

## HOUSE OF ASSEMBLY

Wednesday 22 November 2006

The **SPEAKER (Hon. J.J. Snelling)** took the chair at 2 p.m. and read prayers.

### SCHOOLS, FUNDING

Petitions signed by 4 392 residents of South Australia, requesting the house to call on the government to maintain funding to all schools that currently receive small school grants, were presented by Dr McFetridge and Mrs Redmond. Petitions received.

### SEXUAL ABUSE, SUPPORTED RESIDENTIAL FACILITIES

In reply to **Mrs REDMOND** (29 June).

**The Hon. J.W. WEATHERILL:** I acknowledge there may be difficulties for any person with an intellectual disability making a proper complaint to the police or other agency about an assault or other criminal behaviour committed against them. If they are living in a Supported Residential Facility (SRF) there are a number of procedures and safety mechanisms within SRFs that do, in fact, facilitate the making of complaints.

All licensed SRFs must have a mandatory complaints procedure approved by a Local Government Authorised Officer as required under the Supported Residential Facilities Act 1992. This complaints procedure must be described in the SRF Prospectus provided to all residents. The SRF Prospectus must also include rules around acceptable behaviour and the rights and responsibilities of the residents. If a resident is unable to understand or read the Prospectus, the proprietor is required to explain it to the resident, and provide copies to any advocate, carer or family member. A Prospectus must also have a list of Advocates, who may act for, and assist, residents who may wish to make a complaint.

Complaints may be made by the individual resident concerned, or by another resident, support worker or other on behalf of that resident.

If an allegation of assault of any kind is made by any individual living in a SRF, the matter must be investigated by the Proprietor in the first instance. If the allegation is minor and/or found to be unfounded, the matter is either handled internally or with local government and/or advocate assistance.

If an allegation is considered more serious, it is reported to the Police, who then determine the course of action. Local Government must also be advised and in turn, advise the SRF Senior Project Officer in the Department for Families and Communities (DFC), who is an Authorised Officer appointed under the SRF legislation.

SRF proprietors are not Mandated Notifiers. However, it should be noted that, as at 12 July 2006, there was no-one under the age of 18 years living in a SRF.

If the Office of the Public Advocate is Guardian for a person with a reduced mental capacity, they can advocate in civil matters, but are limited in their capacity to assist in criminal matters. However, if there is a full Administration Order through the Guardianship Board, the Administrator can proceed with criminal matters on behalf of their clients.

The DFC SRF support program has enabled a greater security for residents and has ensured that residents, in the main, have access to an independent person with whom to discuss issues, and develop relationships, should they be harassed in any way.

Disability Services SA, also coordinates a range of responses to people with an intellectual disability living in SRFs. These include case-management, additional support, advocacy services, sexual health education and additional personal care support as required. Disability Services SA also advises that once they are aware that a person with an intellectual disability is sexually active, they will refer them to, and assist them to attend, sexual health education with Sexual Health Information and Networking (SHine) SA Inc.

Consultations for the proposed 'Accommodation Act' for people living in congregate care settings who require personal care, commenced on 4 July, 2006. The aim of this proposed legislation is to increase protection and security of tenure for residents, which includes people living in a SRF.

### WATER EFFICIENCY LABELLING AND STANDARDS

In reply to **Mr GRIFFITHS** (9 May).

**The Hon. J.D. HILL:** I am advised by the Minister for Environment and Conservation:

The Water Efficiency and Labelling Standards Bill 2006 was introduced into Parliament on 1 June 2006 and has subsequently been proclaimed.

### HOSPITALS, MODBURY

In reply to **Ms CHAPMAN** (20 September).

**The Hon. J.D. HILL:** I am advised:

The Healthscope General Manager of Modbury Hospital wrote to the Executive Director, Adelaide North East Division of General Practice on 11 May 2006 to clarify the situation in regards to outpatient services at Modbury.

In part the letter stated, 'I have reviewed the current directive that outpatients was operating under and can confirm that all new referrals will be accepted. Patients will be advised in writing of their scheduled appointment time as it becomes available.'

### ELECTIVE SURGERY

In reply to **Ms CHAPMAN** (31 August).

**The Hon. J.D. HILL:** I refer the Deputy Leader of the Opposition to my response to a question without notice asked in the House of Assembly on 20 September 2006.

### PAPERS TABLED

The following papers were laid on the table:

By the Speaker—

Auditor General—Supplementary Report—Matters arising from the further audit examination of the Administration of the Criminal Law (Forensic Procedures) Act 1998 and other matters—Ordered to be published.

By the Attorney-General (Hon. M.J. Atkinson)—

Courts Administration Authority—Report 2005-06  
Guardianship Board of South Australia—Report 2005-06  
Inquiry into the Death in Custody of Michael John Hulsinga  
Legal Practitioners Guarantee Fund, Claims against the—  
Report 2005-06  
State Coroner—Report 2005-06

By the Minister for Health (Hon. J.D. Hill)—

Land Board—Report 2005-06  
Radiation Protection and Control Act 1982—Report 2005-06  
Heritage Council, South Australian—Report 2005-06

By the Minister for Education and Children's Services (Hon. J.D. Lomax-Smith)—

Speed Management—Report 2005-06.

### SOUTH AUSTRALIAN CERTIFICATE OF EDUCATION

**The Hon. J.D. LOMAX-SMITH (Minister for Education and Children's Services):** I seek leave to make a ministerial statement.

Leave granted.

**The Hon. J.D. LOMAX-SMITH:** I inform the house that I have today announced the government's response to advice I have received on the shape of a future South Australian Certificate of Education. As members would be aware, a community-based review of the current SACE made 26 recommendations designed to reform and revitalise our existing senior secondary school certificate.

Subsequently, a steering committee, which includes the leaders of the Catholic, independent and government school sectors, has examined those recommendations with a view to

providing me with advice on introducing a new SACE. This group has worked with interested parties, including our schools, universities, the further education sector and business and community leaders within the state, as well as the Northern Territory, where SACE is adopted for local students. The government has accepted the advice of the steering committee on the shape of the new SACE. Indeed, the Rann government will invest \$54.5 million over five years to support the provision of a new certificate that enables young people to develop the skills and values they need to work and contribute to South Australia's future.

Having confirmed the nature of the new SACE, work will begin immediately on its development. I was delighted today to communicate the full details with principals from our Catholic, independent and government secondary schools right across the state by means of a TAFE video conferencing system. The principals are among those who recognise that today we live in a global economy, where there is a worldwide shortage of skills. I have often said that the worst brain drain is not our young people moving to Sydney or Melbourne but, indeed, is their not reaching their potential in South Australia. However, as I said in this Assembly in June—

*Members interjecting:*

**The SPEAKER:** Order!

**The Hon. J.D. LOMAX-SMITH:** —if we want to educate our young citizens, we need an education and training system that also engages the 45 per cent of young people who currently do not complete their year 12 SACE, and which addresses the needs of the more than 70 per cent of young people who do not take up a place at university.

The advice from the SACE steering committee paves the way for a new SACE that builds on the best of the existing certificate, while broadening opportunities for more young people to achieve their best. It will ensure that we have rigorous and demanding qualifications that retain strong community confidence. The advice confirms that we will have a certificate that is based on clear performance standards. It will also include compulsory literacy and numeracy studies. There will be an early warning system of assessment of literacy and numeracy skills to inform teachers and ensure that students are well prepared to undertake the SACE.

Rather than as originally proposed by the review, the diagnostic test will now occur in year 9, not year 10, to ensure that there is time to intervene and deliver remedial support for those students as they prepare for their SACE studies. It will also be compulsory to complete a required amount of study in stage 2, which is at year 12 level. This could include opportunities for vocational and accredited community-based studies. All students will be expected to complete their own personalised learning plan at stage 1 and a major project of extended learning in stage 2. There will be clear levels of achievement the students must reach to gain the certificate. The future SACE will be a certificate with separate, distinct subjects and rigorous performance standards that give teachers and assessors clear criteria to determine student achievement.

In addition, there will be an A to E grading scale to clearly report student achievement, not only at stage 2, as the original SACE review proposed, but at both stages, which is usually covered during years 11 and 12. Equally, the future SACE will have greater flexibility, enabling students who do not complete their SACE in a particular year to come back to their studies at a later time without losing credit for the work they have already completed. There will be an increased

emphasis on ensuring that students gain the skills and knowledge that employers and educators recognise are important for success at work and in the broader community. These are skills that equate to employability. These decisions follow extensive deliberations by the steering committee that has included the views of expert fora of educators and principals and has involved listening to universities, further education providers, employers, unions and parent bodies.

Overall, the government has accepted the advice to adopt 14 of the SACE review recommendations without change. We endorse seven recommendations with minor changes and four with major amendments. In particular, the TER will continue to be in place to inform university and TAFE selection. This will be reported separately but at the same time as students receive their SACE certificate and record of achievement. While I shall not give a blow-by-blow account of each element of the future SACE, I acknowledge the collaborative approach taken by those concerned for the education and training of young people. I particularly thank the SACE review panel members, school principals and the staff who have worked hard to establish this foundation for the future. We now have a map for the future which will engage more young people in a broader range of pathways to further work and education.

From next year secondary teachers will be supported to develop key elements, including the year 9 literacy and numeracy early warning assessment scheme, and we will step up professional development for teachers and provide support for the new school to work grants to build stronger connections between school, training and workplaces. Students undertaking the existing SACE will continue to be supported and, indeed, the whole transition to a new SACE is designed to be evolutionary rather than revolutionary. The Senior Secondary Assessment Board of South Australia (SSABSA) will continue to ensure a smooth assessment of results and processing for current students.

