people, and I have profound admiration for those who work so tirelessly to give back some sense of humanity to these homeless people. The reasons that people become homeless are complex and the stories I heard were almost overwhelming. Amongst homeless Aboriginal women there is a cycle of child abuse leading to drug and alcohol addiction, leading to prostitution to fund the habit, leading to rapes and domestic violence and, unfortunately, teenage pregnancies, and the cycle continues.

Early death is common amongst these people and accepted like a background pattern on wallpaper. In the course of speaking with Amelia, she referred to the deaths of many of her friends and relatives, including the recent death of her 28 year old niece and a nephew who had hanged himself in prison just before Christmas. At Byron Place she showed me cupboard doors covered with photos of people who used the centre. She pointed out one person after another, all of whom had died in recent times.

Amelia's courage in continuing to obtain help for her people is extraordinary. When the Deputy Lord Mayor recently attempted to remove homeless people from the parklands, he found that the promised housing was not forthcoming. This was no surprise given that my office has regular correspondence with the minister and his department in an attempt, often unsuccessful, to find adequate housing for Aboriginal people.

One such case was that of an Aboriginal woman from the bush, a softly spoken, gentle woman from Ernabella for whom English was her second language. I met her at West Care, having taken up her case last year with the Aboriginal Housing Authority. Because she suffered from a variety of problems (including hepatitis B) she had been advised to stay in Adelaide so that she could access medical treatment, but she had been kicked out of a hostel when other people became aware of her health status.

Obviously, sleeping rough did nothing to assist her condition, but my letter to the Aboriginal Housing Authority bore no fruit. The Aboriginal Housing Authority said that it could not justify priority treatment ahead of others 'many of whom have waited long for assistance and are experiencing similar difficulties.' We should be horrified that this is the case. Of great concern to me in its refusal to assist was the observation that appropriate ongoing committed support needed to be arranged for the family before the authority would be willing to reassess its decision. If the Department of Human Services could not arrange this, who else could?

This woman ultimately found hostel accommodation with one of the inner-city church agencies, but she died in hospital of a massive infection last month—another Aboriginal death which should not have occurred. What will now happen to her teenage grand-daughter whom she had in her care on the day I met her is anyone's guess. Will the cycle be broken? Sadly, probably not, but the current out-of-sight, out-of-mind attitude of the Adelaide City Council will in no way assist in alleviating the long-term problems for homeless Aboriginal people.

COMPULSIVE GAMBLING SOCIETY

The Hon. NICK XENOPHON: I rise to pay tribute to the work of the Compulsive Gambling Society of New Zealand which, in many respects, has set the pace in terms of strategies to reduce the harm caused by gambling in that country. I think much can be learnt from the approach taken in New Zealand in terms of the work that this society is doing. I acknowledge the tremendous work that the society's executive, Ralph Gerdelan, has done on this issue. The Compulsive Gambling Society is a world leader in terms of its strategies and the implementation of policies to reduce problem gambling.

Recently, the Compulsive Gambling Society released discussion papers in relation to an overview to reduce the harm from gambling. I think this is important in the context of the Independent Gambling Authority, which will be established shortly as a result of legislation passed recently in this parliament. That legislation is welcome in terms of at least beginning to grapple with some of the issues that face the state as a result of increased opportunities to gamble and, in particular, poker machines. This particular strategy is welcome, and much can be learnt from the Compulsive Gambling Society of New Zealand.

Its primary objectives, as detailed in its most recent document with respect to overall public policy, are: first, to enable New Zealanders to increase control over and improve their well-being by limiting the harms and hazards associated with gambling; secondly, to reduce the prevalence of problem and pathological gambling; and, thirdly, to reduce the health risks, crime and economic and social destruction associated with excessive gambling by promoting responsible gambling. My view is that, the less accessible you make gambling and the less addictive you make particular forms of gambling, that will reduce the harm as well as provide communities with a say as to the extent of the gambling that they have. Nevertheless, the goals set out in the Compulsive Gambling Society's document are very useful.

We should also reflect on the fact that the Compulsive Gambling Society of New Zealand has been a world leader in participating with the medical profession to put in place strategies for GPs to identify in their surgery whether individuals are at risk of becoming problem gamblers. In New Zealand, every GP is provided with an information pack and an eight point check as to whether an individual potentially faces harm from problem gambling. It acts as an effective screening mechanism so that, in turn, those individuals can be referred to a specialist. This is something that has been talked about in a number of jurisdictions in Australia, including South Australia, but it seems that any sort of action has simply been too slow.

If any government, this government or any state government, is serious about dealing with the risks inherent in problem gambling, a strategy that involves the participation of GPs is absolutely essential in order to begin to measure the true extent of the harm caused by problem gambling. The strategies in the national policy on responsible gambling also seek to look at using a balance of supply control, demand reduction and problem limitation measures. Of necessity, that would involve not having various forms of gambling as accessible as they are now, having various gambling games being less addictive than they are now, and also looking at this whole issue not only as a health issue as the Compulsive Gambling Society of New Zealand has done but also as an issue involving product liability and whether there are harmful products that have been released in the community.

The approach taken by New Zealand is groundbreaking. There is much that the Independent Gambling Authority can learn from the Compulsive Gambling Society of New Zealand and I hope that, in the course of its deliberations in the context of the legislative framework of the Independent Gambling Authority in this state, it will seek extensive advice, assistance and counsel from the Compulsive Gambling Society of New Zealand.

This document discusses a whole range of options for supply control strategies. It states that, if a particular gambling game is so addictive that it causes a significant measure of public harm, that product needs to be modified or withdrawn from release to the general community in the same way as we have product liability laws that say that, if a product is known to have a propensity for harm and is dangerous, it should not be readily available in the community. I hope that the Independent Gambling Authority, when it begins its deliberations on measures to reduce the impact of problem gambling, takes heed of the extensive work carried out by the Compulsive Gambling Society of New Zealand.

ITALIAN REPUBLIC

The Hon. J.F. STEFANI: Today, I wish to speak about the Italian Republic. Last weekend, the South Australian Italian community celebrated the 55th anniversary of the Italian Republic. I had the privilege to be among the many invited guests who shared in the special celebrations of this important event. The Italian Republic was declared on 2 June 1946. This followed a referendum in which the Italian people voted to abolish the monarchy, the House of Savoy, which ruled the kingdom of Italy from 1861 to 1946. The Constitution of the Italian Republic was approved by the Constituent Assembly on 22 December 1947 and came into force on 1 January 1948.

For many South Australians of Italian origin, South Australia has become their home. Today we share in many common ideals and mutual democratic values. Above all, we share with great pride the important achievements and contributions that many Italo-Australians have accomplished since their arrival in Australia. The deep bonds that have been developed between Italy and South Australia are a reminder of the great human values and personal links that exist between our two countries and our people. Italy and Australia share enduring links of tradition and culture enhanced by almost one million people of Italian origin now living in Australia.

Many of us would be aware that Italy and Australia are strong trading partners and share important international interests in economic and political cooperation. Following the visits to Italy by the Minister for Foreign Affairs (Hon. Alexander Downer) and a visit to Australia by the Italian Foreign Minister (Hon. Lamberto Dini) these important links have been further developed. It is also significant to mention that Italy and Australia work together in international forums across a wide range of global issues such as the establishment of an international criminal court and the further reform of the United Nations. It is important to note that, following Mr Downer's visit to Italy, a joint announcement was made by the Italian and Australian foreign ministers detailing the establishment of the Australia-Italy Economic Cultural Council to facilitate increasing cooperation on a broad range of economic investments, science and technology, as well as cultural issues.

Within this framework specific committees chaired by the relevant ministers have been established to promote broader bilateral cooperation, especially in the area of economic and trade activities. In acknowledging these key initiatives, I congratulate the Australian and Italian governments and the respective ministers for foreign affairs for making such decisions. I also acknowledge the work of the Italian Consulate Office in Adelaide and would like to pay a special tribute to Dr Lorenzo Kluzer, the Italian Consul, and his staff, for his support and interest in the Italo-Australian community in South Australia.

I also commend the work and commitment, on behalf of the Italian government in Australia, of the Italian Ambassador, His Excellency, Dr Giovanni Castellaneta, whose term of appointment is due to expire shortly. I take this opportunity of wishing him continued success in his future career. The national day celebrations, which acknowledged the accomplishments of many Italians in South Australia, were a great success and a great celebration for the community.

Time expired.

ESTIMATES COMMITTEES

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

That the Standing Orders Committee of the Legislative Council prepare amendments to the standing orders to provide for an estimates committee examination of the Appropriation Bills in the Legislative Council in future years.

In the federal parliament both the House of Representatives and the Senate have estimates committee processes. It is worth noting that in the federal parliament it was the Senate that first had estimates committees and only later were they picked up by the House of Representatives. Interestingly, when estimates committees were introduced in South Australia they were not introduced in the upper house first but in the House of Assembly.

There are a number of reasons why I believe the estimates committee process is necessary in the upper house. First, I make the observation that it is considered that the Legislative Council is the house of review in the parliamentary process and the estimates committee process is an important review process. It does not deny the ability of the House of Assembly to be involved in parliamentary review, but it seems that a primary role of the Legislative Council is one of review, yet the ability to scrutinise the budget in detail is currently denied to the Legislative Council.

I also note that it is usual for the opposition parties as well as the government to have ministers and shadow ministers in the Legislative Council and, while ministers are admitted into the House of Assembly to enable questions to be asked of them, neither the shadow ministers nor the backbenchers in the opposition parties are able to sit on the floor of the estimates committee in the House of Assembly and as such they are reduced to passing notes into the chamber for somebody else to ask questions on their behalf. I further note that there are three political parties and an Independent in the upper house who do not have any access to the estimates committee process in the House of Assembly at all. The Legislative Council is denied its ability to be involved in the review process.

There have been some suggestions that perhaps there be a single set of estimates committees and that the Legislative Council have an opportunity to engage in them. Certainly, the feedback I get at this stage is that many members of the current estimates committees do not get to ask all the questions they wish to ask as there is insufficient time. It is partly because governments play—and future governments will play—exactly the same games in estimates as they play in question time, namely, that a lot of time is taken up by their own people asking questions.

To admit more people into the process and allow further questions, while giving other members access that they do not have currently to ask questions, will mean that members who already have difficulty asking all the questions they wish to ask will be competing with more questioners. So the ability for a line of questioning to be pursued will be further limited. I cannot imagine that the opposition would enjoy that any more than anybody else if they have to give up further questions not only to government members but to other parties who may have special areas of interest. It would make the examination of particular issues increasingly disjointed. It is necessary for all those reasons for us to change the process.

I note that this motion refers to future years. The standing orders simply cannot be amended in the time available but, as this motion is being addressed, I advise the government

that when the Appropriation Bill comes before the Legislative Council I would like on some occasions to repeat the process that happened in this place a few years ago. When both the Hon. Martin Cameron and later the Hon. Robert Lucas were Leaders of the Opposition, they asked questions about the budget using the following mechanism: the minister would have an adviser next to him, as is usual in regard to many pieces of legislation, and the adviser would be the head of a government department. In that way it was possible to ask questions in particular areas of interest.

At this stage I advise that I am giving consideration to seeking to have that done when the Appropriation Bill comes into this place. I do not know whether the opposition has given that any consideration, but it is something that the Liberal Party in opposition initiated in earlier years. I want an examination of the current budget to illustrate the areas of concern that deserve further scrutiny and that would be possible if we had an appropriations committee, which could have the opportunity to examine further. I would look at a few of the government's budget documents in so doing.

Last Thursday when the Treasurer introduced the budget into the other place he told us that we were turning another page and that that day heralded a new chapter in budget management. As I turned the pages I kept thinking I was reading the same chapters I had read before and I really did not see that there was a significant change in where things had being heading for some time, nor did I feel that any progress had been made. The Treasurer talked about the first, second, and third chapter and claimed that we are now in this chapter, which has produced a sound platform. I do not believe that the figures in the budget papers illustrate that, and I would like to probe them in further detail.

The Treasurer in presenting the budget said (on the second page of the printed copy of his speech) that we have produced a small surplus of just $3 million this year and there will be balanced budgets for the next year and for the forward estimates. The way in which governments choose to construct their budget documents is interesting. Certainly, we see on page 3 of the Budget at a Glance, which seems to be a spin document in particular, a subtitle '2001-02 budget highlights'.

What we have here is an underlying surplus for the 2001-2002 budget of some $2 million. That is the figure which has been referred to in the budget documents. However, the Treasurer does not focus on page 24 of the same document, which is the accrual outlook for the state, and in that we see a different story being painted. If one looks at the net operating balance for the budget, that indeed is not a surplus but a $38 million deficit. The net operating balance reflects the cost of service provision including non-cash costs such as depreciation, disclosing all financial obligations accrued each year such as superannuation and long service leave liabilities, even if the cash costs come in future years.

To some extent, the government is almost playing the sort of game that some people play when working out their tax returns: they decide when they will purchase things, when the cost will be finally attributed, and when they will pay their bill. It is shifting some things into other years. At the end of the day it is important that non-cash costs such as depreciation are taken into account. They certainly were not taken into account in relation to the claimed $2 million surplus which was a cash surplus and not an accrual surplus.

One can look further and look at the net lending fiscal balance which then creates a net borrowing of $209 million. That measures the government's investment saving balance where the government's net lending and borrowing is calculated by deducting the net acquisition of non-financial assets equivalent to net capital expenditure less depreciation expense from the net operating balance. The government is speculating about improvement in further years, although it is worth noting that even last year there was a minor increase in the estimated result as compared to the budget result in relation to that net borrowing of the government.

I also draw attention to Budget Paper No. 3 where the issue of net lending is analysed. We have a comparison on page 3.3 in graphical form of the net operating balance versus the net acquisition of non-financial assets. What we see there is the gap that has to be closed if we are to have a genuinely balanced budget. I am advised that all other states, with the possible exception of Western Australia, have closed that gap. The government speculates that it will achieve that in future years, but one would have to note at this stage that that is purely speculation.

It is interesting that the government then seeks to claim that it has achieved great things in terms of reduction in debt level. Everybody wants to see the debt level go down, but what is being achieved in this budget? When we look at page 7.5 of Budget Paper No. 3, and see the total non-financial public sector net debt and unfunded superannuation liabilities, the estimate for the year 2002 is an increase in the non-financial public sector net debt of some $122 million.

It is also worth noting that the unfunded superannuation liability is not decreasing but increasing by some $98 million this year. The basis of that, as I understand it, is a claim that they are running a little ahead of schedule, if you like, that they had a good year last year. That fact was touched on by the Hon. Paul Holloway when asking a question earlier today in this chamber.

One would have to say that even the apparent improvement in the past 12 months was speculative. What we do see in relation to the non-financial public sector net debt and unfunded superannuation liability is an increase of $122 million in one case and $98 million in the other—well over $200 million. It is worth noting at the same time that the government has also dipped into SAFA—I do not have the page reference immediately—and my recollection is to the tune of about $92 million, and into the South Australian Asset Management Corporation to the tune of, as I recall again, some $40 million.

On my understanding, SAFA is not included in these net debt figures. That being the case, on a one-off basis the government has cushioned itself even further in a way that it cannot do year after year. It used to dip into other little pots, like ETSA, from time to time and transfer debts over there, but it cannot do that any more. I think that it has been under every rock, gathered every last dollar that was buried and, despite all that, what we see is deterioration in the net position of this state of some hundreds of millions of dollars.

The Hon. R.R. Roberts interjecting:

The Hon. M.J. ELLIOTT: That would be a major part of the problem, one would have to believe. I notice as we go through the Treasurer's speech that on page 3 he says that agencies will be required to adopt a targeted reduction of 5 per cent in the number of administrative executive positions in portfolios and that this strategy will provide an effective transfer of resources away from red tape and back to the provision of services at grass root levels: more indians, fewer chiefs. I would be interested to know how the government ascertained that each portfolio had exactly 5 per cent of

clearly inefficient workers who need to be removed, because that is effectively the argument.

Rather than the government saying, 'We are examining all departments to see where there are inefficiencies and we will remove those which are there, whether they be 1 per cent or 27 per cent', it has managed to establish that there is exactly 5 per cent worth of inefficiency in these middle management positions in every portfolio area. That is one of the most interesting bits of accounting that I have seen in a long time, in terms of seeking to balance one's budget. By the end of page 3 we have the Treasurer getting back to his theme of 'We continue to live within our means.' When Captain Sensible, captain of the *SS Minnow* was—

The Hon. T.G. Roberts: The *Titanic*.

The Hon. M.J. ELLIOTT: I am not sure whether it is the *Minnow* or the *Titanic*, but either would be appropriate.

An honourable member interjecting:

The Hon. M.J. ELLIOTT: I don't think anyone would trust him with a boat quite that big, although the consequences if they did would be exactly the same. I should not allow myself to be distracted by these constructive interjections. I note that the government is reducing payroll tax, and the Democrats welcome that. In fact, the abolition of payroll tax has been Democrat policy since the formation of the party some 23 years ago, so we welcome this move.

It is interesting to note that some of this cut will not become effective until 1 July next year, so the government has made a decision not only on its behalf but for the next government as well. I suppose that at that point it could be a bit like L-A-W law: the tax cuts that someone else did once before. But I will not distract myself by pursuing that particular question further.

I note that there is both a tax cut and a change in the threshold on 1 July next year, although the government seems to be at the same stage broadening the payroll tax base so that it will probably get all that back again in any event: he giveth and he taketh away, in at least equal or greater parts. The government also said that it will collect no more money from the emergency services levy. It has quite clearly been exposed by now that the reason why the emergency services levy came into this state was that the government was broke.

It had a little bit of money under a few rocks it was saving up for an election year and, in particular, to pay for the central administration that it was putting into emergency services as well as the radio network, which was swinging out of control rather rapidly in terms of costs. That is why the emergency services levy came in.

The PRESIDENT: Order! The honourable member will keep to the subject of his motion.

The Hon. M.J. ELLIOTT: I can assure you, Mr President, that I am not taking up too much time of the Council, because I would have covered this during debate on the Supply Bill. I am covering the sorts of issues I would like to be able to explore in the Estimates Committee process, and I am using them to demonstrate the sorts of issues that need to be explored but which at this stage are denied us in the processes currently available in this chamber.

The Democrats are pleased to see the state's commitment to the Adelaide-Darwin rail link, something which was a Democrat commitment at the state election before last and which I believe all parties in this place are committed to now. I note that we are only paying $25 million, as I understand, over the next year (2001-02), so this state will have even an greater commitment in future budgets. When one looks at a budget that is not in balance and realises that future budgets will have to find more of that $25 million, again there is a trigger in there for greater pressure—

The Hon. Diana Laidlaw interjecting:

The Hon. M.J. ELLIOTT: If you were paying attention, you'd know.

The Hon. Diana Laidlaw interjecting:

The Hon. M.J. ELLIOTT: I'm speaking to my motion. I am not taking up any more time of the Council than I would take up anyway. I am actually giving examples of the sorts of issues I would like to be able to explore in the estimates process.

The Hon. T.G. Cameron interjecting:

The Hon. M.J. ELLIOTT: It's good to have you down here being educated from time to time, as an occasional visitor to this place.

The Hon. Diana Laidlaw: You could put all these questions on notice anyway.

The Hon. M.J. ELLIOTT: I'd be waiting forever for an answer. The government has provided additional funding of $29.5 million this year in relation to investment attraction. It is not clear from this statement whether or not that is the full amount of money to be spent on investment attraction or whether it is additional to the level of funding provided in previous years. That is a matter that is causing great interest in the business community, and certainly the feedback I am getting (and it is the Democrats' belief) is that, while there is a place for moneys to be spent on investment attraction, a great deal more attention should go into stimulating existing small and medium businesses in South Australia through clustering, which currently in the budget is receiving some $2.5 million (the Treasurer might put me right on that, but I think it is about that figure).

Anyone who had the opportunity to attend the Business Vision 2010 breakfast on clustering last week will be aware that the work that it is doing is having enormous spinoffs, and that the government putting more money into the clustering programs will achieve a great deal more for this state than some of the other investment attraction programs, although I note that the budget gives no detail as to how much is going for what purpose—something that we would like to explore.

The Treasurer told the parliament that education spending next year will be $280 million more than 1997-98 and then said, '$105 million higher than last year's budget,' which had some people in the media printing that education is getting a $105 million major injection. In fact, my reading of the budget statement makes quite plain that, as distinct from last year's budget estimate, the actual spending was identical to this year's budget.

It is worth noting that last year there was a significant salary increase in relation to education workers and, in consequence of that, there is no further increase this year. So, indeed, in real terms education is suffering a cut. The Treasurer also talked about another $36 million for computers in terms of government schools and parent contributions.

The Hon. DIANA LAIDLAW: On a point of order: I would like you, Sir, to provide the Council with a ruling on the relevance of the contribution being made by the honourable member in terms of the series of specific budget questions that he is asking and the motion that he has moved in relation to the Standing Orders Committee. I ask for your ruling not only on the basis of relevance but also in the knowledge that there are ample opportunities provided in this place through question time, questions on notice and reply to the budget for specific matters relating to the budget to be raised, which other members respect.

Members interjecting:

The PRESIDENT: Order! I uphold the Minister's point of order. Having spoken to the Hon. Mr Elliott five minutes ago, I believe he said that he would, more or less, give the sort of speech that he would have given in a debate on the Supply Bill. I note that he is down as a speaker for that debate later today. He is straying from his own motion, which clearly talks about standing orders and the preparation of amendments to the standing orders to provide for an estimates committee. He has given a few examples but he has strayed a long way beyond that, so I ask the honourable member to be relevant to his motion.

The Hon. M.J. ELLIOTT: If I might put it to you, Mr President, that, if one wanted to be as rigorous as you are seeking to be, one could give exactly the same ruling in relation to the Supply Bill. If you look at the way things have been treated in this place—

Members interjecting:

The Hon. M.J. ELLIOTT: No, it is not a reflection on the current President. It has been a practice that has evolved—

The PRESIDENT: Order! The matter of Supply has not been brought up. We are not talking about Supply: we are talking about a motion on the standing orders.

