

## LEGISLATIVE COUNCIL

Thursday 19 July 2012

The **PRESIDENT (Hon. R.K. Sneath)** took the chair at 11:01 and read prayers.

### STATUTES AMENDMENT (NATIONAL ENERGY RETAIL LAW IMPLEMENTATION) BILL

The **Hon. G.E. GAGO (Minister for Agriculture, Food and Fisheries, Minister for Forests, Minister for Regional Development, Minister for Tourism, Minister for the Status of Women) (11:02)**: I move:

That the sitting of the Legislative Council be not suspended during the continuation of the conference with the House of Assembly on the bill.

Motion carried.

### SITTINGS AND BUSINESS

The **Hon. G.E. GAGO (Minister for Agriculture, Food and Fisheries, Minister for Forests, Minister for Regional Development, Minister for Tourism, Minister for the Status of Women) (11:02)**: I move:

That standing orders be so far suspended as to enable petitions, the tabling of papers and question time to be taken into consideration at 2.15pm.

Motion carried.

### PAST ADOPTION PRACTICES

The **Hon. G.E. GAGO (Minister for Agriculture, Food and Fisheries, Minister for Forests, Minister for Regional Development, Minister for Tourism, Minister for the Status of Women) (11:02)**: I move:

That this council:

1. recognises that the lives of many members of the South Australian community have been adversely affected by adoption practices which have caused deep distress and hurt, especially for mothers and their children, who are now adults;
2. recognises that past adoption practices have profoundly affected the lives of not only these people, but also fathers, grandparents, siblings, partners and other family members;
3. accepts with profound sorrow that many mothers did not give informed consent to the adoption of their children, and to those mothers who were denied the opportunity to love and care for their children, we are deeply sorry;
4. recognises that practices of our past mean that there are some members of our community today who remain disconnected from their families of origin.

To those people adopted as children who were denied the opportunity to be loved and cared for by their families of origin, we are deeply sorry.

To those people who were disbelieved for so long, we hear you now; we acknowledge your pain and we offer you our unreserved and sincere regret and sorrow for those injustices.

To all those hurt, we say sorry.

We are here today for two special purposes: first, to recognise that forcible adoption practices caused deep distress and hurt to many South Australian mothers, their children and families; second, to apologise for those practices.

The immediate stimulus for the apology has come from a report that was provided earlier on this year by the Senate's Community Affairs Reference Committee's inquiry into former forced adoption policies and practices, but that committee itself was also preceded by many years of dedicated advocacy on behalf of all those who had been wronged.

The committee mostly examined people's experiences of forced adoption, which happened particularly between the 1950s and the late 1970s. However, we accept that forced adoption practices also occurred outside of that time period. Those practices clearly had profound effects on many South Australian families. The committee's report does indeed make harrowing reading. The report tells us of cases where mothers were rushed into signing adoption consent forms, often before they had time to fully recover from the immediate effects of giving birth. Some women were in fact never given consent forms to sign, and in some cases we understand that women's

signatures were forged on adoption forms. Mothers were told that their babies had died, and in fact they had already been placed for adoption.

More subtle forms of coercion occurred in a variety of different ways. Mothers were made to feel that adoption was the only responsible and unselfish thing to do. They were often advised to simply forget what was happening, never to speak of it again, and simply to get on with their lives. Many of these women were made to feel that they were wrong and somehow unfit to have become pregnant in the first place, often being single mothers, and then wrong to want to keep their own child.

The shame and silence that surrounded pregnancy out of wedlock, as I said, meant that many of these women were seen by society at the time as being unfit mothers. They were made to feel as if they were unfit to be mothers. Mothers were often not informed about the adoptive families, and the very fact of their adoption was often kept secret from the children. The adoption practices at the time had the potential for lifelong consequences for the lives of those women involved and their children, as well as others, such as their families, the father, the adoptive parents and their families.

We understand that between 1950 and 1980, more than 17,000 children were adopted in South Australia, although it is obviously extremely difficult to determine just how many of these involved forced adoption by government agencies or churches. We recognise that those practices directly affected many of those parents whose children were adopted by force and many of those people who were separated from their parents as children. Unfortunately, as I said, this practice was not just restricted to the period between 1950 and 1980. In fact, we simply do not know how many women and children were involved in forced adoptions.

This apology extends to all past forced adoption practices, whenever they occurred. This apology is long overdue, but we hope it will be a significant moment for those affected. Families need recognition of the fact that in cases where mothers felt pressured to place their children for adoption they have spent decades dealing with the adverse impact of that practice, as have their children. It is a validation and acknowledgement for people of what happened, of what their experiences were.

Young women were made, as I said, to feel unworthy and unfit and therefore not entitled to keep their children, and they have suffered enormously because of those feelings. We have also seen the enormous suffering of those who were adopted as children and who have been separated from their families of origin.

There are extremely distressing cases of mothers being forced to give up their babies, mothers who were made to feel compelled to offer their baby for adoption and many cases of children who were not even aware they were adopted. Many women have carried a huge burden of guilt about what was done to them. It is hoped that this will be of some healing to them: to have parliament acknowledge that it was through its policies that this was allowed to happen to them.

These adoption practices were a product of multiple failures. Those policies reflected the failure at the time to provide the support and assistance that those women and children deserved and the failure to undertake basic human practices. These failures resulted in the birth experience often being frightening and lonely and having tragic lifelong consequences.

We acknowledge that those practices denied many people the experience of having children brought up by their birth parents. We acknowledge the wrongs that led to those losses and we recognise the great fortitude of the many who were most affected. To all those affected by these policies, I say sorry. For the lies, the fear, the silence, the deception, we say sorry and offer the very small comfort that we are determined to ensure that these things never happen again.

We offer this unreserved apology not just as an act of atonement, but as an expression of open-hearted admiration and support for those to whom it is owed. I would also like to recognise the leadership displayed by the Premier, Jay Weatherill, on this issue and also acknowledge the ongoing commitment of the Hon. Tammy Franks. I commend the motion to the council.

**The Hon. D.W. RIDGWAY (Leader of the Opposition) (11:12):** I second the motion. I join the House of Assembly and fellow Legislative Councillors in offering a formal and visible apology from the whole Parliament of South Australia. That apology is extended for all past forced adoptions, the ones we are aware of (through the inquiry of the Senate's Community Affairs References Committee) and the ones we do not know about and will never know about.

We recognise today that these instances, where mothers did not give informed consent to the adoption of their children and were denied the right to love and care for their children, has caused grief and sorrow which is not quarantined to the past.

We know that between 1950 and 1980, 17,000 children were adopted within the state welfare department and state hospitals, and even more through churches and non-government agencies. These practices have consequently meant that, today, many people are disconnected from their origin and are not loved and cared for by their own family in a way that only a family can care for its own child.

I want to acknowledge the pain and anguish that those deprivations still cause those who were adopted and their families of origin. At the same time, I join the Premier in remembering that some of the people subjected to these practices have gone on to experience life, possibly unaffected by their experience and perhaps not feeling that an apology is necessary. We acknowledge the strength of character of these people in pursuing life, unjaded by their experiences.

Today's motion is one which resonates with every member of the community and every member of parliament. We all have intimate experiences of the relationship between mother and child, the influence they provide through our formative childhood years, our often tumultuous adolescent period and also throughout adulthood, where we often begin to recognise them as a friend, rather than a figure of authority. Throughout life, a mother and her guiding hand is often the only constant basis of support.

Today we remember, acknowledge and apologise that, for thousands of children and mothers, this vital relationship was prevented by government departments and unfamiliar faces. As the Leader of the Opposition described: these forced adoptions—the physical removal of babies from their mothers—were unethical, immoral and, in some instances, illegal. It was a travesty against human rights, which is difficult, if not impossible, for most of us here to digest.

For many of us who have been blessed with a family with children, the imagery of this happening to our own families is indeed almost physically painful. I hope with every fibre of my being that our society has grown enough that it will never again be allowed that someone's basic human rights would be so robbed simply due to a person's circumstances being considered 'shameful' or not the social norm, which is how pregnancy out of wedlock was considered at the height of these injustices.

Well above the scope of politics, policy and legislative decisions, it is our unequivocal responsibility as a parliament and a state to ensure that these injustices are never able to happen again. As the Leader of the Opposition in the Legislative Council, I second this motion of apology on behalf of the parliament for the role the state of South Australia has played in causing this suffering. We apologise for the suffering of mothers robbed of their own babies, for the years of painful silence endured by them and their families, and for the denial of the basic right of adoptees to love their mothers. We are truly sorry. I commend the motion to the Legislative Council.

**The Hon. T.A. FRANKS (11:16):** The Greens welcome the historic events of today and, of course, of yesterday as a landmark in a journey from hurt to healing. This apology is, of course, symbolic, and this institution more than most knows full well the power of symbolism. Just as the power of a society to shun and shame a young mother with an unplanned pregnancy was once so intense, the powerful symbol yesterday of a leader of government, the Premier, in that position saying that he is sorry, and his being joined by a Leader of the Opposition in her saying that she, too, is sorry, can be felt. The power can serve to show that the time for isolation, shame and silence is now done and that truths may not only be told but believed.

Yesterday and today, that symbolic power was reinforced, heard and supported across our political divides. Previous parliaments and governments, of course, share responsibility for the application of some of the policies and processes of past forced adoptions. They profoundly, deeply and destructively impacted mothers, fathers, their children and their immediate and extended families. The pain they feel may never be forgotten, but an apology for many is a way of working towards healing.

It cannot be denied that the maternal bond formed throughout pregnancy is an intense physical and emotional closeness, and a woman should never have this forcibly taken away from her. Yet it is a process that, as a larger community and as a larger society and as governments, we did indeed condone. I stand here today as a member of this parliament not only to express my

sympathy to those individuals whose interests were poorly served by the policies of those times but to say that we shall stand vigilant that such treatment should never be condoned again.

This is a very important motion, following from the tabling of the report of the Community Affairs References Committee, entitled 'Commonwealth Contribution to Former Forced Adoption and Policies and Practices'. It is there being alleged that many young unmarried mothers were unethically drugged and even illegally lied to in order for them to give so-called permission to give up their baby to a family that was seen by both institutions and the governments as more fitting—married families, heterosexual couples who were then married and seen to be a more legitimate household for that child to be raised in.

Instead of receiving support and understanding, these mothers were treated as sinners and condemned to a tortuous life, with the pain of having a child taken away from them. Instead of flowers and baby booties, they were surrounded by shame and grief, and they were silenced and isolated. As a consequence, many went on to live a life plagued by mental health issues, drug and alcohol abuse and higher suicide rates.

I was pleased to see that the federal parliamentary Senate committee inquiry report received cross-party support from the Labor Party, the Liberal Party, the Greens and the Independents. I commend the work of all the members of that committee and, in particular, the chair of the committee, Greens Senator Rachel Siewert.

I also acknowledge that the member for Morialta, John Gardner (the shadow minister for communities and social inclusion) brought this matter to the attention of this parliament in the other place, and I acknowledge his good and important work in doing so. His moving and heartfelt speech yesterday in the house was a testament both to the strength and the fragility of family. This motion before us today seeks to play a role in the long healing process from one depressing chapter in our country's short white history—the forced adoption practices that saw babies stolen from the hospital bed of their vulnerable mother.

It is clear to me from the submissions to the inquiry, as well as from the stories I have heard personally outside the inquiry, that the sorrow and emptiness that results from having a baby taken away can last a lifetime and it continues to have a negative impact on so many. That is why the recommendations of the inquiry admonished the practice of compelling unwed mothers to relinquish their babies. While some arguments were made that this was done with good intentions at the time, I also note and commend that Catholic Health Australia, the Uniting Church and indeed the Western Australian government before us have all acknowledged that these practices were harmful and have rightly apologised.

I note that many young married couples were similarly under enormous pressures to become parents when they could not conceive, and there are many stories of heartache and pain to be told on that side of the story as well. Through our experiences investigating this issue, both from the Senate inquiry and through other processes, I would hope that we would now recognise that families are not a homogenous quantity and that to compel that homogeneity is indeed to inflict harm.

One particular mother I would like to pay tribute to today—as I did when I moved a motion in this place calling for this apology—is adoption campaigner, Lily Arthur. Her newborn son was taken from her in 1967, just one year before my own birth. At that time, at 17, unmarried and pregnant, she was placed in a home for delinquent girls. She went into labour. She was strapped to a hospital bed and, when her son was born, she was denied a chance to even look at him, much less touch or hold him. Heavily sedated, she was given adoption papers to sign. She was threatened with going into maximum security girls' homes if she resisted and was told that her son would be better off with another family. She was sent back home alone and she never recovered.

My own then 18-year-old unwed mother fell pregnant with me in 1967. There was a similar shame cast on her by her family and community in the small country New South Wales town where she grew up and then lived, but in her case she was forced into an unhappy marriage in order that she raise me. I know that my mother and I of course were lucky in this outcome by comparison.

Unlike my mother, Ms Arthur is one of the tens of thousands of Australian women estimated to have been forced into adopting their children by government and church-run homes and hospitals between the 1940s and the 1980s. It is estimated that 250,000 Australian women were subject to the practice of closed adoption during this period, where adoption papers were sealed in order to put a break between mother and child.

Ms Arthur, of course, went on to become the coordinator of Origins Supporting People Separated by Adoption. I acknowledge the work of both that organisation and of course the Senate committee in unpacking some of the further ramifications of those forced adoptions. Today I also echo her call that survivors of forced adoption require not just an apology but also reparations, such as access to counselling, increased Centrelink support and better access to records.

To the friends and families of those today who were subject to forced adoptions and continue to experience feelings of grief, pain and loss, I unreservedly apologise. An apology of course is a welcome step forward, but it is not the only step. I cannot emphasise enough the importance of the provision of counselling services, redress, access to records and reconnection as we all take this step forward from injustice to respect.

Today we ensure that the mothers who were once shunned, shamed, isolated and made invisible are no longer ignored in this parliament. I stand here today and say, 'I am sorry for this,' and make a pledge that I will do my best to see that similar injustices are not repeated. With that, I commend the motion to the council.

**The Hon. K.L. VINCENT (11:23):** Dignity for Disability has, I think, built up a rather solid reputation for being willing and able to stand up and speak on issues that concern many people in our community who might, for want of a better less clichéd word, be considered vulnerable. In the context of today's and yesterday's important apologies, I think this naturally extends to the protection of children and families, so it gives me great pleasure to place on the record our strong support for this motion.

Of course, it is also with great sadness that I do this. As I am sure all members have, I have heard many stories over the past few weeks of the mothers, children, and to a lesser extent though just as vital, the fathers, who were separated under policies of the past, and I was and am deeply moved by them. I would like to thank all of those who have spoken out about this horrendous experience, as I imagine it was a tremendously difficult thing to do. But it was also the right thing to do, for without the courage of these people in highlighting the issue I doubt that we would be discussing it here today. I do not want to recount these stories too much not only because they have already been told many times in the context of today and yesterday but also because they are not my stories to tell.

While my own birth was nowhere near as harrowing an experience as those of the adoptees about whom we are speaking today, it was not without its challenges for my family. I was born three months premature, tiny and severely underweight. Because of this I had to be taken away from my mother shortly after my birth by caesarean, to have all manner of tubes and needles inserted into my body and to be placed in an incubator. My mother, whom I love dearly and who I know loves me, has, on a few occasions throughout my life, told me of the pain she felt at not being able to hold me properly during this time. Given that physical proximity between mother or parent and child is known to play an important role in helping to develop that important bond between them, I cannot imagine the pain which ensues if this involuntary separation continues for decades or even for a lifetime. For this pain, I am deeply sorry.

While I do not wish to, in a sense, over politicise this important event by making too much mention of issues which perhaps do not directly relate to it, I do feel a need to briefly raise just two points. I think both of these have to do with questioning whether we have truly come as far away from the thinking of the past as we think we have. To put it plainly, what we are witnessing today, as we did yesterday, is an apology for the way in which parents and children were forcibly separated from one another essentially because they did not fit into the mould of what the society of the day considered to be the accepted traditional family unit.

While I think it is undeniable that over time society's definition of an 'acceptable family', if you will, is largely broadening to encompass family set ups that were previously not considered of value—single mothers is one particularly relevant example—I personally feel, and fear, that phrases like 'traditional families' or 'traditional family values' are still very much alive in our society and in our political debates today. They are still being used to deny certain types of families the freedom to be fully recognised or even simply to be together, or to make it seem that one type of family is somehow more of a family than another type.

There are several examples I could use here, of course. Some people with disability, in modern-day Australia, still fear having their children taken away from them on the basis that they are not considered, on the simple and shallow basis of their disability, to be a fit parent when, in the vast majority of cases, with the correct networks and supports around them, they would be ready

and willing to be very capable parents indeed. Same-sex parents could also be an example of a family unit that is yet to be fully accepted and correctly supported. I could go on, but in the end the point I am trying to make is that I believe we must move towards creating a society in which families are only separated when there is concrete evidence, such as abuse or neglect, that separation is in the best interests of one but preferably both parties, and not just because of some preconceived notion about what constitutes a family.

I think this ties in quite nicely with the second point I would like to make, very briefly. I do not think it is a secret that our current systems are failing to adequately protect many children in many ways. I said that I did not want to go off on too big a tangent, so I will not list those ways, but, simply put, the lesson from both our past and present failings in the areas of family and child protection must be this: prevention will always be better than cure, and in this case, better than an apology.

While it is quite noble of our Premier, our government and our opposition to be putting forward this apology today, and I do not wish to underplay the significance this holds, surely it is preferable that we conduct ourselves in a way that will not leave our fellow Australians feeling that an apology is owed to them. I think we owe it to the people to whom we are apologising today to ensure that their suffering is not completely in vain.

Of course it is also important to note that the victims, or moreover the survivors, of forced adoption practices are only one group that has suffered due to what might be called systematic failings. Victims of abuse, for example, do not fall within the scope of this apology necessarily, but I would like to extend my personal apology to all those who feel they have been wronged in some way. I am a strong believer that, until we are all free, none of us are truly free and I look forward to creating a society in which this can become a reality for all of us.

I will perhaps touch on this a little more shortly, but now I feel that it would be very remiss of me not to remark on the fact that I believe that I am immeasurably fortunate to be one of the people here able to discuss openly this issue today, discuss it as though I knew exactly what it is that the families torn apart by the adoption policies of our past have gone through. What a luxury I have bestowed on me to be able to be here in this room, quite removed from the anger, the frustration, the loss and the pain of these people, to which I suspect the passage of time is no stop.

There are probably countless people who have suffered this agony directly who may never have the chance to properly voice their stories. These silent sufferers are the most important people in this whole issue, to an extent. Their silent but undeniable pain should serve as a reminder to us that we must work constantly to ensure that no suffering is condoned by a lack of avenue through which to voice it. I want to see these avenues open more and more, not just so we can give a voice to those seeking justice and shed light on previously hidden issues in our society, but so that parliaments which succeed those of us here today do not need to gather like this again, apologising for their own wrongdoings and their own failures.

I think that one of the most beautiful and frustrating things about being part of the human race is that, while we can, and often do, talk about how sorry and ashamed our past makes us, and how proud we are of how far we have come, we can never be exactly sure as to where we are in terms of the human race's growth trajectory, if you like. We can never be exactly certain that we have done our best or that we have reached our full potential, and this is why we must enthusiastically and constantly strive to do more and to do better in all things.

In short, for what it is worth, yes, we have come a long way from what we now see as the barbaric and shameful treatment of children and families of our past, but I do not accept that we are doing enough for the children and families of our present or, more importantly, of our future either. Let us work to ensure that today's event amounts to more than an apology for our past. Let us make it a contract, a promise for our future.

**The Hon. J.S.L. DAWKINS (11:33):** I rise to support the motion. Yesterday I had an unusual experience, and that is that I sat as a stranger in this house as the House of Assembly conducted the motion which we are now dealing with. I sat in the strangers' gallery with a family friend, a lady who went through the turmoil that has been described by so many. It happened to her many years ago, but she wanted me to sit with her in the strangers' gallery through the motion. It was an experience I will never forget.

As the Premier, the Leader of the Opposition, minister Portolesi and the member for Morialta spoke and relayed some of the stories that had come to them and that they wanted to put on the record, my friend quietly said to me on several occasions, 'That is my story.' She

experienced, I think, the great majority of terrible things that we have heard went on over many years.

A number of us can probably remember the community attitudes that, unfortunately, led to those practices. Certainly, pregnancy outside marriage was something that was seen as shameful. The young women had to go away to have a child, they had to disappear and then come back to the community and pretend that nothing had happened, and pretend for the rest of their life that nothing had happened. One of the significant points when this lady said to me, 'That is my story', was when we heard about the instances of women having a pillow put over their chest as they were giving birth so that they could never see the baby they were giving birth to. That was her story.

There is no doubt about the long-lasting impact on this lady who I sat next to yesterday. There is no doubt about the long-lasting impact on many others who were here in the gallery of this chamber and many others who were in other parts of the building watching the proceedings. So many people I have spoken to who have followed the apology have expressed to me their own personal understanding of what happened many years ago. Unfortunately, in some cases it was not what we would call many years ago.

I indicate to the council my particular gratitude to the member for Morialta, Mr John Gardner, who was the one who originally brought the suggestion to the Liberal Party joint party room that there should be a formal apology. We subsequently supported him, and we are very pleased that the government has taken up that suggestion. The motion that was dealt with yesterday in the House of Assembly and here today has resulted from that.

We heard yesterday from Mr Gardner about his own personal experience where his adopted elder sister had been separated at birth from her twin and how, some 30 years later, they have now been reunited. We heard about other instances of the impacts on the children involved. We heard about the impacts on the young men, the fathers who never got to see or have any involvement with their child.

I was particularly taken with something that the Leader of the Opposition, Isobel Redmond, put into the debate yesterday. I would like to read that, if I may. I quote:

I read through some of the submissions made to the Commonwealth Contribution to Former Forced Adoption Policies and Practices—

report, I think it is—

and I have one with me today. The name has been withheld but it is written by an adoptee, a person now middle-aged, who, after much searching, has finally found her birth mother. If I may, I would like to read a small and particularly poignant excerpt:

'The day we first met we sat in her lounge room and spoke at length but I could make little sense of anything she said. The words were bouncing around my head. I was entranced by the movement of her face and the music of her voice and nothing else would penetrate my mind. This strange experience went on for two days before clearing so that I could converse as an adult. I later realised that this was a necessary resumption of the infant's gaze at the mother, part of the developmental bonding: 50 years later I briefly resumed the task of being a baby.'

I think that encapsulates the things, the feelings that none of us who have not experienced these matters can ever understand but going through with the apology today and experiencing the people who came yesterday to listen has a profound impact. I have my own personal experience of sitting next to this wonderful lady, who, I think, benefited from being here while the motion was put. It certainly has had a profound impact on me, and I think we need to make sure that we never allow these sorts of things to happen again. It is important that we recognise the distress and hurt caused to so many in so many different ways by those practices. Today I say sorry and strongly support the motion.

**The Hon. S.G. WADE (11:41):** I rise to support the motion. I acknowledge the warm and powerful speeches by the Premier, the Leader of the Opposition and other parliamentary colleagues in the other place yesterday and in this chamber today. I particularly acknowledge the initiative and passion of the shadow minister for families and communities, John Gardner, and the Hon. Tammy Franks and their roles in bringing this important matter to the attention of this parliament.

On 15 November 2010, the Senate referred to the Community Affairs Reference Committee an inquiry that directed the committee to investigate matters related to former forced adoption policies and practices. The response was so overwhelming that the committee had to extend its reporting date considerably. Evidence presented to the committee suggests that

adoptions were common in the post-war period, with approximately 140,000 adoptions between 1951 and 1975, 40,000 of which occurred between 1965 and 1972.

Australian adoption law and practice changed rapidly from the late 1970s to the early 1990s, reflecting the rapid social change that was occurring across Australia. The data shows that the peak in adoptions was reached in 1972 with a recorded 9,798 adoptions. Within four years of this peak, the number of adoptions had halved. By the turn of the decade into 1980, this number had reduced to a third of that peak, and in 2009-10 only 412 recorded adoptions occurred throughout Australia.