While proposed legislation to establish a new statutory body is expected to be in place from 2008, it will build on the foundation established by SSABSA. The steering committee has strongly advised that a year of piloting is necessary to make sure that we get things right before we roll out the whole system across secondary schools in the state and the Northern Territory. I have agreed that the first group of young people to undertake the future SACE will start their year 10 studies in the year 2009 to graduate with the new SACE in 2011. This means that the year 8 students in 2007 will be amongst the first to undertake the future SACE, and they will have a particular focus of support in this program.

The overall direction is for a new certificate that is rigorous and inclusive, retains the confidence of the community and provides a passport from school to tertiary education, training, work and citizenship in South Australia and beyond. This is a great step forward for the children and the communities of South Australia.

#### LEGISLATIVE REVIEW COMMITTEE

**Mrs GERAGHTY (Torrens):** I bring up the 14th report of the committee.

Report received.

**Mrs GERAGHTY:** I bring up the 15th report of the committee.

Report received and read.

## PUBLIC WORKS COMMITTEE

**Ms CICCARELLO (Norwood):** I bring up the 250th report of the committee entitled Lyell McEwin Hospital Redevelopment Project, Stage B.

Report received and ordered to be published.

## VISITORS TO PARLIAMENT

**The SPEAKER:** I draw to members' attention the presence in the galleries today of students from Golden Grove Lutheran Primary School (guests of the member for Wright), leaders from the African community in South Australia (my guests), students from Houghton, Lenswood, Mylor and Ashbourne primary schools (guests of the member for Kavel), students from Millbrook, Clarendon, Scott Creek and Upper Sturt primary schools (guests of the member for Heysen), students from Springton, Rosedale, Palmer, Sandy Creek, Light Pass, Greenock, Mount Pleasant and Mount Torrens primary schools (guests of the member for Schubert) and students from Kangarilla, Langhorne Creek and Scott Creek (guests of the member for Hammond).

## QUESTION TIME

### SCHOOLS, SMALL SCHOOLS PROGRAM

**Dr McFETRIDGE (Morphett):** Will the Minister for Education and Children's Services advise what conditions have changed to make the 2005-06 resource entitlement statement no longer valid for small schools? In 2005 the government released its resource entitlement statement in which it introduced a \$30 000 small schools grant program to cover administrative costs. At that time administrative costs were recognised as not varying according to the size of schools. Post-election 2006 these administrative costs remain but the grants have been cut.

**The Hon. J.D. LOMAX-SMITH (Minister for Education and Children's Services):** I thank the member for Morphett for his question—because I thought he would never ask! Certain elements need to be explained publicly. When we came into government four years ago our schools were grossly underfunded and neglected. Those opposite had done so much to undermine public education. I am sure the young people upstairs understand the issues around percentages, because they will understand when I say that every one of their schools on average across the state has 38 per cent more funding than when we came into government.

*Members interjecting:*

**The SPEAKER:** Order! The minister has the call.

**The Hon. J.D. LOMAX-SMITH:** Better still, those children who attend the small schools the honourable member is discussing—not all small schools, of course—have 40 per cent more funding. I put it simply: for every \$100 the Liberals gave them we are giving them \$140. Is that plain enough? It is 40 per cent more funding than four years ago.

One of the issues about the small grants for schools—the \$30 000 the honourable member has discussed so often—is that we instituted it two years ago, but since the funding, on average, has risen 10 per cent per annum the water has lifted all boats; the tides have lifted all boats. When the tide has lifted all schools, that extra funding would no longer be necessary. The honourable member is talking down the children in these fabulous schools over and over—not the children who are distant and really disadvantaged by distance,

those who live in Oodnadatta and places such as that. In fact, it is a tragedy those opposite appear to want schools to close. In whose electorate is Pasadena? The member for Morphett went to Pasadena High School and said, 'We think your school should maybe close,' and drove them into a frenzy of uncertainty.

**Dr McFETRIDGE:** Mr Speaker, I rise on a point of order. I have been misrepresented by the minister. At no stage did I—

**The SPEAKER:** Order! There is no point of order.

**The Hon. J.D. LOMAX-SMITH:** The issue is that the more they talk down public education, the more stressed our schools will be with enrolments, because, in fact, the public would not believe—

*Members interjecting:*

**The SPEAKER:** Order! That is enough.

**The Hon. J.D. LOMAX-SMITH:** I think it is important to recognise that our small schools do a fabulous job. They have great teachers and high achieving students. To support them, we have given them 40 per cent more in crude dollars—40 per cent more money. What does that mean for each child? On average, a child in the schools we are discussing gets 30 per cent more funding than the average child across the state—30 per cent, on average per capita more; 40 per cent funding over four years. The tide has lifted all boats so far. The bath tub is full, as the member for Chaffey said. The reality is that the people who are damaging those schools most are those opposite who claim that they will have to close.

### SKILLS SHORTAGE

**Ms BREUER (Giles):** My question is to the Minister for Employment, Training and Further Education. What is the government doing to target support for regional South Australia in addressing industry skill needs?

*Members interjecting:*

**The SPEAKER:** Order!

**The Hon. P. CAICA (Minister for Employment, Training and Further Education):** Thank you, sir. Quite a bit actually, Ivan. Mr Speaker—

*Members interjecting:*

**The SPEAKER:** Order! The minister has the call.

**The Hon. P. CAICA:** Thank you, sir. I am very pleased to advise members that South Australia—and it is in recognition of our strategic approach and commitment to workforce development—has been successful in securing \$731 000 through the commonwealth regional program targeting skills in the regions. This funding, in addition to significant state government and industry contribution, will boost our efforts to address industry skills needs in the Upper Spencer Gulf—and I know the member for Giles keeps an abiding interest in the skills situation in her electorate—the Eyre Peninsula and the Limestone Coast. This program aims to develop integrated strategies to identify solutions to labour market needs in the regions of strategic importance to the South Australian economy and, indeed, the Australian economy.

We have had, as I said, great success with all three of our proposals approved for funding—the only state that has gained approval for all its proposals—and it is an impressive 25 per cent of the total budget available through this program. It shows that we can work well with the commonwealth but, more importantly, it shows that the information that we are providing and, indeed, the efforts that we are producing in this state are worthy of its financial contribution. The 25 per

cent contribution, if it was to be on a pro rata basis, would be 8 per cent of the total funding that is available. It would be nice to get some bipartisan support. It seems, however, that we work better with the feds than the opposition. Combined with the state government investment of \$200 000, the Upper Spencer Gulf minerals industry has secured a total of \$281 000 in the federal funding.

This initiative will increase priority training places in Whyalla, Port Augusta and Port Lincoln for an additional 72 Aboriginal people and 90 disadvantaged young people. In relation to the skills needs I am often asked, 'Where will these people come from?' In part, the answer is that they will come from the people we already have: it is about orientating our efforts towards those people who have been disengaged and disadvantaged for far too long. It provides great opportunities for us to entrench the prosperity which we will all enjoy and share. It will also assist with career development and promotion of the industry to provide the community with an understanding of the career pathways available.

The second initiative—a workforce development program to support the expansion of forestry and transport industries in the Limestone Coast—has attracted \$275 000 in federal funding. With the \$250 000 already invested by the state government and, importantly, with the \$250 000 investment from industry, this project will support the development and implementation of a number of attraction, retention, upskilling and mentoring programs for the region.

We are going to face challenges in the forest industry, as is the case with all industries. This is about proper planning and proper opportunities. Both the Upper Spencer Gulf and the Limestone Coast initiatives will be coordinated in partnership with the relevant regional development boards, industry skill boards and DEFEEST. The third and final initiative will support the workforce needs of the Eyre Peninsula seafood industry. This initiative received \$175 000 in federal funding and \$200 000 in state government funding. It will support 36 young people, including 18 Aboriginal people, to gain full-time employment with local seafood enterprises in the Eyre Peninsula region.

This initiative will be managed by the Seafood Training Centre of Excellence, in which the state government has already invested \$1.3 million to coordinate and broker accredited training across a range of training providers, the seafood industry, enterprises and employees. It is through examples such as this of effective collaboration between governments, industry and local networks that economic prosperity can be fostered and sustained across regional South Australia.

### SCHOOLS, SMALL SCHOOLS PROGRAM

**Dr McFETRIDGE (Morphett):** My question is again to the Minister for Education and Children's Services. Prior to announcing the axing of the \$30 000 small schools grant, did the minister undertake an assessment of the impact of all the cuts or extra costs the government is currently imposing on small schools and their communities and, if not, why not? Some small schools advise that they are gravely concerned over the raft of cuts as well as the small schools grants.

Other cuts identified are the government taking interest earned on school bank accounts; a new government policy requiring schools to self-manage workers compensation; the government's lack of commitment to continue aquatics programs; the scrapping of instrumental music programs; the axing of the Be Active—Let's Go physical education

program; the loss of relief teachers; and charging for school dental programs, as well as the abandonment of the \$30 000 small schools grants program.

**The SPEAKER:** Order! Before I call the minister, I think the explanation went far beyond what was necessary to explain the question.

**The Hon. J.D. LOMAX-SMITH (Minister for Education and Children's Services):** Thank you for your protection, sir. I think the member for Morphett is doing what he so often does, that is, making up a series of hypothetical situations and pretending that they are true. The reality is that he has listed a grab bag of elements, some of which are correct and some of which are speculative.

**Dr McFETRIDGE:** I have a point of order as to relevance. The minister has said that this is already in the budget. It is clear, it is open, it is all there.