The Hon. M.J. ELLIOTT: I would put it to you, Mr President, that what I am seeking in this place is the ability for us, through an estimates committee process, to the able to explore the budget. There is no capacity in this place—and that is the argument that I am putting—for a detailed examination of the budget. There is no process at all which allows that and I am seeking to give examples of the sorts of issues that I believe this Council would like to explore in relation to the budget.

Members interjecting:

The PRESIDENT: You are making the point. If the honourable member wants to give examples, he should give them, but he is not to stray onto debating points.

The Hon. M.J. ELLIOTT: It's a gag.

The Hon. Diana Laidlaw interjecting:

The Hon. M.J. ELLIOTT: What are you getting so wound up about?

The Hon. Diana Laidlaw interjecting:

The Hon. M.J. ELLIOTT: If you want the standing orders to work, we can make them work all the time, for everybody. That is what I really want. Another issue that I had wished to explore with the government—

The Hon. Diana Laidlaw: But you're going to do it anyway.

The Hon. M.J. ELLIOTT: I am giving examples of an issue that I would have liked to explore in an estimates process. For instance, regarding our questions around unemployment rates, the documents have provided some information about trend unemployment rates and about the fact that the rate declined to 7.2 per cent, but what I would be seeking from the minister responsible for these issues is information around participation rates. The minister could prove me correct in this, but my understanding is that in South Australia the participation rate, which used to be the national average some seven years ago, is now the worst in mainland Australia and only marginally better than Tasmania.

The Hon. L.H. Davis: Why is that? Has it something to do with demographics?

The Hon. M.J. ELLIOTT: If you look at the rate of change, you would understand that concept—perhaps vaguely. If you look at the rate of change of this as it has occurred, it has occurred more rapidly than any demographic trend could explain.

The Hon. L.H. Davis interjecting:

The PRESIDENT: Order! The Hon. Mr Davis is exacerbating the problem we are having of asking the Hon. Mr Elliott to be relevant to his motion.

The Hon. M.J. ELLIOTT: He is trying to lead me away from the substance of the motion.

The Hon. Diana Laidlaw interjecting:

The PRESIDENT: Order! Pursuant to standing order 186, I will issue a warning to the Hon. Mr Elliott and sit him down if he keeps being irrelevant.

The Hon. Diana Laidlaw interjecting:

The Hon. M.J. ELLIOTT: It is quite clear that I will not be allowed to give further examples of areas of concern I would like to explore. I ask all members to give consideration to this motion. I remind members that both upper and lower houses of federal parliament have an estimates review process. It is something that we do not have. It means we cannot examine the budget in any detail. I hope that the government will be more prepared, than the minister is at present, to allow us to explore the budgets, because the government members may be sitting on the opposition benches—in fact, they are guaranteed to be—and I would think they would appreciate the opportunity of being able to check out what the next government is doing, rather than rely on passing notes into the House of Assembly chamber—which is what they will be reduced to doing after the next election.

I urge all members to give this motion serious consideration. At some stage we need to think carefully about whether or not current standing orders in the House of Assembly are the most appropriate. There seems to be a bit of abuse of that process and perhaps we might look to tighten up those standing orders at the same time. Clearly, I will have to find another opportunity to explore some issues in relation to the budget which I believe deserve exploration and which the absence of estimates denies. I will have to wait to see whether or not I am allowed to do it under the Supply Bill.

The Hon. T.G. CAMERON: I am not down on the *Notice Paper* to speak about the resolution standing in the name of the Hon. Michael Elliott. I would have been very interested to hear the examples about which the honourable member wanted to tell us. As I understand the resolution before the Council, he is proposing that the Standing Orders Committee of the Legislative Council look at the standing orders to see whether there is some way that members of this place are able to provide some kind of examination in relation to the estimates committees. I can recall that, when I was the shadow minister for transport and small business, the minister at the time sat in the same chamber in which I sat yet I was unable to question the minister during the estimates committee process.

The Hon. Diana Laidlaw: You do it rigorously every sitting day.

The Hon. T.G. CAMERON: Perhaps you used to get questioned a bit by the shadow minister for transport, but you get let off the hook these days, let me tell you. The point is that one wondered about the process when you would go back to your office to prepare questions to be submitted to the minister, who stood across the Council looking at you every day the chamber was sitting. I had to secretly prepare the questions for the minister, give them to someone else, hope

they would ask them, and hide in the back of the chamber like some mongrel dog waiting—

The Hon. Diana Laidlaw interjecting:

The Hon. T.G. CAMERON: Yes; one is unable to interject when you know the answers coming back from the other side are rubbish. I make the point that I think the Hon. Mike Elliott is onto something here.

The Hon. T.G. Roberts interjecting:

The Hon. T.G. CAMERON: I will ignore that interjection. At the very least, shadow ministers who sit opposite ministers in this place should be accorded the courtesy of being able to examine them.

The Hon. Diana Laidlaw: But that would exclude the Democrats.

The Hon. T.G. CAMERON: Yes, that would exclude the Democrats but, as I understand the resolution, it is something that the Standing Orders Committee could look at to see whether or not we could prepare amendments or guidelines to the standing orders to provide an opportunity for examination of ministers, particularly those ministers in this place. I am not saying that is restrictive—only to them. We are in a situation which reminds me a little—and I am not having a go at the Minister for Transport here—of the question I asked this morning about the youth parliament. It has been set up as if there is only a government and an opposition and everyone else is irrelevant.

I indicate that I am attracted to the proposition standing in the name of the Hon. Michael Elliott. I would have thought that what we all are about and what we should be about is providing the best possible mechanism for examining the performance of government ministers. I know that ministers do not quite see it that way and oppositions see it as their duty to attack the government and be critical, but I think we are moving into an era of politics whereby this Council, for example, might be made up of seven or eight members who are not members of the opposition.

The Hon. Diana Laidlaw: And/or no ministers.

The Hon. T.G. CAMERON: And/or no ministers. Because of the different voting systems we have in each of the houses, we could very well find that the composition of this Council ends up being quite different from the composition of the other house. I do not believe the democratic process and proper examination of government would be best served by a continuance of a system whereby only members of the lower house can examine ministers during estimates committees. I was a little disappointed that the Hon. Michael Elliott was not given the opportunity of expanding on the examples that he had—

The Hon. Diana Laidlaw: You do acknowledge he has other matters of interest in relation to supply about which he can speak?

The Hon. T.G. CAMERON: I acknowledge that. We all are entitled to speak on supply. Michael Elliott would not be the first member of this chamber to stray from the subject and not get away with it. Usually, when members stray from the subject they are ignored. The honourable member was a little unlucky that the minister was sitting here, took a point of order and found a sympathetic ear with the President. I indicate I will make a point of having a discussion with the Hon. Mike Elliott about his examples.

The Hon. T.G. Roberts interjecting:

The Hon. T.G. CAMERON: You might get a sympathetic year from the President, but you will not from me for the next six months, let me tell, so go ahead. I intend to give this very serious consideration. I think that it could expand the role of the Legislative Council, and the Legislative Council could provide a valuable contribution to the estimates committee process, particularly if it will allow ministers who sit in this Council to be examined by this Council about their portfolios.

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

G.C. GROWDEN PTY LTD

The Hon. T.G. CAMERON: I move:

I. That a select committee of the Legislative Council be appointed to investigate and report upon the financial activities which lead to the collapse of G.C. Growden Pty Ltd (Mortgage Investments), the financial and legal implications for the investors involved and any other related matter;

II. That the committee consist of six members and that the quorum of members necessary to be present at all meetings of the committee be fixed at four members and that standing order 389 be so far 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 of publication, as it thinks fit, of any evidence or documents presented to the committee prior to such evidence being reported to the council; and

IV. That standing order 396 be suspended 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.

I thank the Hon. Legh Davis for seconding my motion. I hope that that is indicative of some sympathy he has with the plight of the 2 000 small and mainly elderly investors who lost their life's savings following the collapse of Growden. I look forward to the honourable member's support, even if the Liberal Party will not support this resolution when it is dealt with by the Council. I am reintroducing this motion today as it will give the people who invested their money in good faith in G.C. Growden the opportunity for their story to be heard.

At least 2 000 small and mainly elderly investors lost their life's savings following the collapse in 1996 and 1997 of Adelaide-based G.C. Growden Pty Ltd (Mortgage Investments). I will give a brief account of the Growden affair. Throughout its 15 years in the industry, Growden had been known for his ethical zeal. Growden attacked thousands of people looking for a safe investment—attracted, I should have said, not attacked. Growden attracted thousands of people looking for a safe investment with better than bank interest.

The Hon. T.G. Roberts: Later he attacked them.

The Hon. T.G. CAMERON: He not only attacked them but he slaughtered them. Growden offered returns as high as 12.5 per cent on first mortgage investments, even when mortgage lending rates across the country had fallen below 8 per cent. The company put the funds of many of its investors into syndicates to lend on large commercial developments, such as hotels, retirement villages or factories. Each of the estimated 3 500 investors in mortgages brokered by Growden provided money to be loaned for about 450 projects, mainly housing and other construction developments in South Australia.

Depending upon the value of the project, Growden would then recommend how much his investors should provide, with the average amount in the vicinity of $15 000 to $25 000—although, I hasten to add, many investors might have up to 10 or a dozen mortgages of $15 000 to $25 000 on a range of different properties, based on the premise that if they spread their money around they were protected by first

mortgage and their investment would be safe. They have had to learn the hard way that that was not the case. This way each of the loans issued would comprise funds provided by numerous people.

For example, a $100 000 loan could involve 10 people, each of whom provided $10 000. Many investors would have money tied up in several loans and, in some cases, believe that they were making a good return with absolute security. However, what went horribly wrong was the nature of the projects money was lent to in the company's final months. Companies or individuals who sought loans from the mortgage brokers were often high risk—people to whom a traditional financier, generally, would not lend, particularly when the State Bank went belly up. By the middle of 1996 some investors found that their monthly interest payments from Growden were becoming sporadic.

This was a big problem for many investors as these cheques were often their main source of retirement income and, of course, many people believed that if their interest cheques were in doubt that meant that their capital was also at risk. Company documents now show that fewer than a dozen investors acted to retrieve their funds. In February 1997, a receiver manager was appointed to the main company, G.C. Growden. At that time Growden fronted a public meeting of investors to deliver an angry statement denying that his company had major problems. He said that it could easily trade out of small difficulties if it were only left alone by the ASC.

The receiver manager appointed to G.C. Growden, Russell Heywood-Smith of BDO Nelson Parkhill, found that of the 549 loans on the Growden books 177 were non-performing, and that these non-performing loans added up to almost two-thirds of the value of the company's total loan portfolio. This was not to be the only shock. When investors whose money had disappeared into the non-performing loans were contacted, their loan documentation contained statements that stunned the receiver. Further investigations then found that money in some of the loans had not been used for the investment listed on the investor's documentation.

In one example $935 000 was lent for a retirement village in Adelaide's northern suburbs. The village was never built, yet the total mortgage loan funds had been handed over to the borrower as a lump sum. One must ask: how did this occur? If we examine it we find that land on which the village was supposed to be constructed was listed as contaminated and is next to a main rail corridor. Valuations on other non-performing loans are also considered by receivers and lawyers acting for investors to have been vastly inflated, making a mockery of the investors' belief that they were lending no more than 70 per cent of the property's valuation. It seems that it was a classic case of the mortgage broker using licensed valuers who would give or provide very friendly valuations, which would allow him to lend the maximum amount of money to the borrower.

The Hon. J.F. Stefani: Were they written valuations?

The Hon. T.G. CAMERON: I understand that they were written valuations, or most of them, but, I guess, it only goes to remind us of that old saying that the contracts were not worth the paper they were printed on. The Hon. Julian Stefani interjects. My understanding is that the valuations were in writing but the honourable member raises a very good question, and it is one of the issues that I believe this committee could investigate, namely, was there any untoward arrangement, agreement or relationship between the mortgage broker and the valuer?

It might well be as the Hon. Julian Stefani brings to my attention: that one of the main problems was that money was lost because the valuations on these properties were not done properly. They were inflated and we know the reasons why. In many cases—and it supports the interjection of the Hon. Julian Stefani—Growden appears to have lent between 150 per cent and 200 per cent of the property land value. In other words, you could go in and borrow $500 000 on a property that was worth $300 000 and, provided the valuer said it was worth $750 000, well, that was good enough for Growden.

Of course, the investors, many of whom were elderly people, trusted a licensed valuer to give a true and representative market value for that property. It looks like that has not been the case, and I think that the Hon. Julian Stefani is onto something there. If the parliament does support this motion, I assure him—because I hope to be on that committee—that that is one of the areas I will have a look at.

The Hon. T.G. Roberts interjecting:

The Hon. T.G. CAMERON: He may wish to sit on the committee—that is if the Hon. Trevor Griffin lets him vote for the setting up of it. Other investors who insist they believed they were lending on first mortgages have since discovered they were involved in second mortgage loans, and there is absolutely no hope of their recovering any of their money. Documents indicate that the word 'first' was replaced with 'second'. 'First' is either scrawled out or erased with Liquid Paper. Investors claim through their lawyers that this change was made after they had signed the documentation.

I believe that these people, particularly in light of recent events, are entitled to know what went on. Who changed the first mortgage documents to second mortgage, effectively disfranchising them from having any chance of getting their money back?

The Hon. T.G. Roberts: Where is GC now?

The Hon. T.G. CAMERON: I will come to that. There is further confusion over a so-called indemnity policy to protect investors against loan defaulters. This was to pay investors their interest cheques in full for six months in such cases. Again, that needs to be examined as to precisely what went on. Why was not mortgage guarantee insurance provided to the lenders? If you are lending to only 70 per cent of the value of the property, mortgage guarantee insurance is not a terribly expensive proposition, and it is paid by the borrower as part of the overall loan arrangements.

I think we know why mortgage guarantee insurance was not provided. The Hon. Julian Stefani is already onto it. It is because the valuations were probably crook. A mortgage guarantee insurance firm conducts the business on the credibility and integrity of the written valuations it insists upon from licensed land valuers. It is quite obvious that any attempt to organise mortgage guarantee insurance for these people would have resulted in a situation where the insurer would have insisted upon their own valuer going out there and valuing the property.

It would appear from some of the evidence I have seen that these valuations could have differed by as much as 50 per cent or 60 per cent. In other words, Growden's valuers valued the property at $1 million but another valuer employed by a mortgage guarantee company to ensure that the valuation was correct and to protect its insurance policy would have seen a valuation of $500 000 or $600 000, which would have meant the loan would not have taken place and Growdens would not have done any business.

It may well be that, as a result of this inquiry, we may need to examine the relationships between mortgage brokers and lenders and the efficacy of the valuations they are getting. Certainly—and I am sure the Hon. Julian Stefani would agree with me—the relationship between these two people should be at proper arm's length. If people cannot trust a written valuation by a licensed valuer, then we need to go back and have a look at the entire profession.

The investors in Growdens have been left on their own, and their treatment in my opinion has been shabby and shameful. These people have stumped Adelaide trying to get their matter raised in some public manner. On the previous occasion that I introduced a similar if not identical motion to this in this place, I was stymied or stalemated, if you like, by the fact that there was litigation.

The Hon. J.F. Stefani: Stonewalled!

The Hon. T.G. CAMERON: The Hon. Julian Stefani suggests 'stonewalled'—I think that is probably a better description than either of mine. The matter was sub judice, and we were told that we would have to wait until all the litigation had concluded. On 23 April this year, Brian Growden was declared unfit in the District Court to stand trial on 26 charges relating to the misapplication of about $425 000 of investors' funds.

The Hon. T.G. Roberts interjecting:

The Hon. T.G. CAMERON: No. The court case was abandoned because Mr Growden has a major depressive illness and has been committed to James Nash House, the state's secure psychiatric facility. That is what I was informed: that Mr Growden had been committed to James Nash House. So, I guess there cannot be any truth whatsoever in the rumours that someone identical to Mr Growden has been seen out and about around the town in the early hours of the morning. I know that it could not be Mr Growden because he would be the last person to be having a drink or two and celebrating in the early hours of the morning as the court case has just been adjourned, he is suffering from a major depressive illness and he has been committed to James Nash House.

Some of these people who have lost money through his firm—they might be getting old and their glasses might not be working properly—believe that they have seen a man who must be Mr Growden's twin out and about in the early hours of the morning. If that is the case, that is an absolute disgrace. As I understand it, all of the court cases have been adjourned and Mr Growden has got off scot-free.

The Growden matter is no longer sub judice: Mr Growden has been declared unfit to plead and the legal case is over. So, I fail to see any reason why any member of this Council would not now be prepared to support a resolution to set up an inquiry even though it might well not deliver justice or recompense for these 2 000 investors. I am not talking about a bunch of retired millionaires or multimillionaires; most of these people have been hard-working, they have saved for their retirement, they were conservative and cautious, they would not invest in the stock market or other speculative investments, and they believed that, by investing their money in South Australia and bricks and mortar and helping young people, etc. to find new homes, they were, in their twilight years, making a contribution to the well-being of this state.

Look at what has happened to them. In my opinion, we have all failed these people. Some $20 million has been lost, a number of people's lives have been destroyed, people have committed suicide, and families have been broken up. Let me say that Mr Growden is not the only person who has been involved in this matter who is suffering from a major depressive illness. There are hundreds of investors who believed in him and his organisation who are very depressed today because of the money that they have lost. Not only do they have very little chance of ever getting it back but, to date, no-one has publicly acknowledged in any way whatsoever that they have a case and that this matter ought to be examined.

I call upon all members to put aside politics on this issue. This is a bunch of people who want their story told. Now that the court case has been adjourned, I do not believe the story will be told unless we set up a parliamentary committee which can provide an avenue for the full truth on this matter to come out. By supporting this motion, we will allow the full story to be told and we might give the people who have been caught up in this mess the chance to submit evidence on the matter.

We need to make sure that financial disasters such as this are never allowed to occur again. At no other point in Australia's history have the senior citizens of our country had so much cash in their hands available for investment, but unfortunately there are too many people in the community who are prepared to prey on them. We have seen the investors in RetireInvest recompensed by Mercantile Mutual for the $8 million or so that they lost, but these people have been left with no hope and no chance of recovering their money and, to rub salt into the wound, no-one is prepared to stand up and say, 'We will listen to your story, go ahead and tell us.' I urge all members to support the motion.

The Hon. NICK XENOPHON: I indicate my strong support for the motion of the Hon. Terry Cameron. He has campaigned tirelessly on this matter over a number of months, and it has been a number of months since this motion was initially moved by him. It is important that this issue not be left to wither. The impact on the families to which the Hon. Mr Cameron refers is real, and it ought to be dealt with by this parliament. We have an obligation to these investors, who, in many cases, have lost their savings and been devastated by the collapse of this entity, to get to the bottom of what has occurred. I think this parliament owes a debt of gratitude to the Hon. Terry Cameron for raising this issue, and we ought to deal with it.

The arguments put forward previously that this matter cannot be proceeded with are outweighed by public interest considerations that we should deal with these particular issues. The impact of this collapse has been deeply felt by hundreds of investors. I think that the Hon. Terry Cameron said that there are about 2 000 investors.

The Hon. T.G. Cameron: All small and all elderly.

The Hon. NICK XENOPHON: The Hon. Terry Cameron says that they are all small and all elderly. We are dealing with vulnerable citizens in the community and they ought to be assisted. Not only do I indicate my support for this motion to set up a select committee but I urge all members to deal with it expeditiously. It is 18 months since the Hon. Terry Cameron first introduced this motion, and it is high time that we deal with it. I hope that all members will do so expeditiously given that, in effect, we have had notice of it for some 18 months.

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

HIH INSURANCE

Adjourned debate on motion of Hon. M. J. Elliott:

That the Legislative Council urges the South Australian government to provide assistance to persons affected by the collapse of the HIH Insurance Group and, in particular, policyholders or those making a claim against policyholders.

(Continued from 30 May. Page 1613.)

The Hon. NICK XENOPHON: I indicate my support for this motion. I commend the Hon. Mike Elliott for moving this resolution. I hope all members support it in the context of the impact that the HIH collapse has had on a number of South Australians. Last night, I chaired a meeting for HIH victims here at Parliament House, which was attended by 30 people. There were at least a dozen groups of people who had been affected by the collapse. Between them they estimated that they face losses of up to $1.3 million as a result of the collapse of HIH, the majority involving building contracts, although there were other cases where household insurance policies were not paid out.

There was one person whose business folded because they could not obtain new professional indemnity insurance for their business. This was a business that would face litigation, and it could not obtain fresh indemnity insurance as a result of the collapse of HIH. Subsequently, that business was forced to close. One case that was not atypical of the many cases that were discussed last evening was that of Nick and Fay Shinakis who attended the meeting. Their story was that they sold their original home a year or so ago.

They signed a building contract in September 2000. The Master Builders Association of South Australia arranged indemnity insurance with HIH, and I will discuss that shortly. The builder's price for the house was $160 000, approximately, if the Shinakises did some of their own work, which they were happy to do. The Shinakises made all of the periodic payments as required by the builder. They paid him some $150 000. They asked the builder if his cashflow was all right, I think in the course of their general dealings with him. The builder rang them in March 2001 to say that he had gone bankrupt. The builder told them that they were covered by virtue of his indemnity insurance and that they should not be concerned.

Two days later HIH went into provisional liquidation. To finish their half-built house they will require at least $100 000, if Mr and Mrs Shinakis do most of the work. A builder has quoted them $232 000 to finish the home. They now live in a small two-bedroom flat, with their four children sleeping on mattresses on a concrete floor. Those are their circumstances now as a result of the collapse. Mr Shinakis is now working around the clock to try to make ends meet. They are spending all their free time on the weekends and evenings trying to finish off the house. So these people have been deeply affected by the HIH collapse.

I should indicate that at last night's meeting it was pleasing to see that Chris Keane, an adviser from the Premier's Office, was in attendance for most of the meeting, and it was acknowledged that he was there to take note of what was said. The Hon. Terry Cameron, whilst he could not attend, expressed his apologies. The Hon. Mike Elliott attended at the meeting. The Hon. Paul Holloway attended for part of the meeting. So this is an issue that should go beyond any party politics. It is an issue that needs to be dealt with by this parliament, by the government, as a matter of some urgency.