According to the interpretation of the data within the committee's report, the rapid decline in adoptions after the period of 1971-72 was strongly connected to the rapid decline in births amongst women collectively, but particularly amongst teenage women. While many of these adoptions would have involved free and informed consent, many did not. Evidence provided to the Senate committee shows that many adoptions were most commonly arranged for babies of single mothers. I was saddened to note the data provided by the Royal Women's Hospital in Victoria, where it was shown that between 15 and 30 per cent of births between 1950 and the early 1970s were 'hospital arranged adoptions'.

This motion and the speeches in support of it have highlighted the pain and suffering of mothers, fathers, adopted sons and daughters, their friends and their families. I affirm that I have heard these voices and join other members of both houses in saying sorry. I cannot imagine the heartache that has been suffered by parents and children alike. I am strongly of the view that an important element of any act of apology for past acts is repentance: to turn around, to redouble one's efforts to ensure that you do not make the same or similar mistakes in the future. As one poet put it, 'History repeats itself—it has to, nobody listens.'

Forced adoption programs were not the product of a distant and evil regime: they were in our country and in our times. These policies and practices were developed by people of good will, but they were wrong. So, today, let us recognise the pain of forced adoptees, their mothers, their families and their friends. Let us also humbly accept that, in our imperfection, we may be making decisions today that will have negative and often unintended consequences for others in the future. Let us be alert to the impact that our current policies are having on vulnerable South Australians, particularly children, so that the seeds of such heartache are not sown on our watch. We are sorry.

**The Hon. A. BRESSINGTON (11:45):** I also rise to support the motion and note the heartfelt apology yesterday from the Premier, the Leader of the Opposition, Mr John Gardner and from members here today. In fact, we tend to repeat the mistakes of the past. I will recall one circumstance in my family on the forced adoption issue. When I was 14, I had a 15-year old cousin who fell pregnant. She went to hospital. She had to go away, of course, for some months before the baby was born. She came home without her baby, and it was quite obvious after a week that she was not going to recover from having to relinquish her baby. So the family gathered together and fought for that mother to be able to get her baby back.

We went to our Catholic priest, our parish priest, as a group, as a united family. We were actually prepared to go public with the story that this was a forced adoption. Of course, that forced the hand of the Mater hospital in Brisbane then to return that baby to its rightful mother. That baby was later adopted by my cousin's older sister so that my cousin could still always have contact with her child and still be a part of its life. That story ended happily. Everybody moved on with their life. The baby was raised in a happy family.

My cousin went on to marry the father of that baby and have five more children to him. The grandmother (my aunty) was able to maintain her relationship as grandmother with that child. However, the disruption—although it was only for two weeks—was still traumatic for my cousin. I think if we as a family had not been prepared to stand together and put that conditioning of being ashamed to the side and fight for what we knew was right for my cousin at the time, hers would be one of the stories that we would be hearing about here today.

There is no doubt that there is an everlasting bond between a mother and child, regardless of the interference other people run in the course of a mother giving birth to her child and then in their being able to keep that child or not. I think even the children know. Even though they may have been brought up with a family in a loving home, I have heard many times that a child just knows that there is something just missing and they cannot quite put their finger on it.

I can also relate that to my story with my 10-year old son, who is not my birth child. At the age of seven, without any provocation, without any reason, he came to me one day and asked,



'Mum, am I adopted?' There had never been a hint in our family that Tyrone was not my birth child and not the blood brother of his four brothers. He was never treated any differently. When I asked him why he asked that question, he said, 'Cos I just know.'

These children grow up with that mystery in their lives as well, and we have no way of knowing what effect that has on them and their development, no matter how good their family is. As my son said, 'I have had a blessed life,' but there is still that gap in their life, that hole in their heart that they live with.

This is a very important time, with this apology now after so many years for parents who were forced to adopt their babies out. Finally, they are being heard and finally their pain, suffering and the deprivation of their human rights have been acknowledged and validated both by the federal Senate inquiry and by this parliament yesterday and today.

What I would like to say is that, from the bottom of my heart, I am sorry that we as a parliament and we as human beings have, over many generations, tended to miss the mark. Without taking away from the apology yesterday and what we are doing in here today, I would like to point out some very valid facts.

We may not have adoption consent forms anymore, where parents were forced to sign their children's life away to somebody they did not know and forcing those mothers and children to be separated for decades. Now we have voluntary orders, where parents are being forced to sign their children into foster care and into the guardianship of the minister.

Also, how many more apologies will we have to make in the future? We have apologised to the stolen generation, and we have apologised to the victims of abuse in state care. Yesterday, we apologised to the victims of forced adoption, and the common thread in all of the speeches was, 'We didn't listen,' 'We didn't hear you,' 'We didn't act quickly enough.'

Will we, in 15 years' time, be apologising to the young girls who are now being coerced into having an abortion? And they are being coerced; I have heard the stories. Will we, in 10, 15 or 20 years' time, be apologising to the foster carers who out of the kindness of their heart have taken on children with severe emotional problems from abuse and neglect, those foster carers who have had those children ripped away from them? Those children were ripped away from the only family they have ever known because, by the perception of a social worker, they had built an unhealthy strong bond with each other, which one would think would be the purpose of foster care.

Will we be apologising to the children who are in state care now who should not have been removed from their family, as in the case of forced adoption, when all the family needed was a bit of support and a bit of assistance to be able to get their life on track from a snapshot of the difficult time they were going through? Will we be apologising to the children who were not removed who should have been? It is all very well for us to stand here and feel it in our heart and feel the pain—and we acknowledge all the suffering—but, as I have said in this place many times, when are we going to start to do it differently and to do it better? I commend the motion to the house.

Debate adjourned on motion of Hon. J.M. Gazzola.

### APPROPRIATION BILL 2012

Adjourned debate on second reading.

(Continued from 17 July 2012.)

**The Hon. J.A. DARLEY (11:54):** I rise briefly to speak on the Appropriation Bill 2012, although my comments are really directed to budget measures. In relation to land tax, it is regrettable that the budget offered no relief for the 2012-13 period, particularly given that South Australia continues to have the highest rate of 3.7 per cent for properties over \$1 million in site value or properties within an ownership that exceeds an aggregate of \$1 million in site value. In addition, South Australia's site values, which the Valuer-General reviews each year, are closer to market value than any other state whose valuations vary from two-yearly to five-yearly intervals. The only concession for taxpayers this year is that, due to the depressed state of the real estate market, most taxpayers should receive some small relief as a result of reduction in site value by the Valuer-General's annual review of valuations.

Having said that, I am encouraged by recent comments made by the Minister for Finance who says that land taxes in South Australia need to be reformed. Minister O'Brien is reported as saying that he is of the view that reform in this area is well overdue and that, 'I will be looking with interest at recommendations that come out of the inquiry that is currently underway with the

Australian tax system.' Those comments, as reported by the ABC, were made during budget estimates last month. I will be paying close attention to any further developments in this area and I certainly hope that the government acts sincerely on this issue of land tax.

We know that reforms that have occurred to date have done little or nothing to help those individuals whose site value or aggregate site value exceeds \$1 million. Whilst this may sound like a lot of money, it is important to bear in mind that, in South Australia, we have a lot of asset-rich but cash-poor individuals, many of whom are self-funded retirees and pensioners, who are struggling to meet their land tax liabilities. I do not think the answer is as simple as to suggest that they sell their properties in an effort to minimise their tax liability.

A couple of related issues concern the restoration of the first home buyer's grant and stamp duty exemptions. In relation to the first, I must say that I am not convinced that a grant is the best way to provide assistance to first home buyers. From past experience, it would appear that the cost of housing increases to absorb these sorts of grants. Perhaps a better approach would be to provide an exemption or reduction in stamp duty on the purchase of a home or an apartment where the property is to be the principal place of residence of the owner, subject, of course, to government affordability. In relation to the stamp duty exemption for off-the-plan purchases of apartments in the City of Adelaide and more recently Bowden and Gilberton, my concern is that this measure could further exacerbate the problem of oversupply of apartments, which could ultimately have the effect of further depressing prices.

Another issue that I will make brief mention of relates to the 1 per cent across the board for public servants. Again, I am left to question whether this is the most effective way of dealing with the Public Service and whether this approach will lead to a satisfactory outcome. As anyone who has any experience in the Public Service would know, there are some agencies of government that are more than adequately resourced, yet the services they provide are much less important, if at all necessary, than other agencies whose services are under stress due to inadequate resourcing.

There should be, for want of a better word, a more scientific approach to reviewing the Public Service. This could take the form of an operational audit of each department and agency which would include a review of all activities undertaken by the agency and an assessment as to whether the activity is still necessary. As part of that review, consideration would be given to whether or not the activities are being implemented in the most effective and efficient manner and whether or not cuts could be made without affecting core activities of government and, in particular, front-line services.

Lastly, I note with some concern that the Gamblers Rehabilitation Fund remains unaltered at \$2 million, whilst the income from gaming machines continues to increase. As I have said in the past, it is disappointing that more funds are not being put towards addressing gambling addiction in this state. I do not think anyone can dispute the disproportion between funding for the Gamblers Rehabilitation Fund on the one hand and income derived from poker machines on the other. Gambling addiction is a growing epidemic and there needs to be more of an emphasis on effective rehabilitation. With those words, I support the second reading of the bill.

**The Hon. T.J. STEPHENS (11:59):** Thank you for the opportunity to contribute to the debate on this bill. The financial management of this government leaves much to be desired. Labor's poor governance has had an adverse impact on hardworking South Australians struggling with a dramatic rise in the cost of living. The truth of the matter is that under Labor, South Australia is headed for financial disaster. There was a time when South Australia was seen as the commonwealth's most progressive state.

A rising cost of living is a primary issue. Labor's poor economic management is hurting families. I am sure that most taxpayers would be horrified to know that the state debt has been consistently rising since 2002. It was around \$2 billion back then. This was early in the Rann government's term and, notably, when the Hon. Mr Weatherill entered into parliament, straight into the ministry. State debt had come down under Liberal governments from over \$11 billion in 1992-93, its all-time peak around the time of the State Bank disaster.

Not since the ensuing financial crisis endured by hardworking South Australians has the public debt been as high as it is in 2012. Astoundingly, it is now back past \$9 billion and is forecast to get back to \$13 billion in 2015-16. It is frustrating to think that all the hard work the Brown, Olsen and Kerin governments did, particularly my colleague the Hon. Rob Lucas, to claw back the debt has now been for nothing.

Additionally, with the AAA credit rating gone—this is according to the *Financial Review* analysis—our increase in annual interest payments will be over \$22 million per year. Just imagine what we could do with \$22 million per year in regional communities alone. That is on top of the current \$9 billion in debt. The Budget and Finance Committee was recently told that further costs would be incurred next year when a large chunk of the state's \$4.7 billion state debt came up for refinancing.

The Hon. Rob Lucas mentioned in the committee that it was clear that financial markets had lost confidence in the government's ability to manage its budget and meet its savings targets, and it means that South Australian taxpayers are already paying higher interest rates on refinancing government debt as it falls due. The state paid \$290 million of interest in 2008-09; it is now predicted to pay \$705 million in the financial year 2014-15.

I wish it ended there, but South Australians will be staggered to know the full extent of the state's financial concerns. Add the net state debt to unfunded WorkCover and superannuation liabilities, as well as other future capital spends such as the new RAH and Adelaide Oval, and by 2015-16 the total public debt will be around \$27 billion. It is a Labor tradition to spend more than it earns. A deficit budget here and there and no-one seems to jump up and down too much, but one day we will wake up and see that the government credit card is maxed out at \$27 billion.

In 2009-10 there was a surplus of \$187 million. That was the election year. It is interesting that the only surplus the government could deliver in the six-year period happened to coincide with the state election. It is plain to see that this government is untrustworthy.

The Labor government has been blessed with opportunity. It had millions of dollars gifted to it in unbudgeted revenues. In 2002-03 to 2011-12 the government will have collected a massive \$5 billion more than expected. Just imagine the mess we would be in if the Labor government had not been saved by unforeseen extraordinary revenues.

The government is directly responsible for the cost of living pressures many South Australians are now under. We are now the highest taxed state in the nation, and you would think that with such a high amount of tax coming in the government would have no problems paying its bills. The reality is that there is a flow-on effect of higher costs to households and families. Let us take a moment to examine some of the extra costs the current government has burdened the taxpayer with:

- \$407 million in interest paid in 2011-12 for the superannuation liability, that is \$11.9 billion unfunded;
- the extra \$2.5 million interest per year due purely to the loss of our AAA credit rating;
- a 316 per cent increase to land tax under Labor governments;
- stamp duty charged at 27 per cent above the Australian average; and
- a trebling of the average water bill since 2002, including a 176 per cent increase since the desal plant was announced.

The list goes on.

I entered this place in 2002 and, from the outset, I stated my belief that small business was very much the engine room that drives the economy. It is the Liberal Party's pledge to support small business; the same cannot be said about this Labor government. The business world is not immune to the flow-on effects of the high costs inflicted on it by Labor. We have the worst compensation scheme in Australia. WorkCover's unfunded liability is around \$1.15 billion. When the Liberal Party left office it was around \$55 million.

More trading on public holidays has significantly increased wage costs for small business, particularly in hospitality. Labor collects about \$1 billion in payroll tax per year. Of course it follows that business must recoup these costs, so the poor old consumer cops it again. Therefore, it should come as no surprise that South Australia has the worst real estate figures since 1985, the worst business confidence, the worst retail sales figures and the worst export performance and, to top it off, the world's highest electricity prices.

When the Liberal Party came to office on 11 December 1993, superannuation for the Public Service was unfunded. The Liberal government designed a scheme to ensure that it would be fully funded by 2034. Under Labor it has now increased by over \$8 billion to \$11.9 billion. You could not be excused for failing to see the pattern here. Prudent financial management by

pragmatic Liberal governments, followed by the excessive spending and failed administration by Labor governments. It seems that this has all caught up with the current government and, as a consequence, the state is suffering.

In the words of the Treasurer, the 2011-12 state budget had the lowest net spending on new initiatives in nearly a decade. Our spending is restrained. This all seems to be a common thread amongst Labor governments. Let us remind ourselves that the Rudd/Gillard government took a very healthy Future Fund of around \$100 billion and turned it into a debt of over \$200 billion, and it is rising by \$100 million a day. Of course there is that unforgivable promise on the eve of the election: 'There'll be no carbon tax under a government I lead'.

The Queensland government had an \$85 billion debt, a \$2.1 billion deficit in one year on top of Ms Bligh's broken promises. To turn back to South Australia, we are heading to a public debt comparable to the one absorbed by the state in crisis over the collapse of its bank and, sir, you guessed it, broken promises. Around the time of the last election the government pledged \$450 million for the Adelaide Oval, and not a penny more. It is now \$85 million more as the current taxpayer contribution is \$535 million.

There is a trend associated with Labor governments: they run budget deficits, increase public debt and mislead the public. How deep does the rot run? The reality is that, after selling the Lotteries Commission and the forests, debt will continue to increase. Labor is selling assets when they promised they would not. We all remember the Mike Rann pledge card—no more privatisations. Sounds a bit like Anna Bligh's pledge, and we all saw what happened when the voters got to applaud her government earlier this year.

The government has announced what it calls a combination of administration efficiencies within the South Australian Tourism Commission, where the commission will supposedly save \$3.6 million over four years. It is hardly believable this can be achieved, given that it is on the back of the chief executive being removed from his job for budgeting reasons and the commission's failed attempt to privatise Adelaide's main travel centre.

The state's health budget blowout of around \$100 million has kept minister Hill very busy of late. After the Liberal government left office in 2002, health took only 25 per cent of the state budget. Now it takes 29 per cent. It is a commendable thing on which to spend money—around \$4.6 billion this year—but the harsh reality is that, at the current rate of spending, in just two decades the whole state budget will be needed just to cover health, and it is clearly unsustainable.

Recent developments have shown that minister Hill has little respect for the long-held financial management traditions of the Westminster system. My colleague Liberal opposition leader Isobel Redmond has called on Premier Weatherill to sack health minister Hill. As she said, using public servants to pursue political ends during the caretaker period of government is a blatant breach of the ministerial code of conduct and the caretaker conventions.

Minister Hill was quite happy to admit to doing this. He told parliament the reason he had sought briefings from the Department of Health on the Liberal Party's Royal Adelaide Hospital project during the caretaker period before the 2010 election was 'blindingly obvious': so that we could find out the cost of the propositions the Liberal Party were putting to the public of South Australia (that is from *Hansard* of 2 May 2012).

Premier Weatherill needs to reassure South Australians that he will not allow the Public Service to be politicised as we approach the 2014 election. Public servants are not an extension of his multimillion dollar army of spin doctors. Government funding of public servants for political purposes during an election campaign is another example of Labor's scant regard for financial prudence. Honourable and competent governments have public servants operate at an arm's length from political activity.

The future is grim. Labor's policy platform needs to be funded. Given the disastrous size of the government's debt and the announcement by the Treasurer in the Mid-Year Budget Review that the return to surplus would be pushed back until 2014-15, it seems the government needs to increase its revenue. The fact of the matter is that it already has. Unindexed, since the time the Liberal Party vacated the Treasury benches, state taxes have risen by over 85 per cent. Over the last year, every household would have noticed their water and power bills increase.

As an alternative government, we must dispel the falsehoods of this government's record: that of mismanaged funds, South Australia being the highest taxed state in Australia, and the

soaring high cost of living. Reportedly, we have electricity costs that are the third highest in the OECD and higher water costs than ever before.

People are taking more notice of a poor government in tough times. Being in office during an economic boom made this poor government look better than it truly was for most of its tenure. Now it seems that during an economic slowdown, the Labor government's failings are becoming more and more evident.

When I entered politics, my dream was, and still is, for everyone to aspire to and be able to gain satisfying employment, thereby achieving their potential and living the lifestyle they wish. When the State Bank collapse happened, my first concern, as a small businessperson, was for my future and the future of those who worked with me. As an employer, I have always felt a responsibility towards my employees and I am acutely aware that any future success is only as a result of a team approach. As a businessperson at that time, I was concerned about the economic direction in which the state government was taking us. Interest rates of 18 per cent were a reality and I, like many others, feared for the long-term sustainability of my business. Ten years later, I continue to be deeply concerned.

When the government announced '100,000 new jobs for South Australia under Labor over the next six years' in its election campaign in 2010, I was sceptical of its ability to deliver. This scepticism was well founded, as two years later we can see that fewer South Australians are working full-time. One may assume that this is why the government has felt the need to employ 20,000 additional public servants since the Liberals left office: 13,000 of those are employed outside core areas. Let us not forget that, by its own admission, the Labor government is borrowing to pay public sector wages.

Is the government trying to cushion the blow of its seemingly unattainable job creation target by having an excessively large Public Service? This is not to discount the work of our conscientious public workforce, but economic efficiency is what makes the world go round in modern times and the government should be leading by example in this area. Clearly, it is not.

Perhaps the greatest crime of the current government is that it is letting down future generations. What makes matters worse is that we have a rapidly ageing population. That means that the burden of funding services falls on fewer and fewer people. We have a responsibility to educate our kids. After all, it is our young people who will be charged with the responsibility of maintaining and enhancing a prosperous economy in a time of rapid change and challenge. They will need the skills in their tool bags to contribute to the economy and the community in which they live. Therefore, I propose that this government has let down the next generation on a number of counts.

It is a dark time for the South Australian education system. There is much that my colleague the shadow minister for education, David Pisoni, has said with regard to this matter. Much of this alluded to the government's inability to use public funds in a way that would allow South Australia to keep up with other states in terms of increasing the funding of educational initiatives.

No-one can argue that a very important progressive tool is education, and therefore even the most conservative of thinkers would agree that good governance includes spending a significant amount of money on this portfolio. Having said that, the question of whether or not the current government is spending efficiently and making prudent decisions in this important area needs to be raised.

Much has been said about the introduction of the new SACE. Much of the ideology behind the implementation of the new SACE is questionable, and in a survey conducted by the private and public sector education unions, 88 per cent of participants did not think the new system was better, educationally, for students.

This is not the time to debate the pros and cons of the new SACE. What is important in this debate is to outline how much this hugely unpopular Labor initiative costs. The government spent about \$70 million on the implementation of the new SACE. That is just a start. Other glaringly obvious examples of financial waste include: the Royal Adelaide Hospital blowout. Before the election it was going to cost \$1.7 billion. The debt going on the books is now \$2.8 billion, and apparently climbing. The project to pump the sand down to the southern beaches was announced as a 22 kilometre long pipe costing \$17.6 million. It is now a nine kilometre pipe, costing \$26 million. Labor's initial forecast spend on Shared Services was \$60 million. Recently this was

reported to have reached \$130 million spent on Shared Services, an agency that is shrouded by controversy and incompetence.

No-one can argue the fact that Liberal governments have been well-considered economic managers. The fundamentals of a sound economic system are good governance and decision-making. Basic economics says the benefits must outweigh the costs. We have had a decade of good times and all we seem to get is bad news. Labor does not even seem to know where its own priorities lie. A self-confessed green government, Labor has abolished the \$11.7 million renewable energy fund. This carbon tax, the most expensive in the world, without doubt, will apply more pressure on the cost of living.

As current chair of the Select Committee on Department for Correctional Services and former shadow parliamentary secretary for police, I take a particular interest in the management of these portfolios and I do not like what I see. The government has decided in its wisdom that the recruitment of an additional 313 police officers will now be extended over a six-year period instead of a four-year period, saving the government more than \$50 million in operating expenses. South Australians who have found themselves on the receiving end of a criminal act will certainly attest that this is money not well saved, whilst criminals will revel in the decreased likelihood that a police officer will be on the beat to catch them. This is not the area of the budget to look for savings.

Neither is the area of correctional services. We are now in the middle of a \$5.7 million slashing of the correctional services budget over four years from the 2010 budget. I am sure that those in this place would agree that, once we catch the criminals we need to try, where possible, to provide counselling and rehabilitation, but when this fails the protection of innocent members of society must be paramount. Sadly, the prisons are already full and the government is using bandaids measures, such as shipping containers to create makeshift cells. Whilst I acknowledge that using old shipping containers may act as a good deterrent on potential offenders, it is a stopgap measure in place instead of a new prison facility which the system is in desperate need of.

This government has mismanaged its funds to such a level that it has had to slash spending in critical areas that compromise safety and confidence in the South Australian criminal justice system. There is so much waste in other areas that Labor cannot adequately protect its constituents by providing funding to the crucial departments of correctional services and police. When the government does initiate a promising idea, it does not seem to be done properly.

In the 2009 budget, the \$557 million Mobilong prison project was scrapped. It was to include a \$315 million, 760-bed men's prison; a \$40 million, 40-bed forensic mental health centre; and a \$96 million, 150-bed women's prison. Furthermore, even though the project did not go ahead, it still cost the government over \$10 million in compensation to the three tenderers, even when there was no legal obligation to make the payment. This is a government that flippantly spends from the public's purse.

In 2009, correctional services minister Koutsantonis announced an \$18 million expansion of the Mount Gambier Prison for 116 beds, a sound initiative in light of my previous comments. Mr Koutsantonis has now announced a \$23.9 million upgrade of the Mount Gambier Prison for 112 beds—\$6 million more for four fewer beds. This further highlights the financial management incompetence of a government that has an announce and defend style.

The government tries to get a cheap headline and then needs to defend it when it cannot deliver. The Hon. Mr Koutsantonis often finds himself in tricky situations. He was caught out announcing more than his government could deliver when saying there will be no forced redundancies under the Holden assistance package. He then had to retract his exaggerated claims. Labor turns good news into bad news. The only ones who should be made redundant are the current Labor ministers.

All members bring with them their own particular background. I am proud to say that I am a Whyalla person. I was born and bred there and lived there for more than 37 years. Coming from a regional area, I feel I have some knowledge of the circumstances of those who live in those regions. Therefore I would like to take the opportunity to speak on some of the issues facing my constituents living outside the Adelaide metropolitan area.

