

SOUTH AUSTRALIA

Report
of the
Auditor-General

Tabled in the House of Assembly and ordered to be published, 24 October 2001

Fourth Session, Forty-Ninth Parliament

**Auditor-General's Response to the Allegations made by the
Hon Joan Hall MP on 4 October 2001**

By Authority: J. D. Ferguson, Government Printer, South Australia



Government
of South Australia



**Auditor-General's
Department**

24 October 2001

9th Floor State Administration Centre
200 Victoria Square
Adelaide
South Australia 5000

Telephone +61 +8 8226 9640
Facsimile +61 +8 8226 9688
DX 56208 Victoria Square

The Hon J K G Oswald, MP
Speaker
House of Assembly
Parliament House
ADELAIDE SA 5000

E-mail: admin@audit.sa.gov.au
Web: <http://www.audit.sa.gov.au>

ABN: 53 327 061 410

Dear Mr Oswald,

Auditor-General's Response to the Allegations made by the Hon Joan Hall MP on 4 October 2001

Pursuant to the motion passed by the House of Assembly on Tuesday 23 October 2001¹, I herewith provide you with a copy of my Report titled 'Auditor-General's Response to the Allegations made by the Hon Joan Hall MP on 4 October 2001'.

Yours sincerely,

K I MacPherson
AUDITOR-GENERAL

¹ A copy of the facsimile transmission dated 23 October 2001 from the House of Assembly enclosing a copy of the motion is Appendix 1 to this Report.

TABLE OF CONTENTS

| | Page |
|---|-------------|
| INTRODUCTION | 1 |
| NEVER WITHSTAND THE TEST OF A COURT OF LAW | 1 |
| TELEPHONE CONVERSATION | 2 |
| Specific Issues Regarding the Telephone Conversation Allegations by Mrs Hall..... | 3 |
| Conclusion Regarding Mrs Hall's Allegation Regarding the Telephone Conversation | 4 |
| CLAIM THAT I MISLED MRS HALL..... | 5 |
| CLAIM THAT I IGNORANTLY OR WILFULLY DISREGARDED RELEVANT STANDING ORDERS.... | 5 |
| DISCLOSURE | 6 |
| FATUOUS CLAIM..... | 6 |
| INCOMPETENT NONSENSE OR POLITICAL VENDETTA | 6 |
| CLAIM THAT THE TRUTH IS A CASUALTY: COST INVOLVED | 7 |
| CLAIM THAT I HAVE CONCEALED A REAL CONFLICT OF INTEREST | 7 |
| APPENDICES..... | 9 |
| Appendix 1 - Copy of Motion Passed by the House of Assembly on Tuesday 23 October 2001 | 11 |
| Appendix 2 - Hon Joan Hall's Ministerial Statement of 4 October 2001 | 13 |
| Appendix 3 - Letter dated 17 September 1997 to Mrs Hall MP..... | 17 |
| Appendix 4 - Extract of South Australian Government Gazette dated 17 December 1997 | 19 |
| Appendix 5 - Extract of Evidence Given by Hon Joan Hall to the Auditor-General's Hindmarsh Soccer Stadium Inquiry on 14 July 2000..... | 21 |

AUDITOR-GENERAL'S RESPONSE TO THE ALLEGATIONS MADE BY THE HON JOAN HALL MP ON 4 OCTOBER 2001

INTRODUCTION

I refer to the Ministerial Statement made in Parliament by the Hon Joan Hall MP (Mrs Hall) on 4 October 2001.¹

Mrs Hall's statements relate to me both as Auditor-General and personally. It is to be noted that Mrs Hall's comments in her Ministerial Statement of 4 October 2001 about my conduct have been widely reported in the media throughout Australia and have been accorded particular prominence here in Adelaide.

The matters Mrs Hall has raised have brought into question the integrity of the statutory office of Auditor-General and my own personal reputation and integrity. For this reason, it is important in the interests of the maintenance of confidence in the public administrative arrangements in this State, that I respond to the matters that have been raised.

I have endeavoured to respond to those matters that go strictly to the substance of her allegations. For the reasons that I have stated herein, I categorically deny each of Mrs Hall's allegations.

I will now address, in the order in which they are raised in her Ministerial Statement to Parliament of 4 October 2001, each of the matters concerning me that are referred to by Mrs Hall.