The point has been made by the government that we are not as deeply affected as the eastern states by the HIH collapse, and I acknowledge that, but for those who have been affected by the HIH collapse the effect on them can be quite profound, and we cannot ignore those people. The corollary of the government's argument that there are not as many people affected by the HIH collapse is, 'Well, it will not cost as much to pick up the pieces to fix up the mess.'

The *Australian* of 24 May published a very useful table, headed 'Who's covered, who's left out in the cold', which set out the position in all states and territories with respect to rescue packages, who is funding them, their exposure with respect to the HIH collapse, and the issues of builders' warranties, workers compensation, and professional indemnity with CTP Insurance, and it set out what the position was. In South Australia, CTP Insurance is not covered by HIH, unlike the position in other states in terms of New South Wales and Victoria and, as I understand it, in Queensland as well. In New South Wales, with respect to builders' warranties, my clear understanding is that the commonwealth's package with respect to HIH does not apply to builders' warranties because it is treated as part of a state indemnity scheme and consequently there is no cover under the terms of the commonwealth package.

However, in New South Wales, with the government there, I understand that there was an insurance protection tax to deal with this issue and that in Victoria there is a building industry levy to assist the building industry. In Queensland, there are other levies with respect to compulsory third party. In relation to South Australia, the *Australian's* table says that, like the ACT, there is no rescue package and, in terms of HIH collapse exposure, the *Australian* table, similar to the ACT, says that no figure is given. So we do not know the full extent of the collapse.

It was pleasing that the Attorney-General indicated today in question time that there would be a number for people to contact to register their concerns with respect to the HIH collapse, but we do not know whether that will be publicised in any way, whether there will be some form of notification through, for instance, the Master Builders Association. So, clearly, more needs to be done; although it was pleasing that the Premier on ABC Radio this morning did indicate that he was sympathetic to the call by the newly formed South Australian HIH victims' support group, that there ought to be some sort of hotline so that victims would have a reference point with the government to deal with this issue.

There is, as a result of some documents I obtained this morning, a letter of advice from Johnson, Winter and Slattery, barristers and solicitors, addressed to the Master Builders Association. It does raise a number of serious concerns about the protection that South Australian consumers have under existing legislation. By way of background, section 34 of the South Australian Building Work Contractors Act reads:

> A building work contractor must not perform building work to which this Division applies unless—
>
> (a) a policy of insurance that complies with this Division is in force in relation to that building work. . .

'In force' are the key words in relation to that clause, as will become apparent shortly. Secondly, the Master Builders Association of South Australia, under a master policy of insurance, provides building indemnity insurance to its members. Until the collapse of HIH on 15 March 2001 that master policy was, in effect, written by HIH. The MBA acted as an agent for HIH. In other states, as I understand it from

an article in the *Financial Review* of 12 to 16 April 2001, headed 'HIH fallout spells gloom for some, ruin for others', it appears to be the case that in states such as New South Wales and Victoria a builder cannot continue building work without an ongoing certificate of currency of indemnity insurance. In those states builders have been required by law to obtain replacement insurance.

This is an issue that exercised the mind of the MBA in South Australia, and it obtained advice from Johnson, Winter and Slattery. It is a lengthy advice and I provided a copy to the Attorney early today, because I think it is important that he sees that advice in its entirety. That advice includes reference that the view of the solicitors for the MBA in South Australia included the following:

> Any contractors who are continuing to perform domestic building works in respect of which a policy underwritten by HIH ('the HIH policy') has been issued will not be in breach of section 34(a) of the Act unless the provisional liquidator of HIH has cancelled the HIH policy in accordance with the requirements of the Insurance Contracts Act 1984 (Cth) and the contractors have not obtained replacement insurance.

The advice goes on to say:

> Any MBA member who effected an HIH policy through the arrangements between the MBA and HIH prior to 15 March 2001 would have, in our view, complied with the first of these obligations in accordance with the requirements of section 34(a). Our view in this regard is in keeping with the assumptions that the master policy complied with the requirements of section 35 of the act and regulation 19 of the regulations.

It seems that, as a result of the advice of the solicitors for the MBA in South Australia, there is no legal obligation for members of the Master Builders Association who have taken out a policy of insurance with HIH to get replacement insurance in order that they are covered in the event that they become insolvent. So we have a situation in this state, again it seems, based on advice from the MBA's lawyers, that there is no obligation for builders to obtain a replacement policy of insurance, given their interpretation of section 34(a) of the Building Work Contractors Act.

That points, I think, to a quite serious loophole in terms of the current legislation. It is something that should be attended to, and I am not certain for how long the government has been aware of that. I believe that the MBA in South Australia has failed to take a proactive role to fully protect the integrity of the home building industry in South Australia. It seems to be avoiding the issue by accepting a technical legal argument by its advisers that the HIH policies are still in force for the purposes of the legislation, which potentially leaves hundreds of South Australians unnecessarily exposed.

I call on the government to urgently investigate this. If there is indeed a loophole, based on the advice of the MBA's own lawyers, clearly that is an unsatisfactory state of affairs. It points to gross deficiencies in South Australian law to protect consumers. The state government needs to rectify this anomaly as a matter of urgency and at least bring us in line with other states.

On this issue, I believe that the MBA has failed in its obligation to its members and to the public at large who have signed contracts for the purchase of homes, to do all that is reasonable to protect them. I believe that the victim support group in South Australia, however large it will be, will be lobbying very hard for a number of measures to gauge the extent of the impact of the HIH collapse in South Australia. It is pleasing that the Premier has indicated that he is sympathetic to the idea of a hotline. This issue ought to go beyond politics.

The Attorney made the point that, in terms of a commonwealth regulatory function, its primary responsibility is to the commonwealth. But there is also another issue that relates to the HIH collapse with respect to building indemnity insurance, that is, whether current laws that require compulsory building indemnity insurance ought to be strengthened and whether there is an obligation on the part of the government to ensure that those who have been affected by the HIH collapse, where people have expected that compulsory indemnity insurance is in place to protect them, ought to have a role.

I have been provided with a copy of a letter from a constituent affected by the HIH collapse, sent to him by the Attorney-General. This family was grateful for the comprehensive response of the Attorney-General. It is worth referring to that letter briefly before I conclude. The Attorney states:

> While the position you find yourself in is the result of an unfortunate and unforeseeable sequence of events, the Building Work Contractors Act 1995 remains a strong and important component of the consumer protection legislative scheme in South Australia. This Act was enacted following extensive consultation with various industry and consumer bodies for the purpose of providing consumer protection and, as a result, maintaining high standards in the building industry.
>
> However, in the instance detailed in your letter, the protection mechanisms of the Act are necessarily negated because of the peculiar and unforeseeable chain of events extant. While it is possible for the Commissioner for Consumer Affairs to commence disciplinary action against the builder, such action would not further your cause, as a cancellation of the builder's licence would render the builder ineligible to perform any further work, including rectification work.
>
> Similarly, although the Act requires building indemnity insurance to be taken out by a builder, the collapse of the HIH groups means that there is considerable uncertainty surrounding your claim for rectification of faults. You will appreciate that this sequence of events is of such an unusual nature as to fall beyond the contemplation of the Building Work Contractors Act 1995, or any other legislation. Indeed, I would suggest that it is unlikely that any legislation could attempt to provide consumer protection for cases such as yours and others in your situation. Nonetheless, I believe that, while the current legislative scheme cannot assist in this particular case, there is adequate protection in place to cover consumers of building services overall.

That letter is really cold comfort for that family, who have suffered significantly as a result of the collapse of HIH: another family, not the Shinakis family. My concern is that this situation has arisen and there ought to be a framework in place to ensure that it does not occur again. In terms of HIH policies that have been issued by the Master Builders Association as their agents, it is simply untenable and unacceptable that there be a situation in place where these builders are not required to renew their insurance to seek rectification insurance, in a sense, so that they are covered in the event that that builder becomes insolvent.

Otherwise, we have a potential time bomb here of hundreds if not thousands of South Australians who could be potentially affected if any of these builders go through the hoop. That ought to be looked at as a matter of urgency. I urge members to support the motion of the Hon. Mike Elliott and further urge the government to do all that is reasonably practicable to assist these individuals.

I believe that the government can go much further than it has to date. It has taken some small steps in the right direction today by announcing a helpline number, and that is welcome. But it is important that the full extent of the HIH impact in this state be dealt with, and I urge members to support this motion.

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

GOVERNMENT ADVERTISING (OBJECTIVITY, FAIRNESS AND ACCOUNTABILITY) BILL

The Hon. NICK XENOPHON obtained leave and introduced a bill for an act to require government advertising to meet minimum standards with respect to objectivity, fairness and accountability, and to prohibit the expenditure of taxpayers' money on advertising which promotes party political interests. Read a first time.

The Hon. NICK XENOPHON: I move:

That this bill now be read a second time.

It will be useful for members if I refer to a number of opinion pieces in the national press in relation to the issue of government advertising generally. It does not refer to this state government's advertising, but the principles are the same. I will also refer to work carried out by the National Audit Office on this issue. On 2 June 2000 Mike Seccombe in the *Sydney Morning Herald*, in an article headed 'Unchained malady', discussed the whole issue of public funding of government advertising and whether there ought to be reform of the current system. The article states:

> In just 16 days before calling the 1998 election, the Howard government conducted a blitzkrieg advertising campaign the likes of which Australia had never seen.

Mr Seccombe stated that it vastly overshadowed other advertising campaigns that federal Labor had undertaken, such as Labor's money tree ads for superannuation before the 1993 election and its Bill Hunter ads for Working Nation before the 1996 election. The article continues:

> The so-called Community Education and Information Program of 1998 was designed to sell the tax package. . . the amount spent a shade under $15 million. . .

Seccombe goes on to say that it is an issue that the federal commonwealth Auditor-General has been called in to look at. The article states:

> It's his job to ensure government money is properly and efficiently spent, in line with various laws and guidelines. However, it is always in the interests of those in power to keep to a minimum rules and guidelines that might get in their way. A point not missed by the Auditor-General: 'There would seem to be benefit in the government and/or parliament pursuing such a course, particularly as history shows it is not uncommon for government advertising to increase in the period immediately preceding an election,' his October 1998 report said.
>
> The Auditor-General surveyed the period from July 1989 to October 1998, to find that spending on [federal] government advertising averaged about $2.5 million a month but fluctuated wildly.

He refers to the extent of advertising just before a number of federal campaigns, where the amounts spent increased significantly. Mr Seccombe stated:

> The audit report noted: 'The patterns of expenditure. . . could raise questions in parliament and the general community about the nature and purpose of government advertising, particularly in the lead up to elections.' But the report said it was not within the Auditor-General's 'mandate' to make ethical judgments about whether advertising matter is party-political or not. 'It is Parliament that needs to define and articulate what it sees as differentiating party-political and non party-political material,'.

A Joint Parliamentary Committee of Public Accounts and Audit published an extensive report in relation to guidelines for government advertising, and I commend that report to members. I believe it was a very genuine attempt by the government, the opposition and minor parties to deal with the issue of party political advertising. There were some dissenting reports to which I will refer in due course, but we have a precedent in the sense that the whole issue of government advertising has been considered at a federal level and the principles, in many respects, are identical to the principles that would apply at a state level. Tony Harris, the former New South Wales Auditor-General and a columnist for the Australian *Financial Review*, in an article of 18 July 2000 headed 'Beazley is right to gaff the plug' discussed the issue of taxpayer funded political advertising at a federal level, but the general principles at stake in terms of transparency and accountability, I consider, would apply equally at a state level. Referring to the Australian Government Solicitor's Office, Tony Harris writes:

> AGS says governments may advertise to inform, explain and educate the community. More contentiously, it says publicly funded advertising can 'commend' government programs.
>
> But there are limits. Campaigns should not be 'directed primarily at. . . criticising opponents of the system' and they should relate to laws that have been passed by parliament. . . Few people would quibble against government advertising that educates, promotes compliance with the law or even advocates action. Government advertising on immunisation for children is an example of advocatory advertising made acceptable because of the preponderant scientific view it reflects.
>
> But that is far from advertising that acclaims, praises and applauds government policy in order to win over wavering voters.

In terms of the government's recent advertising campaign with respect to passive smoking, a series of quite well produced and graphic advertisements about children exhaling their parent's smoke, I do not think anyone in the community would quibble with that sort of advertising. It is clearly a public health message. The government ought to be congratulated for getting across that message. But there is an argument that other advertising could cross the line, and this is something that would apply equally to previous Labor administrations.

The Hon. L.H. Davis interjecting:

The Hon. NICK XENOPHON: The Hon. Legh Davis asks, 'Would Con the Fruiterer qualify?'. No taxpayer's money was spent to promote Con the Fruiterer.

The Hon. R.R. Roberts interjecting:

The Hon. NICK XENOPHON: I do not think there is any question.

The ACTING PRESIDENT (Hon. J.S.L. Dawkins): The honourable member would be wise to ignore the interjections and return to his text.

The Hon. NICK XENOPHON: They are such wise men, Mr Acting President. The issue relates to using government money—taxpayers' money—to promote government policies. Of course, a member that has an electoral allowance is free to use those funds within the confines of their electoral allowance. If they want to use it for community activity, brochures, or whatever, there is no issue with that because that money has been appropriated for individual members to use as they think fit.

The article by Tony Harris in the *Financial Review* of 18 July 2000 continues:

> Because the AGS cannot see why this year's campaign is unlawful—

referring to the government's campaign with respect to the 'unchain my heart' advertisements—

> there is a need for the bill introduced by Beazley on 26 June [last year].
>
> That bill sets down principles and minimum standards for government information campaigns that prohibit party political advertising, much as recommended by the Auditor-General in his report on the 1998 campaign. For example, information would need

to be presented in an objective and fair manner and may not be party political. . . The Government should at least debate the bill. If it eschews debate, as is likely, we shall know it is wedded to political advertising paid for by taxpayers.

Another article of 10 October 2000 headed 'Beware the ads nauseam' states:

Tony Harris questions the propriety of all government advertising campaigns.

He again refers to the October 1998 Auditor-General's request to parliament to develop sharper guidelines on what is acceptable government advertising. He again refers to the parliament's Joint Committee of Public Accounts and Audit that tabled its response in October 2000. The article continues:

The most crucial part of the new guidelines is that 'government advertising shall not be conducted for party-political purposes.' By itself, this is a truism. But the JCPAA expands its meaning by stating government advertising material 'should not be liable to misrepresentation as party political'.

The article by Tony Harris goes on to refer to various benchmarks and the JCPAA guidelines. He also reflects on Petro Georgiou dissenting 'from this part of the report because he says it is easy to misrepresent as political and something that is totally non-partisan'.

The Hon. L.H. Davis interjecting:

The Hon. NICK XENOPHON: It continues:

[Mr Georgiou] told Parliament later that the factors used to assess whether material is party-political 'do not, in my view, provide a sufficiently clear and objective basis.'

There is a contrary view. It is something that ought to be out there in the context of public debate. It also refers to the issue of various guidelines and, as a result of those guidelines, the federal opposition leader tabled a bill that was very much in keeping with the spirit of the debate and the guidelines, and I make no apology in basing those guidelines on the Beazley bill because it is clear that, to get the support of the opposition on this issue, it would be understandably more enamoured with something that came initially from one of its own.

It is pleasing to see that the Hon. Terry Cameron during my private discussions with him in relation to this bill is supportive of the principle. I know the Hon. Terry Cameron will make his own contribution on this issue in the near future.

The Hon. L.H. Davis interjecting:

The Hon. NICK XENOPHON: For goodness sake! The Hon. Terry Cameron did indicate that he was quite willing to look at this issue, and I look forward to his contribution. As a former Labor Party secretary, no doubt he will have a number of interesting things to say. This bill sets out a number of principles and guidelines attached to the schedule. It also makes reference to clause 3 which is 'the courts power to enforce compliance'. I know that some members are not happy with that particular provision, relying on the courts to have power to enforce compliance. There may be other mechanisms in place and I look forward to debate in relation to that.

This bill does not seek to prevent in any way government advertising with respect to government policies, but it does seek to fetter any government, whether Labor or Liberal, from using government funds for party political purposes. It is a difficult issue. The guidelines do set out a number of matters that I believe would at least set a new benchmark of accountability. That would be a very useful thing to do in the context of the continuing debate about the use of taxpayers' funds for government advertising, and it does flow on from the recommendations and discussion in the Joint Committee on Public Accounts and Audit in terms of its quite extensive reports on guidelines for government advertising. I commend the bill to members.

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

DEVELOPMENT (ADULT BOOK/SEX SHOPS) AMENDMENT BILL

Adjourned debate on second reading.

(Continued from 16 May. Page 1474.)

The Hon. CARMEL ZOLLO: I indicate that the opposition supports this legislation, which seeks to ban sex shops and adult bookshops from operating within 200 metres of children's services or schools. The honourable member did not go into great detail in explanation of how far objections were taken at the time the shop he referred to specifically in his remarks was open for business. However, clearly the community was not in favour of its location and the concerns of that community should have been taken into consideration.

In addition, apparently this particular shop broke the law by selling illegal explicit sex videos. It is certainly not desirable to site such a business within close proximity of children's services and schools. The bill in its original form would force sex shops operating near schools after 1 July 2002 to move and, if they refused to do so, it provides that proprietors could be fined a maximum penalty of $50 000. I indicate that the opposition will not support this clause because of its retrospective nature and is pleased to see the filed amendments, which have the effect of removing this aspect of retrospectivity.

I was interested to hear the minister's comments in relation to the planning background as to how this adult bookshop was probably dealt with, namely, in the same manner as any other bookshop, if it moved into a building previously used by any other type of shop. Obviously, such planning does ignore the social impacts of adult bookshops on a community.

However, I do have sympathy for the concerns expressed by the minister in that this bill does go against the spirit of the development act. I think the minister described it as 'failing to promote the government's one stop shop approach in locating all development assessment policies within the development plan'. I indicate that the opposition supports the bill, especially given the honourable member's indicated amendments.

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

STATUTES AMENDMENT (DUST-RELATED CONDITIONS) BILL

Adjourned debate on second reading.

(Continued from 2 May. Page 1411.)

The Hon. M.J. ELLIOTT: I support the second reading of this bill and look forward to the committee stage for some further teasing out of the issues. This bill seeks to amend two acts: first, the Survival of Causes of Action Act; and, secondly, the Workers' Rehabilitation and Compensation Act. Following discussions so far with people interested in this bill, I am favourably disposed—that is the best way of putting

it—to support the first matter, the amendments to the Survival of Causes of Action Act, but I need further persuasion in relation to the Workers' Rehabilitation and Compensation Act.

Overall, the bill seeks to make available, where a person has already commenced action and if death should intervene before the court case has been finalised, the awarding of damages to become part of the deceased's estate. The argument put by the Hon. Nick Xenophon—and I find it attractive—is that this particular set of diseases constitute a special case. I will not go over all that again; the honourable member argued all of that during his second reading explanation when introducing the bill. As I understand it, in fact, amendments to the Survival of Causes of Action Act will be sufficient at this stage.

There is no knowledge of anyone, at this stage, seeking compensation under the Workers' Rehabilitation and Compensation Act, first, because the 1986 act did not allow for it—in fact, it specifically precluded these sorts of actions even being commenced. In the first instance, the whole thrust of this bill was about people who had commenced actions. Secondly, I suppose that one might note that dust-related diseases have very long lead times between exposure to the cause of the condition and the actual illness and subsequent death. I indicate that I would like some further time to consider the implications.

We are talking about lump sum compensation, which has been handled under the Workers' Rehabilitation and Compensation Act in a particular way. I would like some further opportunity to examine that issue, and I suggest that, at least so far as we are concerned, the Democrats' focus will be on the Survival of Causes of Action Act. As I say, I am favourably disposed to the arguments put by the Hon. Nick Xenophon. I am told that there are three new diagnoses a week, particularly the asbestos-related diseases. By the time it is diagnosed a person is usually quite sick and the sickness can progress quite rapidly.

I am told that South Australia's rate of these diseases is the second highest in Australia only behind Western Australia, and by world standards it is an incredibly high rate, reflecting a fairly high use of asbestos. We are not just talking about work-related use of asbestos: fibre cement products have been used quite extensively in dwellings in South Australia and, so, not just workers but also home renovators, unfortunately, have been caught out. I was told of an example of a woman who, I recall, was in her 20s when she was diagnosed with a disease. As a child she played around her parents when they were doing their renovations years before.

As I said, we are just not talking about work-related cases here: we are talking about domestic cases where people were working with a substance about which warnings were not being given. I think that it can be argued even today that, almost certainly, people are still working on renovating homes and not recognising that the rather brittle sheet they are knocking out fairly easily from the walls so that they can put up plasterboard, or something, poses significant health implications. I wonder, indeed, whether or not governments today are doing enough to ensure that the high incidence of these diseases in the South Australian community will abate because a very large number of homes have it in the walls, the ceilings and the roof.

Unfortunately, probably an awful lot of it is also just buried around the place—sort of broken up, perhaps on a site where construction was happening some time before. The fibres are laying there, waiting for someone to kick a bit of it up and get into their lungs. There have been suggestions that it has been buried in a number of sites around Adelaide and, I imagine, South Australia as a whole. It is an issue that will be with us for a long time. I am told that, since the introduction of this bill, six people have died with cases still pending in the courts. This issue is having a very real effect on people's lives. I am happy to support the second reading.

I will listen carefully to the arguments put by government members and others. I must say that what has been proposed by the Attorney-General so far sounded to me to be entirely unsatisfactory. The whole notion of trying to be able to establish whether or not there had been unconscionable delay will be money for jam for a few more lawyers as, unfortunately, these sorts of cases too often become. On the description I have been given, the Dust Diseases Tribunal—if I have the name correct—operating in New South Wales is using people working in the compensation area, although it is different legislation.