In South Australia we are not surfing the wave of a mining boom. Western Australia is, Queensland is, and to a lesser extent New South Wales is. There is certainly potential for South Australia to go down the same track; however, the Labor government of the past decade has not taken advantage of the opportunities as well as the other states. The Western Australian and Queensland successes have meant that Australia is often referred to as a two-speed economy.

The multiplier effect of a healthy mining industry is extensive. It can provide extra tax revenue to put into government services or, indeed, help pay off debt Labor has accumulated.

Of course, the mining boom has not arrived in South Australia. The industry has been growing steadily over the past few years, but its growth could have been much stronger. The South Australian Chamber of Mines and Energy argues that, if Port Bonython had been developed as a bulk commodities port, at least another four iron ore mines could have been operating. It is time for Labor to play its part in helping the state's mining boom become a reality.

The case can be made for public funding to build a port, rail line, road upgrades or a desalination plant which will support income-producing businesses in regional areas and beyond for decades. Labor, under Rann and Foley, was firmly focused on maintaining its coveted AAA credit rating. They would always remind us of it as soon as they could not afford to do something they had promised to do. Indeed, they had the same excuse for cancelling the new prison in 2009. The government argued it did not have a financial role to play in providing infrastructure for the resources sector. Well, the AAA credit rating is history and we are still a relatively fledgling mining state.

A good government should be conservative in what it funds; however, supporting the resources sector is an obvious direction to take. Wise investment into a burgeoning industry is likely to lead to greater wealth in the public coffers through increased royalties. It makes good economic sense to those of us who aim to be progressive.

Where there is a gap between what is needed and what private business is willing to fund in these turbulent economic times, the government should be forward thinking in its policies with an eye to building infrastructure that can enhance prosperity in South Australia. Instead of being proactive in nurturing a mining boom, Labor has provided little vision in the regional mining sector and the wider South Australian community.

The primary industries sector in regional areas has also felt the brunt of poor fiscal management over the past decade. Several examples include:

- the lack of assistance in areas such as Murray Bridge and Jervois in not providing support to secure 120 regional jobs;
- the high dollar is hurting business, and we have seen the loss of South Australian dairies on the lower Murray swamps when there has been no water and no government support, I might add;
- the lack of control and mismanagement of branched broomrape in regional South Australia. We have seen 10 years of investment into this important program and \$45 million: \$2.6 million annually from the federal government, \$1.9 million annually from the state government and, over that period, we have seen somewhere around \$70 million of contributions made by primary producers to help combat this parasite. In the worst case scenario, a whole region of hundreds of thousands of acres in the Murraylands could become affected. This could have a drastic impact on South Australia's primary agricultural and livestock industries' viability. The government has announced that, despite this significant investment, the pests cannot be eradicated and is now in a transition to adopt risk management measures;
- \$80 million is being taken out of agriculture over four years; and
- we have seen more costs imposed on regional industries such as fisheries and aquaculture and have not received a reasonable explanation of how they are derived.

I am as supportive of the Liberal Party's plan to restore the South Australian economy as I was the first day I addressed this chamber. Our plan to rebuild jobs, reduce debt, to return to standards of excellence in community services such as health and education and to restore confidence in the institutions of government is as vital to the wellbeing of our state now as it was 10 years ago.

While experiencing the frustrations of opposition for a decade, I have tried to contribute positively to parliamentary debate. Largely, the Labor government have ignored the Liberals' proposals. On occasion, Labor pilfered our good ideas and then mismanaged their implementation. To take desalination, it was initially a Liberal idea to build a 50-gigalitre desal plant that would supply 25 per cent of Adelaide's water supply. The government fervently opposed it at the time, when we could have built it for about \$400 million. By the time the drought took hold, they realised it was a popular policy, yet the same system would now cost \$1.4 billion. The Labor government

went from saying we did not need a desal plant at all to saying we needed one twice the size of the system we initially proposed.

Given our current position, a \$400 million, 50-gigalitre water insurance policy by the Liberal Party holds up pretty well against a \$2.2 billion project the government oversaw. It cost Labor more than five times the cost of the Liberal plan—and then it rained. One thing is for sure and that is that water ratepayers in South Australia will be the ones paying the total cost of the desal plant through a tripling of water prices.

The Hon. Mike Rann presided over the poor governance I have alluded to in this speech. Premier Weatherill gave former premier Rann a golden handshake of around \$200,000, including a car, staff and a furnished office as well as an annual pension worth three-quarters of his former salary. Was this a sound financial decision? I think not. It seems we have a new Premier that will reward the old premier for his many failings. It seems this government may have gone from bad to worse.

The cost of living is something that affects us all. The financial pressures on our state's community are growing and it is notably harder for its members to make ends meet. Whether it is in households or in the business sector, in regional areas or in metropolitan cities and suburbs, the cost of living is the most demanding challenge facing us today. State governments must aim to set the benchmark in undertaking prudent and effective financial management.

I have outlined a number of failings of this Labor government in providing sound financial management to all stakeholders in South Australia. Labor deficits, Labor debt and Labor's broken promises have led to Labor's failure to deliver the best platform possible on which all South Australians can prosper.

**The Hon. J.M.A. LENSINK (12:25):** I rise to make some remarks on the budgetary situation. I got a bit of a history lesson. I have been back through the budgets since Labor first came to office and the number of broken promises and changes to programs, which I think has led to a lot of inefficiency.

I would like to commend our leader Isobel Redmond for her excellent contribution on 17 June this year in the House of Assembly. I am not going to cover the same ground as she has, but I do wish to make some remarks. We did not need to be in the position that we are in in this state; things could have been done a lot differently. Quite frankly, this Labor government has had warnings along the way about the way it has been treating the budgetary situation. It has been incredibly undisciplined.

The government had the initial benefit of growing GST revenues, particularly in its first term in office, and growth in property taxes. It has progressively introduced taxes which, in the current difficult economic times, are strangling our economic growth. Labor's style is tax and spend, throw money at problems when you have money, and appoint your mates to senior positions in government, regardless of their ability. There are quite a number of Labor operatives who now occupy senior positions across the Public Service, and that practice of appointing people on mateship instead of merit means that incompetence rules supreme.

This government has never kept an eye on expenses. In 2005, for instance, it budgeted for 67,626 public servants when in fact there were 69,486 in the actual figures, a figure which seems light now, given that we are up past 90,000 public servants. The government has only ever delivered one single budget surplus. It has consistently underestimated its revenue, particularly in its first term. Former treasurer Kevin Foley was able to crow about how clever he was when it actually had nothing to do with him: it was increasing GST revenues and property taxes.

However, in 2012, the chickens have come home to roost. After the last election—which many believe the Labor Party did not expect to win—they were not particularly worried about the budget bottom line because they knew there would once again be the old pattern of the Liberal Party having to clean up the Labor Party excesses. They are having to make their own cuts.

In our fortnightly budget and finance meetings, which are chaired by the Hon. Rob Lucas, we find that a number of departments are having to make significant funding cuts. It is certainly our view that, if the government had never let the belt out that far, it would not have to be delivering the pain now, but Labor is undisciplined and cannot help following that pattern.

There have been many things announced in budgets over successive years which have since been axed. It is a very inefficient way to run government. It also calls into question issues of sovereign risk. Can you really trust anything that this government ever announces in any budget,



because it may well be scrapped when the government finds that it does not have the money or when it decides to change its priorities? I think a lot of the announcements that have been made have been purely for vanity and also to give the government some form of headline, a handy front-page story—whether it is the hospital one year or the public transport infrastructure another year—and hang the consequences.

The only area in which I would actually commend them for the level of funding, but probably not the implementation of it, is the significant increases in the child protection budget, but I am very sceptical that they are being spent in a proper way and in a way that necessarily protects our most vulnerable children. A number of us in this place are particularly concerned about whether the reforms are actually taking place on the APY lands and are very keen to get more information on those.

If we go back to 2002 after the election when Labor took office, they started breaking their promises within months of the election. There was an increase in net debt and superannuation liabilities which was to set the trend of their years in office, and they only managed to achieve a surplus through what the *Financial Review* described as an 'accounting fiddle'.

Another trend we are seeing is cuts to country areas. While metropolitan hospital funding was increased by 7.1 per cent, it only increased by 2.4 per cent in country areas. There were also capital upgrades to schools which had been set by the previous Liberal government which were cancelled, such as in Ceduna.

Much of the funding for public hospital upgrades was actually a continuation of a Liberal program, including significant works at the Royal Adelaide Hospital, and many years later they decided they were going to make that announcement about the new 'Marj' and we were left with those sunk costs. Had they had a strategic plan which would have guided them (which they should have done through the Menadue report), they would not have had to expend money on certain works at the Royal Adelaide Hospital and those funds could have been spent elsewhere.

They also introduced the now axed thinkers-in-residence program, and I cannot really think of anything that has come out of that program that has had a long-term benefit and an impact for the people of South Australia. It has really just been a fanciful vanity project for the former leaders of this government.

They also closed three regional ambulance communication offices, started hiking up crown land leases by up to 400 per cent, and there were cuts to PIRSA of 12 per cent. Considering that this was in light of what was a relatively healthy budgetary situation and given that primary producers really are a hugely significant part of our state's income, it was very short-sighted.

They also cancelled HomeStart funding for aged care providers and increased all government fees by 4.2 per cent across the board, plus \$200 million extra in the forward estimates. They cut 100 traineeships and crime prevention programs, and placed the extra tax on licensed premises, which was a direct breach of a written promise to the Hotels Association. As we have seen in the recent budget, they once again imposed a new increase on the hotel sector.

The 2003 budget was one of reannouncements, and the government had become so cynical at this stage that the member for Mitchell, Kris Hanna, had quit because he said the party was being run by bullies. The former treasurer also announced that he had the moral fibre to go back on his promises. There was another round of tax increases under the guise of saving the Murray—\$30 for every household and \$135 for every business, school or club in the state. At the same time, they were pulling \$10 million in funding out of the Lower Murray irrigation scheme.

We started to see the cranking up of land tax burdens through a combination of increasing land and property values as well as bracket creep, which was to deliver those windfalls in subsequent budgets but placed a greater burden on investors and tenants, particularly as in South Australia land taxes are calculated through an aggregation system.

The property market in South Australia was not growing at the rate reflected by the tax take so the state government was, in effect, shovelling in more of people's hard-earned money. The escalation of South Australia to become the highest taxed place in Australia was at that stage well underway and, as I said, is now strangling business. There is a new tax on apprenticeship training of \$160; increases in vehicle registration, gas prices, ambulance fees, stamp duty on mortgages of non-owner occupied homes; and new levies for the fishing industry, which is another new trend towards cost recovery for industry. We do collect taxes in this state, and theory has always been that general revenue is there to fund certain services which are for the benefit of the state, but cost

recovery is a new novel concept introduced by this government, which is really just a way for the government to raise more taxes.

We have also seen delays in stages 2 and 3 of The Queen Elizabeth Hospital, which I think is a hospital this government takes for granted. It is located in Woodville. I visited the hospital recently with the member for Waite, Mr Martin—

*The Hon. J.S.L. Dawkins interjecting:*

**The Hon. J.M.A. LENSINK:** My colleague the Hon. John Dawkins reminds me that they were happy to have a select committee into The Queen Elizabeth Hospital. The hospital is currently in the process of being downgraded by the government. The people who run that hospital are a very excellent group of specialists, who are pioneers of stroke treatment. I note that the former treasurer wrote a rather interesting piece in his *Sunday Mail* contribution about how important The Queen Elizabeth Hospital is and how he had had a change of heart about it and what an important role it has played in the life of many, many people, from birth through to death.

The people who work at that hospital work under a cloud because they are not sure whether this government even intends to keep that hospital open. It has certainly been downgraded, and there are concerns about whether it is going to have a future role with the government's so-called spine hospitals of the Royal Adelaide, Flinders and the Lyell McEwin Hospital; that the other two will just continue to lose services until they are effectively a lower category of need.

Again, Country Health did not receive parity of funding compared with metropolitan areas. There were more cuts to education's capital works budget and delays to Murray Bridge and Renmark hospital capital works. Funding for regional theatres was axed, and the \$20 million funding, which the Liberal government had been providing for regional housing in recognition that there is often market failure in that area and the need for housing in regions is significant, was cut. We also saw cuts to the Regional Development Infrastructure Fund.

There were several announcements in the budget: money for the Venture Capital Fund, which I suspect no longer exists; funding for high performance computing facilities, we never heard what happened to that; and we had \$131 million for two bridges over the Port River, at least one of which was supposed to be an opening bridge and never happened; funding for a broadband telecommunications task force (Lord knows what on earth that ever produced); and the first announcement from this government about the prisons—and we all know what happened to that.

There was supposed to be \$32 million for a new women's prison and \$46 million for a youth detention centre—and I will have more comments on the youth detention centre later. Allegedly, there is funding for new housing for teachers and police stations, and funding to attract skilled and business migrants—that has certainly gone with changes to a department that was running those programs. I am not convinced that the department was doing such a fantastic job, but at least they had some positions and at least they had some focus on working out what our skills gaps needs were and attempting to work with business in order to match those to potential skilled and business migrants.

The 2004 budget was an anti-jobs budget. There were claims of \$250 million in capital works to stimulate the economy when most of that funding was, in fact, in forward estimates and, therefore, was unlikely to ever be spent. In the 12 months leading up to that budget, the number of jobs in Australia had increased by 180,000 while South Australia had actually lost 14,500, and it was the impact of increasing taxes biting our economy: \$563 million more was being collected than in 2001-02. All government fees and charges went up, with speeding fines going up by 40 per cent.

The alleged \$250 million in capital works included \$14 million on trams which was not additional trams but actually a blowout; deferred expenditure on the Marine Innovation SA bioscience incubator, the Adelaide Women's Prison, and there were some 19 projects shelved. Exports were dropping because of cuts to regional services, especially infrastructure, roads and the decreasing health budget which drives people out of regions. So-called tax cuts of \$350 million were over four years so were a fiddle for a headline and included taxes which had been abolished through the GST agreement, which was something put in place by the previous Liberal government and the federal Liberal government and which the ALP had, in fact, opposed.

I picked some of these items out because I have no idea whether they ever happened or what outcomes we received from them. In the 2004-05 budget we had \$3 million for a fund to establish nature and culture-based tourism but I do not think that has ever materialised into

anything. While \$3 million in the scale of things in a budget of some many billions might not seem like a lot of money, it is a lot of money for many communities where it could do a great deal of good. There have been budgets which have wasted all sorts of funds and things have dropped in and out of the budget when they could have been used to do something useful.

We also had the announcement that the Britannia roundabout was going to be fixed. That was eight years ago and still nothing has happened. Again, \$10.2 million for workforce and migration to achieve the population target of two million by 2050 (and I am going to refer to the population issue towards the end of my speech) but those funds, I am quite sure, have been axed and, in fact, have not been effective. There was \$6.8 million for natural resource management and \$5 million for the Living Coast strategy—both those amounts of funding, I am quite sure, were slashed in the 2010 horror budget which will I speak to in more detail later.

There were some tax cuts which actually delivered more taxation revenue relating to property taxes. As the values were increasing this drop in the threshold meant that what would have been cuts for individuals have indeed evaporated.

In 2005 we certainly had the rivers of GST and property taxes flowing in to the tune of \$42 million every day, which equates to \$2.2 billion per annum. At that stage, we were going to have a tram going to North Adelaide, and it is interesting that this government has chopped and changed so much on transport, a portfolio which never knows whether it is coming or going—and we certainly know that the buses are not going and the trains probably are not really going either at the moment. However, the fact that it has never had a transport plan, it has never put out a transport policy means that that department has never had good leadership and so it has just been all over the place.

The Menadue review into health, which is a child of former member for Elizabeth the Hon. Lea Stevens had been abandoned by that stage by the new health minister; there was \$9.5 million for a wine innovation cluster; and \$8 million for the Mawson Institute of Advanced Manufacturing—those areas I think were neglected and never came to fruition. The Hon. Dennis Hood spoke about the entry into the electricity market. After the Rann government was first elected to office and entered the electricity market, the way it managed that transition effectively messed up the market. They like to keep blaming the arrangements that came into place under the previous government, but it is because they messed that up completely that, in that year, 23.7 per cent increases in prices took place. They tried to bribe everybody by giving \$150 in one-off funding to pensioners and self-funded retirees.

We saw the trend in that first term of children leaving the public school system for private, which has continued. Those children have not returned to the public system. In 2006-07, for some unknown reason, the budget was delayed from being delivered in the usual May to September period, and again we saw broken promises after the election.

The first broken promise was not to increase public sector numbers; the second was not to seek savings in health and law and order; and the third was not to decrease teacher numbers. We saw again an increase in TAFE fees and their being doubled, cuts to the food plan, cuts to the tourism marketing budget and the road backlog went up to \$200 million. The government also pinched the interest that schools were earning in their accounts.

We saw another one of these white elephants that this government is fond of, that is, the GP Plus centres, which sound all very well in theory. In fact they are a government subsidised way of competing with what are often good private GP centres which are well attended. If one is to go to the GP Plus centre at Elizabeth and drive past the previously existing GP centre, the private GPs' waiting room is overflowing—you almost have to take a number when you get there—whereas the GP Plus centre is plush but there is hardly anyone in there. Some of the services, I think, such as the SA Dental Service, are very valuable, but to think that a government can set up one of these centres and employ general practitioners in competition with a service that is operating perfectly well is just a nonsense. It is one of these things that all sounds lovely but, in practice, it is quite impractical.

We also saw the return of the Modbury Hospital to public management. That, again, because it is not one of the spine hospitals, is being downgraded and we have since seen the removal of maternity services from that hospital. Again, I think the people who work at the Modbury Hospital are concerned that they are being downgraded to a low acuity of care, and that can also lead to dangers for patients, because if you do not have the fully-operational intensive care services running there, sometimes patients have to be transferred from Modbury to the Lyell

McEwin Hospital. That puts them at risk because it is extra time that they have to spend in an ambulance without the capacity for full ICU services.

We also had another one, and this was really the beginning of the crazy announcements—the big announcements that were designed to capture the front page of the paper. This was the new prisons project at Mobilong. I remember being mocked in the House of Assembly for having put out a release a couple of days before saying that there would be nothing in the budget for the prisons because we had seen the first announcement several years before and it never happened, but I am quite happy to say 'I told you so.' Yatala was supposed to be closed as well as the women's prison at Northfield, and we now know that that farce never took place and the GFC was subsequently blamed.

The new youth detention centre is really only proceeding because there was so much exposure of the shocking conditions at the Magill Training Centre, otherwise I am sure that would not have taken place either. We also had the bizarre decision to extend the tram to City West at some considerable cost, and there was \$11 million in the budget to change our fleet to alternative fuels. I note that Fleet SA is now being privatised, so I suspect that that money has either not been spent or is a complete waste.

We had an announcement about 20 new park rangers, who were young recruits. I understand that those positions have now been filled, but I would like to point out that we have also lost a lot of experienced park rangers along the way, especially in the investigations unit which protects our protected species and fossils in the Far North of the state. I think that the experience that we have lost from that area far outweighs the number who have been recruited in this particular promise.

Certainly, Friends of Parks—and I know my colleague the Hon. John Dawkins is well versed with Friends of Parks—are particularly upset, as are many Friends of Parks across the state, because the number of people who are dedicated to assisting volunteers with those parks is so small and they are spread across so many regions, because in actual fact the number of rangers has been decreased significantly. We also saw the announcement of Shared Services and ICT services which were supposed to deliver \$700 million in savings; and that has been an unmitigated failure.

In 2007 the centrepiece was the new hospital announcement. As I said, having continued investment in the current Royal Adelaide Hospital, this decision beggars belief. It was a piece of vanity. It was supposed to be \$1.7 billion; we now know it is more like \$2.8 billion. This hospital decision is going to bleed this state for generations. It was never in any of the recommendations of any of the reviews, and I think it was a *Hollow Man* moment. People might recall that TV show which depicts what takes place in ministerial offices.

You can just imagine the conversation: 'What will make us popular?' 'What about a new hospital?' 'A new hospital?' 'That's a great idea. Who's popular now that we can name it after?' 'Ah, well, the governor, she's pretty popular, let's call it the Marjorie Jackson-Nelson Hospital.' The people of South Australia know that that's a stupid decision. The people in regional South Australia particularly know that that is a stupid decision as they see that their services continue to be undermined and lost. And the people of Adelaide certainly know that that was a stupid decision, and they voiced their opinion on that at the last election and elected the excellent member for Adelaide, Rachel Sanderson.

In his contribution, then leader Martin Hamilton-Smith tabled a number of economic indicators, and that was in his address on 19 June 2007. He showed very effectively how our share of the national economy was in decline. I think he really issued that we had been warned, that there were signs showing that South Australia was slipping, and that we needed to do more to assist our economy.

While he did not have a crystal ball, he has a lot of common sense, and in those times prior to the GFC he made the point that in good economic times the strategy should be to pay down debt. If you listen to any real estate or financial adviser at the moment, people are being urged to put money towards their home loans to get their debt down. It is a really good time to pay off debt. You put cash away for the bad times, and it is much more effective to do it in the good times than when you get desperate, as this government has with its current forestry sale.

But they did not do that of course. They just kept spending like there was no tomorrow, and they did not invest in infrastructure, which would have supported economic growth. So, we are being hampered on two fronts. We have got a lot of debt and there is nothing that is going to

support that future economic growth There was some payroll tax relief but our threshold is still very high by national comparisons.

In the 2007 budget we had more attacks on regional, rural and peri-urban areas through cuts in education to small schools, to their workers compensation in schools, to school grants programs, teachers and through efficiency dividends in the education system. We saw cuts to the DPP. As I have said, we had the classic strategy of announcing something that either the government had no intention of delivering or that it had not done its due diligence on and so in subsequent budgets had to pull it.

There was the Mount Bold expansion, which was a ploy to counter the Liberal Party's policy that we should have a desalination plant. The Mount Bold announcement was flawed from the beginning, as it either relies on additional water flowing from the Adelaide Hills catchments (which is not going to happen) or from more volumes pumped from the Murray Darling system. Honourable members will remember that this was being announced at a time when the whole of Australia was in drought—or at least the south-east of Australia—and in the context of state and commonwealth negotiations (which even today have still not been concluded), which would have affected the amount that could be taken from the Murray.

It was the beginning of the rhetoric about mining, particularly with BHP's expansion of Olympic Dam (this is back in 2007), and the indenture was signed only last year. There was at that stage a proposal that the Olympic Dam expansion might provide an opportunity for potable water to Eyre Peninsula and the Upper Spencer Gulf cities, which we now know was another thing which has also been squibbed. In many of these budgets we have also seen pet funding projects of the former premier, and in this case we had \$5.2 million for the Carnegie, Mellon and Cranfield universities (which have not attracted their own students into those programs; they have had to be propped up to the great irritation of other universities) and \$3.8 million for the film industry.

In 2008 we see that most of the headline announcements have all been scrapped, for example, the public transport revolution that we were to have—the rail line electrification and tram extensions to the western suburbs. The only one which has proceeded is the very expensive extension to the Entertainment Centre, which was \$162 million, including purchasing new vehicles, which again makes our country cousins much more cynical to see that amount of money spent on something which is really never going to provide an economic benefit to justify it.

We now know that the government has wasted some \$30 million on preparation for the Gawler line. You have the concrete pylons which have been placed there and which now are a safety hazard. Other pet projects of the former premier that took place at the height of the popularity of environmental concerns include \$7.7 million for green power and carbon offsets (about which we have submitted an FOI trying to work out what on earth that was spent on) and \$2.4 million for green buildings, which are really unnecessary in the context that they are all required now, anyway.

The government did concede that we needed a desalination plant at that point, and, on the pet project front, there was \$43 million for the film and screen hub at Glenside, which is a very wasteful amount, indeed. In 2009 the government suddenly decided to blame things on the GFC and so it cancelled the prison project. We also saw a bizarre decision to double the size of the desalination plant to 100 gegalitres, which is incredibly expensive. We now know that it is not going to be required. We have also seen cancellation of some of the rail projects.