'NEVER WITHSTAND THE TEST OF A COURT OF LAW'

Mrs Hall has said my 'accusations and opinions would never withstand the test of a court of law'.

I do not know what Mrs Hall meant by this statement. If she meant that somebody could sue her for some civil wrong arising out of the matters the subject of the Report, she has misunderstood the nature of the Inquiry and the conclusions expressed in my Report.

If she meant that she could challenge the process of the Inquiry and the Report, then, as the history of her involvement in this Inquiry demonstrates, she could have done so many times. However, she has not chosen to do so despite repeated intimations from her solicitors that Mrs Hall was mindful of her rights in this regard.

There is no basis for Mrs Hall's allegations in this regard. In my opinion, the Inquiry and my Report would withstand the test of a court of law in all respects. The Inquiry has been conducted by my office with the assistance and advice of an experienced firm of solicitors and experienced junior

¹ A copy of Mrs Hall's Ministerial Statement is Appendix 2 to this Report.

counsel from the independent bar. In undertaking the Inquiry I have been guided by the advice of senior counsel. As is set out in Chapter 1 of my Report, this Inquiry has applied the standard of proof to reasonable satisfaction as set out by the High Court in *Briginshaw v Briginshaw*.² The Inquiry observed the requirements of natural justice and procedural fairness.

TELEPHONE CONVERSATION

I categorically deny Mrs Hall's claim that I told her in a telephone conversation in late 1997, or at any other time, that her role as Ambassador for Soccer would not give rise to any difficulty with respect to a conflict of interest.

With respect to this matter it is necessary to understand some background considerations.

In early September 1997, I had advised the then Premier, Mr Olsen, in the presence of Mr Kowalick, the Chief Executive of the Department for the Premier and Cabinet, and Mr Tate, a Director in my own office, of my intention to raise the matter of the involvement of Parliamentary Secretaries in Parliamentary Committees in my forthcoming Annual Audit Report. My concern was that Mrs Hall had actively participated in the examination of the Minister to whom she was appointed Parliamentary Secretary. This matter was reported in Part A of my 1996-97 Annual Report.

A Parliamentary Secretary was an appointment by the 'Crown' under section 68 of the *Constitution Act 1934*. Section 68 is in Part III of the Constitution Act. That Part is entitled 'The Executive'. It seemed to me inappropriate that, as a Crown appointee within the Executive Government, she should participate in the Parliamentary Committee process of examining her Minister. This was inconsistent with the intention of the Estimates Committee being an accountability process for the Executive. Prior to preparing my Report on this matter, I had obtained the advice of Eminent Senior Counsel.³ It was agreed with the Premier, that although she was not named in the Report, that as the concern related to Mrs Hall, that I should also advise her of its intended publication.

I attempted to make contact with Mrs Hall at her electoral office on 9 September 1997.

Mrs Hall personally rang my office on 15 September 1997 and advised my Executive Assistant that she would not be in the office for a few days that week and that she would call back next week.

I wrote to Mrs Hall at her electoral office on 17 September 1997 and asked her to contact me no later than 22 September 1997 (a copy of the letter of 17 September 1997 is Appendix 3). She did not contact me by that date. I rang her electoral office on 18 and 19 September 1997, but she was unavailable.

² (1938) 60 CLR 336.

³ ie Mr R J Ellicott, QC. Mr Ellicott is a former Commonwealth Solicitor-General, Attorney-General and Justice of the Federal Court of Australia.

I did have a telephone conversation with Mrs Hall on 29 September 1997.

In my conversation with her, I advised Mrs Hall of my discussion with the Premier and discussed the issue of the role of Members of Parliament as Parliamentary Secretaries and their participation in Executive processes and Parliamentary Committees. I stated to her that there was no reference to her name in the report and that there was no suggestion of a lack of good faith on the part of the Member concerned. Also discussed was the general state of her health as she had recently been unwell.