**The SPEAKER:** Order! The member for Morphett having indulged in an unnecessary explanation that was full of argument can hardly now complain when the minister seeks to respond to the propositions he put up in his explanation.

**The Hon. J.D. LOMAX-SMITH:** I will not reflect on each of the elements, some of which were quite untrue and speculative, but I will make this point. If the member opposite wants to take the schools back to the situation in 2002, he will take them back to a day when they had 40 per cent less in funding. As I explained—

*Members interjecting:*

**The SPEAKER:** Order! If the member for Mawson and the member for Morphett want to have a discussion, I encourage them not to do it by yelling at each other from opposite sides of the chamber. The minister has the call.

**The Hon. J.D. LOMAX-SMITH:** I have to say that the member for Morphett is getting more confused than usual, because it was his government that closed 65 schools. It was those opposite who closed 65 schools. We have no policy of closing schools except where a community asks us to do so, as in Croydon. Even when we are placing a \$260 million massive investment strategy, we do not compulsorily close schools. We will not build the schools unless we can amalgamate the students from the current schools, but we do not close schools. Those opposite closed 65, I believe, during the term of their government. This is nonsense.

We have not closed schools in the term of our government except at the request of the community. The reality is that none of the small schools that are disadvantaged, none of the small schools that are distant and in regional and rural South Australia have had their \$30 000 extra investment affected. The only schools that are affected are local schools within the outer metropolitan area, where we know they have \$10 million a year in funding going into those schools already; where we know every child gets, on average, 30 per cent more in funding than the child in an average primary school; where we know that those schools have had 40 per cent more funding than they got four years ago. This is on top of our extra \$76 million commitment in the forward budget. We are an education government. Year after year we invest. Not only do we invest money, we invest ideas and reforms, something we never see on the other side.

### HILLTOP HOODS

**Mr BIGNELL (Mawson):** My question is to the Minister Assisting the Premier in the Arts.

*Members interjecting:*

**The SPEAKER:** Order!

**Mr BIGNELL:** Why were the Hilltop Hoods in 'da' house today?

**The Hon. J.D. HILL (Minister Assisting the Premier in the Arts):** I thank the member for Mawson, who I know is a big fan of the Hilltop Hoods.

*Members interjecting:*

**The Hon. J.D. HILL:** Sir, I have news which will be of great interest to the member for Schubert. South Australia's own Hilltop Hoods are Australia's most successful hip-hop artists. The group recently won Best Urban Release and Best Independent Release at this year's ARIA awards. The reason they were in 'da' house today was to announce the winners of the 2006 Hilltop Hoods Initiative. This initiative (which started last year) is a fantastic way the Hoods are giving back to the music community in South Australia. This group is a true South Australian success story. They are the only hip-hop group in the country to achieve platinum record status.

The Hoods emerged from the south in 1991 when MCs Suffa and Pressure met at Blackwood High School. They later joined up with DJ Debris through a mutual friend when MC Cali left the band. I am sure members are familiar with this history, but I will go through it again. They are true to their South Australian heritage, even naming their band after Blackwood (that is, the Hilltop) where MCs Suffa and Pressure were raised.

The Hoods received a grant from Arts SA early on in their careers which helped them to market and distribute their first LP, 'Matter of Time', and I am sure members on this side would be familiar with that. To help other hip-hop artists to get their start, they now provide \$3 000 a year to help young and emerging South Australian hip-hop artists to manufacture and distribute a CD. It is known as the Hoods Initiative, and it also includes two mentorship sessions with Hilltop Hoods manager, PJ Murton.

This year, the quality of the applications was so impressive that the government has put in a matching \$3 000 to enable two grants to be given. I would like to announce to the house the two winners: Subsketch, a 21-year-old from Eden Hills, and Particular People, a four-piece act from Nuriootpa. I wish the two winners every success in their future musical careers, and I thank the Hilltop Hoods for their wonderful initiative that helps support our young musicians. I hope the Hilltop Hoods continue to build on their success.

**Mr PISONI (Unley):** I have a supplementary question, Mr Speaker.

**The SPEAKER:** I have previously informed the house that supplementary questions need to be asked by the member who asked the original question. I am happy to give the member for Unley the call, but he may want to consult with his front bench before he does. No? The member for Morphett.

#### SCHOOLS, SMALL SCHOOLS PROGRAM

**Dr McFETRIDGE (Morphett):** My question is again to the Minister for Education and Children's Services. How much of the claimed 40 per cent increase in operational funding and 30 per cent increase in funding per student is as a result of the need to cover enterprise bargaining wage increases?

**The Hon. J.D. LOMAX-SMITH (Minister for Education and Children's Services):** I thank the member for Morphett for his question. He knows that we have, in fact, been through an EB round recently. When you look at the 30

per cent more per capita, you see that all schools have been affected by that EB change, but we still have 30 per cent more per capita for the schools in which he is interested. My memory of the EB agreement was that it was 14.5 per cent.

#### CHILDREN'S LITERACY

**The Hon. S.W. Key (Ashford):** My question is directed to the Minister for Education and Children's Services. Given that parents are central to the development of children's literacy, what government initiatives support parents in this role, particularly in disadvantaged communities?

**The Hon. J.D. LOMAX-SMITH (Minister for Education and Children's Services):** I thank the member for Ashford for her question. As everyone in this room knows, she is keenly committed to education, and particularly mindful of those young people whose lives are affected by poverty and disadvantage. These are just the sort of people who are best situated to benefit from the Rann Government's Early Years Literacy Strategy, where a program acknowledges the important role that parents, families and communities play in children's education. This program, Learning Together, aims to not only improve early literacy education for children but also assist families to support their child's early literacy development and support parents with their own education. The state government has invested \$4.2 million over four years to support this program. Underpinning the Learning Together project is the belief—and it is one that I share—that consultation with the local community about the programs that operate in their own area is essential for delivering new services and innovation.

Strong supportive partnerships with families underpin all aspects of Learning Together. The program actively engages with families. It involves them in its decision-making and allows them to shape programs that acknowledge their strengths and interests, and allows them to support individual family members' growth. To date, 537 families have been involved in the Learning Together program. Some 26 per cent of these families are from indigenous backgrounds and 39 per cent are sole parents. Learning Together happens in five community programs with integration between schools and children's services. The programs are located at Enfield, Murray Bridge, Davoren Park, Port Augusta and the Christie Downs/O'Sullivan Beach area.

The programs were developed in areas of identified disadvantage for all families with children, from birth to three years of age. One of these highly successful Learning Together projects is based at the Enfield Primary School, and runs alongside programs offered under the umbrella of Café Enfield. Café Enfield provides a range of Learning Together activities, including guided playgroups for babies, toddlers and children with additional needs; and supported study groups with parents working on their own projects, such as making books that document significant developmental milestones in their children's lives. They also offer outreach groups at neighbourhood schools and local kindergartens, and at Nunga Mi: Minar, the Aboriginal women's shelter.

Learning Together projects offer the opportunity for families to borrow books and learning resources from the library, which includes both children's and adults' literature and literacy kits. It also allows families to borrow cameras and digital equipment, which are used extensively within the program. The results of this program have been very exciting and have made a real difference to people's lives. Through Learning Together, Café Enfield, and funding grants and

partnerships, parents have been supported to return to study and have undertaken SACE and TAFE studies in Community Services (Child Care) and in Introductory Vocational Education. In fact, some of these programs are called 'Café SACE'. The recently announced Adult Learner of the Year Mia (Ashlea) Tate, whom I met recently at an Education Works Governing Council Forum at Enfield High School, is a young mother from the Learning Together program at Café Enfield, which is called 'Café SACE'. She is an inspiration to many other young sole parents in the area, and I congratulate her on her success. The South Australian government recognises that one size does not fit all in improving literacy and achievement for young people. For those in disadvantaged communities the Learning Together project provides a supportive alternative which enriches the lives of both the parent and the child.

### SCHOOLS, SMALL SCHOOLS PROGRAM

**Dr McFETRIDGE (Morphett):** My question is again to the Minister for Education and Children's Services. Will the minister agree to attend a community meeting to hear firsthand the many concerns being raised by parents and teachers at small schools across the state? As has been widely reported and demonstrated today, the government's announcement to cut the small schools grants program has been met with considerable public outcry but as yet the minister has failed to meet with the concerned parents to outline the government's solution to the problems they have raised.

**The SPEAKER:** Again, not really explanation. The Minister for Education.

**The Hon. J.D. LOMAX-SMITH:** I think the member for Morphett is not keeping abreast of his own lobby groups, because, in fact, I have had a delegation meet with me and discuss this matter. In fact, I have to say that they were surprisingly unaware of the 40 per cent extra funding that has gone into their schools over four years.

**An honourable member:** How much was it again?

**The Hon. J.D. LOMAX-SMITH:** It was 40 per cent—a 40 per cent increase since 2002. In fact, as I have said before, the tide has lifted all boats to such a level that the additional funds that were given a couple of years ago have been swamped by the mass of money those schools have obtained. They were also unaware that, on a comparative level, the children in these schools get 30 per cent more funding than those young people in the average primary school. These sums of money are quite significant, and I might say—

*An honourable member interjecting:*

**The Hon. J.D. LOMAX-SMITH:** Well, I think it is time that somebody opposite apologised to Pasadena High School.

### DISABILITY HOUSING

**Mrs GERAGHTY (Torrens):** My question is to the Minister for Housing. How is the state government increasing the supply of affordable housing, particularly for people with a disability?