The last Foley budget was in 2010, which was a 'slash and burn' after the election. I spoke in that year of my concern about what was happening in the environment department, which was losing some 30 per cent. The 2011 year was the first Snelling budget—lots more gloom and poor planning. However, we did see \$200 million being thrown at some supposed sustainable industry centre at Tonsley. We are still not to know what is taking place there except that TAFE will be moving there. There is continual pruning of the Public Service, and the sale of SA Lotteries.

I will not talk in great detail about the 2012 budget because I think honourable members have, and my leader has, in some detail, except to say that the forests decision is something that is impacting on the South-East in a very great way. I go down there fairly regularly, and they are very pessimistic. Housing prices are depressed and a lot of people do not know what is going on. To have duped them by saying that it needed to be sold to retain the AAA credit rating and then not proceeding with that is, I think, dastardly. I seek leave to conclude my remarks.

Leave granted; debate adjourned.

*[Sitting suspended from 13:01 to 14:17]*

## PAPERS

The following paper was laid on the table:

By the President—

Report of the Ombudsman SA into the Investigation into the Department for Correctional Services in relation to the Restraining and Shackling of Prisoners in Hospitals  
[Ordered to be published]

## QUESTION TIME

### TOURISM, SOUTH-EAST

**The Hon. J.M.A. LENSINK (14:18):** I seek leave to make a brief explanation before asking the Minister for Tourism questions on the subject of South-East tourism.

Leave granted.

**The Hon. J.M.A. LENSINK:** I recently asked one of my staff to pick up a tourist brochure for the South-East, except the one that they had was sadly out of date. For instance, in the section entitled 'A Day at the Races' you can find out what the racing calendar is but the dates are November 2010 up until May 2011. If I had wanted a brochure on any other region in the state I might have had a bit more luck. According to the staff, the brochure for the Limestone Coast has been 'delayed indefinitely', which is a shame for an industry which brings in \$100 million annually to the Mount Gambier city alone. We are well into the second half of 2012, and visitors looking to spend their tourism cash in our state are being given guides that are clearly out of date. My questions to the minister are:

1. What is the reason for the delay in providing these brochures, and why is it only the South-East that is still waiting?
2. Is the inability of the SATC to sign off on its budget further delaying production of these brochures?

**The Hon. G.E. GAGO (Minister for Agriculture, Food and Fisheries, Minister for Forests, Minister for Regional Development, Minister for Tourism, Minister for the Status of Women) (14:20):** I thank the honourable member for her most important question. I am certainly not aware that the publication of the tourist information brochures for the South-East or the Limestone Coast has been delayed indefinitely. We know that the opposition regularly comes into this place with misinformation and poorly researched questions. So, I certainly do not accept the basic premise of the question, but I would be most concerned if that were the case, and I will most urgently look into the matter and see what delays, if any, there have been and when those matters will be addressed.

### SALARY SACRIFICING

**The Hon. R.I. LUCAS (14:21):** I seek leave to make an explanation prior to directing a question to the Minister for Industrial Relations on the salary sacrifice scandal.

Leave granted.

**The Hon. R.I. LUCAS:** In response to some questions yesterday the minister made a series of claims relating to a fraud scandal involving companies associated with the company to whom the minister and his agencies gave a monopoly contract for the provision of salary sacrifice services for all public servants in South Australia. First, the minister sought to downplay the significance of this fraud scandal when he said that the fraud transactions were 'for very small amounts'. The fact is that the Queensland minister has publicly identified that the very small amounts the minister is referring to totalled \$492,763.

The second claim the minister made was that 'the suspected fraudulent activity commenced some years prior to McMillan Shakespeare's acquisition of RemServ'. The fact is a simple Google search shows that McMillan Shakespeare actually took over RemServ in 2004, almost eight years ago. If one is to believe the minister, the fraudulent activity within companies associated with the company to whom he has given a monopoly contract in South Australia have

been going on for almost 10 years before being known to the company in late 2010 and before being publicly revealed in the middle of this year. Of course, an alternative explanation is that the minister's claim was not true.

An inspection of the tender documents issued by the minister and his agency for the tender process in late 2011 shows that on page 7 of part A of that document the minister and his agency said:

The respondents will be evaluated against general criteria—  
and amongst those are listed—  
prior performance, risk management and quality systems.

If one looks at part C of the tender specification documents, on page 11, in terms of the response schedule required of the tenderers, they are 'required to provide other information as necessary for full financial disclosure under this RFP (request for proposal), including any subsequent material events which are not otherwise reflected in the attached statements'.

Page 15 of part D says, under the heading 'Information required on corporate governance and related matters', that they must provide detailed responses to effective corporate management and oversight, ethical and responsible decision-making, integrity of financial reporting, recognition and management of risk. Finally, on page 42 of part D of the response required from tenderers, under the heading of Organisational Ethical Employment and Subcontracting Policy, the tenderer is required to:

Provide details of compliance with all relevant commonwealth and state legislation with respect to conditions of employment and all other matters for all persons employed or utilised in the supply processes outlined in your response that are produced in Australia.

Those brief areas, and many others within the tender documents, make it clear that there is a requirement for tenderers to reveal details of significant fraudulent activity along the lines that have now been publicly identified. My questions to the minister are:

1. Did Maxxia reveal details of this fraudulent activity in a sister company at any stage in the tendering process in late 2011? In particular, did they reveal it in answer to the sections of the tender documents which I have referred to already in my explanation when they responded in their tender document, before they were given the contract by the minister and his agency?

2. Did the minister knowingly mislead the house yesterday when he claimed: 'the suspected fraudulent activity commenced some years prior to McMillan Shakespeare's acquisition of RemServ'?

3. If the minister is standing by that particular claim, does he expect members in this chamber and the community to believe that he has given a contract to a company where fraudulent activity was going on for a period of almost 10 years in that sister company and it perhaps not being revealed to the government during the tendering process in late 2011?

**The Hon. R.P. WORTLEY (Minister for Industrial Relations, Minister for State/Local Government Relations) (14:27):** It is not unusual for the Hon. Mr Lucas to get up and make statements of a slanderous nature. It is also a part of his campaign of scaremongering. He did it the other day in regard to Ferro Con. At a time when people should be respecting the sensitivities of what was happening, the Hon. Mr Lucas tried to score political points by casting some doubt over the legitimacy of the prosecution.

As I said later in my ministerial statement, there were no problems at all and the Crown solicitors were fully aware of that issue with regard to the Corporations Act and there was not an issue. It is not unusual for the Hon. Mr Lucas to get up and make outrageous and sometimes the most ridiculous statements just for political pointscoring. With regard to salary sacrificing arrangements, Maxxia has advised the public works sector of the fact that there was suspected fraud activity.

**The Hon. R.I. Lucas:** When?

**The Hon. R.P. WORTLEY:** I told you yesterday.

**The Hon. R.I. Lucas:** No, you didn't.

**The Hon. R.P. WORTLEY:** Don't interrupt while I am talking. This fraud came to light through McMillan Shakespeare's internal auditors. They detected it as part of their routine risk and

compliance review activities. It came out that there were 61 payments. When you consider that the Hon. Mr Lucas is talking about \$500,000, 61 payments is about \$9,000 to \$9,500. Those are not big cheques when you are talking about a company with such big amounts of money. They obviously slipped under the radar for a while, but they were picked up in a routine compliance activity. They were picked up and they were dealt with. If anything, we should have confidence in the fact that their processes are working well. I know the Hon. Mr Lucas does not want to hear that.

Maxxia has been a major provider for these salary sacrificing arrangements. Out of the three, they are the major one, and they have been operating very diligently and very efficiently. I know it upsets the Hon. Mr Lucas that the government has taken a position that will save public servants' money and that they have such good compliance activities. I look forward to our public servants enjoying many years of good salary sacrificing arrangements.

#### **SALARY SACRIFICING**

**The Hon. R.I. LUCAS (14:29):** I have a supplementary question arising out of the minister's tepid answer. Why is the minister refusing to indicate whether or not Maxxia revealed the details of this fraudulent activity at the time that they were tendering for this particular monopoly contract? The minister did not answer that question yesterday, or today.

**The PRESIDENT:** The minister can answer the question any way he wants.

**The Hon. R.P. WORTLEY (Minister for Industrial Relations, Minister for State/Local Government Relations) (14:30):** I have answered the question, Mr President.

**The Hon. R.I. Lucas:** You have not answered the question.

**The Hon. G.E. Gago:** He has given a response.

#### **SALARY SACRIFICING**

**The Hon. R.I. LUCAS (14:30):** Supplementary question arising out of the minister's non-answer.

*Members interjecting:*

**The PRESIDENT:** Order! The Hon. Mr Lucas has a supplementary.

*The Hon. G.E. Gago interjecting:*

**The Hon. R.I. LUCAS:** Even with your incompetence you couldn't support that.

**The PRESIDENT:** Order! The Hon. Mr Lucas should ask his question.

**The Hon. R.I. LUCAS:** I cannot hear myself, Mr President. I am being heckled.

*Members interjecting:*

**The Hon. R.I. LUCAS:** Mr President, I am being heckled. This is terrible.

**The PRESIDENT:** Order! Let us get on with it. The Hon. Mr Lucas.

**The Hon. R.I. LUCAS:** As my colleague says, dumb is defending dumber in this particular case. My supplementary question arising out of the minister's non-answer is: is the minister standing by the statement he made yesterday that these fraudulent activities commenced some years prior to McMillan Shakespeare's acquisition of RemServ in 2004?

**The Hon. R.P. WORTLEY (Minister for Industrial Relations, Minister for State/Local Government Relations) (14:31):** I have given a response. I think the important issue out of this is that Maxxia has very good processes in place that will make sure that every financial transaction and everything that goes on with salary sacrificing will be transparent, and any hint of any fraud will be picked up through their compliance measures.

#### **SALARY SACRIFICING**

**The Hon. R.L. BROKENSHERE (14:32):** Supplementary: given the minister's answers today and previously when I asked similar questions—

**The PRESIDENT:** Without explanation. The Hon. Mr Brokenshere should know how to ask a supplementary by now.

**The Hon. R.L. BROKENSHERE:** Is the minister still refusing to revisit the tender process given what has been highlighted today and his answers?



**The Hon. R.P. WORTLEY (Minister for Industrial Relations, Minister for State/Local Government Relations) (14:32):** Nothing has been highlighted today. The only thing that has been highlighted is that their processes work; that is the only thing that has been highlighted. A process was gone through, Maxxia won the job and a lot of public servants will be better off for it.

#### HOMELESS2HOME

**The Hon. S.G. WADE (14:32):** I seek leave to make a brief explanation before asking the Minister for Social Housing a question relating to the homeless2Home computer database.

Leave granted.

**The Hon. S.G. WADE:** On Wednesday 2 May, in answer to a question from the Hon. Jing Lee about the troubled homeless2Home computer database, the minister identified that planning for a second release of H2H is underway. He said the second release is expected to overcome many of the current issues that users have with the system. My questions to the minister are:

1. When will the second release of H2H occur?
2. What is the total budget for the implementation of the H2H system?
3. Are there any unbudgeted costs associated with the rollout of H2H?

**The Hon. I.K. HUNTER (Minister for Communities and Social Inclusion, Minister for Social Housing, Minister for Disabilities, Minister for Youth, Minister for Volunteers) (14:33):** I thank the honourable member for his most important question and his continued interest in this matter. The homeless2Home case management system provides a single statewide case management and information management system to the South Australian specialist homelessness sector. The H2H case management system is used by all agencies in the homelessness sector in South Australia, and that is an important advance.

It is designed to support the pathway of clients through the sector, enabling clients to access the service system at any point and ensuring that clients only need to tell their story once to government or service providers. The system promotes consistent service provision and integration across the service sector. Significant and robust consultation was undertaken across government and non-government stakeholders throughout the planning and development of the H2H system. The general uptake across the sector has been very successful, with a high number of user logins—I am advised that is the technical term. I have no idea what it is, but I am sure it is very useful.

Users in general have been positive about the increased capacity for cross-agency integrated service responses that the system provides. H2H was developed following advice from the Australian Institute of Health and Welfare in 2010 that they were decommissioning the former electronic National Minimum Data Set (NMDS) collection tool for specialist homelessness services and would not be replacing that system. The responsibility for providing ongoing data for the commonwealth government was then placed on separate jurisdictions. South Australia led the way in developing H2H to deliver national minimum data requirements incorporated into a statewide client and case management system. Other jurisdictions have requested assistance from the commonwealth government after failing to develop their own data collection systems, I am advised.

As a result, the AIHW responded with a Specialist Homelessness Information Platform (SHIP), which is now used in all other jurisdictions to report on the NMDS. As well as collecting data, H2H is designed to improve client outcomes and efficiencies within the sector by enabling clients to enter the homelessness service system through any homelessness service, ensuring there is no wrong door; improving information sharing and referrals between agencies; reducing the reporting burden for agencies; and supporting consistent service responses for clients by providing a standardised case management tool set.

Housing SA has a robust system to support the uptake and ongoing use of H2H across the homelessness sector and that includes regular ongoing training to existing and new users, a free-call helpdesk for H2H users available from 9 to 5 Monday to Friday, an H2H online support page, and information and consultation sessions to individual agencies to assist with troubleshooting dilemmas and barriers to uptake.

Whilst the feedback from users to date has been largely positive, we are still working on improvements to the service. This of course will be frustrating for people, but that is just part of the rollout of a new system like this. I understand that there have been some reports in the media about this system. Unfortunately they do not go to the depth of the system; they just report on the

initial issues that have been raised while we have been—I suppose the term is—beta-testing it. I am advised that the support from the sector is very positive.

I am advised that in a recent workshop with senior staff, Housing SA received commendations from the AIHW and H2H which acknowledged the system as superior to that available in other jurisdictions. They recognise H2H as having an advantage over SHIP, as it allows for statewide collectability of clients within specialist homelessness services. I am advised that the AIHW reported that other jurisdictions were aspiring to a similar standard but had significant work that they needed to do to catch up to H2H.

I am also advised that the H2H system developed by Housing SA was a finalist in the Excellence in e-Government Awards in the category of applications development. These awards recognise the most outstanding initiatives in any government across five ICT disciplines. I am also further advised that on 5 July 2012 H2H was awarded a merit for the 2012 SA iAwards (that is South Australian iAwards) and was selected as a finalist for the 2012 national iAwards in the category of outstanding ICT innovation dedicated to delivering improved government service delivery or other electronic initiatives to the community. Finalists for the 2012 national iAwards will be announced at some stage in August, I am advised.

### HOMELESS2HOME

**The Hon. S.G. WADE (14:38):** Given I was not able to get an answer to any of my questions, could I ask as a supplementary: when will the program leave the beta-testing phase and go operational?

**The Hon. I.K. HUNTER (Minister for Communities and Social Inclusion, Minister for Social Housing, Minister for Disabilities, Minister for Youth, Minister for Volunteers) (14:38):** I understand that the program is operational as we speak and the beta-testing phase is just part of the initial rollout; but it is being used, is my advice.

### GLADYS ELPHICK AWARDS

**The Hon. G.A. KANDELAARS (14:38):** I seek leave to make a brief explanation before asking the Minister for the Status of Women a question about the Gladys Elphick Awards.

Leave granted.

**The Hon. G.A. KANDELAARS:** The minister launched the nominations for the 2012 Gladys Elphick Awards at the International Women's Day collective event in March this year. I understand the recipient of the award was announced as part of this year's NAIDOC Week. Can the minister advise the chamber who is the recipient of the 2012 Gladys Elphick Award?

**The Hon. G.E. GAGO (Minister for Agriculture, Food and Fisheries, Minister for Forests, Minister for Regional Development, Minister for Tourism, Minister for the Status of Women) (14:39):** I thank the honourable member for his most important question. This very prestigious award commemorates the late Gladys Elphick MBE, who was born in 1904 and grew up on the Point Pearce Mission Station on Yorke Peninsula. Of Kurna/Ngadjuri descent, she was known to most people simply as Auntie Glad. In 1966, Gladys was instrumental in bringing together a number of women to form the Council of Aboriginal Women of South Australia—the first Aboriginal women's body to be formed in Australia.

Today, the award named in Auntie Glad's honour continues the tradition of recognising outstanding community spirit and work amongst Aboriginal women in South Australia. This year represents the 10<sup>th</sup> anniversary of the awards. I was privileged to attend some of this year's award presentations during the recent NAIDOC Week celebrations, and I am pleased to report that, this year, there were joint winners of the Gladys Elphick Award. One of the winners was Eunice Aston and the other was Lavene Ngatokorua.

Eunice Aston is a Ngarrindjeri woman who shows strong leadership. She is committed to improving the lives of Aboriginal women and communities, and she is a leader in the Murray Mallee community. This is evident through her membership on numerous boards and committees including, of course, the Premier's Council for Women.

Eunice has given much of her personal time as a volunteer, serving on many local women's groups and committees, including the advisory group for the Aboriginal Maternal and Infant Care program and the Kalparrin Community Women's Group. Eunice has dedicated her life to supporting Aboriginal people's physical and mental health, including obtaining a Diploma of

Nursing. Through her many roles in the community, Eunice has done much to strengthen and empower local Ngarrindjeri women.

One practical and important role that she has undertaken is chairperson of Ninkowar Inc., which is the Ngarrindjeri women's organisation based in Murray Bridge, and as a member of the Ngarrindjeri Regional Authority. Eunice has set up a local Aboriginal Cultural and Community Centre, which is a base for women and their families to come and be involved in learning skills like creating art, jewellery making and contributing to positive community events. Eunice is a strong advocate and role model for Aboriginal women living in and on country. She actively promotes their achievements and raises their issues at local, state and national levels.

The other recipient of the Gladys Elphick Award was Lavene Ngatokorua. Lavene is a born leader. Even from a very young age as a child at the Umeewarra Children's Home, she was recognised as a leader there. Many would remember Lavene organising the younger children in activities and play. Even though she grew up in a mission environment, Lavene's cultural knowledge and identity still remain very, very strong features of her life.

Lavene has stood up against injustice wherever she has seen it and she has worked as a nurse, a sports coordinator of the state's netball and football carnival and also as a police officer. In addition to her years of hard work, Lavene has strived to develop herself through study, completing various courses including business and governance. Lavene's natural leadership and calm persona have greatly benefited the community. We have seen this in the way that she brings peace into high conflict situations both in the community and also professionally. The young people of Davenport community are very dear to Lavene, and we can see her dedication as the Tji Tji Wiru coordinator, which is a successful youth service in Davenport.

Lavene is an extraordinary Aboriginal woman who protects her culture and cares for her community very deeply. Her culture and her love for her family and community are what drive her. I am sure that members would agree that these two extraordinary women are very worthy recipients of this year's Gladys Elphick Award. We congratulate both of them on their wonderful efforts.

### CHILD HARBOURING

**The Hon. A. BRESSINGTON (14:44):** I seek leave to make a brief explanation before asking a question of the minister representing the Minister for Education and Child Development.

Leave granted.

**The Hon. A. BRESSINGTON:** I thought I would use this opportunity today to highlight my concerns again about the misuse by Families SA of the two relatively new offences of harbouring a child in state care. As members may recall, in response to findings of the Mullighan inquiry in 2009, this parliament passed the Statutes Amendment (Children's Protection) Bill, which introduced an offence for failing to comply with a direction not to harbour, conceal or communicate with a child under section 52AAB of the Children's Protection Act 1993, and harbouring or concealing a child under section 52AAC. Referring to section 52AAB, the minister stated when introducing the bill:

These directions are aimed to protect vulnerable children who are in state care from the kinds of exploitation referred to by Commissioner Mullighan in his report.

At the time I expressed my fears that, despite this intent, Families SA would use these powers as a case-management tool and apply them to family members of a child in state care. Unfortunately, yet again, I have been proven right.

In May I brought to this parliament's attention the ongoing prosecution of a young woman and her sister—both of whom were under the guardianship of the minister until the age of 18—for failing to comply with a direction not to harbour, conceal or communicate with their 16-year old brother, also in state care. Having looked at this case, it is clear that these young women posed no danger to their brother, for whom they care deeply, and, instead, Families SA used the directions in an attempt to isolate and hence make the child in their care more compliant. Sound familiar?

Unfortunately, they are not the only family members of children in state care to be prosecuted under these offences. My office has accessed via the Chief Magistrate the sentencing remarks of all the prosecutions for offences against sections 52AAB or 52AAC, and all are against family members. Two are against uncles and one is against a father, although he was acquitted.

The sentencing remarks do not convey all the necessary details to assess whether these directions were issued contrary to the minister's stated intention. In fact, it would seem that the magistrates themselves were unsure of Families SA's concerns about the defendants and hence

why the notice had been issued in the first place. However, it is clear that in at least one of these prosecutions the defendant posed no danger to his niece, who had seemingly rocked up on his doorstep looking for a place to stay. Noting this, the magistrate only sentenced him to a small amount of community service.

Given these cases and the prosecution against the two young women, it is clear to me that Families SA is using these offences as a case-management tool and not to protect children from the exploitation referred to by Commissioner Mullighan, as was intended. Given the apology that we have all just made in this parliament due to an abuse of power that seems to be generational, my questions to the minister are:

1. Is the minister at all concerned that Families SA is using the directions under the abovementioned sections contrary to the stated intention of the provision in this parliament?
2. Will the minister detail the process by which such orders are issued, including any crosscheck mechanism that may exist?
3. Will the minister commit to undertaking a review of these two offences?
4. Given the stated intention of section 52AAB, does the minister consider that perhaps it would be more appropriate for the police to be given the role of issuing these directions, taking it out of the hands of Families SA entirely?

**The Hon. I.K. HUNTER (Minister for Communities and Social Inclusion, Minister for Social Housing, Minister for Disabilities, Minister for Youth, Minister for Volunteers) (14:48):** I thank the honourable member for her very important questions and for her ongoing interest in this very important area. I undertake to take that question on harbouring offences under the Children's Protection Act 1993 to the Minister for Education and Child Development in the other place and seek a response on her behalf.

#### **SAFEWORK SA INSPECTORS**

**The Hon. CARMEL ZOLLO (14:49):** My question is to the Minister for Industrial Relations. Can the minister provide details about the various activities conducted by SafeWork SA inspectors during the past year?

**The Hon. R.P. WORTLEY (Minister for Industrial Relations, Minister for State/Local Government Relations) (14:49):** In addition to its compliance and enforcement role, SafeWork SA undertakes a range of proactive and strategic industrial relations and occupational health and safety interventions, projects and activities. These activities contribute to safe and fair workplaces; assist with reducing workplace injury, illness and death in South Australia; and support the achievement of South Australia's strategic plan targets.

One of these projects is 'Forklift Safety in the Grocery and Fruit and Vegetable Wholesale Industries', which is a national project that has been led by South Australia throughout the past year. This project involved the provision of safety information, followed by workplace audits of targeted sites by occupational health and safety inspectors. In South Australia, 25 work sites were audited and a number of compliance notices were issued relating to the condition of forklifts. An outcome of this project is the preparation of guidance material, which is currently being developed and will guide the development of a national code of practice for forklifts.

In addition to this project, SafeWork SA occupational health and safety inspectors are currently involved in targeted intervention strategies addressing health and safety and fair work issues in the poultry industry, and emergency preparedness at petrol stations as a result of the unique risks imposed upon this industry involving dangerous substances and the general public. These are just a few examples which highlight the diversity of work being undertaken by SafeWork SA, and the critical nature of that work.

Injury data shows that the strategies implemented by SafeWork SA are achieving results, with the nationally comparative performance measure showing that South Australia achieved a 36 per cent reduction in the income maintenance claim rate for all employers to December 2010. South Australia leads all other state, territory and commonwealth jurisdictions in progress towards the national injury target.