That seems to make an awful lot of sense. I am told that the processes that are available because of that legislation and the tribunal in New South Wales mean that cases move a lot more quickly. The Attorney-General is opposed generally to specialist courts, but I think there are enormous advantages in having judges who deal with the same sorts of cases fairly regularly. You do not have to have lawyers going through with a totally new judge all the health arguments about what is or is not a risk and those sorts of things. I believe that that court operates under special rules in relation to those cases enabling them to be worked on expeditiously and, importantly, in a fair manner for all the people involved.

As I see it, the proposal of the Hon. Nick Xenophon is the first of what I think need to be a couple of changes in this area. The Democrats would also be favourably disposed to legislation perhaps to set up a dust diseases tribunal and whatever else is needed in that regard. I support the second reading.

The Hon. T.G. ROBERTS: I thank the Hon. Ron Roberts and the Hon. Bob Sneath for their contributions to the debate and the Hon. Nick Xenophon for introducing the bill into the Council. I will not go into the issues raised by other members before we deal with the matter in committee, but I would like to add that we need to take a different look at the way in which we treat diseases that have long lead times. This includes not only dust-related diseases or diseases associated with asbestos and similar products: there are now a number of dangerous chemicals used in industry, agriculture and domestically that do not contain the right warnings. Members of the public and/or employees are not advised of the dangers of many of the materials that they handle.

In the case of agricultural chemicals, because the lead time given by experts is 25 or 30 years, which is similar to the lead time for asbestos, I think we will have a difficult time bringing cases to court and obtaining justice for people who have been exposed unnecessarily to these dangerous substances. In most cases, their death is not pretty: it is a lingering death. I suspect that, at some time, governments (at either commonwealth or state level) will have to deal with these emerging problems with asbestos and other dust-related diseases. We have been a long time getting to the point where some justice is being considered. There are some gaps in this bill that still have not been considered with respect to the final piece of legislation that we will come up with relating to dust-related diseases.

It is relatively easy to establish the case of a worker who has been working in industry for some time and who has been exposed to a contaminant, whether it be asbestos or a similar product, but in respect of those individuals who have worked for a number of industries as casual employees it is more difficult. The Hon. Bob Sneath referred to the workings of the blue asbestos mines in Western Australia. If a worker had been exposed to that asbestos—and there were certainly no ifs in relation to working within the mines because the exposure rates were harmful—then it was relatively easy to establish a case once the tissue samples had been matched with the type of mesothelioma that was contracted by the employee.

Similarly, if someone worked in, for instance, a brake lining factory where asbestos was used constantly and that person was exposed to a particular rate without warning or being required to wear protective clothing such as a mask and the ventilation was not adequate, it would be relatively easy to establish a case and, if that case was presented in court within the time frames required for settlement, some justice could be delivered. However, where there have been various types of exposure and the cases have been started late, this bill gives some hope for justice to be applied in terms of a payment to the deceased worker's estate. In this way, the family of that deceased worker will be happier because they will feel that they are being cared for financially after their loved one has died.

The position in which many workers find themselves after being exposed to asbestos, particularly for a long period of time, is probably similar to my own history. I was an apprentice in a paper mill. As a 16-year-old I was exposed to blue asbestos which was packed into steam valves under high pressure using an oil or a liniment. No-one told me to put on a mask. As I was exposed unnecessarily to that, I have some concerns. Fortunately, I was not a smoker, but I worked alongside smokers who would have been exposed to the extreme danger of picking up an asbestos-related disease.

I have mentioned in the context of another debate timber framed asbestos houses. I now know that those houses were built with asbestos underneath where tradespeople worked with the asbestos sheets. The asbestos was left to settle in the dirt and the dust, and I remember as a child crawling through that. I would have to work out the lead times, but I think I am past the worst. At sea, between the engine room and the boilers of ships, there were ventilators made of blue asbestos that you had to crawl through to carry out maintenance. There were no warnings of the dangers of exposure. There were warnings in relation to the soot which you might swallow and which you had to avoid, but you would crawl out covered in asbestos and soot.

If I were to make a claim based on asbestos exposure, it would be difficult for me to pinpoint exactly where I was when the exposure caused the problem. Many workers have this problem if they are itinerant, part-time or casual. It is then the last employer with whom they worked in respect of whom the claim is formed. I think there must be some sympathy for workers who are exposed to asbestos and other contaminants that have a long lead time and can cause a lingering death. Some consideration must be given by governments regarding the health authority's ability to provide treatment and palliative care and to make some provision for the widows and families of those people who have been exposed.

This legislation will go part way towards that. The opposition supports the bill. We hope that it makes it easier for some of those people who have had claims in the pipeline being processed and that their claims make it before the settlement period so that their estates can take care of the people who are left behind.

Finally, it does line up to some extent with the exposure rates that people have had, being used as human guinea pigs in the Maralinga situation. In America there have probably been more people exposed to, and killed by, radiation than perhaps in wartime experiences, because the Americans used their own people as guinea pigs in their experiments in the 1950s and 1960s.

The Hon. M.J. Elliott: Different from the British.

The Hon. T.G. ROBERTS: Not much different, actually. So let us hope that some justice can be carried out in relation to those people who were unnecessarily exposed, by people who, in the same case as asbestos, already had the information, who knew what the dangers were and who still allowed people to be exposed to those dangers without due care and consideration.

The Hon. NICK XENOPHON: I thank honourable members for their contribution. In the time since this bill was first introduced there have been six deaths of claimants with mesothelioma before their claims were finalised. As the law currently stands, those families will miss out on something in the order of $150 000 to $200 000 of payments for non-economic loss, which in many cases will be the overwhelming proportion of their claims. This is in many respects a simple amendment. It brings the law in South Australia into line with the laws of New South Wales and Victoria, the United kingdom, and most states of the United States. What their law allows for is that, once a claim commences, it will allow that claim to proceed with respect to non-economic loss, notwithstanding the death of the claimant. It may affect some 10 claimants a year. For those 10 families a year it could mean the difference between receiving a pittance or a fair level of compensation. The impact of similar legislation in Victoria, passed at the beginning of last year, and New South Wales, passed some three years ago, is that in overall terms it is inconsequential.

This bill puts into context the unique case that victims of asbestos related exposures face. In South Australia there is one case of mesothelioma diagnosed each week and there are at least two other cases of asbestos related lung cancers. South Australia has the second highest rate of asbestos related disease in the world, after Western Australia, on a per capita basis. Mesothelioma is a terrible disease. This bill allows those victims of mesothelioma to at least obtain some dignity and justice in the context of their non-economic loss claims surviving their death.

The Attorney has proposed an alternative. We have yet to see the terms of that, but I understand that it would allow for exemplary damages to be paid in certain circumstances. But my understanding, on the basis of what the Attorney has put on the record, is that it would mean that the grieving widow and children would have to go to a court to fight for damages, and to do this they will need to prove that there was an unconscionable, unreasonable delay. Again, I look forward to seeing the Attorney's drafting of that bill. But the onus, as I understand it, would be on the victim's family, and there is no indication as to the extent of the award to date in terms of that bill. But, again, once the bill is tabled it will be interesting to see what that means.

But my concern is that it would mean more litigation, that it would, in many respects, increase the suffering for the

families who have lost a loved one through an asbestos related disease. It is also worth mentioning that we have a situation now where there are victims of asbestos related disease where women who washed the clothes of their husbands who worked in a factory or who worked in a workplace where they were exposed to asbestos have contracted mesothelioma and asbestos related cancers, simply as a result of washing those clothes, of inhaling the dust from those clothes. In a sense it indicates just how insidious this substance is.

Cases involving asbestos are unique and that is why there are good public policy grounds to treat asbestos related diseases differently. Innocent victims have been exposed to a product that manufacturers, employers and governments knew, or ought to have known, was dangerous, over many years. They were not warned appropriately and it has only been in relatively recent times that those warnings have been in place. A person diagnosed with mesothelioma can expect a life expectancy of six to 12 months, that their condition can deteriorate quite rapidly and that they can be dead within days once their condition deteriorates to that extent.

The average latency period with respect to mesothelioma is 37 years. The tiniest amount of exposure can cause mesothelioma. These victims are put to formal proof in court on things that happened 40 years ago, and often it is a race against time. In New South Wales before the law was changed there were many deathbed hearings in order to deal with this.

The Hon. K.T. Griffin interjecting:

The Hon. NICK XENOPHON: The Attorney says that it will not stop deathbed hearings, but the imperative for a deathbed hearing in terms of dealing with the issue of non-economic loss will be obviated. There is a unique predicament and a unique tragedy of victims of asbestos related disease. This is a unique class of claimants. The unique predicament was recognised by the New South Wales Liberal government in 1989 when it established a dust diseases tribunal. I urge honourable members to support this bill. I understand that some honourable members have given equivocal support, have given support with respect to the second reading passing, and they will obviously hear the arguments of the government in the committee stage. But at this stage I urge honourable members to support this bill at the second reading stage.

Bill read a second time.

[Sitting suspended from 6.02 to 7.45 p.m.]

GENETICALLY MODIFIED MATERIAL (TEMPORARY PROHIBITION) BILL

Adjourned debate on second reading.

(Continued from 4 April. Page 1244.)

The Hon. J.S.L. DAWKINS: I indicate the government's opposition to the bill introduced by the Hon. Ian Gilfillan. The purpose of this bill is to allow the minister or a local council to declare a prohibited area. It would make it an offence to bring or send genetically modified (GM) plant propagating material such as seeds, bulbs, cuttings—anything from which GM plants could be grown—into such a prohibited area or to be in possession of GM plant propagating material in a prohibited area. A licence authorising possession of GM plant propagating material in a prohibited area for the purposes of research in a secure environment could be granted by the minister.

This bill cannot be considered in isolation: it must be considered in the context of the national scheme for the regulation of gene technology that will come into operation on 21 June 2001. Consequently, I will provide some background about the scheme, to put this bill in context. All Australian governments have worked closely to set up a national regulatory scheme for gene technology to safeguard human and environmental safety without stultifying research into and the safe use of genetically modified organisms (GMOs).

The national scheme will include the commonwealth Gene Technology Act 2000; commonwealth regulations; nationally consistent complementary state and territory legislation; a Gene Technology Intergovernmental Agreement; and a council of ministers on which each Australian jurisdiction will be represented. The commonwealth act establishes a national Gene Technology Regulator. The Regulator will be responsible for making all decisions regarding applications for licences to undertake dealings with GMOs such as contained research with GM plants and deliberate release of GM plants into the environment.

The decisions made by the Regulator will be based on rigorous scientific assessment of risks to human and environmental safety and must also be consistent with policy principles issued by a council of ministers concerning social, cultural, ethical and other non-scientific matters. As the honourable member noted in his second reading explanation on this matter on 4 April this year, the commonwealth Gene Technology Act 2000 provides for the ministerial council to establish a policy principle that obliges the Regulator to recognise areas designated under state law to preserve the identity of either GM or non-GM crops for marketing purposes only.

This bill does not limit its powers to declare prohibited areas to be only for marketing purposes, and proposes to put in place legislation to declare prohibited areas prior to the ministerial council determining a policy principle. Any bill passed by this parliament should be consistent with the commonwealth Gene Technology Bill 2000, otherwise the bill and decisions made under it would be liable to legal challenge and a declaration of invalidity. In this context, the government has been advised that the declaration of a prohibited area under the bill would be inconsistent with the Gene Technology Regulator licensing an activity that is to be undertaken in that area under the commonwealth Gene Technology Act 2000. The bill could therefore be rendered inoperative by virtue of section 109 of the Constitution.

In addition to this constitutional difficulty there are a number of deficiencies in the bill itself, and I will elaborate on the more significant of them. First, with regard to the establishment of prohibited areas, there are no criteria provided for selecting an area to be a prohibited area; no process for community consultation regarding establishing an area to be a prohibited area; and no consideration of how prohibited areas would be implemented, particularly what would be necessary to enable their effective establishment and operation.

Also, there is no consideration of how the interests of all parties within a prohibited area (such as growers, bulk handlers and community interests) can be democratically addressed. Other issues not addressed include: if a prohibited area was declared, should those who want to grow GM plants

in the area but are prevented from doing so be compensated and, if so, how and by whom?

Secondly, the bill is silent regarding monitoring and enforcement of prohibited areas. It does not establish a mechanism or powers for monitoring and enforcement of prohibited areas, such as rights and powers of search or seizure, it does not establish who would be responsible for monitoring and enforcement and does not consider who would meet the costs of monitoring and enforcement. Thirdly, the bill establishes a blanket prohibition on all GM plants within an area. It gives no discretionary powers as to the range of GM plants that are to be excluded.

Of the four GM plants approved for commercial release in Australia to date, only two are approved for release in South Australia: these are a GM carnation with blue flowers and a GM carnation with a trait for long vase life. Flower growers in this state would be prevented from growing these GM carnations in a prohibited zone, even though there has been no suggestion that they pose any significant risk to human or environmental safety since approval was granted for their release in 1995.

Fourthly, with a minister and any of 67 local government areas capable of declaring a prohibited area, there will inevitably be considerable potential for inconsistency in the application of the bill. In addition, issues regarding the boundaries of prohibited areas or buffer zones around prohibited areas are not addressed, such as: on what basis would the boundaries of prohibited areas be set? Are buffer zones necessary around prohibited areas and, if so, what principle should be used in setting the size of buffer zones? Producers with land inside buffer zones surrounding a prohibited area would have their business restricted and would not be able to share in possible marketing benefits received by growers inside the area. Should they be compensated; and, if so, how and by whom?

Other significant deficiencies in the bill are: the objective is not clear and there has been no analysis of the restrictions, costs and benefits; and the bill would prohibit transport of GM propagating material through a prohibited area. Another significant problem is that the bill provides for the minister to licence research with GM plant propagating material in a secure, contained environment. This could result in duplication of licensing by the Gene Technology Regulator under the National Gene Technology Regulatory Scheme, or the need for a licence to undertake contained research which is exempt from licensing under the National Gene Technology Regulatory Scheme.

I will speak about this issue in more detail. The National Gene Technology Regulatory Scheme exempts some contained research with GM plants from the requirement for licensing because it has been assessed over 25 years experience as presenting no significant risks to human or environmental safety. Under the National Gene Technology Regulatory Scheme, the Gene Technology Regulator, in considering an application for a licence for contained research within a GM plant, must assess the risks posed to human and environmental safety and assess the means of managing risks posed so as to protect human and environmental safety. Only if the regulator is satisfied that risks can be managed to protect human and environmental safety will a licence be issued.

In contrast, the licensing process established by the bill introduced by the Hon. Ian Gilfillan does not exempt from licensing contained research with GM plants which has been assessed over many years' experience as presenting no significant risks to human and environmental safety. That will be exempted from licensing under the National Gene Technology Regulatory Scheme. It does not require, as part of the licensing process, the assessment of risks to human and environmental safety and assessment of the means of managing identified risks to protect human and environmental safety; and it does not establish the basis upon which the minister would make a decision regarding whether or not to issue a licence.

The issue of the capacity to create designated areas in which GM crops cannot be cultivated is important, and it is currently receiving careful consideration by this government and also the governments of other jurisdictions such as Victoria and Tasmania. The commonwealth act allows some scope for the recognition of areas designated under a state act where GM crops may not be grown, provided that the purpose of the restriction is to preserve the identity of GM crops or non-GM crops for marketing purposes. However, the effectiveness and validity of any such legislation is dependent upon, first, there being a policy principle issued by the ministerial council under the Gene Technology Act. The ministerial council has not yet met. At this time it cannot be known what decision may be made by the ministerial council. Further, it is thought to be very doubtful whether any policy principles would allow for a licensing system that is additional to the national licensing system as is proposed by this bill.

It may be possible for this state to legislate validly for restrictions on the growing of GM crops in some areas in the future. Due to the probable constitutional invalidity of this bill, and the substantial deficiencies which I have identified, the government does not support this bill.

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

GOVERNMENT FUNDED NATIONAL BROADCASTING

Adjourned debate on motion of Hon. N. Xenophon.

I. That a select committee be established to inquire into and make recommendations on the role and adequacy of government funded national broadcasting and to examine the impact of these broadcasters on the South Australian economy and community, and in particular to examine—
   (a) The current and long-term distribution of government funded national broadcasting resources and the effect of this distribution on South Australia;
   (b) The effects on industry, including broadcasting, film and video production and multimedia;
   (c) The effects on the arts and cultural life in South Australia, including whether government-funded national broadcasters adequately service South Australia;
   (d) Whether government-funded national broadcasters adequately service South Australia in respect of South Australian current affairs coverage;
   (e) The programming mix available from government-funded national broadcasters and how programming decisions are made and whether the programming which is delivered is geographically balanced.

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 reported to the Council.

IV. That standing order 396 be suspended 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.

(Continued from 3 May. Page 1435.)

The Hon. SANDRA KANCK: The Democrats support the idea of having a motion moved by this chamber rather than a select committee, as originally moved by the Hon. Mr Xenophon, but the wording we are suggesting is a little different from those words moved by the Hon. Diana Laidlaw. At this point, I move:

Leave out all words after the word 'That' in line 1 and insert:
this Council voices its utmost concern at the totally inadequate allocation of resources by the ABC to the production in South Australia of:
(a) current affairs programs, especially in regard to its associated impact on rural communities; and
(b) broadcasting, film, video production and new media and the effect this lack of production has upon the arts and cultural life in South Australia.

II. That this Council seeks from the minister—
(a) a detailed breakdown of ABC budget expenditure in each state and territory, both in gross terms and as a per capita figure;
(b) information as to how programming decisions are made and whether the programming delivered is geographically balanced; and
(c) an explanation as to how the minister reconciles the current situation in the light of the national identity requirement in the ABC's charter, and in light of section 2.3.3 of the ABC's editorial policies.

III That this motion be forwarded for the attention of the commonwealth Minister for Communications, Information Technology and the Arts and for information of the Prime Minister and all South Australian members of the commonwealth parliament.

The question that arises is: why are we not supporting a select committee? First, this is a federal issue as far as the matter of funding and the issue of appointments are concerned. Secondly, a committee is problematical. I know that at the present time the three committees of which I am a member are having difficulty getting a quorum.

The Hon. T.G. Roberts interjecting:

The Hon. SANDRA KANCK: Or even getting agreed meeting dates on some occasions. I think as we get closer to an election it will become even more difficult. The reality is that this committee might not even meet, if it was formed and, even if it was, it would be unlikely to ever complete, let alone table, a report before the election. It is better to have a motion that clearly states our position; and it is better to have a strong message to give to the federal government and also, as members will see from the wording of my amendment, to seek some information from the federal government.

In preparing this motion, I had input from Mr Darce Cassidy who is local President of Friends of the ABC, of which I am also a member. The difference between the wording of my motion and the wording of the Hon. Diana Laidlaw's motion is that mine is a little tougher. Her motion refers to 'concern' whereas mine refers to 'utmost concern'. Whereas in some ways I thought the minister's motion begs the question, mine says, straight out, what it is that is happening. Rather than querying the adequacy of the service that the ABC now gives, my motion is up-front about this and states very clearly our view that the service is indeed inadequate.

My amendment refers to the ABC charter. The ABC charter requires the ABC to provide 'broadcasting programs that contribute to a sense of national identity and inform and entertain, and reflect the cultural diversity of the Australian community'. It also refers to section 2.3.3 of the ABC's editorial policies which states that it is the ABC's function to 'provide programs that reflect the cultural and regional diversity of Australian society and allow geographically and culturally distinct communities to explore and share experiences of being Australian'. Of course, I question whether or not the ABC is fulfilling either of those at the present time.

My amendment further seeks information about the distribution of funds, which may or may not prove what we all suspect: that the decision-making priorities of the head honchos at the ABC do not go past Parramatta. For my part, I find that I am watching less and less of ABC television, although, I must say, I am grateful for the new Friday night time for *Stateline*. That program by itself has probably increased 50 fold the amount of local current affairs content compared to what we had when we had to rely entirely on the *7.30 Report*. I had certainly reached the point with the *7.30 Report* where, if a South Australian story was aired, I would call out to my husband in amazement to come and view it.

The Hon. L.H. Davis: What did he say?

The Hon. SANDRA KANCK: He was equally amazed. When travelling in rural South Australia, I have noted that ABC radio increasingly relies on networked programs compared to what I was hearing seven years ago. As brilliant as it is, Radio National does not provide the local current affairs that, as state politicians, we need. I am turning more and more to community and commercial radio stations to find that sort of programming. If I am frustrated by what is delivered in the metropolitan area, I can only begin to imagine how people in the regions—who may not have those alternatives of other commercial or community radio stations to turn to—must be feeling.

Those of us who have a soft spot for the ABC have been watching with ever-growing concern the slow demise of that entity over a number of years. Labor and government began the slow haemorrhage by reducing funding, while the liberals in government have worsened this with some highly political appointments to the ABC board and management. There is a widely-held view that Jonathan Shier was appointed to the position of Managing Director largely to run down the ABC further. Certainly, he has had no experience in public broadcasting that would assist him to handle the job with any sense of delicacy.

It seems to me that some members of the current federal government have a real hatred of the ABC. The front page of the newsletter of the Friends of the ABC (the summer 2000-01 quarterly newsletter, volume 2 number 4) displays a very interesting article that seems to reflect the sort of concern I have just expressed. The article states:

Senator Richard Alston is arriving for a breakfast speaking engagement in Melbourne. A small group of Friends [Friends of the ABC] with placards waits to meet him. When he steps from his car, FABC's campaign manager, Glenys Stradijot, politely greets the minister with the words: 'We're here to ask you to stop destroying the country's national broadcaster.'

Equally politely and calmly, Senator Alston replies:

'We haven't even started yet. We've got a long way to go.' Senator Alston's comments were made on 23 November outside a Higgins 200 Club function at the Royal South Yarra Lawn Tennis Club in Toorak. Senator Alston had been invited to give a breakfast talk on the topic 'Australia in the New Global Economy'. Friends of the ABC were present to remind Senator Alston of their concern for the ABC. Several people were close enough to hear Senator Alston's words and are prepared to sign affidavits to attest to the accuracy of this report. Just for once he was—

The Hon. L.H. Davis interjecting:

The Hon. SANDRA KANCK: As the Hon. Legh Davis has interjected, the article states:

Just for once, he was not joking. Despite our suspicions that the present upheaval of the ABC has been directed by Senator Alston,

with government approval, those who heard the minister were chilled by the effrontery of his comment and alarmed at the significance of his remarks.