**The Hon. J.W. WEATHERILL (Minister for Housing):** I thank the honourable member for her question. I was very pleased to be in her electorate earlier today; I am seemingly always in her electorate opening new houses. I was pleased to open 10 new units at Greenacres, built for five community housing providers. This development comprises six two-bedroom and four three-bedroom detached houses that will be leased through a number of community housing

associations for people on low incomes or people with disabilities. These organisations are: Roofs Housing Association (which houses low income earners with disabilities), the Wheelchair Accessible Community Housing Association, Parqua Housing Cooperative, Eco Housing Cooperative, and House One Housing Cooperative. The properties are close to the Hampstead Rehabilitation Centre (one of the residents recently exited that facility), as well as being close to the Strathmont Centre, and they are about 100 metres away from a bus route. Two primary schools are within easy walking distance, and a shopping centre is also close by, so the properties are ideally suited to the tenants who are now housed there.

All the properties have been built to adaptable standards. A number of the tenants who kindly showed us through their houses earlier today were in wheelchairs. Of course, the housing is appropriate to their needs, with wide doorways and the way in which the kitchens are configured to allow people to cook and fit their wheelchairs underneath cupboards, etc. The community-based approach means that the needs of a very diverse group of tenants can be met. Community housing in this state is a vital part of our social housing picture and will be a very important contributor to our meeting the challenges of providing affordable community housing in this community.

Housing associations and cooperatives have a close community connection, which means that they can respond on a very individual basis to the needs of particular client groups. The model also allows for tenants to have the opportunity to be involved within their own community and to develop social networks, which is a real issue for some members of these communities who might otherwise be isolated. It also gives them the capacity to grow in confidence as they build skills in being part of the exercise of managing their own house.

The state government has recently launched a vision plan for community housing which reinforces the importance of this sector in our overall affordable housing offering, and we are committed to expanding this sector. I pay tribute to the builders. McCracken Homes were involved here, and that company did a fantastic job. I also pay tribute to my own agency, the Office of Community Housing. A lot of people have worked very hard to bring about this very impressive project.

### SCHOOLS, SMALL SCHOOLS PROGRAM

**Mr GOLDSWORTHY (Kavel):** My question is to the Minister for Education and Children's Services. Has the government ascertained how many small schools will be at risk of closure as a result of the government's slashing of the Small Schools Grant program, and can the minister assure the house that this is not part of a broader closure by stealth strategy? The Premier, the minister and the opposition have been advised by the Millbrook school's governing council that the slashing of the small schools grant has, and I quote—

**The SPEAKER:** Order! Leave is withdrawn. I do not know how many times I have to tell honourable members that, when they ask a question that includes argument and pejorative expressions such as 'slashing', the questioner is inviting the minister to respond by debate. I do not think that the question really needed any more explanation. So, leave is withdrawn.

**Mr GOLDSWORTHY:** Sir, I can replace it with another word and not use the word 'slashing'.

**The SPEAKER:** Leave is withdrawn. The Minister for Education and Children's Services has the call.

**The Hon. J.D. LOMAX-SMITH (Minister for Education and Children's Services):** Thank you, sir. I am happy to answer the question from the member for Kavel. It is quite apparent that any—

*An honourable member interjecting:*

**The Hon. J.D. LOMAX-SMITH:** It is quite apparent that any—

*Members interjecting:*

**The SPEAKER:** Order! That is enough. The minister has the call.

**The Hon. J.D. LOMAX-SMITH:** Thank you, sir. It is quite apparent that any organisation that has had a 40 per cent increase in funding over four years is not at risk of closing, particularly when, per capita, it is receiving 30 per cent more funding than the average other primary schools might receive. The real issue here (and I have respect for the member for Kavel) is that the best way for those schools to remain a positive, viable and fabulous small school is to keep up their enrolments. The worst thing for those schools, and the only reason they are at risk, is that those opposite are committed to saying that they are closing. Those opposite are undermining the schools. They are doing what they do so well. Their main competency (to use the jargon) is undermining public education, and here they are doing it again. Their main skill is undermining education, and the person—

*Members interjecting:*

**The SPEAKER:** Order!

**The Hon. J.D. LOMAX-SMITH:**—putting those schools at risk is the person opposite, who is saying they will have to close, because that is very bad for enrolments. Those schools are well funded: they have 40 per cent more than four years ago, and that is a fact. The reality is that, if the member for Kavel has any information (and I have respect for him, because he has always treated me with honesty and integrity in the past), I will speak to him.

### SCHOOLIES WEEK

**Mr KENYON (Newland):** Will the Minister for Consumer Affairs advise the house of the rights and responsibilities of which young people attending Schoolies Week in Victor Harbor should be aware?

**The Hon. J.M. RANKINE (Minister for Consumer Affairs):** Sir, as you would be aware, this weekend marks the beginning of Schoolies Week 2006.

*Mr Bignell interjecting:*

**The Hon. J.M. RANKINE:** To pick up on the comment made by the member for Mawson, they should be very mindful of their mums and the concern they will have for them while they are at Victor Harbor. Young people need to be wary and mindful of a number of things because, even though they want to have fun and relax, they do have rights and also, very importantly, responsibilities.

Young people taking up accommodation, for example, in and around Victor Harbor need to be aware of their responsibilities. Everyone should read the booking terms and conditions, so that they are aware of what is acceptable and what is not. If they do not behave in accordance with the terms and conditions of the agreement they have made with their accommodation provider, the provider may terminate the accommodation agreement and may not refund any of the cost. Our young ones need to be aware that accommodation providers will reasonably expect any damage to be paid for,

so it is important that any pre-existing damage is pointed out before people move into their accommodation.

They should also understand the costs and consequences of changing or cancelling their bookings. Each year, the Office of Consumer and Business Affairs receives last-minute calls from parents who decide, for one reason or another (and not surprisingly), that their child will not be attending the schoolies festival, and want to cancel the accommodation. Unfortunately, last-minute changes or cancellations will probably lead to the loss of deposits, and can even result in a bill for the total amount of accommodation. A check of the booking terms and conditions should give information about cancellation costs and other arrangements.

I also advise the house that the Office of the Liquor and Gambling Commissioner will be sending representatives to provide information to party goers about safe and responsible drinking practices. The office will be conducting a questionnaire to gauge the knowledge and understanding of our young people about the consumption of alcohol. In addition to this, the usual collaboration between licence holders and the office has occurred to ensure that alcohol served during Schoolies Week is being served in a responsible and legal manner.

I understand that this group of young school leavers want to celebrate, but if they keep these simple tips in mind with regard to the consumption of alcohol and accommodation it will help to ensure that the time spent at Victor Harbor will be safe and enjoyable.

### SCHOOLS, SMALL SCHOOLS PROGRAM

**Mrs REDMOND (Heysen):** Does the Minister for Education and Children's Services stand by her comments that she has overseen a 38 per cent per capita increase in funding for each public school child? As a result of the government's decision to cut the small schools grants program, Scott Creek Primary School has advised me that there will be a 55 per cent drop in operational budget and a further loss of \$1 800 in interest, which will leave the school with a discretionary budget of only \$8 000.

**The Hon. J.D. LOMAX-SMITH (Minister for Education and Children's Services):** It is quite apparent that, over the last four years, there has been a massive investment in education in this state. The average across the state is 38 per cent, but I have been informed that these schools actually have 40 per cent more. The reality is that they have 40 per cent more than four years ago. The only way their budgets can have fallen is if they have lower enrolments; and the best way to get more funding is to increase enrolments.

**The SPEAKER:** The member for Kavel.

*Mr Kenyon interjecting:*

**Mr GOLDSWORTHY (Kavel):** The member for Newland makes light of this, but we certainly do not.

**The SPEAKER:** Order!

*Members interjecting:*

**The SPEAKER:** Order! The member for Kavel has the call.

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

**Mr GOLDSWORTHY:** The same applies to the Attorney-General. He might make light of this issue, but we certainly do not.

**The SPEAKER:** Order! Come on. The honourable member should get on with his question.

**Mr GOLDSWORTHY:** My question is to the Minister for Education and Children's Services. Does the government believe that small schools will be able to maintain—

*Members interjecting:*

**The SPEAKER:** Order!

**Mr GOLDSWORTHY:**—a full and balanced curriculum in the wake of having their government funding cut—in some schools—by nearly \$1 000 per student? The opposition has been advised by the Governing Council of Houghton Primary School that the cutting of the small schools grants program has 'effectively cut our working budget in half making it no longer possible to offer students the benefit of the full and balanced curriculum they are getting under the current funding system'. That is a quote from the school, Jane.

**The Hon. J.D. LOMAX-SMITH:** I thank the member for Kavel for his question. I think that one must often drill down into some of the information one is given. I rely on the information provided by the department, which tells me that they get 40 per cent more funding. The member for Kavel is expecting us to believe that a grant of whatever it was in the case of that school—\$30 000, we are led to believe—was responsible for all the depth and breadth of the whole curriculum in the school. I happen to know that one teacher's salary is significantly more than \$30 000. So, the idea that that amount of money is responsible for funding teachers is just not true. The truth of the matter is that those schools have 40 per cent more funding than when members opposite were in government and 30 per cent more per capita.

The other matter that is quite significant, of course, is that we talk about small schools as if one size fitted all. One size clearly does not fit all, because the majority of small schools funding is exactly as in 2005. Also, the budgetary allocations to those schools takes into account that they are small, and that is why they get 40 per cent more than four years ago and 30 per cent more per capita than other schools. The tide has lifted all boats, even those in the honourable member's constituency.