At a local level, SafeWork inspectors were again on hand at many of South Australia's major events. There is no denying that safety is paramount at all our major events, and the SafeWork SA inspectors ensure compliance with legislative requirements associated with worker

and public safety at major events by providing advice and assistance and, where necessary, by using compliance and enforcement action.

Over the past year, SafeWork SA inspectors attended the Royal Adelaide Show, the Mount Gambier Show, Schützenfest, the Tour Down Under, Tunarama, the Big Day Out, Carnevale, Clipsal 500 and the Oakbank Racing Carnival. SafeWork SA staff also assisted organisers with pre-event planning for the Adelaide Fringe, WOMADelaide and the Garden of Unearthly Delights.

The operation and management of amusement rides; event management as it relates to public and workplace safety; public safety, including crowd control, access and egress and emergency assistance, stands, seating and scaffold safety; as well as safety management systems are just some of the areas that are checked by inspectors to ensure the safety of workers and the public at these events. SafeWork SA has also participated in a number of strategic industrial relations interventions, projects and compliance activities towards the achievement of fair workplaces in this state.

During 2011-12, SafeWork SA delivered several federal industrial relations programs, including the Dentists, Orthodontists and Medical Rooms Audit. SafeWork SA delivered a range of information and education sessions for employers in this sector in both metropolitan and regional South Australia. The audit aimed to ensure compliance with the ordinary rates of pay, penalty rates, loadings and allowances of the Health Professionals and Support Services Award 2010 and related provisions of the Fair Work Act 2009. Other key rights and obligations in the workplace were also covered, including the requirements for keeping time and wage records and long service leave. Preliminary findings indicate a number of contravention types, including incorrect classifications, incorrect payment for Saturday work and general underpayments.

SafeWork SA continues to administer the national industrial relations laws on behalf of the Fair Work Ombudsman. From 1 July 2011 until 31 May 2012, more than 1,800 transitional education visits, which are designed to assist employers to transition to the national system of industrial relations, have been undertaken. During the same period, over 300 audits were completed and over 700 investigations commenced towards the achievement of its service delivery targets under the national system.

The latest information made available to SafeWork SA by the Office of the Fair Work Ombudsman is that, from 1 July 2011 to 31 May 2012, SafeWork SA had recovered more than \$920,000 in underpayments for all employees. In regard to state industrial relations, I can advise that, from 1 July 2011 to 31 May 2012, SafeWork SA inspectors have finalised almost 200 investigations, which has led to the recovery of over \$430,000 in underpayment of wages.

This government remains committed to assisting all South Australians to enjoy a safe, fair and productive working life. It is through a range of interventions, projects and compliance activities, such as those I have mentioned, that this commitment is being realised.

#### **SAFEWORK SA INSPECTORS**

**The Hon. R.I. LUCAS (14:55):** I have a supplementary question arising out of the minister's Dorothy Dixier. Can the minister indicate how many inspectors are currently employed by SafeWork SA, and has there been any reduction in that number in the last two years?

**The Hon. R.P. WORTLEY (Minister for Industrial Relations, Minister for State/Local Government Relations) (14:55):** I will take that question on notice, and I will get an answer back to the honourable member.

#### **WATER PRICING**

**The Hon. M. PARNELL (14:56):** I seek leave to make a brief explanation before asking the Minister for Agriculture, Food and Fisheries, representing the Treasurer, questions about water pricing.

Leave granted.

**The Hon. M. PARNELL:** Last week, ESCOSA revealed that the state government has removed the power of the Essential Services Commission to set water prices for households for the next three years. In responding to the stripping away of the price-setting powers, SACOSS Director, Ross Womersley, said:

This is completely surprising and somewhat perplexing. On the day ESCoSA alarmingly confirms South Australia has the highest prices for overall water bills (60% higher on average [than in other jurisdictions]), the highest water supply charges (130% higher on average), and the highest usage charges (36% higher on average)

from across Australia, we are...told the Treasurer has issued a separate Pricing Order which effectively means ESCoSA will have no price setting role until after the first price determination period.

What this means is responsibility will stay within the control of the Government and SA Water, and it's in this context that over the last 3 years we have seen some of the steepest rises in water prices ever.

Mr Womersley went on to say:

The Government has benefited through direct inflows of \$100s of millions of dollars to the budget in the last few years from SA Water. Does this mean they fear an independent examination of current prices might result in ESCoSA concluding water is currently overpriced?

He goes on to say:

The Government needs to explain why we have the highest prices in the nation and the desalination plant can only be a part of the reason, as most other states have similar obligations around desalination capacity. Moreover, in taking away the role of the regulator, the Government also needs to explain to the South Australian public how it intends to control prices going forward. We have heard loose commitments to keeping price increases in line with general CPI from Premier Weatherill and Minister Caica, but in removing the regulators role like this, we are now on a slippery slope.

SACOSS calls on the Government to immediately issue a statement confirming it will commit to reducing prices as soon as the full cost of the desalination plant has been recovered. Furthermore, given the absence of an independent regulator, SACOSS additionally seeks a written commitment affirming the Government's position that it will keep price rises to within CPI during the 2013-16 period. Water is an essential service and all South Australians should be protected from paying unreasonable and unfair prices now and into the future.

My questions of the minister are:

1. Why does South Australia have the highest water prices in the nation?
2. How does the government intend to control prices in line with the general CPI?
3. Will the government confirm that it will reduce prices as soon as the full cost of the desalination plant has been recovered and, if not, why not?

**The Hon. G.E. GAGO (Minister for Agriculture, Food and Fisheries, Minister for Forests, Minister for Regional Development, Minister for Tourism, Minister for the Status of Women) (14:59):** I thank the honourable member for his most important questions. I will refer them to the relevant ministers in another place and bring back a response. It may be that the questions range across a number of portfolios, but I will let those ministers squabble amongst themselves as to who wants to provide the answers.

#### **TOURISM, KANGAROO ISLAND**

**The Hon. D.W. RIDGWAY (Leader of the Opposition) (14:59):** I seek leave to make a brief explanation before asking the Minister for Tourism a question about tourism developments on Kangaroo Island.

Leave granted.

**The Hon. D.W. RIDGWAY:** I have been advised that Chinese business people have expressed an interest in building a tourism resort and a Buddhist retreat on Kangaroo Island. In fact, they have had discussions with members of the government. I am also advised that this Chinese group has also offered to take the entire elected Kangaroo Island Council on a trip to China to view its overseas operations. My questions to the minister are:

1. Have you as tourism minister or have any other ministers had discussions with Chinese interests in relation to the tourism development and the Buddhist retreat on Kangaroo Island?
2. Do you think it is appropriate for a developer of this nature to offer to take the entire local council on an overseas trip?

**The Hon. G.E. GAGO (Minister for Agriculture, Food and Fisheries, Minister for Forests, Minister for Regional Development, Minister for Tourism, Minister for the Status of Women) (15:00):** I thank the honourable member for his important questions. This is so typical of the opposition. First of all, it was very good of the Hon. David Ridgway to make it into question time. I hope we did not interrupt anything important that he was doing in order to make it here eventually; it is nice that he could make it.

This is just so typical. Here we have potentially an opportunity for investment in terms of a very important tourism destination in South Australia, a destination where we are investing

considerable sums of money in terms of a marketing campaign to attract tourism and other interests to the area. Here we have potentially some interest in investment in the island, and what do we get? We get the opposition coming in here and whingeing and whining and bemoaning and casting innuendo, too—

**The Hon. D.W. RIDGWAY:** Point of order, Mr President.

**The PRESIDENT:** Order!

**The Hon. D.W. RIDGWAY:** At no stage did I whinge, whine or cast innuendo.

**The PRESIDENT:** What is your point of order?

**The Hon. D.W. RIDGWAY:** The point of order is that she's misleading the parliament.

**The PRESIDENT:** Relevance? No point of order.

**The Hon. G.E. GAGO:** Innuendo, that in some way something improper has been done. That was the innuendo. Again, the opposition's innuendo that something improper was occurring and cast in the negative term. It was not cast in the positive term; that is, does the minister think it is a wonderful idea to be encouraging councillors? No, he casts it all in the negative, suggesting that there is something improper and something wrong going on, a bit of graft and corruption. This is what the opposition is always suggesting; the innuendo is always there; it is always negative and it is always talking down opportunities for South Australia. That is what the opposition comes in here and does—always talking down opportunities.

Regarding this information, I am only aware of very preliminary inquiries and interest by this particular group. To the best of my knowledge, neither I nor my ministerial officers have met with any particular agents involved in this project. As I said, that is to the best of my knowledge and I am happy to check that. To the best my knowledge, there has only been some very general, very preliminary interest in this matter. To the best of my knowledge, I have not heard any proposals to be taking all council members or any councillors anywhere. I am very happy to put that information on the record.

Nevertheless, I want to make the point that, time and time again the opposition comes in here and instead of talking up opportunities for investment, instead of encouraging these interests and encouraging these organisations to come forward, what it does is scare the bejesus out of them. All these companies become terrified that they are going to be named here in parliament by members of the opposition, named in this place and the innuendo inferring that somehow their practices are improper. That is what is so damaging. That is what talks down interest and that is what scares away industry because they are terrified they are going to be named here and, as I said, have this nasty, unsubstantiated innuendo cast against them. It is irresponsible. It is an irresponsible thing to do, and the opposition should be talking up this state, encouraging investment and encouraging opportunity, not just for KI but for all of South Australia.

**The PRESIDENT:** The Hon. Mr Ridgway has a supplementary.

#### TOURISM, KANGAROO ISLAND

**The Hon. D.W. RIDGWAY (Leader of the Opposition) (15:05):** In the preliminary discussions the minister has had, what is the magnitude of the proposed development?

**The Hon. G.E. GAGO (Minister for Agriculture, Food and Fisheries, Minister for Forests, Minister for Regional Development, Minister for Tourism, Minister for the Status of Women) (15:05):** I have not indicated that I have had any discussions. What I have indicated is that, in terms of the preliminary information that I have, there is some interest. It is of a very general nature; I have no details. It is only very general, and I do not have any details at all that I am aware of. But I think it is a disgrace. I will say it again: it is an absolute disgrace that the opposition comes into this place and talks down this state, talks down potential investors in this state and scares off business interests, because this is the way they are treated. This is the way potential investors are treated—named in this place, shamed in this place and have this snide innuendo that something that they are doing is completely improper. They are a disgrace.

**The PRESIDENT:** The Hon. Ms Bressington has a supplementary.

**TOURISM, KANGAROO ISLAND**

**The Hon. A. BRESSINGTON (15:06):** Will the minister make some inquiries and find out whether this investment opportunity is going to lead to the sale of land on Kangaroo Island to this Chinese company or whether it will be a lease agreement for the land?

**The Hon. G.E. GAGO (Minister for Agriculture, Food and Fisheries, Minister for Forests, Minister for Regional Development, Minister for Tourism, Minister for the Status of Women) (15:07):** And another further disgraceful question—again, disgraceful. This is what you have: scaremongering. Here we have Kangaroo Island—

*Members interjecting:*

**The PRESIDENT:** Order! The honourable minister is answering.

**The Hon. G.E. GAGO:** —which is facing significant financial challenges.

**The Hon. J.M.A. Lensink:** Yes, thanking your marine parks.

**The Hon. G.E. GAGO:** There are no marine parks there at the moment, so how possibly—this is how thick the opposition is. The marine parks are not even in place, yet the Hon. Michelle Lensink is blaming the problems of KI on marine parks that do not even exist anymore. This is how irresponsible and how outrageous they are. Here we have another example of absolute scaremongering. KI is facing significant financial challenges. It is a large island that requires a great deal of infrastructure development, and it has a very small rate base. They struggle to achieve even basic developments in that state. This government is working very hard with KI to promote tourism opportunities and other developments on that island—

*Members interjecting:*

**The PRESIDENT:** Order!

**The Hon. G.E. GAGO:** —to make it a sustainable, viable, strong economy, and any investment in and on that island should be welcomed. What evidence does the Hon. Ann Bressington have that any land is going to be sold to the Chinese on KI? What evidence does she have? But she comes into this place scaremongering. She has no information on this topic at all. She has no information, has not verified any of these facts at all, but she is so irresponsible that she will come into this place and try to scare South Australians that somehow it is being sold off to the Chinese. What a disgrace! What a shameful disgrace!

**The Hon. D.W. Ridgway:** Did you get a bump on the head, this morning, minister?

**The PRESIDENT:** Order!

**YOUTH VOLUNTEER SCHOLARSHIP AWARDS**

**The Hon. J.M. GAZZOLA (15:10):** My question is to the Minister for Volunteers. Will the minister inform us about the Youth Volunteer Scholarship Awards program 2012?

**The Hon. I.K. HUNTER (Minister for Communities and Social Inclusion, Minister for Social Housing, Minister for Disabilities, Minister for Youth, Minister for Volunteers) (15:10):** I thank the honourable member for his most important question. Yes, I will indeed take up his offer. The Youth Volunteer Scholarship Awards reward young South Australians who donate their time and effort to the community. Scholarships are awarded to young volunteers who have a history of community participation and who have demonstrated a personal motivation and interest in helping their community.

The Youth Volunteer Scholarship Awards are an initiative of the Office for Volunteers and are jointly funded by the Office for Volunteers and the Office for Youth. This \$30,000 program offers eligible young volunteers in the 25 and under bracket up to \$3,000 in financial assistance to help them pursue study options at a university, TAFE or vocational college. It was first developed in 2011. The awards provide a demonstrable form of recognition for a young person's contribution to the community.

Many volunteer groups have expressed a need to attract and recruit more young people to their volunteering programs. It goes without saying that organisations that rely heavily on volunteers need to have an appropriate plan for succession in our state with its ageing population. As our baby boomers head towards retirement age and look to wind down their volunteer work, it is crucial that organisations rejuvenate their membership base with younger volunteers to ensure sustainability and continued success in the future.



The Youth Volunteer Scholarship Awards is just one way the government is actively working to attract and recruit more young people to volunteer. Scholarships are distributed to candidates chosen from each of the major geographical areas of the state depending on the number and quality of applications received. In 2011 there were 118 applications received from right across the state, and 24 scholarships were awarded, I am advised. This year the program has been promoted through local government, MPs' electorate offices, state government departments, the print media and the Office For Volunteers' e-boards, with applications closing on 27 July.

I would like to commend the work of the Office for Volunteers and the Office for Youth in working together with this Youth Volunteer Scholarship Awards program. It is an important initiative to encourage young people to volunteer and contribute to their communities, but also to stay in the education system.

### INTERNATIONAL FLIGHTS

**The Hon. D.G.E. HOOD (15:12):** I seek leave to make a brief explanation before asking a question of the Minister for Tourism regarding international flights into and out of Adelaide.

*Members interjecting:*

**The Hon. D.G.E. HOOD:** I think this is a result of a late night last night.

**The PRESIDENT:** I think the Hon. Mr Hood better sit down. It has been answered. I think you've got your answer. Is leave granted?

Leave granted.

**The Hon. D.G.E. HOOD:** I think, like most South Australians, Family First was pleased to hear the news about Emirates flying into Adelaide directly from Dubai four days a week and increasing to seven days a week, I understand, early next year. Also, there was good news with respect to Singapore Airlines increasing their flights. However, the glaring hole in all of this is Qantas, which simply does not fly in or out of Adelaide except to Singapore, I understand, three times a week, but that is their total commitment in terms of international flights in and out of Adelaide. This is, after all, Australia's national carrier, so-called.

Adelaide is the least serviced of any of the capital cities in Australia by Qantas. My question to the minister is simply: has she had conversations with Qantas about their servicing of Adelaide, or lack of servicing, I should say, of Adelaide Airport internationally, and, if so, what is the nature of those discussions to the extent that she can disclose them? If she has not done that, will she commit to doing so?

**The Hon. G.E. GAGO (Minister for Agriculture, Food and Fisheries, Minister for Forests, Minister for Regional Development, Minister for Tourism, Minister for the Status of Women) (15:14):** I thank the honourable member for his most important question. Indeed, having direct flights into Adelaide is a key to helping to improve our visitor rates to Adelaide. It is something that we work very hard on, and I have spoken about it in this place before on a number of occasions. In fact, if I recall, I think I answered that yesterday in response to a supplementary question to the Emirates' question when I was asked what I had done about discussions with Qantas to increase flights here. I think that if you go back and have a look at *Hansard* you will see that I gave quite a bit of detail in relation to that. What I did say was that a number of discussions had taken place and that we were not just looking at overseas, international direct flights but that we were looking at all carriers, including Qantas.

### REGIONAL DEVELOPMENT

**The Hon. J.S. LEE (15:15):** I seek leave to make a brief explanation before asking the Minister for Regional Development a question about regional development.

Leave granted.

**The Hon. J.S. LEE:** On 13 July *The Advertiser* included a special report entitled 'Help us Thrive Together', which stated that the regions had suffered from years of state government neglect. The SA Centre for Economic Studies prepared a report, commissioned by the Local Government Association, highlighting the economic contribution of the regions with a view to improving cooperation with state and federal governments.

This report shows that regional South Australia is worth at least \$16.6 billion a year to the state's economy but it is not being embraced as an important part of the future. Local Government Association SA President, Mr Kym McHugh, said:

...there was a feeling in the bush that the state government did not take the regions seriously.

He continued to say:

In the regions, the people think that the government believes the state economy is from Noarlunga to Gepps Cross because that's where the seats are and where they have to win government, but that philosophy doesn't help the state.

My questions to the minister are:

1. As the Minister for Regional Development, what is the minister's assessment of the South Australian Centre for Economic Studies report?
2. With this independent report indicating neglect from the state government, what measures will the minister put in place to nurture the importance of growth within South Australia's regions?
3. Can the minister outline what clear partnerships the government will introduce to ensure that rural communities are not neglected?

**The Hon. G.E. GAGO (Minister for Agriculture, Food and Fisheries, Minister for Forests, Minister for Regional Development, Minister for Tourism, Minister for the Status of Women) (15:17):** I thank the honourable member for her most important questions. Indeed, the SA Centre for Economic Studies has prepared a report for the Local Government Association of South Australia highlighting the economic contribution of regions with a view to trying to improve the cooperation between state, federal and local governments.

I certainly noted from the news article that the President of the Local Government Association, Kym McHugh, said that there was a feeling that the bush was not being taken seriously by the state government. I understand that the SA Centre for Economic Studies report lists things like infrastructure as a critical challenge, with a need for the development of water, road, rail and energy infrastructure, while problems include things like insufficient homes.

I think that it also identified a need for the expansion and improvement in healthcare facilities and hospitals, as well as more attractions, increased public transport, etc. The government's commitment to regional communities is highlighted, I believe, in our state budget through significant investment in key service areas and infrastructure, with approximately \$95 million throughout regional South Australia. Some of those key initiatives included:

- \$3 million for the Regional Development Fund, with much broader eligibility criteria to be able to enhance greater scope of investments;
- just under \$800,000 over two years for the installation of a digital camera projection system;
- \$200,000 to key studies to help guide long-term strategy, particularly for Port Pirie;
- \$2.6 million for extra training officers to increase the skill base for Country Fire Service and State Emergency Service volunteers;
- replacing \$1.5 million of Country Fire Service breathing apparatus;
- \$500,000 for replacing the State Emergency Service's marine rescue vessel;
- \$20.8 million towards the redevelopment of the Berri hospital;
- \$12.7 million towards the Port Lincoln Health Service redevelopment;
- \$8.5 million towards the construction of the Port Pirie GP Plus centre;
- \$8 million towards the redevelopment of the Mount Gambier Health Service; and
- \$3.1 million towards the establishment of a new five chair dental clinic at Wallaroo.

As honourable members can see, there are a number of areas of key investment that this government is committed to making.

I note, again, that honourable members of the opposition are always keen to talk down our regions, but I notice that the latest ABS advises that, in fact, using 12-month averages, in the May quarter employment in agriculture, forestry and fishing increased by 1,600 persons for South Australia, an increase of 4 per cent. Over the past year employment in agriculture, forestry and fishing increased by 7,700 in South Australia, an increase of 22.4 per cent, and employment in the

12 months to the May quarter 2012 for the agriculture, forestry and fishing industry was at its highest level in three years for South Australia. There are 5,100 more people employed in regional South Australia than this time last year, and it is also worth noting that there are 1,000 fewer people unemployed in regional South Australia than at this time last year.

We know that these are very challenging times, particularly for our primary producers and people living out in the regions, but they are indeed very tough and resilient communities and we can see that even in these times of great challenges there are many signs of positive growth and development in our regions. In a number of respects they are doing really well, but that is not to undermine the challenges they face. However, I do get a bit sick and tired of hearing the opposition put down and bag our regions.

### APPROPRIATION BILL 2012

Adjourned debate on second reading (resumed on motion).

**The Hon. J.M.A. LENSINK (15:23):** I have a few more remarks to make in relation to the budgetary situation, and I am sure members opposite will do their best to stay here so that they can listen to it. I think the point I had gotten to was doing a précis of each of the budgets since Labor took office, and I have some remaining comments in relation to the economy in the future and this particular budget, which has just been handed down.

The efficiency dividends that are being applied across departments, which Labor has had to apply because it has not been able to exercise any discipline in the 10 years it has been in government, is a subject of great interest to the Budget and Finance Committee. I also note that a couple of the unions, when reporting on the budget in their journals, are not particularly happy either. One from the Police Association is headlined 'State budget no help to front-line police.' It makes the point that with the efficiency dividends there will be impacts on frontline police, so I think those sorts promises by the government for 4,400 additional police on the beat, for example, are certainly going to be broken as a result of what they are having to undertake.

The Australian Education Union has in its journal the headline 'State budget delivers status quo' and it also has a fairly critical argument about the amalgamations entitled 'Amalgamations: an end to our unique school system'. They are decrying what is taking place under this government.

I think we are in for a rocky time ahead. The economy globally is starting to show a lot of signs of weakening. While Australia has traditionally been able to weather storms, we have difficulties. As my colleague the Hon. Terry Stephens talked about, the budget black hole that the Rudd Gillard governments have delivered us means that we are less able to respond to global shocks, and certainly at state level the same applies here that we are in so much debt and we have no capacity to be able to respond to those things because of the difficult budgetary position that we are in.

We hear almost daily of new large employers getting into trouble locally. We have had ADCIV here with some 1,000 jobs that are under threat. New dwelling approvals are down very badly and they are down the year to April 2012 at 25 per cent; nationally they are not doing too flash either at 17 per cent, but we are certainly far more vulnerable. The information coming in terms of real estate and people purchasing properties is that it is a buyer's market because nobody wants to buy so if you happen to have any cash it is a good time for you but that does not bode well for everybody who might to be in the housing market. The HIA has said:

...South Australia looks likely to experience two consecutive years of recessionary conditions in the new home building sector. It will be detrimental to the state's economy.

It will be challenging for those in the residential building industry. On top of all these problems, the genius federal government that we have has just introduced a brand new tax. I was in the South-East a couple of weeks ago and the confidence among a lot of the small businesses there is really poor. They are very concerned about what the impact is going to be. They are things that everybody has to pay like their electricity costs and it will potentially send some of them, with their already small margins, to the wall.

The last topic that I would like to talk about is in relation to population. We continue to get spin from this government in relation to the two million target. For anybody who is concerned about population growth, they will be pleased to know that we are not going to get there either by 2027 or 2050. The figures the government used in its most recent media, which was a couple of years ago—I think minister Koutsantonis talked about how well the population growth was going—relies on data that does not compare apples with oranges.

Certainly, net interstate immigration continues to take place in this state. This government rather foolishly said that one of its targets was to reduce it to zero. It actually peaked at 4,676 people in 2008-09. That is a demonstration that people are leaving this state and we certainly all know people who are of working age who are leaving this state because they just cannot get jobs. South Australia is a very difficult place for people to find work, particularly as they move higher up into management, so many of them have to go interstate to find that employment and they are of working age population.

What ties into all of this as well is that this two million target has been used—and I think it has been pointed out by other members as well, including the Hon. Mark Parnell—for Water for Good, the 30-Year Plan for Greater Adelaide and the Training and Skills Commission's plan. So, those are all skewed using wrong figures.