I have spelt out my reasons for preferring emotion over a select committee. I hope that I can gain support for a quick, sharp message expressing to the federal government our real concerns about what is happening to our national broadcaster. It is an election year and a strong message is what is really needed now.

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

STATUTES AMENDMENT (CONSUMER AFFAIRS) BILL

The Hon. K.T. GRIFFIN (Attorney-General) obtained leave and introduced a bill for an act to amend the Building Work Contractors Act 1995, the Conveyancers Act 1994, the Land Agents Act 1994, the Plumbers, Gas Fitters and Electricians Act 1995, the Second-Hand Vehicle Dealers Act 1995, the Security and Investigation Agents Act 1995 and the Travel Agents Act 1986. Read a first time.

The Hon. K.T. GRIFFIN: I move:

That this bill be now read a second time.

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

Leave granted.

A comprehensive review of all legislation administered by the Office of Consumer and Business Affairs (OCBA) a number of years ago resulted in significant changes to occupational licensing and the passage of new legislation for the licensing of builders, plumbers, electricians, gas fitters, conveyancers, security and investigation agents, travel agents and second-hand vehicle dealers. Following the review, a number of negative licensing systems were introduced and licensing was replaced by registration for some occupations. The Commissioner for Consumer Affairs became the licensing authority in place of the Commercial Tribunal.

A further review of the occupational licensing system occurred in 1998 with a view to—

- improving the timeliness of licensing processes
- improving the quality of issued licences in terms of quality and appearance
- reducing paperwork associated with the licensing process for applicants and OCBA.

The majority of the review's recommendations have been, or are currently being, implemented administratively. High security licence cards incorporating digital photographic images have already been introduced on a voluntary basis, with great success. Some of the review's recommendations require legislative amendment to ensure the achievement of the streamlining proposals.

Photographs of licensees/holders of registration

At present, there is no legislative requirement for a person to have their photographic image captured for inclusion in an occupational licence card. If a person does not have their image captured after several requests, their licence is renewed but no card is issued. Arrangements are already in place for the capture of digital images at 18 locations throughout the State as well as a process to meet the needs of licensees in remote areas. There has been positive feedback from licensees about these facilities.

The Bill requires existing licensees and persons holding registration, and new applicants for licences or registration, to have their images captured and to produce suitable identification evidence, similar to that currently in force in relation to driving and firearms licences. This will ensure that OCBA can issue secure licence cards to all relevant licensees so that consumers can confidently check whether a person holds an appropriate licence. The photograph will be required to be renewed at least once in each 10 year period.

The Bill introduces this requirement into the following Acts:

- the *Building Work Contractors Act 1995*
- the *Plumbers, Gas Fitters and Electricians Act 1995*
- the *Security and Investigation Agents Act 1995*.

Applications may be refused where certain requirements not complied with

It is not uncommon for an applicant for a licence or registration to fail to provide all necessary information required to assess their application after it has been lodged. It is not practical for these applications to be kept open for unlimited periods of time. Information provided at the beginning of the process, such as financial data or a police record check, may be stale by the time the applicant elects to complete the process by providing the final item of information. The occupational licensing Acts are silent on how such applications are to be treated. The Bill allows the Commissioner to suspend the determination of an application where required information is not provided within 28 days of receiving a notice from the Commissioner to that effect. If the notice is not complied with, the Bill empowers the Commissioner to refuse the application. In this instance, the application fee is not required to be refunded.

In addition, if an applicant has previously failed to pay any fee or penalty payable under the Act, the Commissioner may require the applicant to pay such outstanding amounts prior to granting a licence or registration.

These provisions will be introduced into the following Acts:

- the *Building Work Contractors Act 1995*
- the *Conveyancers Act 1994*
- the *Land Agents Act 1994*
- the *Plumbers, Gas Fitters and Electricians Act 1995*
- the *Second-hand Vehicle Dealers Act 1995*
- the *Security and Investigation Agents Act 1995*
- the *Travel Agents Act 1986*.

Information may be required for determining applications for registration

The various occupational licensing Acts currently require an applicant for a *licence* to provide the Commissioner with any information required by the Commissioner for the purposes of determining the application. However, current procedures for applying for *registrations* do not contain this requirement. Registration is required for building work supervisors, plumbing, gas fitting and electrical workers, land agents and conveyancers. The Bill aligns the provisions for applications for registration with those already in place with respect to licence applications to ensure that properly informed determinations can be made.

This provision will be incorporated into the following Acts:

- the *Building Work Contractors Act 1995*
- the *Plumbers, Gas Fitters and Electricians Act 1995*
- the *Land Agents Act 1994*
- the *Conveyancers Act 1994*.

Explanation of clauses

It is proposed to amend the occupational licensing Acts, in a substantially consistent manner.

The proposed amendments provide that licences for building work contractors, plumbers, gas fitters, electricians and security and investigation agents will include a photograph of the licensee. Likewise, certificates of registration for building work supervisors and plumbing, gas fitting and electrical workers will include a photograph of the holder of the registration. (It is not proposed that conveyancers, land agents, second-hand vehicle dealers or travel agents will be required to be photographed for licensing/registration purposes.)

Other proposed amendments relate to new requirements for applicants for licences or registration under the various Acts to provide the Commissioner with identification evidence and other specified information and to pay to the Commissioner any outstanding amounts owed under the relevant Act.

PART 1: PRELIMINARY

Clause 1: Short title

Clause 2: Commencement

These clauses are formal.

Clause 3: Interpretation

A reference in the Bill to the principal Act is a reference to the Act referred to in the heading to the Part in which the reference occurs.

PART 2: AMENDMENT OF BUILDING WORK CONTRACTORS ACT 1995

Clause 4: Amendment of s. 8—Application for licence

It is proposed that an applicant for a licence must provide the Commissioner with such evidence as the Commissioner thinks appropriate as to the identity, age and address of the applicant and any other information required by the Commissioner for the purposes of determining the application.

New subsection (3) provides that a licence granted to a natural person will include a photograph of the holder of the licence.

Consequently, an applicant for a licence who is a natural person may be required by the Commissioner to attend at a specified place for the purpose of having the applicant's photograph taken or to supply the Commissioner with one or more photographs of the applicant.

New subsection (4) provides that if an applicant for a licence has previously failed to pay a fee or penalty that became payable under the principal Act (for example, previous licence fees or fees for registration or a default penalty), the Commissioner may require the applicant to pay the whole or a specified part of the fee or penalty.

New subsection (5) provides that the Commissioner may, by notice in writing, require an applicant for a licence, within a time fixed by the notice (which may not be less than 28 days after service of the notice), to comply with any requirement under section 8 to the Commissioner's satisfaction.

New subsection (6) provides that if the applicant fails to comply with the notice under new subsection (5), the Commissioner may, without further notice, refuse the application but keep the application fee.

Clause 5: Insertion of s. 10A

10A. Power of Commissioner to require photograph and information

New section 10A gives the Commissioner the power, by notice in writing, to require a current licensee to have a photograph taken or to supply a photograph for the purpose of including the photograph in the licence and to provide the Commissioner with appropriate identification evidence.

Clause 6: Amendment of s. 11—Duration of licence and periodic fee and return, etc.

Section 11 of the principal Act provides that a licensee must pay a periodic fee to, and lodge a periodic return with, the Commissioner, in accordance with the regulations. The section also provides that the Commissioner may require a licensee who defaults on a payment or lodgment to make good the default and to pay a default penalty. The proposed amendment will also make it a ground for default if a licensee fails to comply with a notice under new section 10A.

Clause 7: Amendment of s. 15—Application for registration

Clause 8: Insertion of s. 17A—Power of Commissioner to require photograph and information

Clause 9: Amendment of s. 18—Duration of registration and periodic fee and return, etc.

The amendments proposed in clauses 7, 8 and 9 mirror, respectively, the amendments proposed in clauses 4, 5 and 6, except that they relate to building work supervisors instead of to building work contractors.

PART 3: AMENDMENT OF CONVEYANCERS ACT 1994

Clause 10: Amendment of s. 6—Application for registration

New subsection (2) provides that an applicant for registration must provide the Commissioner with such evidence as the Commissioner thinks appropriate as to the identity, age and address of the applicant and any other information required by the Commissioner for the purposes of determining the application.

New subsection (3) provides that if an applicant for registration has previously failed to pay a fee or penalty that became payable under the principal Act, the Commissioner may require the applicant to pay the whole or a specified part of the fee or penalty.

New subsection (4) provides that the Commissioner may, by notice in writing, require an applicant for registration, within a time fixed by the notice (which may not be less than 28 days after service of the notice), to comply with any requirement under section 6 to the Commissioner's satisfaction.

New subsection (5) provides that if the applicant fails to comply with the notice under new subsection (4), the Commissioner may, without further notice, refuse the application but keep the application fee.

PART 4: AMENDMENT OF LAND AGENTS ACT 1994

Clause 11: Amendment of s. 7—Application for registration

The amendments proposed by clause 11 to the principal Act mirror the amendments proposed by clause 10 to the *Conveyancers Act 1994*.

PART 5: AMENDMENT OF PLUMBERS, GAS FITTERS AND ELECTRICIANS ACT 1995

Clause 12: Amendment of s. 8—Application for licence

Clause 13: Insertion of s. 10A—Power of Commissioner to require photograph and information

Clause 14: Amendment of s. 11—Duration of licence and periodic fee and return, etc.

Clause 15: Amendment of s. 15—Application for registration

Clause 16: Insertion of s. 17A—Power of Commissioner to require photograph and information

Clause 17: Amendment of s. 18—Duration of registration and periodic fee and return, etc.

The amendments proposed by clauses 12 to 17 to the principal Act mirror the amendments proposed, respectively, by clauses 4 to 9 to the *Building Work Contractors Act 1995*.

PART 6: AMENDMENT OF SECOND-HAND VEHICLE DEALERS ACT 1995

Clause 18: Amendment of s. 3—Interpretation

It is proposed to amend the definitions of credit contract and credit provider to remove references to the *Consumer Credit Act 1972*, which has been repealed, and to replace them with references to the *Consumer Credit (South Australia) Code.*

Clause 19: Amendment of s. 7—Dealers to be licensed

This amendment is consequential on the amendments proposed by clause 18.

Clause 20: Amendment of s. 8—Application for licence

It is not proposed to make it a requirement that a second-hand vehicle dealer's licence bear a photograph of the dealer. The amendments proposed by this clause to the principal Act mirror the amendments proposed by clause 10 to the *Conveyancers Act 1994*, with the addition that an applicant may have to make good any arrears in relation to contributions to the Second-hand Vehicles Compensation Fund (in addition to any arrears for fees or penalties that became payable under the principal Act) before an application for a licence is determined.

Clause 21: Amendment of s. 9—Entitlement to be licensed

This is an amendment proposed to section 9 of the principal Act that is not being proposed in relation to the other occupational licensing Acts in this measure. Section 9 of the principal Act deals with the entitlement to be licensed as a second-hand vehicle dealer under the Act. Currently a person is not entitled to be licensed as a dealer if he or she has been convicted of an offence of dishonesty. A body corporate is not entitled to be licensed as a dealer if any director of the body corporate has been convicted of an offence of dishonesty. This amendment, in each case, changes the restriction from not having been convicted of an offence of dishonesty to one of not having been convicted of an indictable offence of dishonesty or, during the 10 years preceding the application for a licence, of a summary offence of dishonesty.

PART 7: AMENDMENT OF SECURITY AND INVESTIGATION AGENTS ACT 1995

Clause 22: Amendment of s. 8—Application for licence

Clause 23: Insertion of s. 11A—Power of Commissioner to require photograph and information

Clause 24: Amendment of s. 12—Duration of licence and annual fee and return, etc.

The amendments proposed to the principal Act by clauses 22, 23 and 24 mirror, respectively, the amendments proposed by clauses 4, 5 and 6 to the *Building Work Contractors Act 1995*.

PART 8: AMENDMENT OF TRAVEL AGENTS ACT 1986

Clause 25: Amendment of s. 8—Application for licence

The amendments proposed by clause 25 to the principal Act mirror the amendments proposed by clause 20 to the *Second-hand Vehicle Dealers Act 1995*.

The Hon. CAROLYN PICKLES secured the adjournment of the debate.

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

A quorum having been formed:

CLASSIFICATION (PUBLICATIONS, FILMS AND COMPUTER GAMES) (MISCELLANEOUS) AMENDMENT BILL

Adjourned debate on second reading.

(Continued from 5 June. Page 1693.)

The Hon. K.T. GRIFFIN (Attorney-General): When I spoke on this bill last night, I sought leave to conclude my remarks in order to enable the appropriate documentation to be prepared to split the bill so that, ultimately, we can refer that part of the bill that relates to internet pornography to a select committee. That documentation has now been prepared and, all going well, we will proceed with the splitting of the

bill and dispensing with the legislation, one part to the House of Assembly having passed all stages and the other to a select committee.

Bill read a second time.

In committee.

The Hon. K.T. GRIFFIN: I move:

That standing orders be so far suspended to enable me to move an instruction without notice.

Motion carried.

The Hon. K.T. GRIFFIN: I move:

That it be an instruction to the committee of the whole Council on the bill that it have power to divide the bill into two bills: one bill comprising clauses 1 to 11 and 13 to 20 and the schedule, and the other comprising clause 12; and that it be an instruction to the committee of the whole Council on the No. 2 bill that it have power to insert the words of enactment.

Motion carried.

The Hon. K.T. GRIFFIN: I move:

That, according to instruction, the bill be divided into two bills, the first to be referred to as the Classification (Publications, Films and Computer Games) (Miscellaneous) Amendment Bill No. 1 to include clauses 1 to 11 and 13 to 20 and the schedule, and the second bill to be referred to as the Classification (Publications, Films and Computer Games) (Miscellaneous) Amendment Bill No. 2 to comprise clause 12.

Motion carried.

Clause 1.

The Hon. CAROLYN PICKLES: What implications will this new bill have in relation to a case such as the Mapplethorpe book, which was seized in a high-handed manner by members of the police force from a very respectable bookshop in South Australia? Will this give the police more powers to make a decision? This concern has been expressed to me about the bill. In the briefing that I had, it was not clear. My understanding is that this will not give the police powers to decide what is a publication that should be withdrawn from the shelves and that they must still go through the same process as before. I would not want to give them any more powers than they already have.

The Hon. K.T. GRIFFIN: The bill has no bearing on that situation. That part of the bill which does not deal with material that is objectionable on the internet essentially provides for issues relating to proof of an offence. It introduces a series of expiation fees set out in the schedule on the basis that frequently it is better to deal with a matter by way of expiation than to go through the court processes, because at the moment they all have to go to court. Each jurisdiction around Australia is entitled to take whatever action it prefers, that is, whether or not to adopt an expiation fee system, but it also enables greater ease of proof.

Where, for example, there might be 50 X-rated videos in a shop, in those circumstances there is a provision that would enable a shopkeeper to admit that they are X-rated videos rather than having to bear the cost of having to send them off to be certified. There is no change in relation to the guidelines for computer games, videos, films, books and publications. The guidelines for computer games, videos and films are to be reviewed during this year by the Office of Film and Literature Classification. There will be a transparent public consultation process. All of the guidelines are now set in a manner which requires public consultation, submissions and then recommendations to ministers, and that is the process that we intend to go through.

The Hon. Carolyn Pickles interjecting:

The Hon. K.T. GRIFFIN: Yes, they all go through that sort of a process.

The Hon. Carolyn Pickles: Will there be a review?

The Hon. K.T. GRIFFIN: No, there is no review this year in relation to publications. Either there has been one or there will be one next year, I cannot remember which. I will take that question on notice and make sure that I get an answer in relation to that. The process follows in the same way for each set of guidelines.

The current theme has been operating since 1995. One of the good things is that South Australia contributes to a community liaison officer project which has community liaison officers visiting shops, publishers and distributors to explain the law to them. I think that a lot of people who are in the business are probably ignorant of the way in which the whole scheme operates. So, the community liaison officers have been particularly valuable in the way in which they have been able to get around to outlets right across—

The Hon. Carolyn Pickles interjecting:

The Hon. K.T. GRIFFIN: Well, they are based in Sydney but we fund one of the officers for a certain number of weeks per year. That is not all in the one slab of time: it is spread over the full year. I will have to find the information in relation to the review process in terms of publications and I will provide the honourable member with an answer.

The Hon. CAROLYN PICKLES: I am reassured by the Attorney's comments and I would like to place on the record that I think it has been a very sensible move to put the part of the bill dealing with online services before a select committee, because this was the aspect about which the opposition and, I guess, other members of parliament have received enormous amounts of correspondence. It is one issue which is very tricky and one on which I think we should move with more caution.

Touching on the issue of publications, I would certainly like to have information on when that will be reviewed, because I think that, on reflection, the way that the issue of the Mapplethorpe book was dealt with was very unfortunate. The subsequent letter to the *Advertiser* by the Police Commissioner—

An honourable member interjecting:

The Hon. CAROLYN PICKLES: It actually had to be censored because it was so vulgar.

The Hon. Diana Laidlaw interjecting:

The Hon. CAROLYN PICKLES: I do not know. If he had sent me one I would not have bothered to read it, quite frankly. He might be interested to know that these books still exist in South Australia—

An honourable member interjecting:

The Hon. CAROLYN PICKLES: Sales have rocketed. So, it seems to have had the opposite effect. There was an exhibition held in Sydney some years ago and it was widely appreciated by people from many walks of life. The Art Gallery of South Australia had the book and some of Mapplethorpe's works, I understand. I am reassured that this does not give the police any more powers because I think they have rather over exceeded what they have at present.

The Hon. IAN GILFILLAN: I indicate that I will be opposing clauses 6 and 8.

Clauses 2 to 5 passed.

Clause 6.

The Hon. IAN GILFILLAN: We oppose this clause because of what appears to us to be a practical obstacle. As I understand it, this clause would require an adult escorting a minor into an MA film to stay on the premises throughout the film. Assuming that we have interpreted this correctly, we do not regard that as being an addition in terms of protecting

a juvenile. It may very well expose the adult to a very painful hour or hour and a half quite unnecessarily and, provided the adult has escorted the minor into the film, surely that is enough indication that some form of consent has taken place. I indicate our opposition to the clause.

The Hon. K.T. GRIFFIN: I draw attention to the explanation for this clause in the second reading explanation. It deals with MA 15 plus classified films. It is lawful to show such a film to a minor who might be under 15 years provided that he or she is accompanied by a parent or guardian. However, the act provides that the minor does not cease to be accompanied, only by reason of the parent or guardian's temporary absence from the cinema.

Cases have been reported in which the parent accompanies the child into the cinema but shortly thereafter leaves the cinema to undertake other errands, returning only at the end of the film to collect the child. So far as I am concerned that really defeats the purpose of the provision, and that is that the child views the film under parental supervision so that questions can be answered and concepts explained, either as it progresses or in discussion afterwards. So we overcome it by rewording the provision, and that provides that the parent may be temporarily absent to use facilities provided on the premises for the use of cinema patrons—and remembering that this is a public cinema. It is not the home; it is a public cinema.

The primary object of the classification system is to ensure that members of the public have appropriate guidance, and where you have something which is rated R that only 18 year olds and over are admitted to, and where you have a MA15+ rating there are some requirements in place to ensure that an under 15 year old is not left unattended in a public cinema for the purpose of viewing a film which would normally be regarded as not being suitable for that child without parental or guardian guidance.

The Hon. IAN GILFILLAN: I would have thought that it was an adequate indication of approval if a parent or guardian were in attendance while the child bought the ticket or was present while the ticket or tickets were bought. How ever desirable this intention of the Attorney is, who will police it? Who will actually monitor the time that a parent or guardian is using a facility or getting refreshments? What is the penalty if they do not come back, if they have some sort of dilemma and find that they are physically incapable of coming back? It seems to me that it is a futile gesture; it is very naive in its concept and probably totally impossible in its implementation.

The Hon. K.T. GRIFFIN: With respect, it is not futile. Most cinema operators actually take their responsibilities seriously under the act.

The Hon. Ian Gilfillan: Check each row with a torch to see if the parent is still there, do they?

The Hon. K.T. GRIFFIN: They are the ones who have brought this to our attention and they are the ones who want something done about it.

The Hon. T.G. Cameron: How long since you've been to the pictures?

The Hon. K.T. GRIFFIN: Weekend before last actually.

The Hon. T.G. Cameron: Whereabouts?

The Hon. K.T. GRIFFIN: Marion. Anyway, so far as the amendment is concerned, there is a penalty attached to this already. It clarifies what is already the existing law, because section 36 provides that a person must not exhibit in a public place a film classified MA if a minor under 15 is present during any part of the exhibition and the minor is not accompanied by his or her parent or guardian. It really clarifies it for the operator. The sanction ultimately is for the cinema operator to remove the child.

The Hon. CAROLYN PICKLES: The comment I would make is that there are some very strange films indeed that have this classification MA15+ and, quite frankly, I would not ever have taken my children to see them. Most of them are violent in context. The ones that people get themselves really uptight about are the ones that might have a little bit of sex in them—

The Hon. T.G. Cameron interjecting:

The Hon. CAROLYN PICKLES: That is what I am saying; it is the violence. I am not quite sure whether this will work, but I suppose it is an attempt and ,since the Attorney assures us it has been sought by the cinema operators to ensure that parents are present to explain why they have taken along their 15 year old to see brains splattered all over the screen and to try to explain what that all means, as an adult, it might properly be a better way of dealing with it than dumping your kids in a cinema to watch a pretty shocking film, in some cases, with a lot of violence, and then ticking off and going and doing the shopping. Quite frankly, I find that reprehensible.

The Hon. P. HOLLOWAY: I make the comment, as a parent of children in the age group that would be affected by this, that I think one of the virtues of this is that the parents are forced to sit and watch these films. If they are like me and very rarely watch them, it is a very good way of understanding what the standards mean in practice. I think that if parents are actually forced to sit through them they will then in the future be in a much better position to exercise their judgment on these matters.