**Mr VENNING (Schubert):** My question is to the Minister for Education and Children's Services. I refer to today's announcement by the minister, which introduces maths as a compulsory year 12 subject, and ask whether there is evidence that maths support programs required to assist students meet this criterion are not required in small schools. The opposition has been advised by many small schools, including Springton Primary School in my electorate, that they will struggle to maintain specialist support programs in areas such as maths as a result of cuts to the small schools grants program. Despite this, the minister cut \$30 000 from the school.

**The Hon. J.D. LOMAX-SMITH:** I do not blame the honourable member for not knowing much about the SACE review. I do not believe he made a representation to the review when it was being conducted; I do not believe he has attended any of the public consultations; and I certainly do not expect him to know the details of our release. In fact, the compulsory numeracy and literacy is in year 11. I am happy to brief the honourable member if he would like the details. As far as I can see, the connection is rather tenuous. Maths and literacy are the core jobs of the primary schools. If schools are not able to teach maths to our children we should look into it immediately.

**Dr McFETRIDGE (Morphett):** My question is to the Minister for Education and Children's Services. Does the

government expect small schools to increase years 3 and 5 student performance in literacy and numeracy to reach or exceed the national average by 2008, as set out in target 10 of the State Strategic Plan; and, if so, how will funding cuts to the library resources be compensated? As a result of the government's cutting of the small schools grants program in Basket Range Primary School, the school has advised it now has insufficient funds to purchase any new library books or resources for the forthcoming year.

**The Hon. J.D. LOMAX-SMITH:** Well, we have got to it now! They cannot teach maths, they cannot teach literacy, they do not have a library and they do not have any excursions! It is an extraordinary proposition. I do not think any member in this chamber would believe it, because they have 40 per cent more funding. This is a nonsense. They have 40 per cent more funding.

*Members interjecting:*

**The SPEAKER:** Order! The minister has the call.

**The Hon. J.D. LOMAX-SMITH:** Thank you, sir. It is absolutely extraordinary that those opposite would talk down these schools, damage their enrolments and push them towards closure by pretending that, even though they have 40 per cent more funding than when members opposite were in government and even though they have 30 per cent more than the average child in a primary school—

**Mr GOLDSWORTHY:** I have a point of order, sir. Standing Orders prohibit the minister from debating the issue. I ask that the minister accurately answer the substance of the question and stop debating it.

**The SPEAKER:** The minister is straying into debate.

**The Hon. J.D. LOMAX-SMITH:** I think the efforts to which those opposite are going to undermine public education is damaging the schools in their communities. They should recognise that this is the government that gave their schools 40 per cent more money.

**Mr VENNING:** My question is to the Minister for Education and Children's Services.

*Members interjecting:*

**The SPEAKER:** Order!

**Mr VENNING:** The State Strategic Plan includes improving the quality of teaching and learning in all curriculum areas and the provision of targeted training and support programs as a priority action for expanding opportunities. How does the minister justify cutting the funding used to achieve this goal in small schools across the state? Springton Primary School has advised that the government's abandonment of the small schools grants program may jeopardise the school's ability to continue to fund extra-curricula classes.

**The Hon. J.D. LOMAX-SMITH:** I am sorry, sir, I am not sure what an extra-curricula class is.

**Dr McFETRIDGE:** My question is to the Minister for Education and Children's Services. How does the government expect small schools to implement leading edge early childhood learning and support programs, as required by the State Strategic Plan, when it has cut the budget of small schools by \$30 000? The opposition has been informed that, facing cuts of \$30 000 per year, many small schools now have to cancel their specialist education programs, putting students with specialist education needs at risk.

**The Hon. J.D. LOMAX-SMITH:** I am delighted that members opposite have begun to talk about early childhood services. I think it is the first time I have heard them talk about the early years. This has been a focus of this govern-



ment because it was neglected so badly by those opposite. It is one of the most important areas of reform that we have undertaken in the whole spectrum of changes across the education system. As members know, we have recognised the need to invest in the early years, and that has involved a strategy that is about recognising that much occurs before children reach school. In fact, many of the irrevocable issues in a child's life, many of the learning difficulties and many of the problems for children with special needs develop before they attend school, and it is particularly important that we have high quality child care and children's services to recognise those children and intervene in those problems.

That is why the Rann government is investing money in early childhood development and children's centres—20 across the state. This is an entirely new program that was not even on the radar of members opposite; they had no idea. This is the most significant reform we have undertaken because we have recognised the importance of the early years. We have attacked the early years by having Every Chance for Every Child home visits in the first two weeks of life, by investing in hearing tests and a whole range of interventions, and having quality child care and children's services with kindergartens collocated with speech pathologists, counsellors, other welfare services and health needs. Putting those together on one location is the best way to give a child a good start in its life.

On top of that, in junior primary schools what have we done about class sizes? We have reduced them significantly. We have invested \$35 million in early literacy programs. We are investing \$10 million in behavioural management. We have invested significantly across the school system: 40 per cent more per child in the schools in which members opposite are interested, but 38 per cent across the system.

**Mr GOLDSWORTHY:** My question is again to the Minister for Education and Children's Services.

*The Hon. P.F. Conlon interjecting:*

**The SPEAKER:** Order! The member for Kavel has the call.

**Mr GOLDSWORTHY:** What additional resources is the government proposing to give small schools to support students with special needs, given that cutting the \$30 000 small schools grants program will result in the funding for programs for these students being lost? The opposition has been advised by Houghton Primary School that it will have no option but to withdraw funding for SSO hours so that it is able to meet daily operational expenses following the government's cutting of the \$30 000 small schools grants.

**The Hon. J.D. LOMAX-SMITH:** I think that members opposite should understand that we have also increased funding for those with disabilities, and disability funding has increased substantially while we have been in government. The reality is that, if there are any children with disabilities in these schools, they will get the per capita funding they deserve because we have increased funding by 40 per cent. They have funding per capita for children with recognised disabilities, and the children will get it. If the school in the electorate of the member for Kavel has failed to spend that money on the children with disabilities—if it has failed and it is not spending it—we need to know about it—

*Members interjecting:*

**The SPEAKER:** Order!

**The Hon. J.D. LOMAX-SMITH:**—because that money has been earmarked for their needs. The answer also is that no disadvantaged small schools are affected, as every

disadvantaged school gets the maximum funding from this government because we believe in equity.

**Mr VENNING:** My question, again, is to the Minister for Education and Children's Services. Will those small schools in drought-affected areas be exempted from the government's cuts to the small schools grants program? The opposition has been contacted by the Rosedale Primary School, which is already suffering from the extended drought conditions and which now fears that the cuts may be devastating to the small school.

**The Hon. J.D. LOMAX-SMITH:** The member for Schubert would know that no school that is disadvantaged or has a high preponderance of School Cards or disadvantage in any way is affected by these changes. He should also know that we do not distribute school funding based on crop yield but on per capita children.

**Mr GOLDSWORTHY:** Will the Minister for Education and Children's Services advise the house if the withdrawal of programs such as school exchanges is in line with government policy and, if it is not, advise what assistance it plans to provide small schools to prevent this outcome? As a result of the government's cuts of the Small Schools Grants program, Basket Range Primary School advises that it may now have to end its successful exchange program with Mimili Primary School on the APY lands.

**The Hon. J.D. LOMAX-SMITH:** Many schools raise funds for projects, special purposes and school trips. It is not usual for school funding to be used for trips but school communities may, I suppose, be doing those sorts of things. The reality is that these schools still have a 40 per cent larger funding bucket. By the number of stickers they have printed and the number of ducks they have bought, they have marvellous fundraising skills. They certainly have the potential to sell the ducks. They could get a buck a duck, maybe.

**Mr GOLDSWORTHY:** My question is again to the Minister for Education and Children's Services. How does the government expect small schools such as Basket Range Primary School to maintain current services with discretionary budgets of less than \$5 000 per year? Without the \$30 000 small schools grants, Basket Range Primary School is left with approximately \$8 000 to fund its annual resource budget over and above fixed costs such as wages and utility bills. Running costs for photocopier and paper add up to \$3 000 per year, leaving only \$5 000 to fund all other discretionary expenses.

**The Hon. J.D. LOMAX-SMITH:** I think the member opposite was not listening when I spoke earlier. I mentioned that they get \$10 million in funding per annum, did I not? I understand they have maybe \$2 million in their bank accounts and they have 30 per cent more funding per capita than children at other schools. There is a 40 per cent increase over four years: 40 per cent more than four years ago. If their enrolments are damaged and there is disquiet in the community, it is because those opposite have gone about undermining public education.

*Members interjecting:*

**The SPEAKER:** Order! the member for Heysen.

**Mrs REDMOND:** My question is to the Minister for Education and Children's Services. How does the minister propose that Mylor Primary School will fund its specialist

teachers, equipment upgrades and school excursions now that it has had \$30 000 cut from its annual operating budget?

**The Hon. J.D. LOMAX-SMITH:** Nobody seems to be listening. Members opposite have cleared the gallery with their questions. There has been a 40 per cent increase in funding. The tide has lifted all boats.

**Dr McFETRIDGE:** My question is to the Minister for Education and Children's Services. Why isn't the minister listening to parents' concerns about the future viability of small schools and the discontinuation of the \$30 000 small schools grant?

**The Hon. P.F. CONLON:** Point of order, sir. 'Why isn't the minister listening?' It is a blatant comment. The former speaker opposite knows this. The point of order, sir, is that the question is out of order.