The Academy of Technical Sciences and Engineering recently produced a report that predicts that between now and the year 2050 only 10 per cent of the Adelaide desalination plant's capacity is likely to be required. If there are extended periods of drought, that will be up to 30 per cent. We have the farce of the Mount Barker development, which will cause growing pains for that region for a long time to come as they seek to work out how to provide infrastructure, because they are not being provided any funding from this cash-strapped state government.

We will see continuing skill shortages in South Australia and difficulties we have in importing skilled labour is likely to continue to constrain the state's economy in key sectors such as housing, engineering, health, mining and agriculture. The Leader of the Government in question time has been berating us for talking down the state. With the conditions here we need a bit of realism, and for anybody using the two million population target figures on which to base anything, they are completely rubbery, but rubbery is yet another theme of this particular government in the way they go about doing anything. As we know, it is always about headlines and about politics and there is never any substance to anything they do. I conclude my remarks on this bill.

**The Hon. R.I. LUCAS (15:30):** I support the second reading of the Appropriation Bill. In so doing, I indicate that I made some comprehensive remarks during the debate on the Supply Bill not too long ago about the state's financial and budgetary position, and I do not propose in the Appropriation Bill to repeat all of those statements. If we can summarise where we are at the moment in terms of the state's economy, and sadly the state's budgetary position, it can be summarised in a single word, and that is 'mess'. The mess I outlined in the Supply Bill as it relates to the deficit and debt of the state budget.

In relation to the state economy, in the last week or so we have seen many further examples of bad news for South Australia: the 6.4 per cent unemployment rate to which my colleagues have referred where, sadly, we are leading all the mainland states in Australia, certainly leading the states in terms of the jump from one month to the next. Even if there is some correction or rebalancing in next month's figures, it would still appear that South Australia will be at the upper or higher end of the unemployment rates of all states and territories in Australia.

As the Hon. Michelle Lensink said, we have seen the bad news stories recently with ADCIV, sadly The Dunes development, and Myer nationally and in this state indicating further cutbacks. Sadly, I am told that in the next week we are likely to see a reasonably significant builder in South Australia go under as a result of the current economic conditions in South Australia. One can only hope that they can battle through, but the dogs are certainly barking in relation to that. To cap it off, in the last 24 hours the second of the significant credit rating agencies, Moody's, has broadly indicated that it will follow Standard & Poor's and downgrade the state's credit rating from the hard won, hard fought for, AAA credit rating the state had achieved.

Through the last 10 years of financial disaster, overseen by this current government, having gone through all the pain, it looks like we will have lost the state's AAA credit rating. Its symbol of good financial management appears to have been thrown out the window by Premier Weatherill, Treasurer Snelling and all the other ministers, including the three stooges, if one might refer to them as such, that we have in this chamber.

There are two broad issues that I want to address. The first is the process in relation to consideration of the budget through the parliament. In part, I was prompted by some adverse media criticism, but also the views put by the upper house Greens member, the Hon. Mr Parnell, who put out a press release saying that South Australian estimates is a joke and urgent reform is needed. Those sorts of comments tend to get supporters in the media, who are not overly enthused by the estimates committee process.

I have expressed my personal view on a number of occasions and do so again today. I might be in a minority, but I am of the view that the estimates committee process is a most important part of our good governance framework in South Australia. That does not mean that it cannot be improved, but I think the state and the community would be the poorer if we were just to jettison it, as some would wish, or to make some of the changes that some have been pushing for.

I know that one of the criticisms has been—and the Hon. Mr Parnell was one who has pushed this view, and some of my own colleagues on occasion have put this view too—about the thousands of hours wasted as public servants prepare answers to questions that never come. I am of the view that that process of preparation for questions, whether they come or whether they do not come, or whether they do come in some cases and the ministers and the government never provide the answers that the public servants provide to them, is an important part of the public sector revisiting what it spends its money on and whether or not its processes can be improved.

This is an issue the Hon. Mr Darley has raised when he has talked about, in essence, root and branch reviews or audits of expenditure in government departments and agencies. It is only through going through the process and finding out how you are actually spending your money and what you are spending the money on—and that is assisted by the process of preparation of answers to questions that might come from the media or from the opposition—that you can establish (if you want to, that is) where you can improve, make changes, make cuts or change your priorities as a minister and as a government.

I am not of the school that says, because answers have been prepared and the questions might not have been asked, that that is necessarily a waste of time. A good minister, a good CEO and a good government can and should make use of and value the information that is collected on an annual basis for the estimates committee process. We have lived through a number of years now where departments and agencies have been asked to make expenditure cuts and review their spending. Some have done it moderately well and some have done it appallingly badly. It will not surprise members to know which agencies fit into which particular category there. However, the process can be assisted by looking at all that an agency does, and I believe the estimates committee process can be a useful part of that.

I have obviously spent more years—sadly, from my viewpoint—in opposition than in government but, as an opposition member, I have always found the estimates committee process invaluable in terms of gleaning information about where money is being spent and on issues that should be raised, even sometimes coming from Dorothy Dixier questions that might have been put to ministers just to filibuster and fill out time. Clearly, more useful information generally comes from questions coming from non-government members, and I concede that. However, on occasion, the information provided by way of Dorothy Dixier can help fill out the jigsaw for any hardworking non-government member in terms of where the government is spending its money and on what particular issues it can and should pursue.

As I said, from a government viewpoint, in the period when I was in government I always found, with the process of having the information prepared and having to go through it as a minister, that I was then able to go back to my agency during the estimates, and afterwards, and say, 'Well, why are we doing this? Why are you spending your money on this particular program? Can't we improve in this particular area?' It can and should be a useful prod for a minister who is prepared to do the work to try to become a more efficient and effective agency in the expenditure of taxpayers' money.

As we look at the current structure of the estimates committee process, it can and it should be improved. At this stage, I can only give my personal views on this. Ultimately, a future Liberal government will need to make the decisions as a collective joint party room, but I think this process of the opening statement in some cases taking almost 15 minutes or 20 minutes could and should be removed completely. A situation where a minister can give (potentially) a brief opening statement of no more than two minutes, just to highlight a number of key issues within his or her portfolio, should be more than enough in terms of an opening statement.

Sadly, over the years, we have seen circumstances where the time allocated to a minister for a particular portfolio might have only been 45 minutes to one hour and the minister has chosen to spend 15 to 20 minutes of that on an opening statement and then half of the rest of the time might have been spent on Dorothy Dixier questions as well. So, I think that is something that can and should be looked at.

The second issue to look at is the government spin in relation to how it structures the sitting days. I had my office go back to the last year of the Liberal government: 2001. Essentially, the premier took virtually all of the first day of estimates in one of the budget committees. In 2001, when I was treasurer, on either the first or second day, I spent all day in the committee, from (whenever it was) 11 o'clock in the morning until 9 o'clock or 10 o'clock at night, on Treasury and industry-related matters.

This year—and there was very little media commentary on this—on the very first day, what the government did was structure the Premier, the Treasurer, the Attorney-General, the Minister for Health and Ageing and the Minister for Transport and Infrastructure all on the one day. Why would it do that? For two purposes: one, to put on the ministers who are in considerable difficulty and trouble, such as the Minister for Health and Ageing, late in the afternoon; that is, after the TV journalists have put their stories to bed for the day. The Minister for Health and Ageing was scheduled to come on mid-afternoon or late afternoon and to sit into the evening if he had to. I can give you the exact times: the Minister for Health and Ageing came on at 1.15pm and went through until 6.15pm, so in the afternoon of that particular day. The Attorney-General came on at 4.15pm, in the critical law and order portfolio, and went through to 9.30pm.

What they did, as I say, was to squeeze all the major portfolios into one day so that if there were negative issues for the government they all came at once. Television, of course, tends to concentrate on one news story a day for their evening bulletins. They like to put their stories to bed by lunchtime or soon afterwards. So, the strategy, clearly significantly successful, was to try to protect the ministers in the greatest degree of difficulty, such as the Minister for Health and Ageing, because the media would have done their television story and put it to bed. They are not willing to sit around for five hours from 1.30 pm until 6.30 pm. Their bulletins have gone to air at 5, 6 and 7 o'clock.

Increasingly, even the newspapers' deadlines are mid-afternoon, and no later than late afternoon, unless it is a really big story, for the following day's newspaper stories. The political spin from the hundreds of spin doctors within the government is to schedule all the key portfolios on as limited a number of days as they can, to squeeze them up if they can and put the difficult ones, or the ones in the greatest difficulty, on later in the afternoon or in the evening.

The other thing that the government has done—and again my office has pulled out the information—is that, when you look at the 2012 estimates compared to 2001, it has actually reduced the number of sitting days. There were five days of estimates back in 2001; there has been a 20 per cent reduction to four days of estimates in 2012. The other thing it has done is significantly reduced the total number of hours of the estimates committee process.

There were just under 70 hours of estimates committees in 2001. That had been reduced by approximately 20 hours down to just under 50 hours of estimates committees in the 2012 estimates committee process, so a reduction of approximately 30 per cent in the time available to put questions to ministers in the House of Assembly. That too seems to have escaped any commentary from sections of the media as to how this government has been manipulating the estimates committee process.

The other thing that the government seeks to do for an important portfolio—for example, like the Treasury, where you should have literally hours and hours available to the shadow treasurer and other members to put questions on the budget—is to restrict the number of hours of questioning, but then in a portfolio like the Minister for Veterans' Affairs, the Treasurer, Mr Snelling, is scheduled for one hour of questioning. I am not critical of the importance of veterans' affairs, but in budgetary terms in the state it is insignificant.

Virtually all the expenditure on veterans' affairs comes from the commonwealth government. When one looks at the budget lines, in South Australian terms, the number of officers involved and the expenditure, it is virtually negligible in terms of its budget, yet what the government does is schedule minor portfolios in terms of their expenditure, like veterans' affairs, for an hour, while critical portfolios with billions of dollars may well only have three or four hours of questioning. Clearly, much time is allocated to minor portfolios like veterans' affairs. There are a number of others—an hour, for example, on road safety, minor in terms of expenditure. I know there are a couple. Minister Gago scheduled an hour for the Minister for the Status of Women, yet only 45 minutes was scheduled for the critical tourism portfolio, about which there has been much controversy.

In my own area, with the much and rightly criticised minister Wortley, they scheduled one hour for him as the Minister for State/Local Government Relations. Again, in relative budget terms of state government expenditure, that is a relatively minor portfolio area, yet a full hour is listed for that. Again, there was another hour listed for the Minister for Industrial Relations when virtually all of the industrial relations portfolio is now a federal jurisdiction. Most of the Public Service industrial relations are handled by other agencies of government—or not the minister, anyway—and SafeWork SA is really the only significant expenditure item within that industrial relations portfolio.

With the Minister for Science and Information Economy, there was again another hour for that particular portfolio, yet the Minister for Water and the River Murray—and what more critical issue could we have—is only allocated an hour, which is the same amount of time that we allocate for volunteers or for science and information economy. The reason again, as the Hon. Mr Darley, I am sure, will sorely attest, is that, where you have an incompetent minister who cannot handle the portfolio, what you do is put them in an out of the way timeslot and restrict the number of hours for which they can be subjected to questioning by non-government members to try to hide their incompetence in terms of the management of their portfolio.

These hundreds of spin doctors employed in ministers' officers have got to be doing something so they spend half their waking lives trying to work out how to structure estimates committees to protect most of their weak ministers and to minimise the potential for questions and damage being done to the government and to the ministers during the estimates committee process. The other, I guess, reform that a number of members, including the Hon. Mr Parnell in his most recent statement to support it, has been the involvement of members of the upper house in the process. I have said this before and I say it again: I do not support that notion of having members of the upper house involved in a House of Assembly process.

Firstly, we are and should strenuously protect ourselves as an independent house of a bicameral system of parliament. We have already seen the blurring of the lines with the continued operation of joint house committees, and that has been accepted now for almost 20 years, but the notion that the upper house should be subsumed into a government dominated lower house estimates committee process is something which is anathema, I think, to the notion of an independent and equally strong upper house of parliament that is there as a safety net or a protection for the people of South Australia.

The situation with any joint house committee system in most governments will be that the government of the day would obviously only agree if they dominate and control the estimates committees; that is, they would be insisting on government members to chair the committees. Having looked at the performance of some of the government chairs in restricting questioning during the estimates committee process, again, that is not conducive to greater transparency and accountability. Sadly, the government members in many cases are there just to seek to prevent the release of information and to protect, to the degree that they can, their colleagues who are ministers.

Having the upper house's scrutiny of the budget being, as I said, subsumed by the government of the day and its estimates committee process, whilst superficially to some appears attractive and gets a head nod, I think is dangerous. I believe effective scrutiny of government expenditure can and should be done by the upper house separately to an improved scrutiny process in the House of Assembly.

As I said, there are a number of ways that they could agree to improve the scrutiny and accountability. As with answers to questions on notice in parliament, a government and a premier could give a commitment to actually answer the questions within a certain time frame. It used to be the case with the estimates committees that the requirements and rules which say that you need to provide answers within, I think, either a month or two would be complied with by and large by previous governments—Labor and Liberal, to be fair.

It has only been this government since 2002 that has effectively snubbed its nose at the convention of accountability, jettisoned any pretence of being prepared to answer questions and refused to answer thousands of questions on notice. It generally snubs any difficult questions that it might receive from the estimates committees. In many cases, any answers that are provided are provided well into the following calendar year. Given that the estimates committees are generally in June, sometimes it can be close to the following year's estimates committees that some of the answers trickle in.

The process can actually be improved by a premier and a government that is genuinely prepared to improve accountability and transparency. It is not unreasonable to expect any government—Liberal or Labor—within a period of a couple of months, to make some attempt to answer questions which have been asked in the estimates committees and, similarly, questions that have been put on notice.

In relation to the on-notice system, I have previously called for a system whereby a government would be prepared to commit to the sort of standing order change which occurs in virtually every other jurisdiction, where there is a requirement on a minister, within a certain number of days—generally about 30 days, sometimes up to 50 days—to bring back answers to questions on notice. There is no logical reason why that sort of standing order reform could not be instituted by a premier and a government interested in transparency and accountability. Certainly it is my hope that, if there is a change of government in 2014, we will see those sorts of reforms in transparency and accountability with Isobel Redmond.

The Hon. Mr Parnell raised another issue, and I note his headline was 'South Australian estimates is a joke.' I must admit that, when I read his suggestion, I thought he was subscribing to the headline of his own press release. He said that the majority of questions asked during estimates should be given to ministers in advance to enable answers to be scrutinised in the public hearings and followed up. That is exactly what we do, and what we have been doing since 2002, with questions on notice. Questions have been given in advance, and all the government does is ignore them. In many cases, the government just ignores questions asked without notice in this council.

We had the extraordinary position today—and this occurs in the other place as well—where simple questions relating to a contract that the government has entered into for salary sacrifice were put to the minister and he just bald-faced got up and said, 'Well, I have already given you the answer.' Any independent observer comparing his answers yesterday and today to the questions would know that that statement is just untrue. The answers were not given. He knows that they have not been given. He has been told, 'Just get up and say, "Well, I've already given you the answer to that" and then just sit down.'

This notion that the Hon. Mr Parnell has, that by giving the majority of questions to ministers in advance to enable the answers to be scrutinised, I think is up there in cloud-cuckoo-land in terms of its capacity to improve the estimates committee process. From my viewpoint, the estimates committee process—as with question time—is there to put ministers under pressure, to see whether or not they understand their portfolio, not whether or not their hundreds of ministerial advisers can write an answer to a question. It is to see how well they understand their portfolio. Are they actually running their department? Do they actually know anything about it?

We had the Dorothy Dixier from the government backbencher today and the minister was waxing lyrical about the work, and important work, that SafeWork SA inspectors do. The first question you would think would be: how many have we got? When the supplementary question came to the minister today, 'How many inspectors have you got doing this good work, and have you reduced them in the last two years?', minister Wortley was unable to answer the simple question.

He only has one small agency within his control. They took WorkCover away from him, for the first time ever for an industrial relations minister, because they could not trust him with it. They gave him state/local government relations because no-one can mess that up, surely. He managed to do that within four or five days with Burnside council and others. They took WorkCover away from him and they just left him with SafeWork SA.

If that is all you have—you have 15 full-time staff, three part-time staff and a chauffeur in your office—and all you have to manage is SafeWork SA, basically, and the main work they do, the biggest employment section, is inspectors, you would think at some time in the last year or so he might have asked somebody, 'How many of these people do we have?'; and, if he did ask, he might have been able to remember it. Mr President, the sad reality of the quality of the ministers that your party is offering up in this chamber, and another chamber, is demonstrated by the incapacity of minister Wortley to answer even the simplest of questions. That was not a very difficult question: how many SafeWork SA inspectors do you have, minister? You cannot get much simpler than that. I guess we cannot get much simpler than the minister because he could not answer that simple question.



The Hon. Mr Parnell suggests there should be no opening statements from ministers. As I said, I agree with that principle. I think perhaps there could be a limit of two minutes, just in case something useful can be offered by a minister in terms of a major issue or expenditure item.

The Hon. Mr Parnell raises the chance for the public to put forward their views on spending priorities. I am interested to know how he sees that being involved in the estimates committee process. I do not have a problem with the public putting forward their views on spending priorities, but how that is incorporated into the estimates committee process I will await the Hon. Mr Parnell's suggestions.

Then he talks about different sessions spaced over the year. The dilemma for the estimates committee process is it is actually the committee stage of the budget bill, so you cannot spread that over the whole year. You can have estimates committees, and other jurisdictions do it, in the lower house and in the upper house, but the estimates committee process of the Appropriation Bill is the committee stage of the bill. It is a House of Assembly process and, when that is finished, they then have the third reading, the bill passes and it comes to the Legislative Council. So it is impossible to space the estimates committee process of the Appropriation Bill throughout the year.

You could have estimates committees which do work similar to the Budget and Finance Committee on an ongoing basis, and that is a separate issue. They already have a committee that could do that, the Economic and Finance Committee, but the government, because it controls the numbers, closes down that committee. So I think it could be a useful segue. I think 'ill-informed' is perhaps too strong a word. The Hon. Mr Parnell's suggestions, which I just do not think will work, could work and will be an improvement, so perhaps moving to a system where you can see greater transparency and accountability.

I think we have already started that process in the last three years or so, through the establishment of the Budget and Finance Committee of the Legislative Council. The reform ought to continue. After the next election, the Budget and Finance Committee should become a standing committee. It should have permanent, ongoing staff who can develop corporate knowledge and expertise to advise the members of the committee in terms of the questions.

Members have heard me speak of it before but I will speak again, and quickly, that the advantage of the Budget and Finance Committee is that it is not controlled by the government. It is not chaired by the government. It will not be chaired by the government in the future—unless at some stage the government manages to control the numbers in the Legislative Council, and that has not occurred under our electoral system since the 1970s, and it is unlikely to happen.

It is a better process because, rather than having ministers practised, or relatively well practised, in not answering the questions, we have senior public servants—the chief executive officers and finance people—before the committee answering questions from members of parliament in terms of how they are spending the money. It is also a better process because it is ongoing; it meets on a fortnightly basis. There is no reason why, at some stage in the future, it could not meet more frequently than that if it wanted to do so; it is just a workload issue for members in terms of membership of committees.

We have on a number of occasions had government members toss up the Dorothy Dixers. We had one CEO who thought he would be half smart by delivering, with a smug look on his face, a ministerial-like opening statement, which went for about 20 or 25 minutes, and then he proceeded to answer at great length a number of Dorothy Dixier questions from the government members. The committee has the capacity, and did so on that occasion and will do so again, to say, 'Well, okay, we didn't get through the questions. You'll be back here next month to finish the questions.'

That is not possible with the estimates committee process of the House of Assembly. There is a set time set by the government and, once it is filibustered out, there are no more questions, and ministers can use that process to filibuster the time available. That is not possible in the Budget and Finance process of the Legislative Council. Those CEOs who try that particular game can come back, and come back again, if they need to. Some of the smarter CEOs who have come before the committee have recognised that and are either making no opening statement or making a brief two-minute opening statement and are moving directly into questions.

We are now at a stage with the Budget and Finance Committee process that most of the bigger agencies are being visited twice a year—so it is not just once a year—so that Education,

Health, Treasury, Premier and Cabinet, Transport, and Justice (the bigger agencies) are giving evidence to the Budget and Finance Committee virtually, on average, about every six months.

The invitation to the Hon. Mr Parnell is there, as it is to all other members. This council has passed a motion which allows all members of the council to participate in the Budget and Finance process. On occasions, the Hon. Mr Parnell, the Hon. Ms Franks, some of my colleagues and other minor party members and Independents have attended to ask questions at the Budget and Finance Committee. So, the Hon. Mr Parnell has the opportunity, which I would encourage him to continue to use, to attend the Budget and Finance Committee meetings for the agencies he might have a particular interest in. Through that process of accountability and scrutiny, together with changes in processes, with questions on notice in both houses of parliament and others, we can see greater accountability and transparency of whichever government happens to be in power at the time.

The second area I want to touch on—and it builds on from the work of the Budget and Finance Committee and others—is the areas of wastage that occur in public sector expenditure. I have spoken previously on the big ones, such as Public Service numbers, blowouts in government projects and programs, ministerial staff numbers and those sorts of things, so I do not propose to address those again.

However, I want to work on the premise of the smaller areas because, as a wise person once said, 'If you look after the pennies, the pounds will take care of themselves.' I want to look at some of the smaller examples of the wastage that goes on within government departments and agencies, many of which have been picked up by the work of either members in another place or the Budget and Finance Committee, to highlight that there needs to be a mindset change by governments, ministers and their staffers in terms of the oversight of public sector expenditure and identifying the sort of waste that goes on.

An example that gained a lot of publicity in the past 12 months was the area of 'cartridgegate'. It was first raised because in a very small section of the Department of the Premier and Cabinet—Aboriginal Affairs—a particular officer had spent \$80,000 in a relatively short period of time on printer cartridges. That is enough printer cartridges, one would have thought, to run a commercial print shop, let alone a small section of Aboriginal Affairs of a major department, that being the Department of the Premier and Cabinet.

How on earth the audit and management processes are such that an officer who can spend \$80,000 on printer cartridges—putting aside for the moment the fact that the officer was getting personal benefits at the time—the mere fact that so many printer cartridges were being purchased and stored in one small section of a major government department right under the nose of the Premier, and no-one knows anything about it, is alarming in itself. The head of that section and the new head of the department—and to be fair to Mr Hallion he had only just become the CEO of DPC—came before the Budget and Finance Committee in September of last year, and when asked about this they had no knowledge of this particular expenditure in their own section in their own department.

We asked questions of the same officer in relation to expenditure on consultants. Let me give one example in the Aboriginal Affairs section about Gientzotis Consulting: \$500,000 was spent on consultancies with that Canberra-based consultant. When we asked the head of that section, Ms Peel, what this money was being spent on, she was unable to indicate what the money was being spent on, why Gientzotis Consulting had been given contracts to the value of half a million dollars without going to tender within that particular division of the Department of the Premier and Cabinet.

Eventually we were told that the \$500,000 was being spent on capacity building and governance arrangements on the APY lands—capacity building and governance arrangements on the APY lands. My colleagues who have travelled to the APY lands in recent years and have highlighted the lack of services and facilities, I am sure are appalled at the notion that, at a time when expenditure is tight, a government, a minister, a Premier and senior bureaucrats would decide that \$500,000 being spent on capacity building and governance arrangements is a better expenditure of taxpayer dollars than on improving services, health, schooling, roads and security services in the APY lands. That is the difference between this government and what I believe to be a good government. We cannot go on wasting money on capacity building and governance arrangements consultancies as opposed to actually delivering improvements in services.