The Hon. Diana Laidlaw: Have you sat through them?

The Hon. P. HOLLOWAY: Only once.

The Hon. T.G. CAMERON: I would like to know what the classification of the film was that the Attorney saw last week.

The Hon. K.T. Griffin: PG.

The Hon. T.G. CAMERON: Well, there you go! We seem to be getting our proverbials in a real knot over this one. I find it a little bit unusual that we would be getting into such a knot over this clause when 13, 14 and 15 year old kids are walking into shops all over Adelaide and buying and renting X-rated videos.

The Hon. K.T. Griffin interjecting:

The Hon. T.G. CAMERON: Well they are.

The Hon. K.T. Griffin interjecting:

The Hon. T.G. CAMERON: But that's the very point I am making. It is illegal yet it is still continuing, and I wonder how effective this is going to be. So perhaps I could put a question to the Attorney: why is it that he believes that the parents must stay with their child through the entire film? What is the purpose of that—because I missed that along the line?

The Hon. K.T. GRIFFIN: If you look at what comes within the MA15+ category, there are films like the Green Mile, which has a death penalty theme; The General's Daughter, which has a rape theme; and Saving Private Ryan, which has a war theme—they are all MA15+. If you look at just those particular films—

The Hon. T.G. Cameron: Have you seen all those movies?

The Hon. K.T. GRIFFIN: No I haven't; but I have seen one of them.

An honourable member: Ryan's Daughter!

The Hon. K.T. GRIFFIN: No, Saving Private Ryan, not Ryan's Daughter.

The Hon. Diana Laidlaw: I have heard it is pretty gruesome.

The Hon. K.T. GRIFFIN: It is gruesome, and if you put a 14 year old, or a 13 year old, or a 12 year old—

The Hon. Diana Laidlaw: Or a nearly 15 year old.

The Hon. K.T. GRIFFIN: Or a nearly 15 year old, in a cinema, and plonk them down, without any guidance at all, without any discussion, even afterwards, about the themes, then in my view that is irresponsible. And if you take even M level themes, where 15 year olds can attend without their parents, there are themes such as the holocaust, racial persecution, and Schindler's list, for example, which are accommodated within that category. So the MA level is one level below R. R is exclusively for those who are 18 years of age or over. Between M and R is the category MA15+.

It is directed towards ensuring, as far as is possible, that there is not just parental guidance at some time but that parents do not park their kids while they go and shop and the kids are there watching some of these movies, which can be quite gruesome, vivid or intense. The object is to say to parents, 'This is the rating.' The cinema proprietor has a responsibility under the act, and the amendment will help to clarify the responsibility of the cinema operator, who carries the responsibility and not just the parent.

Clause passed.

Clause 7 passed.

Clause 8.

The Hon. IAN GILFILLAN: I understand that this clause removes the requirement on the prosecution to prove that a person charged with an offence under section 46 knew that a publication was classified RC or was a submittable publication and instead provides that it is a defence for the defendant to prove that he or she believed on reasonable grounds that the publication was not classified RC or was not a submittable publication as the case may be. In other words, the onus to prove guilt moves so it is on the accused to prove innocence. It is against what I believe to be common justice, and on that basis I oppose the clause.

The Hon. K.T. GRIFFIN: Section 46 provides that a person must not sell or deliver, other than for the purpose of classification or law enforcement, a publication classified RC—refused classification—knowing that it is such a publication. I acknowledge the validity of the point the honourable member makes, namely, that this reverses the onus of proof, but in all cases where there is a refused classification video or other publication it is virtually impossible to prove that the person selling it knew that it was such a publication.

The amendment turns that around and provides not just the requirement for knowledge on the part of the person selling to be proved beyond reasonable doubt by the prosecution but provides a defence to a prosecution for an offence against either subsections (1) or (2) to prove that the defendant believed on reasonable grounds that the publication was not classified RC or was not a submittable publication.

I acknowledge the point that the honourable member is making. I do not in the current circumstances agree that it is a valid criticism of the bill and therefore hope that members will be prepared to support this provision. There is protection for the accused person. Members should remember that we are dealing with refused classification publications—the sorts of publications the Hon. Mr Cameron has complained about in relation to some sales outlets—and in those circumstances an appropriate balance is provided in the bill in relation to the burden of proof.

The Hon. IAN GILFILLAN: I am sorry that the Attorney takes this view. This is still a significant argument for this clause.

The Hon. K.T. Griffin: I am not down playing the significance of it, but I do not agree with it on this occasion.

The Hon. IAN GILFILLAN: He does not agree with it on this occasion he has interjected and made plain in his contribution. The trouble is that these basic tenets of justice are erodable and, once one establishes precedence in cases such as this, it tends then to become more likely that it is accepted in different circumstances, so in a way it is a challenge to defend what is essentially a basic right in our justice system. I hold to our view that we should not support this clause. It may well be very difficult for an accused to prove that he or she did not know that the material was classified RC or is submittable and it really does in my view reverse the onus quite unnecessarily and chips away at a basic tenet of our system of justice.

Clause passed.

Clauses 9 to 11 passed.

Clause 12 postponed until after consideration of bill No. 1 has been reported and concluded.

Remaining clauses (13 to 20), schedule and title passed.

Bill read a third time and passed.

CLASSIFICATION (PUBLICATIONS, FILMS AND COMPUTER GAMES) (MISCELLANEOUS) AMENDMENT BILL NO. 2

New clause 1.

The Hon. K.T. GRIFFIN: I move:

That new clause 1 be inserted.

New clause inserted.

New clause 2.

The Hon. K.T. GRIFFIN: I move:

That new clause 2 be inserted.

New clause inserted.

New clause 12 passed.

The CHAIRMAN: I put the question that, pursuant to instruction, the words of enactment be inserted, namely 'The parliament of South Australia enacts as follows'.

Question agreed to.

Title passed.

The Hon. K.T. GRIFFIN: I move:

That standing orders be so far suspended as to enable the bill to be referred to a select committee.

Motion carried.

Bill referred to a select committee consisting of the Hons I. Gilfillan, K.T. Griffin, P. Holloway, J. Stefani and C. Zollo.

The Hon. K.T. GRIFFIN: I move:

That standing order 389 be so far suspended as to enable the Chairperson of the select committee to have a deliberative vote only; 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; and that standing order 396 be so far 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.

Motion carried.

The Hon. K.T. GRIFFIN: I move:

That the select committee have power to send for persons, papers and records; to adjourn from place to place; and to report on 5 July 2001.

Motion carried.

EQUAL OPPORTUNITY (MISCELLANEOUS) AMENDMENT BILL

Adjourned debate on second reading.

(Continued from 30 May. Page 1636.)

The Hon. M.J. ELLIOTT: Members in this place will be aware that I have been a long-time advocate for better government services for families with children with ADHD. While I recognise the importance of psychostimulant use in multimodal treatment of ADHD, I have raised some concern about the use of psychostimulants alone to treat ADHD in South Australia. I stress that I do not have a problem with psychostimulants being used in some cases: I do suspect that they are being used in too many cases and suspect that too many kids are receiving them as their only treatment. In particular, I have expressed concern that low income families are being forced to use psychostimulants as a first rather than last resort because they cannot afford other treatments.

I see this look of puzzlement from the government benches. When the Hon. Sandra Kanck spoke on this bill she indicated that I would make some comments about equal opportunities in relation to people suffering from ADHD. In fact, we will be moving amendments to address that, which is why I am talking about ADHD, which is an equal opportunity issue.

The Hon. Caroline Schaefer interjecting:

The Hon. M.J. ELLIOTT: You are: you have to have an attention span that spans a couple of days and to have heard the Hon. Sandra Kanck's speech and understand the relationship between the two. I apologise for those who have not made that link. I have a concern that low income families are being forced to use psychostimulants as the first and often, unfortunately, the only rather than the last resort because they cannot afford other treatments.

It is for this reason that I support amendments proposed by the Hon. Sandra Kanck to the Equal Opportunity (Miscellaneous) Amendment Bill that will expand eligibility for state government services and provide more low income families with other options to treat ADHD. They are changes that will provide the resources and teachers needed to implement better educational interventions.

First, I want to address the question of what ADHD is. Attention deficit hyperactivity disorder is defined by the NHMRC as a physiological dysfunction that results in hyperactive, impulsive and inattentive behaviours to the extent that they cause social impairment in home, work and school settings. And for some people it is the parliamentary setting. Individuals frequently experience educational failure, poor peer relations and low self esteem and lack adequate social skills as a result of ADHD.

Families experience high levels of stress due to the demanding nature of ADHD behaviours, hostility or criticism from other families, and many are concerned that their child will fail in school and fail to gain employment in the long term. The internationally recognised treatment model for ADHD is called the multimodal approach. This approach uses medical, psychological, educational and sociological interventions.

Research suggests that early intervention for ADHD reduces the risk of other problems developing, such as conduct disorder, oppositional defiant disorder, depression, substance abuse, criminality and suicidal tendencies. Recent estimates in Australia put the number of children with ADHD over 50 000, with some claiming that it has become the second most diagnosed disorder in this nation. No records are kept of numbers of young people with ADHD, but estimates of prevalence are around 5 per cent of all children.

What can be measured is the number of children using psychostimulant medication to treat ADHD, because state governments record psychostimulant prescriptions under various controlled substances legislation. Federal figures show that in 1997 over 290 000 prescriptions were issued through Australian pharmacies for psychostimulants to treat ADHD. In 1998 a study of psychostimulant prescription records for ADHD found that 2.36 per cent of South Australian children aged between five and 18 years were using psychostimulants to treat ADHD.

In 1999 South Australia had the second highest dexamphetamine use for ADHD per thousand population in Australia. Between 1991 and 1999, the number of patients authorised and using psychostimulants for greater than two months to treat ADHD rose from 60 to 5 657 in South Australia. However, by February 2001 the number of people prescribed psychostimulants for ADHD had plateaued and was approximately 5 600.

A recent submission to an inquiry into ADHD heard that in 1990 one could fit all the children in South Australia on medication for ADHD on one city bus: by the year 2000 it would take 90 buses. The committee also heard that in South Australia between 1992 and 2000 there were 1 116 children under six using amphetamines, 54 under the age of three and two under the age of 18 months. This is despite diagnosis and medication use not being recommended under the age of seven years. The committee also heard that, while the effects of ADHD are widespread, the use of medication to treat the disorder is greater in areas of lower income because a full range of services is too expensive.

The eligibility for government service for ADHD is based on state and commonwealth legislation. Currently, the commonwealth Disability Act defines 'disability' as a disorder or malfunction that results in the person learning differently from a person without the disorder or malfunction, or a disorder that affects a person's thought processes, perceptions of reality, emotions or judgment, or that results in disturbed behaviour. While this definition clearly encompasses ADHD, the federal government defers responsibility for services for ADHD to the individual states. In South Australia the policy that determines a government service and its availability is based on the Equal Opportunity Act. The existing South Australian Equal Opportunity Act criteria are much narrower than that of the commonwealth DDA and do not recognise ADHD.

While in practice some children with ADHD in South Australia still have their needs met indirectly because the Equal Opportunity Act recognises learning disorders that are co-morbid with ADHD, it has been estimated that up to 50 per cent of young people with ADHD do not receive assistance for it. This leaves 50 per cent of young people having to appeal to the Disability Act to access assistance. This process is costly and intimidating and does not produce equality between South Australian families with children with ADHD. The situation stands in stark contrast to the United States Rehabilitation Act, which has a government-funded

child find provision putting the onus on government departments to find and address detention needs presented by ADHD.

A study in South Australia in 1997 by Ivan Atkinson and Roslyn Schutte found that, although accommodation of medical and behavioural treatment is recommended as the most effective form of intervention, many families have little choice since they face long waiting lists for free government services or prohibitive costs. It also found that this effectively means that access to private non-medical practitioners, such as psychologists, physiotherapists and speech and occupational therapists is limited to the better off. These findings have been subsequently supported by a review of psychostimulant prescription in South Australia by Brenton Prosser and Robert Reid in 1999, which indicated that psychostimulant use was higher in low income postcodes.

The Democrats' amendments will ensure that multimodal treatment will be available to all South Australian families, irrespective of income and, as a result, will encourage the use of amphetamines as the last resort rather than the first resort and not as the only option. It must always be remembered that, while medication provides a window of opportunity for many children with ADHD, the positive effects disappear once medication has worn off. This window must be used to provide young people with the skills to face the challenges of adult life. Pills alone are not enough. It is worth noting that many people, by the time they are diagnosed, are already behind in school; they have already developed behaviours which do not help them in their further social development. While a medicine, a psychostimulant, might address the chemical imbalance within the brain, it does not address the other problems which are co-existent and which are by that stage often significant.

Research has shown the importance of early intervention with a full range of treatments in the success of young people with ADHD as they encounter the greater social and academic demands of secondary school. I am aware that in his PhD study, Brenton Prosser found that, while the treatment with psychostimulants was effective in many children while they were young, once they entered their teen years difficulties arose if that was all they were receiving. No doubt, opponents will claim that these changes are too expensive but I remind those opponents of the NH&MRC finding that ignoring ADHD will result in significant future costs to education, health, welfare and correctional services. In short, we could pay a little now and we could pay a lot more later.

How often do we see the situation arise where governments say that they have not the money to address an issue yet we know that the costs that will eventuate, if they do not address the issue now, will be far greater later. Our prisons are full of people who for a range of reasons have suffered in ways that could have been addressed when they were young, whether it be ADHD, dysfunctional families or whatever else. Governments have said, 'No, we haven't the money for programs to address these problems now', but it usually costs a lot more later.

Already the warning signs are there in a tenfold increase of amphetamine use in the last 10 years to treat a disorder has been recognised under various names for the last 100 years. One cannot but question whether growing class sizes, rising unemployment and cut-backs to funding by governments is at least partly behind the dramatic rise in medication for ADHD over the past 10 years, first, in terms of the children receiving less personal attention and, secondly, in terms of parents finding themselves unable to afford the sorts of treatments that will help the affected child. However, the Democrats amendments will seek to stem this trend.

The amendments that will be moved by the Hon. Sandra Kanck will expand the Equal Opportunity Act criteria to match the federal act's definition of 'disability'. This will not only bring South Australia into line with national and international standards but also effectively expand eligibility for state government services and provide more families with other options to treat ADHD. I am confident that many families will welcome the better welfare and school services that will result from these amendments, and I urge all members to support the Democrats amendments.

The Hon. K.T. GRIFFIN (Attorney-General): I thank members for their indications of support for the second reading of this bill. I note the remarks by the Hon. Mr Elliott. I will have some responses for him in the committee stage of the consideration of this bill. It may be that, in order to facilitate consideration in committee, I will be able to get some communication to him about the issue prior to the next time we consider this bill. At least he will have a better appreciation of where the government is coming from in relation to that issue.

I note that the honourable member has indicated that the Hon. Sandra Kanck will be moving some amendments to deal with that issue, and all that I can do is urge her to circulate her amendments at the earliest possible stage after today's consideration of the second reading in order that we can progress this bill. We come to within about two weeks of the end of the session, and what—

The Hon. M.J. Elliott interjecting:

The Hon. K.T. GRIFFIN: I am concerned to try to progress this and a number of other bills because they are important pieces of legislation. I recognise that members do need some time to consider the issues, but if I could nevertheless urge constant attention to the amendments I would certainly appreciate that, and I think that it would facilitate consideration in the last weeks of the sitting. I turn now to the contribution of the Leader of the Opposition who indicated that a number of amendments will be moved by the opposition in committee.

I make the same plea to the leader as I have made to the Hon. Mr Elliott and, through him, to the Hon. Sandra Kanck, that, even though we will not be sitting as a Council over the next three weeks and budget estimate committees will be the priority for many of us, we get the amendments circulated as quickly as possible. I may well be able to get some responses, with briefing notes, to members so that it will facilitate consideration. It may not make it any easier to gain either support for an amendment or to garner sufficient votes against it, if one might be inclined in that direction, but, at least, it will help us to understand better each other's position.

In respect of one of the intimated amendments, it may be helpful if I make some comment as to why the bill is as it is. The Leader of the Opposition intimated dissatisfaction with the defence proposed in cases of sexual harassment, that the respondent did not know and could not reasonably be expected to have known that the complainant was a person whom it was unlawful to subject to sexual harassment. It is important to understand why this defence is provided. This bill substantially broadens the present law to cover situations beyond employment and, indeed, extends the sexual harassment laws to any situation where one person 'works with' another.

For example, under the bill, a debt collector who is engaged on a contract basis to provide services to several law firms, and an auditor who is appointed to conduct an annual audit of the trust account of one of these firms, 'work with' each other within the meaning of the bill. This is so even though neither is an employee of the law firm concerned and they never meet in the course of their work. The same is true of, say, a medical specialist who provides services to a hospital on a rostered basis one weekend a month and a volunteer who helps with fundraising with the hospital's research by working in the hospital kiosk.

It may chance that such persons meet in an unrelated social situation, such as a party, neither knowing of this connection between them, and some offensive sexual remark or unwanted advance is made. While this may be deplorable, it is not the type of behaviour intended to be covered by the sexual harassment provisions of the Equal Opportunity Act. If the conduct amounts to an assault or other offence, of course, the criminal law provides the remedy. However, the legislation does not seek to regulate the social behaviour of strangers outside the work setting: it seeks to ensure that workplaces are free from harassment.

The intention is to prevent the exploitation of the power relationships of the workplace to pressure individuals to engage in sexual behaviour against their wishes, or to humiliate them sexually in the work context. This is illustrated by the examples given by the Leader of the Opposition in debate. The employee who is the victim of sexual harassment is placed in a most difficult position because he or she is not free to react to the behaviour of the work colleague or employer in the way in which he or she would feel quite free to react if this occurred in a social situation with a stranger. It is the work connection between the parties which necessitates the remedy under the act.

The defence is therefore designed to cover the situation where the workplace connection between the parties does not exert an influence because the harasser did not know that it existed. If the defence is removed, the bill has the unintended effect of providing coverage against sexual harassment in purely social encounters in those cases where the parties turn out to be connected through their work but not otherwise. Such a result would not be sensible. The Leader of the Opposition also referred to the time limit provision, indicating that the government has chosen to retain the six month time limit without a discretionary provision.

In fact, the bill by clause 43(b) gives the court discretion to extend the time for lodgement of a complaint, even after the six month time limit has expired, if satisfied that there is good reason why the complaint was not brought in time and that an extension is just. It should be noted that there is no limit on the extension which the court can give. If, as the Leader of the Opposition suggests, the trauma of the unlawful act was such that the complainant could not reasonably have been expected to lodge the complaint in time, no doubt this is a matter that will be considered by the court. However, in very many cases, six months may well be sufficient.

There is no undue difficulty or formality about lodging a complaint. By comparison, in cases of unfair dismissal (which sometimes may be an alternative to a remedy under this act), for example, the law imposes a time limit of 21 days. The Leader of the Opposition also intimated other amendments, which I look forward to considering. Meanwhile, the Leader of the Opposition asked me to explain what is intended by the provision in the bill dealing with discrimination on the ground of infection with the HIV virus, that 'reasonable measures to stop the spread of infection' will not amount to discrimination.

The leader sought clarification of what are 'reasonable measures'. Of course, there can be no comprehensive definition of what measures will be considered reasonable because our knowledge of infection control may develop with time and new measures may come into use. The reasonableness of a measure will also depend on the circumstances of the particular case. Ultimately, it will be a matter for the court to consider in individual cases whether or not a measure was reasonable to stop the spread of infection. However, to illustrate with an example what is intended by the bill, the exemption would make clear that a hospital could decline to accept a blood donation from a person who tested HIV positive so as to ensure that the infection was not spread to the recipients, even though this would involve treating HIV-infected persons differently on the ground of the infection from persons who were not infected.

The Hon. Terry Cameron pointed out, and I agree, that an objective standard would be applied in deciding what is reasonable in any particular case. The Hon. Sandra Kanck indicated the support of the Democrats for the second reading and their intention to move several amendments to the bill. She also asked me to respond to or comment on a number of points raised. First, she referred to the issue of homosexual vilification and asked what remedies might be available to persons victimised in this way. I agree that the act does not specifically provide a remedy for this type of vilification, nor does the bill deal with it. Possible remedies would depend on the circumstances of the particular case.

If false and damaging statements are published about a person or an identifiable group of persons, such as an allegation that a particular person is a paedophile when he or she is not, or a statement that a particular person is by reason of his or her sexuality unfit to hold a particular position or qualification, then an action for defamation may provide a remedy. Defamation can also amount to a criminal offence in some circumstances. If, as the Hon. Sandra Kanck suggested, placards or sandwich boards are on public display expressing hateful sentiments toward a person or group, then this might amount to using offensive language in a public place, contrary to section 7 of the Summary Offences Act.

In that provision 'offensive' language includes threatening, abusive or insulting language. If the statements that are made amount to actual threats of harm against a person or persons, or against their property, then the offence of making an unlawful threat may also have been committed. If, however, the posters or placards simply express a view that homosexual behaviour is immoral or wrong, or is contrary to the tenets of a particular religion, then it may well be that no offence is committed.

The Hon. Sandra Kanck also expressed concern about the proposal to replace the Equal Opportunity Tribunal with the Administrative and Disciplinary Division of the District Court. She suggested that the court may be a less comfortable or more intimidating setting.

I point out that there is unlikely to be any change of setting as a result of the bill. At present, the tribunal comprises a judge of the District Court sitting with two lay assessors. The Administrative and Disciplinary Division would be similarly constituted. It is my understanding that the courtrooms of the Way Building are the current venue and would continue to be the venue. The strict rules of evidence do not apply now and will not apply under the bill. I do not agree that there will be any risk of increased intimidation and interrogation as

implied in the letter from which the honourable member read. Likewise, I do not agree that there will be greater formality. The bill makes clear that the court must act according to the substantial merits of the case and without regard to technicalities and legal forms and is not bound by the rules of evidence.