*An honourable member interjecting:*

**The Hon. P.F. CONLON:** You are not allowed to make comments in the question.

**The SPEAKER:** Order! The minister will take his seat. Sorry, I did not hear what the question was. What is the question?

**Dr McFETRIDGE:** Why isn't the minister listening to parents' concerns about the future viability of small schools and the discontinuation of the \$30 000 small schools grants?

**The SPEAKER:** I think the question is out of order. It is a good example of what I have been talking about regarding questions of ministers that really do invite debate. I am sure the member for Morphett could rephrase it so as to make the question orderly. Do you have another question, member for Morphett?

**Dr McFETRIDGE:** I have plenty, Mr Speaker.

### BE ACTIVE—LET'S GO

**Dr McFETRIDGE (Morphett):** Will the Minister for Education and Children's Services outline for the house what plans have been put in place to ensure that programs currently funded by the Be Active—Let's Go program will be funded beyond 2006? The opposition has been advised that some of the initiatives funded through Be Active—Let's Go include physical education week, interschool sports competitions, state health and physical education conferences, metropolitan—

*The Hon. P.F. Conlon interjecting:*

**The SPEAKER:** Order! The Minister for Infrastructure will come to order.

**Dr McFETRIDGE:**—and regional professional development programs and the innovative sites projects. The program has now been cut by the government but no indication has been given as to how these programs will be funded.

**The Hon. J.D. LOMAX-SMITH (Minister for Education and Children's Services):** I am pleased to have an opportunity to talk about the Be Active program. It was a very successful one that was implemented for four years initially and then extended for one further year. The main thrust of the program was to apply small grants—I think less than \$8 000 per school, as far as I recall—and that money was to support the buying of equipment, nets, balls, bats, those sorts of things. Those grants were available for four years and we extended the program for an extra year so more of that equipment could be bought.

In some instances there were innovation projects and in some instances there were staff retraining programs. That

retraining was carried out over a five-year period. I think it is true to say that, once you have trained a teacher and they have gone through a course, you get the benefit of that for years into the future. Once you have bought new equipment, you can use it out of the financial year in which it was bought. We have extended the program but it has now finished. That is the way government is—overall, 38 per cent more funding, \$76 million extra in the out years.

We keep on investing, but we have a policy of not always investing it in exactly the same projects, otherwise you just layer all sorts of projects on top of each other. All these strategies come in waves. We have a targeted approach which might be about science laboratories for a certain period; it might be about gymnasias for another period; it might be about school lavatories for another, but all those programs have a time period attached to them, and then we move on to another project.

**Dr McFETRIDGE:** Will the Minister for Education and Children's Services advise the house what assessment process was undertaken and what information was collected that led the government to conclude that Be Active—Let's Go was not delivering outcomes and should be cut? One of the components of Be Active—Let's Go was a statewide data collection process that was designed to collect and evaluate pre and post data on the outcomes of the initiative. Registrations of interest to undertake this work were called for in July 2004. A combined submission from prominent academic researchers at the University of South Australia and Flinders University was received by the department and agreed to in principle by the department, but a final commitment to the contract is still waiting approval. This research component would have provided feedback as to the value of the program, but it has been stalled by the government.

**The Hon. J.D. LOMAX-SMITH:** It is ironic that the member for Morphett asked me if I was listening. He seems to be quite incapable of listening to any answer, because I did explain in answer to the previous question that the funding was not cut. The funding was a four-year program. At the end of the four-year program—

*Members interjecting:*

**The SPEAKER:** Order!

**The Hon. J.D. LOMAX-SMITH:** At the end of four years a decision was made to extend it for one year, an extra year, so five years of funding instead of the four-year commitment.

### PREMIER'S PHYSICAL ACTIVITY CHALLENGE

**Dr McFETRIDGE (Morphett):** Is the Minister for Education and Children's Services aware that the new Premier's Physical Activity Challenge, which has been introduced by the government to replace the Be Active—Let's Go program, does not meet the requirement for regular activity and education in sport?

**The Hon. J.D. LOMAX-SMITH (Minister for Education and Children's Services):** The truth of the matter is that we have not replaced one program with another. There seems to be a misunderstanding—

*Ms Chapman interjecting:*

**The Hon. J.D. LOMAX-SMITH:** We know the member opposite is so much in touch with education that she attacked the Premier's Reading Challenge.

*Members interjecting:*

**The Hon. J.D. LOMAX-SMITH:** She attacked it; she said it was a waste of money, a waste of time and no-one enjoyed it.

*Members interjecting:*

**The Hon. J.D. LOMAX-SMITH:** I do not know how she got it so wrong. The reality is that one program ended and another program began. We do not talk about it in the same way. It was not slashed; it was not cut; and we do not trust those opposite to tell us when a program is successful.

## ABORIGINAL DEATH IN CUSTODY

**The Hon. J.D. HILL (Minister for Health):** I lay on the table a report prepared by the Department of Health on actions taken and action proposed in response to the coronial inquiry into the death in custody of Darryl Kym Walker.

VON EINEM, Mr B.S.

**The Hon. J.D. HILL (Minister for Health):** I seek leave to make a ministerial statement.

Leave granted.

**The Hon. J.D. HILL:** I have further information for the house, in addition to my statement yesterday on the prescription of Viagra-style drugs to Bevan Spencer von Einem. After I learned of this appalling incident I asked the Department of Health to seek advice from the Crown Solicitor's Office regarding whether the doctor involved breached any laws, policies, directions, rules or regulation. The doctor was suspended from his current position in the health portfolio pending this investigation. I have now received advice from the Assistant Crown Solicitor, who concludes that there was no breach of policies or directions and therefore no basis to discipline the doctor. I understand the doctor has been told he is no longer suspended and he will soon be returning to work. The Crown Solicitor believes that there may be proper grounds for the referral of the doctor to the Medical Board, and that has happened.

In addition to my ban on the Prison Health Service issuing these drugs, the Crown Solicitor recommends changes to the Correctional Services regulations. I have forwarded that advice to the Minister for Correctional Services for her advice. The Department of Health is also conducting an inquiry into the way clinical decisions are made within the Prison Health Service, and the Department for Correctional Services is reviewing the joint protocol between the two services.

## ABORIGINAL DEATH IN CUSTODY

**The Hon. M.J. ATKINSON (Attorney-General):** I lay on the table a report prepared by the Department for Correctional Services on actions taken after the coronial inquiry into the death in custody of Darryl Kym Walker.

## GRIEVANCE DEBATE

### SCHOOLS, SMALL SCHOOLS PROGRAM

**Dr McFETRIDGE (Morphett):** Today we had over 300 parents, family, friends and school children out the front of

this place expressing their outrage at the cutting of funding to small schools in the Adelaide Hills. It was absolute outrage, because this is a cut that cannot be justified in any way, shape or form. Let us go back to the history of the cut. This relates to a grant that was put in place by this government in 2005 as part of the resource allocation of services. Let me read from what it says in the resource entitlement statement under 'Small schools grant':

Much of the school administrative workload is fixed and does not vary for the size of a school. This issue has been addressed in the 2005 resource entitlement statement through the introduction of a small schools grant of \$30 000 per school—

approximately \$2.7 million for all of the schools. This was introduced in 2005, not 2002 when this government came into office. So what has changed, other than the fact that they recognised there was an issue there? They put a good program in place, and now they have cut it. There was no consultation whatsoever on this cut. In fact, the minister, when asked on 891 Radio on 19 October (I think it was) about the lack of consultation, she said, 'I don't know what my department has done,' and that is exactly right: this minister does not know what is going on in her department.

Today, we heard the minister say that a delegation has been to see her. I know that the Small Schools Association met with some of the DECS officers, and all they got from that meeting was, 'There was no consultation because this was part of the budget strategy. We couldn't talk to you about it beforehand. We were told to make the cut.' So, it was a fait accompli. No offer was made to re-examine the matter and look at the effects of the cut on small schools, or to look at the disastrous outcome for some small schools. The member for Kavel talked today about the effects on the Basket Range school budget; it will amount to \$1 000 a student. I was told by one of the parents from Basket Range school just today at lunch time that that school will be \$26 000 in the red next year as a result of this cut. If the minister says they have 40 per cent more of this and 30 per cent more of that, it just does not add up.

What did the Small Schools Association get when they went to see DECS officers? They got very little, other than a faint promise of some increases in staffing and some wellbeing programs. We know that this department has had to employ a human resource company to manage some of their human resource problems because of all the other extensive cuts that are going on and the staff losses that will result from those cuts, some of which will include SSOs and relief teachers in small schools. It is an absolute outrage that the minister does not seem to recognise what is going on.

We had a meeting at Springton Hall, with about 130 people attending, although there may have been more; it was difficult to count, as there were so many people in the hall. At that meeting, parents and teachers from small schools in the Hills again expressed their outrage at the lack of consultation and understanding of what is going on with small schools budgeting. For example, Springton school is also having to cope with all the other cuts that are occurring, such as cuts to the Let's Be Active program. Active for Life Grants SA cut their tennis coaching and Footsteps Dance programs, and the aquatics and swimming programs have also been cut, the cost—according to the school—now having to be borne by families, and we understand it will be a user-pays system.

The things that were being freed up because they had the extra \$30 000 small schools grant included extra SSO hours, extra curriculum support in class, maths support, Language other than English programs, extra support for child protec-

tion programs, Release for Youth Environment Sustainability Forum, extra groundkeeper hours to support the wetland development and training and development grants. They get \$111 in training and development grants at Springton, so they had to try to bleed money out of other areas. The computer curriculum network was being maintained out of other money, which is now being affected by the \$30 000 grab. Purchasing of software, upgrading and purchasing of teaching resources, furniture upgrades, storage issues, and occupational health and safety issues are all being affected by the state government's grab.