Not surprisingly, soon after that Budget and Finance Committee appearance, Ms Peel's contract with the government was terminated. She was two years into a five-year contract. At the

last meeting of the Budget and Finance Committee we asked, 'What was the cost of the termination of that contract?' We were not given exact figures but we managed to glean the ballpark of the payout and that is approximately three to four months for every unexpired year of the contract. That is three years to go and so three to four months for every one of those years. In addition to that, there is an extra three to four months for an early termination of the contract.

We asked the question, 'Well, rather than that, why not make her do some work for three or four months so we don't have to pay three to four months for an early termination?' There was no answer to that. We know that, given that her contract was in excess of \$300,000 (or of that order), the total cost to taxpayers was somewhere between \$300,000 and \$400,000 in termination payments, not taking into account any accrued recreation leave, long service leave or anything like that. The taxpayers had to pay out \$300,000 to \$400,000 for the termination of that contract.

What we also found—talking about 'let's look after the pennies and the pounds will look after themselves'—is that about three months after the contract was terminated in December, in February of this year, there is an invoice in the Department of the Premier and Cabinet for \$2,200, in essence, to a consultant to provide retraining to Ms Peel. The question remains unanswered—and we are waiting for the answer—but why do the taxpayers of South Australia have to put their hands in their pockets for \$2,200 for some retraining of a senior bureaucrat who has just been paid out \$300,000 to \$400,000 of taxpayers' money because their contract has been terminated? If that officer needs retraining from a consultant in Canberra, that officer can spend some of the \$300,000 or \$400,000 on retraining costs. Why should the taxpayers of South Australia be asked to put their hands in their pockets for another \$2,200?

There have been so many examples in relation to consultancies where money has been wasted by departments and agencies and in relation to the game that departments and ministers are playing where, instead of calling a consultant a consultant, they reclassify them as a contractor and hide their expenditure from public revelation. Why is it different? Only this government could explain. The game is that, under the Commissioner for Public Sector Employment or whatever his latest title is, if you employ a consultant, you do have to provide some sketchy information in the annual report of the department. If you can reclassify them as a contractor, you do not have to provide any information at all other than that the department reports at the end of the year, 'We spent \$15 million on contracts,' and that is it.

So even though the firm may well be Gientzotis Consulting and it is clearly a consultant, there is an incentive for ministers and CEOs to say, 'Well, we don't really want to reveal that. What we will do is we will say that's a contractor.' It goes into the contractor classification and they do not have to reveal in the annual report that taxpayers have spent \$500,000 on Gientzotis Consulting and give a brief description of what they did, or similar. That is what has occurred with many of the consultancies that we have raised with the departments over the last few years.

That is an area where reform can occur and all it requires is a reform-minded premier and government in essence to say, 'We will reveal in the annual reports the same level of information for contractors above a certain level'—because there may well be lots of small contractors or something being employed on a regular basis—but, for contracts above a certain threshold, the same amount of information will be revealed as is required in relation to consultants in annual reports.'

One final example of the issue of 'look after the pennies and the pounds will look after themselves' is the area of professional development training. We have only scratched the surface of this through the Budget and Finance Committee. What we established in the Department of the Premier and Cabinet—and the CEO has now conceded this—was that with one particular executive the CEO had approved the taxpayer provision of \$40,000 to send this particular individual to a management training course in another state.

The interesting issue of why the management and training courses in South Australia were not good enough is an issue for the government and for the CEO to respond to. What the CEO had approved was that the total cost of the management training course at an interstate management training facility would be met by the taxpayers. Professional development is encouraged in all jurisdictions, but the normal principle is that the taxpayers may well meet, let's say, half the cost and the individual meets the other half of the cost.

Having spent \$40,000 on management training for a particular individual, public servants are not bonded in any way to continue to be employed and to provide services to the public sector. There is nothing that prevents some of the public servants in these cases from moving on to the

private sector or to another public sector jurisdiction where the benefit of any professional development or training is not received by the taxpayers in South Australia, the jurisdiction which has paid for the professional development.

That would still be the case if the taxpayers had met 50 per cent of the cost of the training; I concede that; but at least in that way the individual has made some contribution towards his or her own professional development, the taxpayers have made a contribution and, hopefully, more often than not the state of South Australia can benefit from the professional development that it has paid for.

As I said, the Budget and Finance Committee has only just scratched the surface of this issue. I would hope that over the coming year we will continue to explore the costs of professional development and training in the public sector to see what we are paying for and what the benefits are of the expenditure that is going into the professional development and training. As those members of the Budget and Finance Committee know, for example, the state of South Australia has paid for quite lucrative scholarships for people to attend Carnegie Mellon. It may well be that the state has paid for lucrative scholarships for other universities and institutions as well. It will be work for the members of the Budget and Finance Committee to try to establish the total cost of what those might be.

I have given those half a dozen examples to indicate, as I said, that it is not just the big projects and the big expenditures, it is not just the 20,000 extra public servants, the hundreds of millions of dollars of blowouts on projects like Adelaide Oval, transport projects and hospital projects, and it is not just the millions of dollars being wasted on extra ministers and public servants and spin doctors, where the expenditure is being wasted. It is right through the public sector under a fat and lazy Labor administration, governed, if one can call it that, by ministers who are either ill prepared to do the work or are incapable of providing financial oversight of the expenditure of their chief executives and their agencies, and we are literally wasting millions, tens of millions, hundreds of millions of dollars of taxpayers money because of this lack of financial oversight by this government and by its ministers. With those comments I indicate my support for the second reading of the Appropriation Bill.

**The Hon. J.S. LEE (16:24):** I rise today to also contribute to the second reading of the Appropriation Bill 2012 and speak about the government's latest budget. The Leader of the Opposition in the other place, and other members, and also the Leader of the Opposition in the Legislative Council, the Hon. David Ridgway, and all the honourable members from the opposition have made significant contributions debating this bill, and rightly so, because it is important that the people of South Australia know the poor affairs of our state and the mess that the Labor government has put us into.

Once upon a time South Australia had a AAA credit rating. After Labor delivered its eleventh budget the state's AAA credit rating had disappeared. As we know, the Labor government is calling for a new branding to promote South Australia. Perhaps the Labor Party should also be thinking about rebranding itself and renaming it as a DDD party—D for downgrade, D for debt and D for deficit. All the Ds add up to one big D for 'disaster'.

It is like watching a horror movie—or worse, when you are actually in that horror movie. I can see why the Hon. Michelle Lensink earlier mentioned the movie called *Hollow Man*. After a decade of Labor mismanagement we see the Weatherill Labor government deliver the biggest deficit and the biggest debt in South Australia's history. According to the *Financial Review* analysis, a downgrade works out to be over \$22 million in extra interest per year, and that is on a debt of \$9 billion.

This budget has forecast a massive \$13 billion debt by 2015-16, the biggest debt in South Australia's history. The budget delivers an \$867 million deficit for 2012-13, the biggest deficit in South Australia's history. Three years ago Labor forecast a \$304 million surplus in 2012-13. The budget now forecasts an \$867 million deficit in 2012-13, which is a \$1.2 billion turnaround. Labor has budgeted for six budget deficits in seven years.

Just over a month after ratings agency Standard & Poor's cut South Australia's rating from AAA to AA+, Moody's Investors Service has indicated that it is likely to follow suit. The reason cited for the possible downgrade is of major concern. Debra Roane of Moody's said:

We certainly see downward pressure in South Australia as they have moved away from a plan to really control expenditures.

This is a shocking measure for the incompetence of Labor's performance. It confirms that it was Labor's mismanagement that has lost the AAA credit rating, the cost of which will be felt by every South Australian through increases in cost of living as interest payments on state debt rises.

Some financial commentators have said that interest payments on the debt will increase by \$22 million per year as a result of a downgraded credit rating. The government has the responsibility of controlling the budget. It is not good enough that Treasurer Snelling conveniently points to the global financial market and a downturn in revenues as the cause of South Australia's downgraded credit rating.

The cost of living is skyrocketing in South Australia, with electricity prices about to become the world's highest, water prices are the highest of all capital cities and the state taxes the highest in the nation. Taxes will rise by \$1 billion over the next four years. There have been four sets of economic data released in July that show that South Australia's performance is heading for disaster. ABS figures released on 11 July 2012 show that, in the six months to May, South Australian housing finance commitments dropped by 0.9 per cent, the worst performance in mainland Australia and significantly lower than the national increase of 2.2 per cent.

These statistics follow a string of poor results for South Australia. In July ABS figures also showed that in May South Australia experienced the lowest month of building approvals since April 2001, the lowest figure in 11 years; and in the 12 months to May the number of new building approvals dropped by some 24 per cent, the worst of all mainland states. In the month of May South Australia experienced the lowest month of building approvals—as I mentioned before, the lowest monthly figure for 11 years.

The shadow treasurer, the Hon. Iain Evans, said that Labor's uncompetitive tax regime was devastating the housing industry and increasing household costs, which in turn affected the confidence of South Australians to invest. Under Labor, South Australia is the highest-taxing state in the nation, which creates an uncompetitive market for business, increases household costs and puts pressure on ordinary South Australians. Time and time again the Weatherill Labor government likes to cite the global economy in defence of poor economic results. The reality is that South Australia is part of Australia, and the rest of Australia is outperforming us. A combination of high taxes and lack of confidence is devastating the South Australian housing market and everything else, such as retail markets and those I have mentioned previously.

I also want to mention the collapse of The Dunes golf course and residential development on Yorke Peninsula, which I think the Hon. Rob Lucas mentioned earlier. That demonstrates another example of why the land tax system in South Australia needs review. Land tax in South Australia is charged at 40 per cent above the Australian average. It has been reported that The Dunes development was being charged \$1 million a year in land tax and owed \$1.2 million in land tax at the time of its collapse. With only 100 allotments sold, an annual \$1 million land tax bill was always going to be a huge strain on the development's finances.

On 19 May 2011 the Liberal opposition moved, in parliament's Economic and Finance Committee, to conduct an inquiry into the land tax system. Labor used its numbers to defeat the motion on the basis that there were not enough complaints. What a joke! While the land tax is hurting The Dunes development, it is hurting others as well. I am very pleased that the shadow treasurer will again move, in the Economic and Finance Committee, for a review of the land tax system, because it is long overdue.

The start of the new financial year should be a time for people to have new plans and new hopes to map out what they would like to do for the next 12 months. However, this year 1 July will be remembered by many as the D-day for disaster because of this Labor government's mismanagement. That is because 1 July has seen high taxing Labor at its worst, with Labor having a big appetite for imposing huge taxes in the new financial year.

The state and federal governments will reach new heights in the way they extract cash from householders' pockets. As of 1 July, federal Labor's carbon tax will drive up the cost of everything we buy, South Australian households will pay an extra \$114 on their electricity bills and 25 per cent extra in water rates, and the state government's solid waste levy will drive up council rates. As of 1 July our councils will also be forced to increase their rates to recoup the cost of the carbon tax. Poor policy decisions and mistakes have left Labor extracting every dollar it can from householders' wallets, and this is hurting families and individuals around South Australia.

In May this year I supported the Hon. Michelle Lensink in her motion to condemn this state government for its 10 years of failure to stem the extraordinary flow of young people leaving South

Australia for study, career and lifestyle opportunities interstate. South Australia experienced a net loss of 2,325 people due to interstate migration, more than twice the levels experienced under the previous state Liberal government. In addition, South Australia has recorded the lowest population growth of all mainland states, according to the June 2012 ABS statistics. South Australia's population grew by only 0.7 per cent in the last 12 months, compared to a national growth rate of 1.4 per cent.

The opposition has pointed out that the Labor government has failed on its own targets to stop the flow of South Australians to the other mainland states. The Labor government originally stated that it would reduce net loss to interstate to zero by 2008—in your strategic plan, minister. However, that target has now disappeared, just like the AAA disappeared, from your strategic plan. In net terms we have now lost more than 30,000 people from South Australia in the 10 years of Labor.

*The Hon. R.P. Wortley interjecting:*

**The Hon. J.S. LEE:** You've lost it. I do not think you care and I do not think the Labor government cares about the people of South Australia—the hardworking small businesses, the struggling families, young people, pensioners and the regional country people. You don't care.

The Premier does not care. What he cares about is something else. He cares about keeping a very expensive office. He maintains a team of high end public servants who cost taxpayers in excess of \$2 million. There are many hardworking public servants out there. What justifies seven people in the Department of the Premier and Cabinet earning in excess of \$300,000? He cares about keeping a very expensive office, this Premier. The people have been forgotten by Labor because if you drive a car, catch a bus, use water, pay insurance or have children at school—basically, if you live in South Australia—you are worse off under this budget than ever before.

Land tax is levied at 40 per cent above the national average. It is the worst of all Australian states. Stamp duty is levied at 27 per cent above the national average—again, it is the worst of all the states. Insurance tax is levied at 53 per cent above the national average. You just want to make our state the most costly state to do business and to live.

*The Hon. R.P. Wortley interjecting:*

**The Hon. J.S. LEE:** You should be ashamed, minister, of your Labor government. I want to make a point about selling the forests and the Lotteries Commission. Being on the select committee about ForestrySA I am so sad about the people in the South-East and other South Australians losing the forests because debt is going up at \$4 million a day and the interest we are paying is \$2.3 million a day. If you wonder why our cost of living is going up, that is the reason—\$4 million a day for eight years. This is after we sell the Lotteries and the forests. The net increase is still \$4 million a day for eight years. That is why people's cost of living is so high and that is why the Liberal Party recognises that people out there are struggling under Labor's high cost and high tax agenda.

I want to also talk about small business. Let's look at small business, the engine room of our economy. There are some 135,000 small businesses in South Australia. When we look at the budget, what has the government done? It has slashed expenditure and support for the small business sector. In fact, over the last two years there has been a 53 per cent decrease in expenditure in this important area.

Let's also look at the programs that have been cut recently. The government has taken away all the funding of the BECs, Youth Entrepreneurs Scheme, the Small Business Emergency Helpline, and Small Business Month which has been cancelled. The SME Investment Development Program has been completely cut.

When you look at the size of the budget for the current financial year it is \$1.98 million for small business which has been allocated. If we divide that figure by 135,000 small businesses, that amounts to \$14.67 expenditure for each and every one of the small businesses in South Australia. Is that a joke? That is what this government is allocating per small business in South Australia, and they say that they understand the sector. This is a laugh.

This afternoon I asked a question about regional development because I do not think the Labor government actually cares about the regions at all. The South Australian Centre for Economic Studies, in a report commissioned by the Local Government Association, highlighted the fact that regions have suffered from years of state government neglect. It talks about there being a

feeling in the bush that the state government did not take the regions seriously. It says that in the regions people think the government believes the state economy is from Noarlunga to Gepps Cross, because that is where the seats are and where they have to win government. That philosophy does not help this state.

*The Hon. J.M. Gazzola interjecting:*

**The Hon. J.S. LEE:** It is. I want to restate that because it is so important to show that the Labor government does not care about the regions. South Australians are sick and tired of having to pay for Labor mistakes. If the Liberal Party, under the leadership of Isobel Redmond, wins government in 2014 it will immediately establish an Audit Commission. The aims of this commission will be to return to a sustainable budget surplus and lower debt to restore the AAA rating and to provide cost-effective service delivery, as South Australians deserve.

It has taken Labor only 10 years to lose AAA and everything else that could produce a prosperous future for our state. A Redmond Liberal government is not afraid of the hard work ahead, and we know that for the sake of the state's future we have to get it back on a sound economic footing.

I also congratulate all other members who spoke for the opposition in support of this bill and also say that I agree with the Hon. Rob Lucas, who spoke about the transparency and accountability that a Liberal government will bring to the state to restore confidence for South Australia. In conclusion, I join my Liberal colleagues and we look forward to offering the people of this state a truly alternative, credible government.

**The Hon. G.E. GAGO (Minister for Agriculture, Food and Fisheries, Minister for Forests, Minister for Regional Development, Minister for Tourism, Minister for the Status of Women) (16:42):** I believe there are no further contributions to the Appropriation Bill, so I rise obviously in support of the bill and conclude the debate with a couple of very brief comments about the budget. Against the backdrop of a deteriorating world economy and a major revenue writedown of around \$2.8 billion since the 2011-12 budget, this government has set responsible fiscal targets that will enable the sustainability of state finances.

These measures include the achievement of a net operating surplus by the end of the forward estimates, limiting operating expenditure growth to trend growth in household income once surplus is achieved, and making sure the net debt to revenue ratio does not exceed 50 per cent. The forward estimates period reflects a major investment program to upgrade the state's infrastructure for the future, creating many jobs and employment opportunities for South Australians. The state economy is expected to experience solid rates of growth, underpinned by a pipeline of public and private sector projects, as well as growth in our agricultural and resources sector.

As well as keeping the state's finances sound, this budget was one that directed services to those who need it most, and that is why we made a record investment in disability services and implemented further measures such as the water security rebate to help ease cost-of-living pressures. I thank all members in this chamber for their contributions and support for this bill.

Bill read a second time.

In committee.

Clause 1.

**The Hon. R.I. LUCAS:** I am wondering whether someone has now told the Minister for Industrial Relations how many inspectors he has in SafeWork SA. He did not know the answer to that in question time today, so I am wondering whether someone has now told him and, if they have told him, whether he can now advise the committee of the house what the number of SafeWork SA inspectors—

*An honourable member interjecting:*

**The Hon. R.I. LUCAS:** It is an expenditure item in the Appropriation Bill.

**The Hon. G.E. GAGO:** Minister Wortley took that question on notice and agreed to bring back a response. He has given that commitment and he will honour that commitment.

*Members interjecting:*

**The CHAIR:** Order!

**The Hon. R.I. LUCAS:** Any member is allowed to speak during the committee stage of a bill, including the Minister for Industrial Relations. My question is to the Minister for Industrial Relations and I hope he is not going to try to hide behind the skirt of the Leader of the Government in his inability to answer the question. Can he indicate what the number of inspectors within SafeWork SA is and, in particular, whether they have reduced in the last couple of years?

**The Hon. G.E. GAGO:** An adequate response has been given. A commitment has been given by the minister and he will honour that commitment.

Clause passed.

Remaining clauses (2 to 8), schedule and title passed.

Bill reported without amendment.

**The Hon. G.E. GAGO (Minister for Agriculture, Food and Fisheries, Minister for Forests, Minister for Regional Development, Minister for Tourism, Minister for the Status of Women) (16:47):** I move:

That this bill be now read a third time.

Bill read a third time and passed.

*Members interjecting:*

**The PRESIDENT:** Order! The honourable Minister for Industrial Relations will come to order and the Hon. Mr Stephens will come to order! I think there are some people looking on at the behaviour of the Legislative Council today thinking it is pretty ordinary, started and led by the Hon. Mr Lucas, of course, as usual.

*The Hon. S.G. Wade interjecting:*

**The PRESIDENT:** The Hon. Mr Wade will put a sock in it.

**The Hon. D.W. Ridgway:** You ought to retire.

**The PRESIDENT:** Thank God, I am.

#### **STATUTES AMENDMENT AND REPEAL (TAFE SA CONSEQUENTIAL PROVISIONS) BILL**

Consideration in committee of the House of Assembly's message.

*Amendment No. 1:*

**The Hon. R.P. WORTLEY:** I move:

That the Legislative Council do not insist on its amendment.

The government strongly opposes the amendment. All of the amendments being insisted upon by the opposition remove the term 'AEU' (meaning the South Australian branch of the Australian Education Union) from the Education Act 1972. If these amendments are passed it would mean that all references to the AEU and the Institute of Teachers will be deleted from the Education Act without any formal consultation.

The intent of the bill and the original unamended clause was to make minor updates to terms used in the Education Act so that references to the AEU are consistent throughout the act. That is why it was opened up, not to further protect the Australian Education Union, as the opposition in the other place stated. The bill will tidy up the statutes and make necessary minimal changes to legislation so that TAFE SA can operate effectively under the TAFE SA Bill 2012.

The bill was not intended to make changes to the substance of the act, nor was it intended to make any changes to bodies established under the act. By removing references to the AEU or the Institute of Teachers, as they are referred to in the act, the opposition and the members supporting these amendments are undermining the role of the union that represents a significant number of staff in both TAFE SA and government schools.

The amendments make significant changes to the Education Act and exclude the AEU, at great cost to the departments involved, when the bill was intended to deal with consequential amendments only. For this reason, the government opposed the amendments to delete references to the AEU.

The removal of the AEU's role in the Education Act will also have a significant impact on the constitution of a number of boards and committees, particularly the Teachers Appeals Board,



established under the act, including: the review panel for reclassification of school teachers (section 29); the Teachers Appeal Board (section 45); committee to recommend promotional level appointments (section 53); and review committees for the closure or amalgamation of government schools. The government also opposes the amendments that impact on those bodies, which I will discuss in more detail when we reach their amendments.

Let no member of this chamber be under any delusion, what we have here is a classic example of union bashing. What has been done, in effect, if this amendment continues to go through, is to take away representation, on bodies that have been negotiated over many decades, at the stroke of a pen and within 10 minutes. There will be no consultation with anyone, and I think it should be against the principles of anyone in this chamber to delete and remove, at the stroke of a pen and one vote in the house, provisions that have been negotiated between the education department and teachers.

The union represents nearly 85 per cent of teachers in public schools and it also represents about 85 per cent of principals, so, it has a right, and a right which normally, within Australian society, is accepted and acknowledged, that when a union has such high representation and high membership it should be represented on those boards. The people they put on these boards are trained. They are trained in whatever is required for that particular board, and that is why teachers have faith in the people that the AEU put on these boards to represent their interest.

I ask the chamber to desist from this amendment. If this chamber wants to take away the rights of teachers and the unions, it should do it in a proper way, with proper consultation, not just sneakily through a backdoor mechanism when the act is opened up just for minor consequential amendments. I seek the indulgence of the house and desist from requiring this amendment to go through.

**The Hon. R.I. LUCAS:** The minister has just asked the council to vote against what his government's wishes are; but anyway, that is up to him. In speaking to the first amendment, and in essence insisting on the Legislative Council's position, I want to address the package of amendments that the Liberal Party proposes to move. The Hon. Mr Darley has a particular amendment which I am sure he will speak to when the time is appropriate. I intend to address my comments in relation to amendment No. 1 to the package of amendments that are required.

The first point I would make is that what the minister has just said is a nonsense. No-one is actually preventing the AEU from doing anything. The AEU, if it gets the support of teachers and its members, can continue to have its representatives on all these panels and boards and committees. All that is being done is to stop the lockout, or the compulsion, which says no matter how good or how competent a teacher might be in terms of the willingness to perform on one of these boards or committees, if he or she chooses not to be a member of the AEU, they in some way are treated as an inferior being. They are not allowed to represent their colleagues and workmates. They are not allowed to sit on a committee, a council or a board.

That is the proposition that the minister refuses to address. He repeats the slogans given to him by the AEU and his staff to say that this is union bashing. As I said, nothing will prevent a competent AEU person being elected by his or her colleagues to one of these boards, committees, etc., if they have enough support. The minister says the number is 85 per cent. No evidence has been produced that they represent 85 per cent of the number of teachers. That is just a claim from the minister. I would like to see the evidence produced that that is the number here. I would acknowledge that they represent a majority of teachers, but there is no evidence being produced to say that it is 85 per cent.

If they have the support of 50 per cent plus one, or 85 per cent of the teachers for a particular election, then they will be there. The AEU will still be on the committee, the council, the board, or whatever it might happen to be. They will continue to be represented, continue to put their point of view. Nothing in the amendments actually prevents the AEU from being elected if supported by their colleagues. What it does prevent, as I said, and I repeat it again, is the compulsion that you have to be a member of the AEU. It does prevent the situation where an extraordinarily competent teacher who chooses, for conscience reasons or otherwise, not to be a member of the union is excluded from being elected to a position on a committee, a council or a board.

That is the position that the member for Unley has put on behalf of the Liberal Party and the Liberal Party parliamentary room has supported that. The change in the package of amendments before us is that there was an unintended consequence of the amendments originally

drafted for the member for Unley and for the Liberal Party, and that is to be corrected or sought to be corrected if the Legislative Council agrees to this package of amendments that is before us this evening.