Specific Issues Regarding the Telephone Conversation Allegations by Mrs Hall

With respect to the allegations regarding my telephone conversation with Mrs Hall, I wish to emphasise the following matters:

1. Mrs Hall is mistaken as to the date of the telephone conversation with me which she claims occurred in 'late 1997' and 'towards the end of 1997'. I note that 'late 1997' is a time that is consistent with her first appointment to Ministerial office.
2. My conversation with Mrs Hall took place on 29 September 1997, almost three months prior to the time she states.
3. The telephone conversation did not refer to her position as Minister for Employment and Minister for Youth as this appointment took place on 17 December 1997, approximately three (3) months after the date of our September telephone conversation. (A copy of the Gazette Notice of 17 December 1997 is Appendix 4).
4. On 18 February 1998, in the course of the Parliamentary debate on the 1997 Auditor-General's Report, the matter of the potential conflict of Mrs Hall as Ambassador for Soccer was raised (Hansard page 372 of Wednesday, 18 February 1998). It is surprising that had I in fact stated to Mrs Hall in 'late 1997' that her role as Ambassador for Soccer and her role in government did not create a problem regarding a conflict of interest, that this was not mentioned during the debate.
5. At no time during her examination on oath before my Inquiry did she refer to a conversation **with me** regarding conflict of interests. This is notwithstanding the fact that, under oath, she did refer to her awareness of 'a problem' and the fact that 'after the election in 1997' she discussed this matter with Ministers Buckby and Ingerson and also Premier Olsen after her appointment as a Minister.⁴ The evidence regarding this matter of her discussion with these Ministers was volunteered by her at the conclusion of her examination on 14 July 2000. (See

⁴ The 'problem' referred to in her examination referred to the potential for a 'conflict of interest'.

Appendix 4). Even though I was sitting at the table with her at the time, she made no reference to her having discussed this matter with me.

6. It is inconceivable having regard to the emphasis she now places on this alleged telephone conversation that she would not have made me aware, either at the time of her evidence on 14 July 2000, or later in the extensive submissions she made through her legal advisers that I also, in addition to the Premier and the two Ministers had a conversation with her regarding her appointment as Ambassador for Soccer and its potential for conflict. She did not mention it until 4 October 2001 in the Parliament. This is notwithstanding her claim that my advice regarding the matter of a conflict of interest was a basis for her comfort that she had no such conflict of interest in continuing on as Ambassador for Soccer.
7. At the conclusion of her evidence Mrs Hall was invited by me to review her transcript of evidence and to advise my Inquiry of any further recollections she had that may be relevant to the Inquiry.
8. Mrs Hall had from 20 July to 18 December 2000 (ie a period of five months) to review her transcript of evidence. She did make corrections to the transcript and presented further material.
9. In returning her corrected transcript and presenting further material Mrs Hall made no claim that her position as Ambassador for Soccer had been discussed and/or endorsed by me as not giving rise to a problem of a conflict of interest.
10. Over a five (5) month period Mrs Hall's legal advisers made submissions of 130 pages of detailed legal and factual analysis of the text of my Report. In addition, they made further representations by way of correspondence. However, this fundamental issue was not mentioned and this, in itself, is telling.
11. Notwithstanding all these matters, on 4 October 2001 under the privilege of the Parliament, Mrs Hall, for the first time, makes the claim that she relied upon advice she claims I gave her in 1997.⁵

I emphatically deny that any such advice was ever proffered to her by me.

Conclusion Regarding Mrs Hall's Allegation Regarding the Telephone Conversation

On the factual evidence, the inference is irrefutable that this claim by Mrs Hall is a recent invention by her. I believe, that she is not speaking from her own recollection of events but is reconstructing a story.

⁵ In my opinion, several of the matters in Mrs Hall's Ministerial Statement of 4 October 2001 would, but for the privilege of Parliament, constitute criminal defamation within the meaning of Section 257 of the Criminal Law Consolidation Act.

CLAIM THAT I MISLED MRS HALL

Mrs Hall claims that I misled her. She does not provide any details of how she was misled and how she relied on what she alleges I said, or what she would have done if I had not said what I am alleged to have said.

I do not know how Mrs Hall could conceivably have thought, that even had I made such a statement as alleged (which I deny), how that statement would be an endorsement of any conflict of interest she had.

CLAIM THAT I IGNORANTLY OR WILFULLY DISREGARDED RELEVANT STANDING ORDERS

Regrettably, this claim by Mrs Hall demonstrates her continuing misunderstanding of her duties as a Member of Parliament. It is this very kind of misunderstanding which caused Mrs Hall's blindness to the problems associated with her role as Ambassador for Soccer in the context of the Hindmarsh Soccer Stadium Redevelopment Project.