It is not the opposition saying that schools are going to close: it is the parents, teachers and the communities. They are very worried that there is no discretionary funding left over, even though it was recognised in the resource statement that they needed this extra money because they had administration costs. This situation is not going to go away.

Time expired.

### VISIT TO CHINA

**Mr PICCOLO (Light):** I would like to report on a trip I had to China last month. I was a guest of the city of Kaifeng, in Henan Province, and all my expenses, and so on, were covered by the Chinese government. Henan Province is in the mid-east of China and has a population of about 100 million people, in an area smaller than South Australia, just to put it into perspective. The province is essentially agricultural, but they are keen to industrialise. The last part of the trip to reach the province was by bus, and when we drove through the area we could see the scale of the agricultural development. Essentially, it is small scale (an acre, or a little more), and most of the work is still done by hand.

**Mrs Redmond:** They have a lot of hands to do it.

**Mr PICCOLO:** That is correct. It was almost a bit of a time warp compared to agriculture in Australia. We had to travel for about 30 hours to reach the city we were visiting. In the evening, we reached Anyang city (which is, by Chinese standards, a small city of about five million people). When we were discussing things with our hosts, they said, 'Anyang city is a small city', and I said, 'Well, it is bigger than our state, or a couple of our states.' That evening, we met the party secretary of the city and other officials. My visit to the city was reported on the front page of the local paper the next day.

**Mrs Redmond:** You were a star!

**Mr PICCOLO:** I was a star, yes. The next day we visited Anyang Number 1 school, which is equivalent to our middle and senior school. It is a boarding school with a few thousand students. One of the very different things that we noticed about schools in China was the class sizes. The smallest class size in this school was 50 students. Learning English is a key activity. One of the things that we explored was the possibility of attracting international students, and we are confident that some students from China will be studying in South Australian schools. We also attended Anyang Normal University, which was formerly a teachers college or university which specialised in training teachers. It has undergone a major expansion. Again, English is a priority. One of the things that I picked up in China was the priority that is given to learning English in order to engage with the rest of the world. They are very keen to have exchange programs to strengthen their English programs.

We also visited one of the foreign language schools in the city of Anyang which, again, is a middle to senior school, a boarding school with a focus on English. One of the things I observed during that visit was that assemblies are held in the morning during which they do exercises. Another thing we learnt about schools in China was that they start at 7 a.m. and finish at 10 p.m., and students attend school six or seven days a week. The children do not seem to complain. They see education as a privilege rather than a right, and place a lot of value on their education and the opportunity it gives. We also visited both campuses of Ting Yen Number 1 School. This school, which is predominantly for rural students—

*Dr McFetridge interjecting:*

**Mr PICCOLO:** No, it is a middle and senior school. Most of the students come from rural areas and board in these two schools. This school had class sizes of 70 students per class, with some 3 000 or 4 000 students attending that school. The general impression I gained from these schools and the visit was that the students are highly motivated to learn. They did not seem to have to be pushed; they were really keen to learn. They saw education as the one way of improving their life, because life is still quite tough in China. However, they were highly motivated and very positive about the future. All the students we spoke to were very keen to ensure that they could make a contribution not only to themselves but also to their nation, which is a value that I think we have lost somewhat in this country.

Another thing I noticed about the schools was that there was no graffiti. The schools are neat and tidy, and students help to clean and maintain the school. One of the schools that I visited was about to host a school sports day for the city, and the people involved were on their hands and knees cleaning the school to make sure that it was clean. They had a great sense of pride in their school, especially when other schools visited. I learnt a lot about China from this trip; it was a real eye opener. Another thing that was noted was that we will have a number of people coming to this state in the next few months as part of an exchange program.

Time expired.

### SCHOOLS, SMALL SCHOOLS PROGRAM

**Mrs REDMOND (Heysen):** I, too, rise to talk about the grant of \$30 000 that has been cut from small schools. I particularly want to talk about some of the schools in my electorate which will be affected by this funding cut. Of course, I represent one of the most beautiful electorates in the state. I know that other members might not agree, but my electorate runs roughly from Norton Summit right down through the Hills and out onto the Fleurieu, including Mount Compass. Within that area, though, I have some fantastic small schools, including Mylor, which has the saying, 'Small school, great kids'. In fact, Basket Range has the saying, 'Small school, confident kids'. Basket Range is now in the electorate of the member for Kavel. As mentioned during question time, that school has a particularly innovative exchange program with the kids from Mimili school. I have visited the Basket Range school while the kids from Mimili were present. It is such a culture change for each group. One year the Mimili kids come down to Basket Range and live in the hills (they find it very cold, usually), and the next year the kids from Basket Range spend a week on the lands. It is a fantastic program. The cross-cultural value of that program is just enormous.

The government has this idea that it can cut the funding and still have these schools running. A letter I received from some parents from Ashton states:

We were very worried about the real reason for the cut. We are concerned about the rumoured view in senior levels of the DECS bureaucracy that small schools can't deliver despite all the evidence to the contrary.

Just to give members some idea of the evidence to the contrary, I will refer to a couple of other emails I received. I received one email from a young lad by the name of Jason Zecchin. He sent a very funny email, a copy of which he sent to the Premier, minister Weatherill and, I think, the Minister for Education. In fact, after receiving his email I sent an email letting people know that, in spite of his cheeky nature and the fact that he deliberately misspelt and misstated things in his email, young Jason's very sophisticated sense of humour was showing, because he won the highest award for English in South Australia when he was only nine years old.

This kid, at a small school at Scott Creek, produced those sorts of results. Indeed, Scott Creek's literacy and numeracy results—which are held in such high esteem by everyone—are consistently above the state's average. More than 90 per cent of the participants from that school in the 2006 University of New South Wales competitions in English, mathematics, science and computing scored a distinction or high distinction—more than 90 per cent of them; and two of its year 4 students received medals for the highest mark in the state for English and computing. In fact, its Readers Cup team, which will be presented to the Premier on Friday, has been in the top four every year for the last 12 years, victorious on five occasions and runners-up twice. That school has one of the highest levels of parent participation of any school in the state, and that is true of all these schools.

Some other schools in my electorate—for instance, Mylor, Upper Sturt (and, as I said, Basket Range is now in the member for Kavel's electorate) and Kangarilla—will be placed at risk. I recently attended a function at Government House at which Kangarilla school won the Wilfrid Gordon McDonald Partridge Scholarship against all the other schools that entered. That scholarship, of course, is named in honour of the Premier's favourite author, Mem Fox, who wrote a book entitled *Wilfrid Gordon McDonald Partridge*—

*Ms Breuer interjecting:*

**Mrs REDMOND:** Yes; some of us might know her daughter. That scholarship, which was open to all the schools around the state, was won by little Kangarilla school.

Our little local schools are great schools, and produce great kids and great results in spite of anything that the Minister for Education might think to the contrary. The reality is that, as well as that, they offer the benefit of providing the point of focus for entire communities. Places such as Scott Creek do not have a store, a post office or anything else. Their entire community focuses on the school. I have had representations about that school from people I know because their kids were at school with my kids. Their kids are well past school age, but they are all concerned about the government's aim to get rid of all these little effective schools, which create not only good students but also good citizens, because they grow up in a community, and that is why they do not have social problems with difficult kids.

Overall, they have very little problem with the behaviour of students, because they are in these small community-based schools where everyone knows everyone, the kids know everyone, they are known by everyone and they do not have the anonymity that the big schools would provide. These big

schools about which the minister speaks are a recipe for disaster in the future—they will create and foment social problems. Small schools are definitely the way in which we should be heading.

Time expired.

## HOWARD FLOREY INSTITUTE

**Ms BEDFORD (Florey):** A tiny article appeared on page 11 of *The Advertiser* on 11 July this year. It was headed 'Brain save' and it spoke of a special protein which acts as a heavy duty cleaner in an injured brain. It stated that the protein, which is identified as BP5, could hold the key to saving lives. Australian scientists who are researchers at Melbourne's Howard Florey Institute are responsible for the work that has found that the naturally occurring protein is produced more than usual after a trauma and clears out dead cells or neurons while saving remaining living neurons after traumas such as car accidents, falls, strokes or near drownings.

The Howard Florey Institute was established as a non-profit organisation in 1971 and, as is the case with the seat of Florey, was named after South Australia's Nobel Laureate Lord Florey, whose research work on penicillin saves millions of lives each year. Like Lord Florey before them, today's scientists at the Howard Florey Institute hope to improve people's lives around the world, particularly those affected by brain disorders. The team is led by Professor Seong-Seng Tan, who says that the over-expressed protein can reduce brain damage. Professor Tan is the first to show that fruitful manipulation can prevent cells from dying, and his work has been published in the American Society for Neurosciences *Journal of Neuroscience*. Professor Tan's team is assisted by researchers at other Australian centres, among them the Hanson Centre at the IMVS in Adelaide.

I have downloaded the paper, but today I will quote from the press release, which is in simple English. Professor Tan explains that they tested the hypothesis in mice by expressing BP5 in stress neurons, and this proof of principle experiment showed that BP5 can prevent neurons from undergoing cell death. BP5 works using the cells' waste disposal system to flush away toxic and damaged proteins produced after injury, and this appears to tip the balance towards nerve cell survival instead of nerve cell death. The challenge now is to understand how BP5 performs its neuro-saving function and develop a drug that can do the same thing. Ultimately, the team wants to deliver the drug to patients suffering brain injury from stroke or other trauma to save as many neurons as possible. Such a drug would limit damage to the brain after injury, as well as the subsequent few days when injured nerves release suicide factors that cause surrounding healthy neurons to die en masse.