The position, as the member for Unley has put, is that the Liberal Party had no intention to change the minister's role in selecting appointments to the various panels and, therefore, the amendments to the package before the house today rectifies that particular anomaly. The amendments will make it clear that the process of eligibility, election and selection of teachers for these panels and boards will be open to all members of teaching staff and is not restricted to those who are members of the AEU.

The minister highlighted this issue that there was an unintended consequence of the Liberal Party's amendments. He spoke at some length about that issue in the House of Assembly. The member for Unley has listened to the position of the minister and has asked parliamentary counsel to correct that unintended consequence. The amendments before us this evening will correct that unintended consequence and that criticism, if these amendments pass, will no longer be valid.

**The Hon. T.A. FRANKS:** I rise to put the Greens' position on record. We did not support these amendments to the bill in the first instance during the debate and, certainly, we do not insist upon this council continuing to have what I believe are union bashing amendments inserted into this piece of legislation.

I believe they have unforeseen consequences and I would point out that it is very misleading to say that this, in fact, is enabling all staff members to be part of this committee. Let us have a look at one particular committee that this affects, the appeal board, which is made up of three members: one being a member of the Industrial Court nominated by the President of the Industrial Court (the presiding member of the appeal board); one being a member selected by the chief executive of the relevant department, that being DECD or DFEEST, from a group of staff on call to hear appeal matters nominated by the relevant minister; and one being a member selected by the appellant from a group of staff on call to hear appeal matters nominated by the AEU.

What, in fact, this amendment does is not restore the balance but takes away one of the staff positions. So, those who are up before the appeal board have less of a say, have less of a voice, in appeal matters. I do not think that that was the intention of the original amendments and I certainly would hope that we would be wanting to give those who work within these institutions the most protections possible; that is, both from their union and also from other staff members. No staff member is precluded from this process in terms of putting themselves forward for this particular appeal board; however, the AEU is also included in the process and unions have a right to be included in the process.

I would remind members that, during the debate on this bill, when we looked at the corporatisation of TAFE, we restricted and moved away from the history that we have in educational institutions in this state—and, in fact, it is a proud history of educational institutions—for institutional democracy. Our governance of this TAFE SA will now actually have a board that does not have representation in the same way that it has in the past from staff, students and those who are within a TAFE community, if you like. So we have already downgraded the role and the voice that staff have within this institution. By supporting these amendments to eradicate the references to the union, we further downgrade that institutional democracy.

I would strongly say that the Greens are somewhat horrified that this has the support of this committee. I think that it has not been well thought through. I think it has not been well consulted. It has been moved in the final moments of the debate on this bill and it certainly comes before us without adequate information to inform decisions, and that appeals board membership is just one where we can see that the arguments put forward that staff would have exactly the same rights to representation were, indeed, a fallacy. With that, the Greens look forward to some common sense from this committee.

**The Hon. K.L. VINCENT:** I will just quickly put on the record that following further conversations with constituents, including the AEU—and I am very grateful for those conversations—I am no longer able to support this package of amendments. I do think that they have some merit. In my original contribution on this bill, I said that I am concerned about the largely rushed nature in which they have gone forward and that, if they were to be reintroduced in some other form or in a less rushed manner, I would be very happy to reconsider them. However, at this time I am not able to give them my support.

**The Hon. R.P. WORTLEY:** I appreciate the sentiments and the position taken by the Hon. Ms Kelly Vincent. She has obviously put a bit of thought into the consequences of what is happening now. I just want members here to consider a number of issues. First of all, there are quite a number of acts and pieces of legislation. Actually, there are many pieces of legislation which offer representation on various boards. Most unions are on boards, and they are there by the very nature that they represent the vast majority of the people in their trade or industry.

There are also a lot of businesses represented. Just in my own portfolio, SafeWork SA, I have IRAC and I have the SafeWork SA Advisory Committee. They have a number of people on their boards—unions and employers. Not everyone belongs to these employer associations. Are we going to now take away Business SA's representation on boards because they do not represent everyone out there in business? They are recognised as the spokespeople for business in this state, yet, if you want to take what you are putting today to another level, they have no right to be on that board. They have to go. They have to go because not everyone in business is a member of Business SA.

We can say the same about the Motor Trade Association. We can say the same about the Australian Hotels Association. None of them have everyone as members, yet they are recognised in these acts because they represent a major proportion of the people in those industries. They also have expertise in those industries. They have paid officials, and they are trained. That is why they are recognised. They are recognised right throughout many acts and pieces of legislation. So what has been done here today without any consultation with anyone is going to have consequences. If this chamber is to be fair dinkum and consistent, this will have consequences right throughout the state.

I know that the trade unions are certainly starting to beat the war drums. They are saying that every other union represented on a board—and there are many; there could be hundreds of boards which have representation from both unions and business—will be very concerned about what is happening here, because what we are doing is setting a precedent. The way it has been done has been sneaky. There has been no consultation whatsoever. This will be viewed very poorly.

It is all very well to be attacking the unions here today. What we also have to understand is that there are businesses out there that have the same representation on boards and which, if we take the argument by the Hon. Mr Lucas, have no right to be on those boards. Can you imagine the sort of process that Business SA would have to go through to get support from all the businesses around the place to be represented on these boards? It just does not make sense.

It is the same with the plumbers and gasfitters or the electrical union, which have thousands of members. There are thousands of electricians. I could go through more: the Australian Medical Association, the Farmers Federation—they are all on boards. They have all got there because of the nature of the business and because they represent a significant number.

*The Hon. J.S.L. Dawkins interjecting:*

**The Hon. R.P. WORTLEY:** You ought to be ashamed of yourself, John.

*The Hon. J.S.L. Dawkins interjecting:*

**The Hon. R.P. WORTLEY:** You ought to be ashamed of yourself. You are trying to justify it. We should not be so eager to rush in and wipe out representation on these review panels and boards. If that seems to be the inclination of some of you, there should be a bit of consultation about this. You would never let the government get away with doing what you are doing, and with no consultation. There seems to be a double standard where Independents and the opposition can be high and mighty and can come up with these positions of accountability and transparency yet, when it suits them, they can go and kick a union in the guts without any consultation whatsoever. What I would like members to do is think of the consequences of what you are doing today and who it may affect in the future. As I said, I think the trade union movement and business should be very wary of the precedent being set here today. I urge all members of this chamber not to support the amendment.

The committee divided on the motion:

AYES (10)

Finnigan, B.V.  
Gazzola, J.M.

Franks, T.A.  
Hunter, I.K.

Gago, G.E.  
Kandelaars, G.A.

## AYES (10)

Parnell, M.  
Zollo, C.

Vincent, K.L.

Wortley, R.P. (teller)

## NOES (11)

Bressington, A.  
Dawkins, J.S.L.  
Lensink, J.M.A.  
Stephens, T.J.

Brokenshire, R.L.  
Hood, D.G.E.  
Lucas, R.I. (teller)  
Wade, S.G.

Darley, J.A.  
Lee, J.S.  
Ridgway, D.W.

Majority of one for the noes.

Motion thus negatived.

*Amendment No. 2:*

**The Hon. R.P. WORTLEY:** I move:

That the Legislative Council do not insist on its amendment.

The government opposes the amendment moved by Mr Darley, which is consequential to the deletion of the references to the Australian Education Union. This amendment removes a reference to the AEU in section 14C of the Education Act 1972, which deals with a review committee appointed by the minister to review the closure or amalgamation of government schools. As such, it has absolutely no relevance to TAFE SA or to TAFE SA staff. By removing references to the AEU, parliament is undermining the role of the unions that represent a significant number of men and women in both TAFE SA and government schools.

There is a strong argument for the AEU involvement in the process. As the representative body of employees, it is entirely legitimate that the union be involved. This has been in place, and there is no evidence to suggest that it is not working. Again, the original bill was intended only to make updates to language and terms used in the Education Act. There was no intention to change the bill in any substantial way. The government was not intending to change the operations of TAFE in any substantial way, much less the Department of Education and Child Development.

The only thing this amendment, and this whole series of amendments, does is attack the union, a union legitimately representing the interests of its members. Unions have a very proud history in this state; they have delivered outcomes that are good for working people. As this amendment is consequential to the previous amendment deleting reference to the AEU, the government is opposed for the same reason.

I would like to add once again that, in relation to the consequences of this unprecedented action, we now have to question, if all of these amendments are passed, the legitimate role of all the unions and employer associations that go right through nearly every act we have and whether they are consistent with the philosophy they are talking about today. I hope this committee opposes these amendments.

**The Hon. J.A. DARLEY:** I move:

That the Legislative Council no longer insist on its amendment but makes the following amendment in lieu thereof:

New clause, page 5, after line 5—After clause 8 insert:

8A—Amendment of section 14C—Review committee

Section 14C(1)(d)—delete paragraph (d) and substitute:

- (d) an officer of the teaching service (not being a teacher at a school that is subject to the review) nominated in accordance with the regulations; and

Members will recall that the previous amendment I moved had the effect of replacing the requirement for a person nominated by the AEU with an officer of the teaching service, in accordance with the regulations, where a review is to be conducted in relation to the closure or amalgamation of the school.

The effect of that amendment would have been to require the officer of the teaching service to be nominated by all other teachers when, in fact, what was intended was to have a teacher, whether or not they are a union member, nominated in accordance with the regulations. The new amendment clarifies this. It is consistent with the opposition's position and, importantly, still achieves the same purpose insofar as it replaces the exclusive right that has been given to the Australian Education Union with one that applies to all teachers.

It is important to emphasise that the amendment does not preclude union members from being involved in this process. It simply opens it up to all teachers, whether or not they are union members, to be nominated in accordance with a scheme to be implemented by way of regulation.

**The Hon. R.I. LUCAS:** I support the position being adopted by the Hon. Mr Darley. I think the final quote made by the minister is correct, and that is that the first amendment we have just voted on is, in essence, the test vote for this whole package of amendments. So, we can have the same debate on each and every clause if we wish to do so, but the decision that was taken in the first amendment is, in essence, a test vote for all of the others. It would not make much sense to be supporting some of these and not supporting others, in my view.

Nevertheless, we are going through the process again. I am not going to repeat the argument, other than to say that, because of the complicated nature of this, we are supporting the position of the Hon. Mr Darley, which will mean that, in the first instance, we will not insist on the Legislative Council amendment. If that is the position adopted by the majority in the committee, we will agree with the amendment that Mr Darley then moves. So, we will have to have two votes for this provision.

**The Hon. T.A. FRANKS:** The Greens will be opposing this amendment moved by the Hon. John Darley with regard to school amalgamations and closures. There is, in fact, quite an extensive process and I point out that, for example, local government is part of this review committee. Do we say that the local government representative shall simply be a member of the local community or shall we insist that they are a duly elected representative of the local government in that area?

However, if the member was serious about workers, who are looking at their workplaces being closed or amalgamated, having a real voice in this, then this motion would ensure that a member of the teaching service could be appointed in addition to the union not instead of the union.

The committee divided on the motion:

AYES (11)

Bressington, A.	Brokenshire, R.L.	Darley, J.A. (teller)
Dawkins, J.S.L.	Hood, D.G.E.	Lee, J.S.
Lensink, J.M.A.	Lucas, R.I.	Ridgway, D.W.
Stephens, T.J.	Wade, S.G.	

NOES (10)

Finnigan, B.V.	Franks, T.A.	Gago, G.E.
Gazzola, J.M.	Hunter, I.K.	Kandelaars, G.A.
Parnell, M.	Vincent, K.L.	Wortley, R.P. (teller)
Zollo, C.		

Majority of 1 for the ayes.

Motion thus carried.

*Amendment No. 3:*

**The Hon. R.P. WORTLEY:** I move:

That the Legislative Council do not insist on its amendment.

*The Hon. R.I. Lucas interjecting:*

**The Hon. R.P. WORTLEY:** You'll have a vote for every one of them. The section that is affected by this amendment is section 29 of the Education Act 1972, which deals with the constitution of the Classification Review Panel. This clause only applies to schoolteachers and, yet again, has no relevance to TAFE SA or TAFE SA staff.

I am glad to see this alternative amendment as it shows that the opposition is no longer insisting on an amendment that was unworkable and resulted from the almost haphazard, wholesale deletion of references to the AEU from the Education Act. The new amendment tabled by the opposition addresses the concerns about the balance of the review panels and provides for the employer to have a management perspective represented.

However, the amendment still makes significant changes to the constitution of the review panel, and the role of the Australian Education Union is still deleted without any formal consultation. The opposition has not put forward any arguments or any evidence that the current system does not work. There is, however, a strong argument for AEU involvement in the process. As the representative body of the employees, it is entirely legitimate that it be involved.

As reported previously to the house, the purpose of this legislation is to set up TAFE SA as a statutory corporation so that it can flourish and excel in the new contestable funding environment under Skills for All. I am pleased to say that the TAFE SA Bill has passed through this parliament. This is the main issue here: the establishment of TAFE SA as a statutory corporation, TAFE SA's functions, TAFE SA's role and how it should be set up for the next few years as we deliver the Skills for All reforms.

There have been very few issues raised in the parliament about the legislation to change the governance arrangements. All of these amendments do nothing to add value to TAFE SA as a statutory corporation and they do not relate to the main aim of the legislation. They are making fundamental changes to the Education Act that have a far greater impact on the officers in the education system than on TAFE SA.

I would also like to just make it clear that the Independents are supporting this. I do not know whether or not they think there is a vote in this for them out in the electorate because once the teachers union send out to their members in their journals the names of all those people who have taken part in quite a shameful act in this parliament, there will be no votes in it for them. The teachers will be absolutely outraged. And do not forget—

*Members interjecting:*

**The Hon. R.P. WORTLEY:** You're not even a contender in the next election. Not only the teachers union but every union in this state, which cover 200,000 members, will no doubt in their journals be advising their members of what they have done and the threat they have to their own boards, and quite legitimately too. You cannot sit there and do what you are doing now and set the precedent and say, 'But that won't happen anywhere else,' because it should not happen anywhere. It should not happen today. There has been no consultation and I think everyone, and particularly the Independents, should be ashamed of themselves for supporting it.

**The Hon. R.I. LUCAS:** All I can say is that the minister is a slow learner but if he wants to divide on every one of these amendments, that is his decision. I move:

That the Legislative Council no longer insist on its amendment but makes the following amendment in lieu thereof:

Clause 9, page 5, lines 7 to 11 [clause 9(1) and (2)]—Delete subclauses (1) and (2) and substitute:

- (1) Section 29(2)(b)—Delete paragraph (b) and substitute:
  - (b) 1 will be an officer of the teaching service selected by the Minister from a panel of officers elected by officers of the teaching service in accordance with the regulations; and
- (2) Section 29(3) and (4)—Delete subsections (3) and (4)

Again, I do not intend to repeat the argument. We have had the debate twice. The first amendment was the test case. The second one maybe gave the minister a good feeling because he was able to divide for the second time. If he wants to behave in a puerile fashion, and divide on seven occasions, that is a judgement call for him. I must say, though, in my experience in this chamber after most members have had a vote, or maybe two votes as a test case, they generally accept that that is the case for the consequential amendments and do not divide the committee on every

occasion; but, if the minister wants to play that game, that is the minister's game and he can play it. I do not intend to delay the chamber any longer.

The committee divided on the motion:

AYES (11)

Bressington, A.	Brokenshire, R.L.	Darley, J.A.
Dawkins, J.S.L.	Hood, D.G.E.	Lee, J.S.
Lensink, J.M.A.	Lucas, R.I. (teller)	Ridgway, D.W.
Stephens, T.J.	Wade, S.G.	

NOES (9)

Franks, T.A.	Gago, G.E.	Gazzola, J.M.
Hunter, I.K.	Kandelaars, G.A.	Parnell, M.
Vincent, K.L.	Wortley, R.P. (teller)	Zollo, C.

Majority of 2 for the ayes.

Motion thus carried.

*Amendment No. 4:*

**The Hon. R.P. WORTLEY:** I move:

That the Legislative Council do not insist on its amendment.

This is the first of three amendments, amendments Nos 5 and 6 will follow. The government opposes this amendment. The Teachers Appeal Board hears appeal matters from TAFE SA lecturers, lecturers' assistants and educational managers, as well as school teachers. These matters include decisions regarding termination, retrenchment, transfer, retirement or disciplinary actions, such as reprimand, imposition of fines, reductions of classifications and suspension of duties.

This amendment restores the balance built into the nomination process which currently gives the minister, as the employer's representative, the power to select nominees to provide a management perspective separate from a group of nominees elected by staff who provide a staff perspective. The amendment proposes that there is a group of staff elected by staff in accordance with regulations, and that the regulations that provide for this election process must be fair, inclusive and impartial for all staff.

There is a significant administrative burden, duplication and cost of an election to form the groups of staff for the purposes of the Teachers Appeal Board. The difference in this case is that the additional election process will need to be undertaken by both TAFE SA and the Department for Education and Child Development (DECD), or outsourced to a body such as the Electoral Commission. All the costs and resources required in each step of this election process are currently undertaken by the AEU as the organisation representing the interests of education staff both in TAFE SA and in schools.

These costs will need to be taken on by the government, both in the DECD and in TAFE SA, if this amendment is passed. This will create not only a new process to replace ones that currently work well but also unnecessary duplication across government. There are 1,665 TAFE officers and around 20,000 school teachers located across South Australia who will need access to an election process.

I have been provided with a rough estimate of around \$4,000 to \$5,000 as the cost for conducting the election for TAFE based on a simple first-past-the post postal election system of around 1,600 staff. This would be in addition to the cost of running the estimated cost of \$40,000 for an election for school teachers in the Department for Education and Child Development because they would need a separate process.

The actual cost may even be higher depending on the complexity of the election process. This amendment is about changing an existing process where there is no evidence to suggest that it is not working well and replacing it with a different process without any consultation and

involvement with the staff. For these reasons, the government strongly opposes this amendment that changes the constitution of the Teachers Appeal Board.

**The Hon. R.I. LUCAS:** I move:

That the Legislative Council no longer insist on its amendment but makes the following amendment in lieu thereof:

Clause 10, page 5, lines 13 and 14 [clause 10(1)]—Delete subclause (1) and substitute:

- (1) Section 45(2)(c)—delete 'on the nomination of the Institute of Teachers made' and substitute:

on nominations made in accordance with the regulations

In doing so, I say that this is a consequential amendment on three, or four, previous votes of the council.

The committee divided on the motion:

AYES (11)

Bressington, A.  
Dawkins, J.S.L.  
Lensink, J.M.A.  
Stephens, T.J.

Brokenshire, R.L.  
Hood, D.G.E.  
Lucas, R.I. (teller)  
Wade, S.G.

Darley, J.A.  
Lee, J.S.  
Ridgway, D.W.

NOES (10)

Finnigan, B.V.  
Gazzola, J.M.  
Parnell, M.  
Zollo, C.

Franks, T.A.  
Hunter, I.K.  
Vincent, K.L.

Gago, G.E.  
Kandelaars, G.A.  
Wortley, R.P. (teller)

Majority of 1 for the ayes.

Motion thus carried.

*Amendment No. 5.*

**The Hon. R.P. WORTLEY:** I move:

That the Legislative Council do not insist on its amendment.

As with the previous amendment, the cost of running this election will be quite high. There is an old saying, 'If it's not broken, why fix it?' This is just another attempt at union bashing. The unions themselves have negotiated these positions over many decades, and the thought of just wiping them off in a brief session of the Legislative Council is really unprecedented. I ask members here not to support this amendment.

**The Hon. R.I. LUCAS:** I move:

That the Legislative Council no longer insist on its amendment but makes the following amendment in lieu thereof:

Clause 10, page 5, lines 16 to 20 [clause 10(2), inserted paragraphs (d) and (e)]—

Delete paragraphs (d) and (e) and substitute:

- (d) the members of a panel of prescribed employees appointed by the Governor on the nomination of the Minister; and
- (e) the members of a panel of prescribed employees appointed by the Governor on nominations made in accordance with the regulations after elections have been held in accordance with the regulations.

This is a consequential amendment on the previous debates.

The committee divided on the motion:

AYES (11)

Bressington, A.

Brokenshire, R.L.

Darley, J.A.



## AYES (11)

Dawkins, J.S.L.  
Lensink, J.M.A.  
Stephens, T.J.

Hood, D.G.E.  
Lucas, R.I. (teller)  
Wade, S.G.

Lee, J.S.  
Ridgway, D.W.

## NOES (10)

Finnigan, B.V.  
Gazzola, J.M.  
Parnell, M.  
Zollo, C.

Franks, T.A.  
Hunter, I.K.  
Vincent, K.L.

Gago, G.E.  
Kandelaars, G.A.  
Wortley, R.P. (teller)

Majority of 1 for the ayes.

Motion thus carried.

*Amendment No. 6:*

**The Hon. R.P. WORTLEY:** We are wearing them down, Mr Chairman. I move:

That the Legislative Council do not insist on its amendment.

The reason is as before: the costs of running these elections and the fact that teachers have negotiated these positions and representations over many decades. It also sets a precedent because you will have to question now the role of all unions on boards and training industry commissions and boards, and also the role of business. I think it is something that has not really been considered properly. It might be a big joke; obviously it is a joke to everyone who is supporting these amendments but the reality is that this will send a lot of concerns throughout both unions and business on how easy it is to wipe off representations which take decades to negotiate. It is just a classic case of union bashing.

**The Hon. R.I. LUCAS:** The minister has worn me down. I am going to support him on this one. I do not think he has read his briefing notes because he spoke off the cuff and he does not realise that it does not actually relate to this particular provision. Both of us are supporting the same provision, so it is a bit embarrassing. We are going to support the minister on this particular one but it has nothing to do with what he just said.

Motion carried.

*Members interjecting:*

**The Hon. R.P. WORTLEY:** It might be funny to those in the opposition, so easily wiping off what unions have fought for for so many years, and it is a clear indication of what unions could expect if there was ever a Liberal government in this state.

*Amendment No. 7:*

**The Hon. R.P. WORTLEY:** Here we go. I move:

That the Legislative Council do not insist on its amendment.

This amendment removes the reference to the Australian Education Union, referred to in the legislation as the Institute of Teachers in section 53 of the Education Act 1972 which deals with the committee established to hear appeals in respect of appointments to promotional level positions. By removing references to the AEU (or the Institute of Teachers, as referred to in the act), parliament is undermining the role of the unions that represent a significant number of staff in both TAFE SA and government schools. This amendment is consequential to the previous amendments deleting reference to the AEU and is opposed for the same reasons. I seek the support of the committee to oppose this amendment.

**The Hon. R.I. LUCAS:** The Liberal Party, and I assume the majority of members, will be insisting on this amendment. It is part of a package which has been voted on five or six occasions already. I do not propose to extend the debate.

The committee divided on the motion:

## AYES (10)

Finnigan, B.V.  
Gazzola, J.M.  
Parnell, M.  
Zollo, C.

Franks, T.A.  
Hunter, I.K.  
Vincent, K.L.

Gago, G.E.  
Kandelaars, G.A.  
Wortley, R.P. (teller)

## NOES (11)

Bressington, A.  
Dawkins, J.S.L.  
Lensink, J.M.A.  
Stephens, T.J.

Brokenshire, R.L.  
Hood, D.G.E.  
Lucas, R.I. (teller)  
Wade, S.G.

Darley, J.A.  
Lee, J.S.  
Ridgway, D.W.

Majority of 1 for the noes.

Motion thus negatived.

**SITTINGS AND BUSINESS**

**The Hon. G.E. GAGO (Minister for Agriculture, Food and Fisheries, Minister for Forests, Minister for Regional Development, Minister for Tourism, Minister for the Status of Women) (17:54):** I move:

That standing orders be so far suspended as to enable the Clerk to deliver messages, together with the Appropriation Bill and Statutes Amendment and Repeal (TAFE SA Consequential Provisions) Bill, to the House of Assembly whilst the council is not sitting, and notwithstanding the fact that the House of Assembly is not sitting.

Motion carried.

At 17:55 the council adjourned until Friday 20 July 2012 at 14:15.