Mrs Hall has misstated and apparently still does not understand the central point made in my Report about her conflict in this case. Mrs Hall refers to House of Assembly Standing Order 321. Standing Order 321 provides:

'A member may not sit on a committee if that member has a direct pecuniary interest in the inquiry before the committee'.

Mrs Hall goes on to say that the committees on which she served were not Parliamentary Committees.

The point that was made in the Hindmarsh Soccer Stadium Report is not about the conflict between Mrs Hall's duties as a member of Parliament and her role in participating on 'Parliamentary Committees'. The conflict of interest dealt with in my Report on the Hindmarsh Soccer Stadium arises out of Mrs Hall's duties as a participant in the Executive processes within government concerning the very redevelopment project which she, as Ambassador for Soccer, actively promoted. It has nothing to do with her being a member of Parliament and serving on 'Parliamentary Committees'.

Consequently, South Australian House of Assembly Standing Order 321 has no bearing on this issue.

I note with interest Mrs Hall's quotation from Associate Professor Carney's book⁶ in fact supports one of the criticisms I have made of Mrs Hall in my Report. Mrs Hall submitted to the Inquiry that there was no basis for a 'non-pecuniary' interest giving rise to a conflict of interest. To the contrary, the Victorian statutory requirement recognises that a sufficient interest may arise in the promotion of a sporting association, as it has in this case.

⁶ 'Members of Parliament — Law and Ethics'.

DISCLOSURE

Mrs Hall refers to her disclosure to Parliament of the fact of her position as Ambassador for Soccer in her speech made on 15 February 1996. Mrs Hall states that she made complete disclosure.

I reiterate the view stated in my Report that adequate disclosure can only occur where there is full disclosure of the specific interest and when the full ramifications of the potential or actual conflict are made apparent. It was not until my Report was presented to Parliament that there was full disclosure to Parliament of these matters.

FATUOUS CLAIM

Mrs Hall said in her statement that the comment in my Report that she did not recognise the potential for conflict is fatuous.

I have this to say about this statement.

The Ministerial Statement made by her on 4 October 2001 demonstrates that she still does not understand or recognise **the relevant conflict of interest** associated with her conduct relating to the Hindmarsh Soccer Stadium Redevelopment.

INCOMPETENT NONSENSE OR POLITICAL VENDETTA

Mrs Hall said that my Report in reference to her was 'an incompetent nonsense or a political vendetta or, at worst, it is both'. With respect to Mrs Hall, I do not agree.

The function of the office of Auditor-General is discharged under a statutory mandate. In the matter of the Inquiry into the Hindmarsh Soccer Stadium Redevelopment Project, the audit mandate is determined by the *Public Finance and Audit Act 1987* and the *Hindmarsh Soccer Stadium (Auditor-General's Report) Act 2001*.

In this Inquiry, in my opinion, and after seeking the views of senior counsel, there has been no trespass into matters that are not relevant to the statutory mandate for the Inquiry. Clearly, the discharge of that mandate might have the potential for political consequences in certain circumstances. However, the fact that there are potential political consequences cannot prevent the discharge of the legislatively required obligations of an Auditor-General. The failure to discharge the audit responsibility would be inimical to the statutory responsibility of an incumbent Auditor-General.

Mrs Hall provides no details of her allegations in this regard. Should Mrs Hall have believed there is any substance to her allegations it would be expected that she would have provided full details to enable her claims to be properly investigated. She has failed to do so.

Suffice it to say, if there had been any substance to Mrs Hall's allegations on either count she would have had grounds to have a Court make appropriate orders quashing my Report.

CLAIM THAT THE TRUTH IS A CASUALTY: COST INVOLVED

Mrs Hall said that one of the early casualties of the Hindmarsh Soccer Stadium controversy and its costs is the truth. That is not the case. My Report plainly sets out, in detail, the facts.

My Report clearly distinguishes between the costs of construction and the costs of hosting the Olympic Soccer Tournament at Hindmarsh Soccer Stadium. Furthermore, my Report does make the point, as is the fact, that the impetus for the redevelopment of Hindmarsh Soccer Stadium was the opportunity to host Olympic soccer matches. This involved two costs (1) construction and (2) the costs of hosting Olympic soccer.