It was suggested that there is an increased costs risk for complainants, which could deter them from pursuing cases. I do not agree. At present, the act provides that the tribunal may award costs where it considers the proceedings frivolous or vexatious or where the proceedings have been brought for the purpose of delay or obstruction. Under the bill, because the Administrative and Disciplinary Division of the court will replace the tribunal, the provisions of the District Court Act (section 42H) will apply, so that no order for costs can be made unless the court considers this necessary in the interests of justice. That is, costs will not normally be awarded, but could be awarded, for example, where the proceedings are vexatious or in the other situations where costs may currently be awarded.

While the wording is a little different, I believe that the result will be very much the same. While this does not amount to the requested certainty that the complainants will not have to meet costs, members will be aware that the present law does not provide any such certainty either. There may be occasional cases where a costs order is appropriate, and both the present and the proposed law provide for this.

The Hon. Sandra Kanck also asked whether there was any way in which I could ensure that the court will not in these cases be dominated by the judicial member. I refer to section 20(4) of the District Court Act, which speaks about how matters involving assessors (that is, lay members of the court) are to be conducted. That section stipulates that, while questions of law and procedure will be determined by the judicial officer, all other matters are determined by majority. That is, on questions other than legal questions, the lay members can outvote the judge.

This should allay fears of such domination. I point out that this result is exactly the same as the current law as set out in section 23 of the act. It may be that not all members are aware of this, but it is already the case that most of the judges of the District Court are also deputy presiding officers of the tribunal. Judges take turns in sitting on the tribunal as directed by the Chief Judge. This has been the case for some years. I therefore doubt whether there is a need, as suggested by the campaign which the Hon. Ms Kanck mentioned, to train these judges in the equal opportunity legislation. It is not as if it will be a new area for them.

As to the setting aside of funds for the representation of complainants by extra legal aid funding or appointment of duty lawyers, my intention is that funds equivalent to the current cost of representation delivered through the commissioner will be released from the commissioner's budget to the Legal Services Commission for the purpose of providing representation to persons who would now be represented by the commissioner. The Legal Services Commission has indicated to me that it is willing to vary its eligibility guidelines to permit representation in these matters and, for an initial period of 12 months, to suspend its usual means test. It will still give consideration to the merit of the case as it does in all legally aided matters. This is what I meant by a 'deserving case'.

Merit assessment will entail considering whether the case has reasonable prospects of success. After 12 months, the situation will be evaluated. The commission is, of course, independent of government. If it is not able to continue to provide such representation in the long term, alternatives may need to be considered. The number of cases in which the commissioner presently represents complainants before the tribunal is not large, and I would consider it more effective to deliver this representation through legal aid, which already has the systems and processes for representing the public before the courts, rather than devise a separate, stand-alone system, such as a duty lawyer model, for what may be only a small number of cases a year. However, further consideration will be needed after we see how the planned arrangement with the Legal Services Commission works out in practice.

The Hon. Terry Cameron asked that I consider the scope of the provision relating to caring responsibilities. He suggested that the definition may require widening to include case-by-case assessment of who is a voluntary carer, even where the person cared for is not a family member. However, it is not the government's intention in this bill to cover any and every type of voluntary caring relationship which might arise. It is aimed principally at the caring relationships which arise between family members. This would commonly be the situation in which discrimination, such as discrimination in hiring or promotion of employees, may occur.

The intention is to cover an ongoing responsibility to care for a parent, spouse or child, or a grandparent or grandchild. This includes adult children such as where the child is permanently or temporarily disabled and not only biological children but others toward whom the person stands or has stood in loco parentis. This could include, for example, stepchildren or foster children for whom one has assumed this responsibility. I agree that the definition does not cover voluntary caring for a remoter relative or others such as neighbours. My concern would be that there may be difficulties in establishing what level of contact and help ought to evidence a caring relationship in such a case.

It is evident that there will be many issues to be dealt with in committee and a diversity of views on the proper scope of this legislation. I thank members for their contribution to the debate and their support of the second reading. As I said earlier, I urge them to get their amendments on file as quickly as possible so that we can deal with this important piece of legislation when we resume in three to four weeks.

Bill read a second time.

GRAFFITI CONTROL BILL

Adjourned debate on second reading.

(Continued from 5 June. Page 1696.)

The Hon. K.T. GRIFFIN (Attorney-General): I thank members for their indications of support for the second reading of the bill. I note that the Leader of the Opposition, the Hon. Ian Gilfillan and the Hon. Terry Cameron have indicated that they intend to file amendments to the bill, so the bill will be the subject of further debate in committee. I suspect that some of those amendments will relate to the concerns raised by the Local Government Association. I will deal with them in my response, because I think that the comments of the Local Government Association indicate that it misunderstands what the bill seeks to do so far as it relates to local government.

The first issue raised by the Leader of the Opposition was a concern of the Local Government Association that it was not consulted in relation to the bill before it was introduced. Representations had been made relating to spray paint cans

over some time. We did have in place, and still do have in place, a voluntary code of conduct for retailers. But, in looking at what further legislative steps can be taken, the government took the view that, at least in principle, the amendments to require retailers to keep spray paint cans secure was an important initiative and that it was important to have the legislation drafted to express that principle, to have it introduced and then obtain some feedback from those who might be interested in it. I have done that on a number of occasions. It is frequently better to have in front of us a piece of legislation drafted up so that we can see exactly what it looks like and make our comments on that, rather than consulting, establishing principles and taking ages to draw up a legislative framework.

I think that, if one looks at the bill, one will see that the issues of policy and principle have been appropriately addressed. The addition of the powers to local government are powers which are not ordinarily given to local government but, in the context of local government's own responsibilities for dealing with issues of graffiti and crime prevention and its past record—which has been a good record in many areas in relation to this issue—the government took the view that the wider powers for local government were appropriate.

I will deal with some of those issues which have been raised by the Local Government Association, notwithstanding that there are a number of individual councils that support the bill. As I said at the outset, many of the concerns of the Local Government Association appear to be based on misconceptions about how the bill will operate. The Local Government Association asked that councils be given the opportunity to choose which powers they wish to exercise under part 2 of the bill in relation to the sale of spray paint provisions: for example, to enforce compliance with the storage and signage requirements but not the sale to minors offence. There is nothing in the bill which compels councils to exercise the powers of enforcement conferred on them in part 2. Therefore, there is nothing stopping them from using their powers to enforce all or some or even none of the offences under part 2.

Until now, though, some councils have been active in monitoring compliance with a voluntary code of practice, which is in place to ensure that retailers store paint in such a way that it cannot be easily stolen. It is councils in particular that have had the frustration of dealing with some retailers who do not comply with a voluntary code and who have called for the restrictions on the sale of spray paint to be made mandatory to assist them in their strategies to reduce graffiti. The powers are there so that councils can continue to monitor compliance with restrictions on the sale of spray paint, if they wish to, now that the restrictions are to be mandatory.

There appears to have been a similar misinterpretation by the Local Government Association of the provisions of the bill conferring power on councils to remove graffiti from private property. What the bill actually does is provide that councils should first seek to obtain the consent of owners to remove graffiti from their property. In this way, the council can make an agreement with the owner to remove the graffiti, obtain a waiver of liability and perhaps come to an arrangement regarding charging for removal. However, the powers conferred in the bill are designed to operate when the council has been unable to gain consent in this way, either because the owner is unavailable or unwilling to come to such an arrangement. Some councils have indicated frustration with their lack of power to remove graffiti in such circumstances. Therefore, the bill provides a mechanism whereby councils can take further action where they have been unable to obtain this initial consent.

That further action involves issuing a notice and allowing a property owner a certain amount of time to respond. The period is relatively short because the aim of the provision is to assist councils in their rapid response strategy. If an owner objects once a notice is issued, that is it as far as the provisions of the bill are concerned. The council may not remove the graffiti where there is an objection to its removal by the owner. That is a particularly important provision because frequently owners of property are the victims and there is some sensitivity about imposing, by law, an obligation to take that particular course of action where a person has, in fact, become a victim.

Further, it is important to emphasise that the bill does not provide for councils to charge property owners for removing graffiti once a notice has been issued. While councils can come to a separate agreement with an owner to remove graffiti for a charge, perhaps as part of the process of attempting to gain consent, there is no power to recover the costs of removing pursuant to council's powers under the bill. It is conceivable that, with the relatively short notice period, an owner may not be able to object in time. It is not appropriate that such a person be forced to pay for the removal of the graffiti when they have not been given an opportunity to have a say about whether the work is done. The power is there to assist councils with rapid removal where they have been unable to gain consent.

It is clearly stated in the bill that there is no obligation on councils to use the powers and nothing in the bill derogates from the council's existing powers under the Local Government Act 1999 to enter into agreements to remove graffiti for a fee or to issue clean up orders. I should say at this point that, in meeting with representatives of councils, with those who are involved in graffiti clean up around the state, working in conjunction with local councils, from time to time the issue does arise about gaining access to private property for the purpose of removing graffiti even without the consent of the owner.

The owner may not be available for one reason or another, cannot be found, and it is difficult in those circumstances to properly address the issue of graffiti and graffiti removal if it cannot be removed from private property, because whether it appears on private property or on public property it is equally offensive, and if a council has a total removal policy and quick removal policy then it sends the wrong message if graffiti is allowed to remain on private property yet is removed quickly, and in accordance with that policy, from public property.

So, moving around the state it is quite obvious that there is a desire by councils to have this power. They will not necessarily use it. They do try to negotiate with property owners to remove graffiti on private property, but where that negotiation is not satisfactory and does not culminate in an agreement then in those circumstances some alternative options have to be available for local government.

In terms of a concern raised by the Hon. Terry Cameron, there is nothing in the bill which would prevent a property owner from engaging a private contractor to remove the graffiti. Indeed, this is to be encouraged. Taking care not to criminalise the victims of graffiti, as I have referred to earlier, the order making powers under the Local Government Act 1999 may provide the appropriate mechanism for councils and members of the community to force an owner to remove

graffiti from their property. That is why the bill specifically provides that it does not derogate from those powers under the Local Government Act.

Given the councils' existing activities in enforcing the voluntary code for retailers, I do not accept that enforcing the sale of spray paint restrictions will necessarily result in significant additional cost to councils which would not be defrayed by the ability to collect expiation fees. In light of the explanations I have just given about the operation of the bill, I do not consider that the bill requires amendment in the terms proposed by the Local Government Association, and the Leader of the Opposition, the Hon. Ian Gilfillan and the Hon. Terry Cameron.

The Hon. Mr Cameron has, quite rightly, pointed out that graffiti is a complex problem, involving both social and legal issues. The Leader of the Opposition and the Hon. Mr Cameron have also acknowledged the wide range of programs the government has in place and supports through funding, through local councils and through other bodies. The Crime Prevention Unit within my Attorney-General's Department is involved with a wide range of programs, including various diversion programs, which are designed to have a long-term effect on the level of graffiti vandalism by addressing the social issues underlying graffiti. This bill is just one string in the government's bow in its bid to reduce graffiti.

The Hon. Ian Gilfillan and the Hon. Terry Cameron have pointed out that we should distinguish between various types of graffiti, between 'vandalism', as the Hon. Mr Cameron terms it, and the 'painting style' of graffiti. It is true that a distinction can be made between graffiti that is referred to as 'tagging', that is, the marking of a name or 'tag', and 'mural-type' pieces. It is tagging that is the biggest problem because it is done quickly and prolifically.

Research, including the research undertaken by Mr Mark Halsey referred to by the Hon. Ian Gilfillan, indicates that taggers are almost always teenagers. Indeed, research indicates that the vast majority of all graffiti vandalism is perpetrated by young people under 18 years of age. Statistics published by the Office of Crime Statistics in the last couple of years indicate that approximately 75 per cent of those apprehended by police for graffiti and related offences are under the age of 18 years. Anecdotal evidence suggests that if those graffiti vandals who are not apprehended were also taken into account the proportion under 18 would be even higher.

The other statistics that the Hon. Ian Gilfillan said he was interested in knowing related to the number of thefts of spray paint. This is difficult to measure because many retailers do not keep accurate inventory of their stock. However, when the operation of the voluntary code was reviewed after it had been in place for a year, some retailers reported a decrease in the theft of spray cans.

The Hon. Terry Cameron has inquired what effect the bill will have on young people who use spray paint on council provided free space walls. Those young persons requiring spray paint for a legitimate purpose, including to spray their car purple, as well as undertake sanctioned murals on a 'free wall', can ask an adult to purchase the spray paint on their behalf. They will not be in illegal possession of the spray paint because they will not have the intention to deface property and they will have a lawful excuse according to the provisions of clause 10 of the bill, and, currently, section 48 of the Summary Offences Act. The bill is not intended to change the situation regarding possession of a graffiti implement from what is currently the case under the Summary Offences Act. In that regard I have been advised that there may be a minor amendment which will be necessary to address the issue of burden of proof in establishing lawful excuse.

It is acknowledged that other graffiti implements can be used to mark graffiti. However, while the voluntary code still applies to such implements, the bill targets spray paint. Research, including an audit by one local council, has shown that the vast majority of graffiti, 74 per cent according to the Tea Tree Gully council audit, is marked with spray paint. The line has to be drawn somewhere. We cannot ban every possible implement, including everyday items such as felt-tipped pens which children often use at school.

The honourable member has indicated that I should consider a correlation between levels of youth unemployment and graffiti. I am well aware that there are social issues underlying the graffiti problem. In fact, as I have indicated, research shows that the vast majority of graffiti vandals are of school age. Mark Halsey's research into graffiti culture has identified that alienation from the schooling system is one of the prime motivators for those who graffiti. The government is doing something to address this issue with education programs and a project to develop a crime prevention curriculum.

The Hon. Carolyn Pickles: If only that were true.

The Hon. K.T. GRIFFIN: Well, it is. A significant amount is being done by the government in school curriculum programs and school-based programs—adopt a shelter, adopt a pole and a range of those sort of things, including a clean-up at the Salisbury interchange.

The Hon. Carolyn Pickles: Giving them a meaningful future might help.

The Hon. K.T. GRIFFIN: One of the objects is to ensure that through training and other opportunities there is a meaningful future for these young people. Interestingly, the research also indicates that graffiti vandals come from a broad range of socio-economic backgrounds.

Notwithstanding that the honourable member acknowledges the wide range of programs the government has in place to deal with graffiti, he still claims that the government is focusing on cleaning up rather than preventing graffiti. What the honourable member fails to appreciate is that rapid removal of graffiti is in fact an initiative aimed at preventing graffiti.

Finally, I wish to impress again on members that this legislation is just one string in the government's bow in terms of a wide range of initiatives aimed at preventing graffiti. This is what concerns me so much about accusations that the bill will do nothing to prevent graffiti. While this bill does what it can to address the lack of compliance with the voluntary code restricting access to spray paint and to assist councils with their rapid response graffiti removal strategies, it is one tool amongst an array of other programs that government and local government have in place (which various members have mentioned) to attempt to deal with the social issues underlying graffiti and achieve a long-term solution to the problem. Again, I thank honourable members for their indications of support for the second reading of this bill.

Bill read a second time.

ESTIMATES COMMITTEES

A message was received from the House of Assembly requesting that the Legislative Council give permission to the Treasurer (Hon. R.I. Lucas), the Attorney-General (Hon. K.T. Griffin), the Minister for Transport and Urban Planning (Hon. Diana Laidlaw) and the Minister for Disability Services (Hon. R.D. Lawson), members of the Legislative Council, to attend and give evidence before the estimates committees of the House of Assembly on the Appropriation Bill.

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

That the Treasurer, the Attorney-General, the Minister for Transport and Urban Planning and the Minister for Disability Services have leave to attend and give evidence before the estimates committees of the House of Assembly on the Appropriation Bill, if they think fit.

Motion carried.

CORPORATIONS (COMMONWEALTH POWERS) BILL

The House of Assembly agreed to the bill without any amendment.

CORPORATIONS (ANCILLARY PROVISIONS) BILL

The House of Assembly agreed to the bill without any amendment.

CORPORATIONS (ADMINISTRATIVE ACTIONS) BILL

The House of Assembly agreed to the bill without any amendment.

STATUTES AMENDMENT (CORPORATIONS) BILL

The House of Assembly agreed to the bill without any amendment.

STATUTES AMENDMENT (TAXATION MEASURES) BILL

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

FIRST HOME OWNER GRANT (NEW HOMES) AMENDMENT BILL

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

SUPPLY BILL

Adjourned debate on second reading.

(Continued from 5 June. Page 1625.)

The Hon. M.J. ELLIOTT: In debating the Supply Bill, a bill that supplies money for the public service of the state during the period under which the budget is under consideration, we need to consider how well the money is being spent and how well the state is travelling. In so doing, we need to take a look at the budget that was presented in this place last Thursday. It was an issue that I attempted to address earlier in the evening in terms of discussion about whether or not we needed an estimates process, and I sought to give examples as to why. However, I was stopped from doing so, so I will recount some of the story so that we can take a complete overview of the position in which South Australia finds itself at this time.

The Treasurer has suggested that we were turning a new page and entering a new chapter, and I have to say that I just cannot see that anything is changing in this state in terms of our overall position. We are in significant difficulty in a financial sense and, in my view, have made no progress relative to the rest of the nation in the past eight years. In fact, there are some significant indicators to suggest that we have continued to lose ground. We are lucky that the national economy has been moving along quite nicely for the past couple of years, although the international money market seems to have some trouble understanding that and has driven the dollar down.

Basically, South Australia has coattailed on that, and that is all you can really expect for a state. State governments really have to be very dependent on international and national economies and how they are travelling. What state governments can do is make things a little better or a little worse and, unfortunately, what we can see as we look at this budget is that progressively things have been made a little worse each year. There have been a few bounces here and there and it does not mean there have not been some bright spots, and I will comment on those, but overall we just have not made the progress that we would have hoped for.

This government, elected some 7½ years ago after the State Bank debacle, has not, I believe, improved the net position of this state at all. It talks about inheriting a net debt level of just over $10 billion, but this is the government as usual playing with numbers. That was not the debt: it is trying to say that that is the debt in today's dollar terms. You cannot play it both ways: with growth in the economy, growth in GSP, the relative debt compared to the way we were before is actually getting less. But the government wants to play some other games, which suggest that the debt in the past has been made worse in today's dollar terms, and note that it has been reduced to $3.3 billion.

The Hon. R.K. Sneath interjecting:

The Hon. M.J. ELLIOTT: He is playing with figures, because when one looks at debt in this state one sees in this budget that the financial public sector net debt has actually increased by some $122 million. One also notes that the unfunded superannuation liability has actually blown back out by another $98 million. What we are in fact talking about is a deterioration of some $200 million. That is before you take into account the fact that the government raided SAFA. On my understanding, the SAFA nest eggs are actually outside the non-financial public sector debt and, as such, the government has bought some $92 million in from SAFA and some $40 million-odd dollars in from the South Australian Assets Management Corporation.

The underlying situation is one of deterioration in terms of debt, and it is only asset sales that have actually hidden what has been a continued deterioration during this term of government. In fact, if one takes into account the size of the reduction in debt and at the same time looks at the value of assets sold, our net position over the past 7½ years has deteriorated in excess of $1.5 billion. And that is being extremely conservative: it could be closer to $2.5 billion.

Year after year the government talks about producing balanced budgets. The claim this year, as I recall, was for a

cash balance of $3 million. When one looks at the *Budget in Balance* document, that is the figure that is given on page 3 and that is the figure that the government referred to and gave to the media. I guess it is a question of which number you want to use. The government did not choose to go to the last page of its *Budget in Balance* document, which looks at the accrual outlook and which indicated a net operating balance of a negative $38 million; in other words, that the state's debt in accrual terms, in terms of net operating balance, is $38 million.

When we are talking about that net operating balance, what we are talking about is including non-cash costs such as depreciation. Unfortunately, it has been a habit of governments (not just this present government but really since the Bannon years) to underspend on infrastructure maintenance and the like, and the depreciation has been running at a very high level. That trend has continued and is one of the reasons why the South Australian infrastructure is in such great difficulty.

The Hon. R.K. Sneath interjecting:

The Hon. M.J. ELLIOTT: That is right. But I was talking at this stage just about the maintenance of the assets themselves, let alone what the government has done to people. We will get to that later on. If one decides to look at the net lending or borrowing, one finds that the situation is even worse. In fact, our net borrowing is some $209 million this year. That tends to match off against the changes in the debt and the position of superannuation that I alluded to earlier.

Basically, this government has been under every rock where a cent would be stored, pulled it out and that is what it could find. 'Captain Sensible' was talking about this responsible budget, but the fact is that he simply did not have any money to spend. In fact, we already had a budget that in real terms was a deficit budget of some $200 million. The reason he could not go on a spending program was that he had nothing left to spend. He still increased the debt. That is what 'Captain Sensible' and his government have done to South Australia.

The Hon. R.D. Lawson: Aye, aye, Captain!

The Hon. M.J. ELLIOTT: I presume that was an interjection from Gilligan there. I am just waiting for Ginger: she will start up pretty soon. While the government attempted to put a spin in terms of how the debt was travelling and in terms of how the budget balance was going, it was nothing more nor less than spin. In fact, South Australia is in significant difficulty. I feel sorry for the next government coming in, because we have a situation where we still have a significant debt, where there is a very high level of spending commitment and where there is no income source remaining because all the income sources have been flogged off.

At the same time, we are seeing increasing costs of utilities, for instance electricity costs, with questions being asked in this place of a minister who simply refuses to answer the questions. This shows a total contempt of question time and a contempt of this parliament. When a minister is asked a question that he has the ability to answer without any great research and he simply fails to provide the answer to the parliament, that is a contempt of the parliament.

The Hon. P. Holloway: Do you know the answer yet?

The Hon. M.J. ELLIOTT: If he does not know the answer then he should be sacked. We have a significant electricity bill that is now in the contestable market, and that bill is about to explode. I know that one public hospital has an electricity bill normally of about $1 million so that one hospital alone will be looking for some $300 000 to $800 000 extra to pay its electricity bill. Many of the state high schools are going to be looking for $40 000, $50 000 and $60 000 extra to pay their electricity bills. What the totality of the risk is at this stage the government simply will not tell us.