CLAIM THAT I HAVE CONCEALED A REAL CONFLICT OF INTEREST

Finally, I refer to Mrs Hall's statement that:

On another front, for some reason, he has concealed the real conflict of interest of one of his informants, who was one of my accusers and an unsuccessful tenderer for a significant part of the stadium's construction.

This is the first time I have heard of any such allegation from Mrs Hall.

In substance, Mrs Hall has alleged that I have conspired with a person or persons unnamed in deliberate breach of my public duty. Mrs Hall is not privy to the internal processes of my Inquiry. Such a concealment would have necessarily involved a respected firm of Adelaide solicitors and counsel from the independent Bar conspiring with me to breach my duty.

I categorically deny that I have breached my public duty in anyway.

Mrs Hall does not provide any details regarding this matter to enable her claim to be tested. The only conclusion open is that her claim is false and that it was made maliciously.

APPENDICES

**SOUTH AUSTRALIAN
HOUSE OF ASSEMBLY**



Bills and Papers Office

FACSIMILE TRANSMISSION

TO Mr Ken MacPherson **FAX NO.** (08) 8226 9688
Auditor-General
RE Extract from the Votes and Proceedings of 23 October 2001
FROM Malcolm Lehman **TELEPHONE** (08) 8237 9384
DATE 23 October 2001 **NO. OF PAGES** (including this one) 2

URGENT

CONFIDENTIAL

MESSAGE

Mr MacPherson

On Tuesday 23 October 2001 the House of Assembly passed a motion inviting you to report to the House of Assembly on statements made by the Member for Coles in relation to the Hindmarsh Stadium Inquiry. To follow is an extract from the Votes and Proceedings of the House of Assembly detailing the motion.

Malcolm Lehman
Parliamentary Officer
House of Assembly

**EXTRACT FROM THE VOTES AND PROCEEDINGS
OF THE
HOUSE OF ASSEMBLY**

TUESDAY 23 OCTOBER 2001

11 Suspension of Standing Orders

Mr Foley, without notice, moved - That Standing Orders be so far suspended as to enable him to move a motion without notice forthwith.

Question put and passed, without a negative voice, there being present an absolute majority of the whole number of Members of the House.

Auditor General's Hindmarsh Stadium Inquiry - invitation to report on the statements by the Member for Coles - Motion re

Mr Foley then moved - That this House invites the Auditor-General to report to the House on the statements in the House of Assembly by the Member for Coles on Thursday 4 October 2001 relating to the report of the Auditor-General into the Hindmarsh Soccer Stadium, which must be provided to the Parliament by Wednesday 24 October.



G D Mitchell
CLERK OF THE HOUSE OF ASSEMBLY

HINDMARSH SOCCER STADIUM

The Hon. J. HALL (Minister for Tourism): I seek leave to make a ministerial statement.

Leave granted.

The Hon. J. HALL: This is a strange statement for me to make today in view of the three quotes in the Auditor-General's Report-that my 'integrity is not the issue', that 'I accept Mrs Hall's submission that she acted in good faith', and he repeated, 'I accept Mrs Hall's submission that she acted in good faith.' The report on the Hindmarsh stadium is a story about the Auditor-General's venture into politics and his fabric of accusations and opinions that would never withstand-

Members interjecting:

The SPEAKER: Order! This is an important statement. I ask members to respect it in silence so that we can hear it.

The Hon. J. HALL: -and his accusations and opinions that would never withstand the test of a court of law. The Auditor-General's main accusation about me is that I had a conflict of interest because I was the Ambassador for Soccer and proud of it. Let me tell you about the Auditor-General and me. Toward the end of 1997 the Premier advised me that the Auditor-General would phone me to discuss issues raised in his annual report, including the role of parliamentary secretaries. He duly rang and our conversation ranged over several topics of mutual interest. We discussed my appointment as Minister for Employment and Youth and how that would be a different role and workload from that of a parliamentary secretary.

I then asked him if he thought I had any difficulty with conflict of interest, given my role as Ambassador for Soccer. I asked him if I should resign as Ambassador for Soccer. He said, 'No, that would not be necessary.' I relied on that reply. I now pay the price for believing him then. I did not know in late 1997 that his word would not pass a reliability test in 2001. Its use-by date is less than four years. The Auditor-General misled me. His turnaround since 1997 is of less concern than his fundamental error in his claims about conflict of interest. He reveals his ignorance or wilful disregard of the relevant standing orders of parliaments of Australia and the parliament of Westminster.

The South Australian House of Assembly standing orders have one reference to this, No. 321, which states:

A member may not sit on a committee if that member has a direct pecuniary interest in the inquiry before that committee.

I had no pecuniary interest and the committees on which I served were not parliamentary committees. In addition, I refer to chapter 10 of a book entitled Members of Parliament-Law and Ethics written by Associate Professor of Law at the Bond University, Mr Gerard Carney. In one of the most current and up-to-date works on this subject, he states:

This chapter examines the nature of these conflicts of interest and then considers the two most prevalent mechanisms to deal with them: ad hoc disclosure and the register of interests.

Mr Carney goes on to say on pages 354 and 355:

The 1974 resolution of the House of Commons refers only to pecuniary interests, as do the standing orders of most of the Australian state parliaments and the codes of conduct of New South Wales and Tasmania. The notable exception is the statutory requirement in Victoria to declare not only any direct pecuniary interests but also any other material interest, whether of a pecuniary nature or not. Non-pecuniary interests cover personal interests which arise in assisting or promoting the interests of a relative or friend or interests of an organisation in association such as a sporting, cultural or charitable body, of which the member of parliament is a member.

So Victoria wants more than a declaration of pecuniary interests. It requires declaration of an interest in a sporting body. This is an extract from a speech I made in the Assembly on 15

February 1996:

I am pleased to be associated with soccer in this state and very proudly with my new job as Soccer Ambassador for South Australia.

By that declaration I satisfied the requirement of Australian parliaments and the parliament of Westminster. For my part, I am comfortable in my compliance with the rules of my peers in those parliaments and this parliament of South Australia. Further to the point, I read from page 514 of the report which says:

Mrs Hall has submitted that she made complete disclosure of her interest in soccer and her position as Ambassador for Soccer was well known. Despite her submission Mrs Hall did not make proper disclosure of the potential for conflict at any point in time. She did not do so because she did not recognise the potential for conflict until September 1999. Indeed, Mrs Hall denied the existence of any potential or actual conflict by reason of her position as Ambassador for Soccer. In my opinion-

and we are talking about the Auditor-General

proper disclosure of a potential or actual conflict of interest requires full disclosure of the specific interest and informed consent. Both the disclosure and consent must be formally documented. Consent is only informed when the full ramifications of the potential or actual conflicts are made apparent. This did not occur in the case of Mrs Hall's involvement in the Hindmarsh Soccer Stadium redevelopment project.

My legal advisers are highly critical of this reference and indicate that it did not represent mainstream views of either parliamentary or legal procedures. What a fatuous claim he makes when he states that I did not recognise the potential of conflict of interest when in fact I had asked for his opinion of it, as I have described, in 1997.

In very simple terms this report in reference to me is either an incompetent nonsense or a political vendetta or, at worst, it is both. One of the early casualties of the stadium controversy and its costs is the truth. Last night's news reported that the blow out of the stadium costs was 400 per cent. Such

false claims as this widely spread across the media make it very difficult for truth to survive. The Auditor-General has no authority to make the policy decision about the scope of the stadium development. Uncharacteristically he admits this on page 11 of Part 1 and he says:

The policy decision to redevelop the Hindmarsh Stadium for the purpose of promoting soccer in South Australia cannot itself be subject to criticism, nor can the policy decision to pursue the opportunity to host preliminary matches of the 2000 Olympic Football Tournament.

It is therefore dishonest for anyone to claim the building of stage 2 is a blow out cost of stage 1. They were quite separate and considered government decisions.

In relation to the construction of stages 1 and 2, these figures set out in the report (table 4 on page 537) show \$25.685 million as the budget estimate of costs, compared with the actual cost of \$26.233 million—an overrun in constructions costs of \$548 000 or 2.1 per cent ahead of budget.

Then, to complicate matters further, the Auditor-General inflated the final total by placing the costs of staging the Olympic Football Tournament in the same bracket as the buildings. That is an addition of \$5.7 million that he apparently wants the public to believe are part of the construction costs. The Auditor-General's reference to \$41 million to the redevelopment cost shorn of this ploy would be \$35.29 million.