As I said, that is a contempt of the parliament and a contempt of question time. I have argued for some time that the standing orders need to be changed to require ministers to answer questions within a reasonable period. Unfortunately, that sort of change is becoming increasingly necessary.

While the government talked about spending, there was very little spending increase. The government put out the spin that this year's education budget is $105 million more than last year's education budget but then decided not to mention the fact that what it was talking about was clearly the budget figure. The fact that there was a pay increase for people working in education meant it was $105 million higher last year, and this year's budget contained nothing extra at all.

In terms of class size and all the other problems that exist in schools right now, the government is not putting in extra resources. It has conned many schools into Partnerships 21 and, if the primary schools say—as they are saying—that they need school counsellors, resources for physical education or extra computers in our schools (which they do), they will be told, 'You have your budget: you find the money.' That is the trap of P21, and there will be enormous regret over the next couple of years—although the Labor Party will get a chance to wind that back. It has not so far made any public commitment in relation to that, but I would hope and expect—

The Hon. Diana Laidlaw interjecting:

The Hon. M.J. ELLIOTT: Well, it needs a little assistance, too. So far, it has not publicly said what its policy is, so I am sure all suggestions will be gratefully received at this stage. In the budget the government talked about a $10 million school improvement program which will provide funding for external maintenance. I can think of one or two high schools which could gobble up probably $500 000 each to address the deterioration they have suffered. The sum of $10 million will not touch the sides in terms of maintenance problems in our school system. It is an absolute pittance, and I referred earlier to the fact that we are not maintaining our assets in this state.

The government proudly boasts another $36 million for computers, but if you read the print it says 'from government, schools and parent contributions'. Indeed, the parent contributions have been a significant part of all that. The government forced the schools into using a single contractor when many of them had contractors who were supplying computers at cheaper rates. That was a little deal which the government struck up a couple of years ago and which is still running today. In fact, parents are paying more to get computers than they would otherwise have paid. The fact they must pay at all is an absolute outrage. In relation to the economic conditions, the Treasurer talked about 'overseas exports of goods remaining remarkably strong'. Well, he is absolutely right. They have remained remarkably strong and there has been some good news in relation to cars—

The Hon. P. Holloway interjecting:

The Hon. M.J. ELLIOTT: I will get to that—and the wine industry and, at the end of the day, they are both commodity goods. That cannot be ignored. The bad news for Australia in terms of the decline of the dollar has been good news for South Australia, but there are some potential long-term problems. Most people acknowledge that the future growth in the economy—and this is an international trend—

will not be in manufacturing but in services. South Australia's growth, so far as it is occurring at this stage, is predominantly in manufactured goods—

The Hon. Diana Laidlaw interjecting:

The PRESIDENT: Order!

The Hon. M.J. ELLIOTT: —and not in services. There is no criticism about the growth in manufacturing. The concern is that that is where all the significant growth is occurring. It is very dependent on the Australian dollar. If members do a tour of Mitsubishi right now, they will see that the number of left-hand drive vehicles is phenomenal. You would think, 'This is good, this is export dollars coming in, and jobs for South Australians'—and it is. There is no question that the ability to export to the US market right now is because the Australian dollar is hovering at a little over US50¢ rather than US82¢ which was the case a couple of years ago. At US82¢ those cars would not be going into that market, or indeed other markets, because so many of our trade deals are in US dollars.

We have been very fortunate that the Australian dollar has been down because, if it had not been, what else would have been happening in South Australia? The wine industry, while it would have grown, would never have grown to the extent it has now. The costs in Australian dollars are staying the same, while the price in the export market is lower because of the decline in the Australian dollar. That makes us more competitive. That is great but, if the Australian economy picks up relative to the American economy and we appreciate against the American dollar, the very goods that have been able to ride the decline will also struggle against the rise of the dollar. We hope, of course—

The Hon. Diana Laidlaw interjecting:

The Hon. M.J. ELLIOTT: Obviously, you are listening in and out—that's the problem.

The Hon. Diana Laidlaw interjecting:

The Hon. M.J. ELLIOTT: The point I make is that in the future we need to concentrate not only on goods but also services.

The Hon. Diana Laidlaw interjecting:

The Hon. M.J. ELLIOTT: I am not saying there is a problem with export. The problem is that the predominant part of export growth is in commodity goods and not in services. While we are getting some growth in education and tourism and a minimal amount of growth in health services, those three areas have phenomenal capacity for growth in South Australia. The government is addressing those areas but, frankly, I do not think it is addressing them with sufficient vigour. I am not saying that the government is not doing the right thing in some areas but I suggest that, even when it is getting things right, it is not doing them well, if I can make the distinction between the two.

There is no doubt that South Australia should have an advantage over the other states in a number of ways in relation to education. We have quality institutions that can match the others; we are a cheap state in which people can get housing and travel around; it is relatively safe; and I have spoken with parents of Asian students who do not want their kids going to the big, sinful cities of Sydney and Melbourne. They see a place such as Adelaide as quieter, with the kids more likely to get on with their work. It is all about marketing advantage. However, it is only in recent times that an education group has been set up in South Australia. Who set it up? Adelaide City Council, the body which at one stage the government wanted to abolish, was the driving force behind its establishment.

There needs to be more of that. Good things are happening in relation to tourism, and I notice in this year's budget, when I looked at the environment portfolio, there is a plan to expand ecotourism. I looked carefully at the National Parks and Wildlife Service budget and there is not an extra dollar in real terms; it is a marginal increase but not as great as inflation. How can the government pump all these extra tourists into national parks and other sensitive areas but not be prepared to spend money on infrastructure to support it? It is a nonsense. It is great for ecotourism but, for goodness sake, we have to get it right. If we do not get it right, we will not maximise the potential for this state.

Health services are lagging even further behind. While my wife was at university, she was doing some work experience with a company that was bringing in patients from Asia for medical procedures. On one occasion I joined her when a couple came from Indonesia. They came for fertility treatment—although the treatment for which they were here is not important, other than it is one of a range of medical procedures we do well in South Australia that at this stage are not done well in many Asian nations.

Travelling with the couple were a mother and a brother. While they were here, not only did they have the medical procedure but they also did the full tourist bit. They were hiring taxis and did not think twice about travelling to the hills and Victor Harbor. They also looked at educational opportunities. The brother was checking out Flinders University because his wife wanted to do some postgraduate study. They were business people and they were looking at opportunities here as well. What I am saying is that in that one family I saw education, health and tourism opportunities.

At this stage it has been done separately. We have been promoting tourism but until very recently it has been dispirit. Even in recent times I have spoken to tourist operators who themselves have gone overseas to market individually to wholesalers. There is not enough coordination going on at this stage in terms of pitching into the overseas markets.

I know that the universities are largely doing their own thing, particularly, in many cases, individual departments of universities, and some of them are doing quite well. The Waite Institute is a phenomenal success and has been for years with more postgraduate than undergraduate students. But the rest of it has been pretty disparate. There is a move to bring them together now but, in my view, it is still moving far too slowly and health—

The Hon. Diana Laidlaw interjecting:

The Hon. M.J. ELLIOTT: All the health groups act a bit like country towns, and anyone who has lived in the country knows what it is like: Mount Gambier does not trust Millicent, which does not trust Naracoorte, which does not trust Nangwarry and Tarpeena; and Berri does not trust Renmark or Loxton. And they never cooperate.

The Hon. J.S.L. Dawkins: Surely not. I have never come across that.

The Hon. M.J. ELLIOTT: The Hon. Mr Dawkins, who has lived in the country for many years, says that he has never come across that. It is only in recent times, with the concept of regional development, that we have seen towns cooperating. They have learnt by working together. The first job is to attract something to the region and the second job is to have the argument about where it goes; whereas, previously, there were arguments about who was going to get it from the start, and often they got knocked off by someone from somewhere else. In my view, education, health, tourism and marking are really all the same.

Some of that is being addressed in South Australia right now, and government is giving some support. Last week I attended a business breakfast convened by Business Vision 2010 on industry clustering. There must have been 500 or 600 people at the meeting. I think that I also saw the Hon. Paul Holloway there. It was a huge meeting; there was a lot of interest. Business Vision 2010 is doing a lot of fantastic stuff and clustering is one of them. Do members know that the state government has put $2.5 million into clustering? Clustering, bringing together, whether it is an industry cluster of a manufacturing sort, whether it is tourism, whether it is medical, whether it is health—

The Hon. Diana Laidlaw: The arts.

The Hon. M.J. ELLIOTT: Or the arts. Those clusters are being built right now, but I am sure that we can do more. Sometimes governments and some bureaucrats try to do too much themselves, but the important role for government, in my view, is to make sure that it is happening and to be facilitating it, but not necessarily always to do it. The Government should be putting a whole lot more into areas such as industry clustering rather than these rather vague investment attraction strategies that we have at the moment.

This budget talks about $29.5 million to ensure a continuation of recent successful investment protraction. What is not at all clear is whether that $29.5 million is an increase on what was spent last year or whether that is the total amount intended for this year. We have no idea precisely how much was spent and the form that it took in the past. The Premier, a couple of weeks ago, said that this would be more open in the future, but this budget, already, just leaves a lot of vague shadows.

I must ask the question: while there is value in trying to attract new industry to South Australia, and I am not opposed to it per se, I wonder, in terms of bang for the bucks, whether or not we would do a lot better in this economy if we concentrated on the existing small and medium enterprises within the state through clustering and those sorts of initiatives, and whether we do what we can to encourage new businesses through business incubators. Again, the government is putting some money into incubators. I question whether or not we are doing it well enough and whether we have identified all the opportunities for incubators.

I have been arguing for a couple of years that there is a place in South Australia, I think, for incubating areas, such as aquaculture. There is a very small incubator operating in Wallaroo but, in my view, there is the capacity to build quite a large incubator where the government supplies much of the infrastructure: rather than having individual aquaculturalists sprawling along the coast, each having to get their own three-phase power, each having to get their own roads and each having to do their own water treatment works, etc., why does not the government install a significant system for pumping water which then can be used by a range of businesses all operating off the one pipeline?

The government could, perhaps, then take responsibility for the clean-up before return to the sea so that, at the end of the day, we are guaranteed there is no pollution as well. I would think that there would have to be efficiency of scale with that. Businesses could come into that, first, perhaps, as very small enterprises and be incubated to become quite large. There is no question that there is potential for a lot of up side in aquaculture. That is another example of an industry that is being supported by the government, but I think that it has not done it well.

The government can certainly point at numbers that look impressive, but one must realise that almost all those numbers are predicated on one industry, that is, tuna, and the reason why we have the tuna industry here is that the tuna happen to swim past. We already had the industry. We were already catching the tuna. Now we are dragging them into a bay and fattening them up. That industry has very little growth left. Unless we successfully manage to spawn the tuna, there is no capacity of current stock to allow further expansion. My concern is that it was handled so badly, particularly the environmental aspects, that it has probably set aquaculture back in terms of where it could have been otherwise.

As I said, it is not to say that the government is not right in supporting aquaculture: it is. Frankly, I just think that it has not done it well. In terms of aquaculture operating within the oceans, the mistake that governments have made too often is that they have not been clear enough about where and under what conditions aquaculture can go. They could have zoned the coast much more clearly than they have. People are going through the planning process to the very end and then being told, 'No, sorry, you are within two kilometres of a fur seal haul-out site. You cannot go there.'

Frankly, there is something really wrong with planning if the authorities could not have said that anything within 10 kilometres of a fur seal haul-out site is not acceptable at any time and that person should never have gone there in the first place. It was a matter of ensuring clarity. Sometimes one is so keen to fast-track things and so keen to get things moving along that looking at little things like the environment are seen to be a negative when, in fact, if you do it properly you can give very clear guidance, which can be to the benefit not just of the environment but, at the end of the day, of the industry itself.

Frankly, I think that our aquaculture industry could be much further advanced if only we had gone about it in a far more professional manner than we have. I still think that there is a lot of up side there. I do not think there is capacity for much more expansion within the ocean. There are places already where the density is a bit too great. We will start striking significant disease problems within our pens, but I will not explore that further at present.

I hope that I have responded to the interjection of the Hon. Diana Laidlaw in terms of whether I am opposed to exports. No, I am not. There is room for huge expansion in exports. My concern is that, so far as we have growth in exports, it has largely been fortuitous on the back of a declining dollar. That is not to undersell the fact that we make quality wine and quality cars—

The Hon. Diana Laidlaw: Or the enterprise as people.

The Hon. M.J. ELLIOTT: No, or the enterprise as people. For anyone who makes the most of an opportunity, good luck to them and well done. I am saying that, in terms of the overall South Australian economy, we seem to be pushing against commonly agreed knowledge, if you like, that the future growth in economies, particularly in first world countries, will be in the services and not in goods. South Australia is heading in the opposite direction and can we sustain it? I doubt it.

The Hon. Diana Laidlaw: There are big consumer markets, middle class markets, in South-East Asia for consumer goods.

The Hon. M.J. ELLIOTT: I think that it is worth noting that, overall in consumer goods, we do not seem to be travelling quite so well. It is interesting—

The Hon. Diana Laidlaw: Well, wine.

The Hon. M.J. ELLIOTT: Yes. It is interesting to look at gross state product in South Australia over the last 7½ years since 1993. We see that the GSP in South Australia has been growing, on average, about 1 per cent a year less than the gross national product, year after year and, of course, that is cumulative. So the GSP in South Australia in 1993-94 was something like 23 400 against the gross national product then of just under 27 000—a gap of pretty close to $3 000 per capita. Now, the figures for GSP are close to 28 000 and GNP a little over 32 000 and the gap is now a little over $4 000 per capita.

The growth in GSP has been behind GNP. So far as we are being somewhat successful with our commodity goods in the export markets, the question that must be asked is, 'What on earth is happening with commodities that we have been selling into the interstate markets?' Somewhere along the line we have been falling further behind. I suspect that the other states, particularly New South Wales, Victoria and Queensland, have been achieving most of their growth outside the commodity areas and much more in the service areas, and that should not come as a surprise to anyone.

It is interesting to reflect on the variation in gross household income per capita. In South Australia, household income has risen from a little under $21 000 to about $21 500, whilst at the national level it has risen from $21 400 to nearly $29 000. Initially, the gap was a little over $1 000; it is now closer to $2 500. So the gap in per capita household income has more than doubled since 1993-94. That does not indicate that things are travelling well out there in the community. The worrying thing is that, when one looks at the trend graph, one sees that this is not something that happened back in 1993 when things were grim; the fact is that the gap has continued to widen every year for the past seven years.

The next thing I should look at quickly is employment, which the government made something of in the budget. It looked at employment in South Australia and suggested that, despite the fact that there has been a bit of a slowdown in recent times—this is also happening nationally—we are travelling very well. That depends on whether you want to look at the raw employment figures which show that the gap between national and state unemployment is about .4 per cent, which is only marginally more than the situation when this government was first elected in December 1993. It was much more at one stage, but recent trends suggest that the gap is narrowing.

That is all very encouraging but, when one starts to look at other breakdowns of what is really happening out there, one finds that there is a very different picture. If one looks at employment participation rates, one finds that back in 1993 the participation rate in South Australia was about 61.4 per cent, which was pretty close to the national average. In a period of seven years, the participation rate has plunged to about 59.7 per cent. That means that a whole lot of people have given up looking for work.

The government tries to suggest that this is because of our ageing population. We have always had an older age profile. Seven years ago we had an older age profile and, at that stage, we were at the national average in terms of the participation rate. Now it has plunged. When the state unemployment rate was 7.5 per cent, the South Australian Centre for Economic Studies looked at the participation rate and noted that, if the participation rate in South Australia matched that of the rest of the nation, the unemployment rate in South Australia would then have been 11.2 per cent.

Interestingly, in March this year the Morgan poll research people looked at the unemployment rate in South Australia, and their judgment was that the real unemployment rate in South Australia was 12.2 per cent. I encourage members to look at the Morgan poll website which gives a detailed analysis and compares the states. From that, members will see that there has been a very steady widening between the official ABS data and what is happening in the real population. It has a lot to do with the tests that are applied to qualify a person as being unemployed. The real unemployment rate has been rising dramatically, and the Morgan poll people go into some detail to explain how the figures are derived.

I find it interesting that the figure derived by Morgan closely match the sort of figure that we see in South Australia being derived in quite a different way by the South Australian Centre for Economic Studies. The other matter of concern in South Australia, which, whilst it is a national trend, is happening more so in this state, is that there has been a change in the proportion of people in full-time work versus the part-time/casual sector. In fact, in the past seven years there has been virtually no growth in full-time employment. In fact, in percentage terms, there has been no growth in full-time employment at all. If there has been growth, it has been in the part-time/casual sector.

Whilst it is true that people such as students prefer part-time work and do not mind casual work because they do not intend to do it for the rest of their lives, I must say that in my day it was a bit easier for a student to work during their holidays and concentrate on their studies the rest of the time. That is no longer an option for many. The fact is that there are many people in the part-time/casual sector who are not there because they want to be but because that is now what is on offer for so many people.

What we are seeing in South Australia is a lot of people giving up, and the people who are finding work are doing so in the part-time/casual sector. That has significant implications in terms of the ability of families to make long-term plans about whether or not they want to own their own home or by a car or whether they can afford to give their children an education and what sort, etc. These are not minor matters. To simply concentrate on the raw unemployment percentage in the way that that has been done is, at the very least, misleading.

The Democrats are pleased to see reform in relation to payroll tax. Since the party's inception 23 years ago, we have advocated the abolition of payroll tax. The government is steadily phasing it out. I note that a significant amount of its commitment is for not just this year but also after July next year—so it has already made a commitment for the next government. That may be as strong as the L-A-W law tax cuts of the Keating government some years ago. The government has also abolished the financial institutions duty—which I recall was part of the agreement in relation to the GST—and stamp duty on the transfer of listed marketable securities, which I believe may have also been part of that package. The Democrats support those changes.

I note that the government is now talking about Partnerships SA. Having flogged off most things, it seems that it is now going to go into partnership to get other things. Some of this proposal is as much of a mystery to me as some of the other proposals that the government has come up with over the years. The argument and belief that, in some way, the private sector is able to do it better does not necessarily have backing in fact. Generally speaking, governments have access to funds cheaper than the private sector. In Australia,

generally speaking there is not a lot of money around. So, we are even seeing that when we start to put up assets for sale it tends to be overseas investors who are interested, and of course their profits eventually leave our economy. So, in my view we lose twice.

In summary, I say that, if one wants to say that this is a responsible budget, it is responsible insofar as if the government had gone on a spending spree we would be in a damn sight more trouble than we are already. However, there is no doubt in my mind that we are still in trouble with a deficit budget. It is a real and significant deficit, one which will continue for a couple of years to come because of the loss of all of our former income deriving assets with increasing costs from some of those things that we have now sold which will impact on not just the government but also private industry.

There is no question that the packages in the budget in terms of cost reduction will not offset the rises in the cost of electricity. Already most small businesses are exempt from payroll tax, so they are not being offered any relief at all. We are in some difficulty. I think the only hope that we have in terms of trying to draw up future budgets that are going to balance is to get behind the budget—I am afraid that these budget papers do not inform terribly well—to find exactly how much wastage is in there that could become real spending money.

We have any number of examples: the radio network, which has been an absolute debacle in terms of costs, and we have not seen the last of that yet; the Hindmarsh Stadium; and the Glenelg development, which has cost us in terms of assets and other spending probably some $50 million, and now over $2 million a year on sand and seaweed movement. And the government announces this wonderful park along the coast of Adelaide. I would have been excited if I had not known that the Glenelg development was in the middle of it. I will not hold the minister who made that announcement directly responsible, but I do hold her government responsible for that. The problem never was about whether there should be a development at Glenelg: it just had to be a responsible one. We did not get that and we are going to be paying for it. It will be a budget debt in perpetuity.

We do not know how efficient the industry attraction has been or how much it has cost us because nothing in the budget lines really tells us that. We do not know how well it might have been done or how well the contracts have worked, contracts such as the one concerning EDS, the Mount Gambier jail and the hospitals. That select committee is yet to report, if it ever does, but, as a member of that committee, I believe that, having looked at the EDS contract, in particular, for some seven years, we have obtained so little useful information that I do not feel any the wiser now than when the committee first started. The contract has always been withheld and the sort of numbers really necessary to make any judgment about whether or not there has been a real benefit at the end of the day are simply not there.

Any aspiring government would be struggling at this stage to know precisely how much slack there is in the budget that can be fixed—slack quite different from the announced five per cent cut in middle management across all government agencies. I am not sure where that five per cent came from but, obviously, somebody did some research and found that exactly five per cent wastage existed in each of the departments and all that had to be done was to sack the number of middle managers to match five per cent, and suddenly there were efficient departments with better delivery.

I have no problem with governments seeking efficiencies but to begin the budget paper by saying that there is five per cent in each department and that it will be found is something I find quite extraordinary. If the government wants to talk about the magic pudding of the opposition, which believes that not only should you spend more money but that you should lower taxes as well, then I think perhaps the government has the magic pancake, which is pretty flat and there is not much in it.

The Hon. Diana Laidlaw interjecting:

The Hon. M.J. ELLIOTT: No, as I said, it is extremely difficult to get down and write a fully detailed prospective budget when you do not know precisely what size the wastage is: there is no question that it runs to probably $150 million to $200 million a year, but one is forced to make an estimate on the basis of those things that we know are going astray at this stage.

I support the second reading of the bill but express disappointment that, after seven years of pain, there has been no gain at all and that, indeed, while I do believe that we have too much going for us not to succeed in the long run, we are still going to have to spend some time digging ourselves out, because we are still very much at the bottom of the hole. If anything, the government has just dug a hole sideways: it has certainly not dug us out. The Democrats support the second reading of the bill.

The Hon. J.S.L. DAWKINS secured the adjournment of the debate.

WATER RESOURCES (RESERVATION OF WATER) AMENDMENT BILL

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

ADJOURNMENT

At 10.43 p.m. the Council adjourned until Thursday 7 June at 2.15 p.m.