On another front, for some reason he has concealed the real conflict of interest of one of his informants, who was one of my accusers and an unsuccessful tenderer for a significant part of the stadium's construction. But enough of the Auditor-General's involvement. The Labor Party has spread destructive criticism and untruths about this project for years. Their actions centred on supporting it in the House and undermining it in the media. I have nothing but disdain for those opposite who have spread innuendo and untruths to further their political agendas.

Members interjecting:

The SPEAKER: Order!

The Hon. J. HALL: Their actions have been destructive to the game of soccer. The facts are that the Labor Party opposes the very basis of the developments of this government and those I have personally been associated with. Only yesterday, the member for Florey said that she had seen many areas of overspending in this government, including the wine centre, the Holdfast Shores development and the Convention Centre. She has no concept of the acknowledged economic benefits these investments will generate for our state. The business of politics is nothing without numbers, and the government-

Members interjecting:

The SPEAKER: Order! I am sorry to interrupt the minister. I remind members that this is the appropriate forum for a member of this place to respond to the Auditor-General's Report; in fact, it is the only place in which they can do so. I would ask members to respect the fact that, like any other member, this member has the opportunity to respond in silence. If members want to take that away from her, the chair will react to it.

The Hon. J. HALL: Thank you, Mr Speaker. The business of politics is nothing without numbers, and the government does not have a majority in its own right. I will not put the government at risk with a vote of no confidence in the hands of the Independents, who may vote against us, and I will not see the government defeated by the lies that have been spread about Hindmarsh.

I have immense satisfaction and pride in the growth of our state's tourism and convention industry, and I sincerely commend and thank all those people who have worked so cooperatively, professionally and enthusiastically to achieve the record breaking success in activity that we are seeing in this state. I would particularly like to thank the Premier and my colleagues for their support and for their good sense of humour.

I believe the government deserves to be, and will be, returned at the next state election, and I say with deliberate intent that I will actively work for that goal. It is my judgment, in the circumstances created by the Auditor-General, that it is the appropriate action for me to take today. I have my resignation in hand and I am now about to stroll over and give it to the Premier.

APPENDIX 3 - Letter dated 17 September 1997 to Mrs Hall MP



Auditor-General



17 September 1997

Mrs Joan Hall, MP
Member for Coles
163 St Bernards Road
ROSTREVOR SA 5073

Dear Mrs Hall,

We have not been successful in coordinating and I understand that you will not be available until sometime next week. I consider it appropriate to indicate to you the matters that I was minded to raise with you had we been able to arrange a meeting.

Following the receipt of advice I sought from Eminent Senior Counsel, my Report to the Parliament for 1996-97 will be considering the matter of the authority and involvement of Parliamentary Secretaries in the processes of Executive Government and as members of Parliamentary Committees. A matter of particular interest is the case where Parliamentary Committees consider matters associated with the portfolio of the Minister to whom the Parliamentary Secretary has been appointed. Where the Parliamentary Secretary is a member of the Committee examining that Minister certain issues arise.

Where members of Parliament are appointed to positions of "public office" including that of Parliamentary Secretary, a concern may arise where the performance of duties or tasks associated with such a position creates a conflict with the duties and obligations attendant upon being a Member of Parliament. As you are aware, Parliamentary Secretaries, under present arrangements, are appointed pursuant to section 68 of the *Constitution Act 1934*.

On the basis of the advice received by me, the matter of your appointment by the relevant Minister to whom you were then Parliamentary Secretary to chair the 'Hindmarsh Stadium Redevelopment Committee' and your subsequent participation on this issue in the Estimates Committee when that Minister was being examined, gives rise to a conflict of interest. It is my advice that where a situation such as this arises a declaration of a conflict should be made.

aphall2.doc

9th Floor State Administration Centre Victoria Square Adelaide 5000
Telephone (08) 226 9640 Facsimile (08) 226 9688 DX 56208 Victoria Square

There are no South Australian precedents that specifically deal with this particular situation, although in the Commonwealth Parliament the position is dealt with by legislation. There is no suggestion of a want of good faith on your part or that of any other person. As you are aware I have mentioned this matter to the Premier as the principle involved is of importance to government generally.

I will be making reference to this matter in my Report as to fail to do so would be contrary to my statutory responsibilities. Should you wish to contact me to discuss the abovementioned matters please do so by no later than late Monday, 22 September as my Report is to be finalised early next week.

Yours sincerely,



K I MacPherson
AUDITOR-GENERAL

Government House, Adelaide, 17 December 1997

HIS Excellency the Governor has been pleased to make the following appointment:

The Honourable Michael Harry Armitage, MB, BS, MP, as Minister Assisting the Premier for Information Economy.

By Command,

P. G. BASSETT, Official Secretary

Government House, Adelaide, 17 December 1997

HIS Excellency the Governor has accepted the following resignations:

The Honourable Graham Alexander Ingerson, AUA, MPS, MP, as Minister for Local Government, Recreation and Sport.

The Honourable Kenneth Trevor Griffin, LLM, MLC, as Minister for Police, Correctional Services and Emergency Services.

The Honourable Dean Craig Brown, MRurSc, GradDipBusAdmin, MP, as Minister for Disability Services and Minister for the Ageing.

The Honourable Michael Harry Armitage, MB, BS, MP, as Minister for Administrative and Information Services.

The Honourable Malcolm Robert Buckby, BAg, GradDipEc, MP, as Minister for Youth and Employment.

By Command,

P. G. BASSETT, Official Secretary

Government House, Adelaide, 17 December 1997

HIS Excellency the Governor has been pleased to make the following appointments:

The Honourable Mark Kennion Brindal, DipT (Primary), MP, as Minister for Local Government and Minister Assisting for Tourism.

The Honourable Iain Frederick Evans, BAppSc (Building Technology), MP, as Minister for Recreation and Sport and Minister for Police, Correctional Services and Emergency Services.

The Honourable Robert David Lawson, BA, LLB, RFD, QC, MLC, as Minister for Disability Services and Minister for the Ageing.

The Honourable Wayne Anthony Matthew, BA, MP, as Minister for Administrative Services and Minister for Information Services.

The Honourable Joan Lynette Hall, MP, as Minister for Youth and Minister for Employment.

By Command,

P. G. BASSETT, Official Secretary

APPENDIX 5 - Extract of Evidence Given by Hon Joan Hall to the Auditor-General's Hindmarsh Soccer Stadium Inquiry on 14 July 2000

- 'Hon J Hall* *Can I say there is just one thing I would like to tell you.*
- Mr Marsh* *Certainly.*
- Hon J Hall* *Which you haven't touched on and it probably doesn't matter a damn at this stage ...*
- Mr Marsh* *It's probably the most important thing.*
- Hon J Hall* *No, I doubt it. After the election in '97 and I was appointed a junior Minister after that I pondered very seriously whether I should remain as Ambassador for Soccer because I had been, surprise, surprise, you know the discussion of a number of questions during estimates and a whole range of, you know, fun allegations that were out there. And I seriously pondered whether I should maintain that position and I seem to recall – I don't want to incriminate – I think I talked to the Premier and I think I talked to my senior Minister who would have been Malcolm Buckby at the time and asked whether there was a problem, and I would probably talked to Graham Ingerson as well who was – I think he's in back of the soccer stadium at this stage. I think that's*
- Mr Marsh* *Until August '98 he is.*
- Hon J Hall* *That's right, okay. So I probably would have spoken to him as well. And it was my view, and it's in fact what happened, I essentially came off all committees in a chairing capacity because I thought – I personally thought that was inappropriate at that stage because I was a Minister. And I maintained a membership of, I think it was called the reference group, but don't hold me to the title because we'd changed a lot by this stage.*
- Mr Marsh* *Right.*
- Hon J Hall* *And when I was the Minister for Employment and Youth it wasn't a problem, there didn't seem to be any conflicts anywhere around the place. But when I became the Minister for Tourism and maybe ...*
- Ms Thomas* *On 8 October 1998.*

Hon J Hall

Right, part of that portfolio is AME and I assumed that AME would've been involved in some part of the presentation and staging of the Olympic tournament and so I made the decision, no one asked me to, no one forced me to, I actually made the decision myself that I was going to resign from the position of Ambassador because (a) my time commitments totally changed with this portfolio I've current got, and (b) I thought it was inappropriate when I would be taking recommendations and decision to Cabinet that I was directly involved with as Minister and I didn't believe it was appropriate that I should be aligned with any sport as an individual sport. Now, it mightn't matter a damn but I wanted you to know that that decision was taken for the best of reasons. Now, it's had all sorts of connotations put on it since, including the fact that I'd sent soccer in this State broke, but that's why I chose to make that decision'.