The treatment to prevent brain damage has wide application and could be given to car accident and assault victims, people undergoing radiotherapy for brain tumours, even for premature babies who need to be induced and stroke patients. Of course, stroke is one of the major factors that face people in older age. While there is still a long way to go before such a drug is available, the research is a promising step in the development of an effective treatment for traumatic brain injury.

The Howard Florey Institute relies on government funding and generous private donations. A recent contribution of \$10 million from the Ian Potter Foundation will allow

amalgamation of the Howard Florey Institute, the Brain Research Institute and the National Stroke Research Institute to form a new neuroscience centre, with around 500 staff and students operating within a budget of close to \$30 million. That money will also enable several other exciting initiatives, including new infrastructure and work to attract scientific stars—similar to our Thinkers in Residence program, I imagine—ensuring that the new centre remains a magnet for the world's best neuro scientists and clinicians.

Another gift from the Percy Baxter Charitable Fund will see the installation of a state-of-the-art confocal microscope. The ANZ bank has also devised a scheme to provide funding, as the Howard Florey Institute is one of its 27 nominated charities. Many other individuals and corporate donors ensure that the Howard Florey Institute continues its vital research. Our own Florey Research Centre attached to the University of Adelaide recently had a successful fundraising arts sale; and I hope that my contribution, a work entitled 'Mould', was eventually sold and that the money will help research. The brains behind this very innovative fundraiser was Robert Pontifex. I understand he is now retiring. I thank him for his work in the past and wish him well in the future.

In the very important field of medical research much is still to be discovered about our brain, how it works and the many conditions that affect it. Work on conditions such as Parkinson's disease, motor neurone disease, multiple sclerosis, Huntington's disease and schizophrenia will unlock secrets of causes of death or impairment and the reduction in the quality of life, particularly in the later years of people's lives, when the loss of independence is such a crucial factor to the will to live. It is a good time to remind people that stress can impair your brain's activity, so it is good to take up a hobby, laugh, exercise or care for a pet.

Time expired.

### SCHOOLS, SMALL SCHOOLS PROGRAM

**Mr GOLDSWORTHY (Kavel):** I, too, rise in the house this afternoon to speak about this very serious issue of the Rann Labor government's decision to slash \$30 000 from small schools grants funding. This is the height of hypocrisy from this government. Three or four years ago, the Department of Education and Children's Services urged, requested, instructed these small schools, with the aid of some funding, to implement strategies and programs to assist with the social, emotional and physical wellbeing of their children. What do we see? Three or four years down the track they are slashing this funding to the detriment of these children. Additional SSO time is utilised to put these special programs in place, programs for dance, aerobics, camp, excursions and activities such as that which address these issues and which assist the children with their social, emotional and physical wellbeing.

As the member for Heysen accurately pointed out, these schools form part of the heart of these communities. They are a focal point for community activity. I know that because I was born into, grew up and continue to live in one of these communities in the Adelaide Hills. I attended Paracombe Primary School for all my primary school years—grade 1 to grade 7—and my daughter and my son attended Houghton Primary School (which is our neighbouring village). I know from first-hand experience the real benefit that children derive from attending these small schools. I am glad that the member for Morialta and the member for Newland are in the house now because I will come to them. I suspect the member for Newland went to the Norton Summit Primary School, a

small school in the hills—and your old primary school, Tom, is one of those targeted by your government.

The member for Newland should be supporting what we are talking about and going directly to his minister. There will be some critical consequences from this action. The Basket Range Primary School is right on the boundary of the electorates of Kavel and Morialta. Members can make the assumption that half the school community comes from the Morialta electorate. It is not only parents of children who currently attend this school who are of voting age but grandparents, aunts, uncles and older siblings, because those small communities in the hills are basically made up of generational families who are involved in primary production. I can tell members that there could well be some political ramifications in the electorates of Newland and Morialta, because families from Tea Tree Gully, Redwood Park and Fairview Park travel up Anstey's Hill every day to attend Paracombe Primary School and Houghton Primary School.

With the slashing of this funding, there will be political ramifications for both members—I can tell them that now. We will be making this an election issue. The election might be 3½ years away, but I can guarantee that the opposition will be making this an election issue in the electorate of both members. If they are not promoting the school communities in their electorate, it will be to their detriment, I can tell you. As the member for Morphett said, we had an outstanding community representation on the steps of Parliament House. Over 300 people attended and 4 329 signatures on petitions were presented to the parliament this morning. I can tell members that the government has bought itself a fight with this and the fight has just started, so be ready for an ongoing campaign.

Now I want to talk about a continuing issue at Mount Barker Primary School in relation to the construction of a multipurpose building. There has been an ongoing problem with the department in progressing the construction of this building, and I want to highlight that in the house today.

Time expired.

### EVERY PUB

**Mr BIGNELL (Mawson):** Today I rise to congratulate two of South Australia's leading authors who have just published a second volume of the book they first put out in 1998, called *Every Pub*. I refer to Bruce Abernethy, the former Port Adelaide Magpies star who went across and played in the AFL and came back and played for the Crows; and his good mate and Channel 7 sporting journalist colleague Chris Dittmar, a world squash champion and former schoolmate of mine as well as a former workmate. Today I was with the member for Norwood and the member for Frome at the launch in the good seat of Norwood, at Finn MacCools Pub, the old Norwood Hotel, which features on the front cover of this very good book.

When they wrote the first version of this book back in 1998, it was on the bestseller list for that year. It came second to a Bryce Courtenay book, so they have done very well. It is a very popular idea. I must point out that Bruce Abernethy is the brother-in-law of the member for Hammond, and the Abernethys are good Labor people. They are a little bit worried about the brother-in-law! Rod Marsh, a former Australian test wicket keeper and absolute legend, and an honorary South Australian who has drunk in many of South Australia's pubs, was there to launch the book, and he did a fine job. He reckons that Adelaide should be called the city

of pubs, not the city of churches, because of the fine architecture and some of the beautiful buildings that we have in South Australia.

There are seven hotels in the seat of Mawson, three of which are in Willunga. You can do the five-pub crawl in Willunga: you do three on the way up and two on the way back down again. I have just been through the book and they are all in there. We have the Hotel McLaren, over at McLaren Vale, Willunga's pubs, the Old Bush Inn, the Willunga Hotel and the Alma. This year the Alma is celebrating its 150th birthday. The Premier and I were in there a few weeks ago to have a beer and to toast the occasion of its birthday. There is the Woodcroft Tavern and the Aussie Inn. Pat and Maree Morris do a fantastic job running the Aussie Inn. If you ever want to know what is happening in the world and in your electorate, you go into the front bar of a pub and you soon hear what the rumblings are—earnestly and in a fairly frank way.

Mick O'Shea's Irish Pub is also in the electorate of Mawson. I recommend this book to other members in this place, because every pub in the state has a picture there and a small history. There are 617 hotels listed here with their photo. This is the member for Frome's book: he had to duck away so he left me with two books to get signed by Rod Marsh, Bruce Abernethy and Chris Dittmar.

**The Hon. J.W. Weatherill:** Is the Alberton Hotel there?

**Mr BIGNELL:** The Alberton Hotel is in there. Of course, the proprietor, a very dear friend of many people in this house, Peter Brien, was at the launch. He is a great publican from a great publican family. He has the Alberton Hotel and also has a hotel down at Naracoorte. It used to be the Commercial but I think it goes by a different name now. There is the Tiger Hotel. I must declare a family interest here: my great-grandfather was one of the first publicans of the Tantanoola Tiger Hotel, and the stuffed wolf is still there in the cage. They mistakenly thought it was a tiger but it was a wolf that had washed up after a shipwreck on the South-East coast. The Australian Hotels Association also needs to be congratulated for its involvement. Hamish Arthur, another former journalist now working for the AHA—

**Ms Ciccarello:** And he is suffering from chicken pox.

**Mr BIGNELL:** He is suffering from chicken pox, as the member for Norwood points out, and was unable to attend and be the MC today, so our best wishes to Hamish. He has done a fantastic job. The South Australian Tourism Commission has also contributed money for this, and it came up with the idea of listing all the pubs in terms of their region, rather than having them in alphabetical order. I commend this to the house as a very good resource and something that shows off our state. The concept of a book has not been done in other states, so I think it is something that we can be very proud of—that we have documented the history of a focal point of most communities, and that is the local pub.

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**PUBLIC WORKS COMMITTEE: HAMPSTEAD  
ROAD/REGENCY ROAD/MULLER ROAD  
INTERSECTION UPGRADE**

**Ms CICCARELLO (Norwood):** I move:

That the 247th report of the committee, entitled Hampstead Road, Regency Road, Muller Road Intersection Upgrade, be noted.

Today I rise to speak on the Hampstead Road intersection upgrade. Hampstead Road is on the AusLink national road network and forms part of an important north-south freight link joining the South-Eastern Freeway with the Sturt Highway, Port Wakefield Road, the Port River Expressway and Port Adelaide. Regency Road and Muller Road form an important state urban arterial link between the western suburbs and the north-eastern suburbs as an alternative to Grand Junction Road.

During peak periods, traffic volumes at the T-junctions exceed their operational capacity. Currently, through movements on Hampstead Road become restricted by vehicles queuing to make the right-turning movements into Regency Road or Muller Road. This results in lengthy delays, driver frustration and consequent erratic driver behaviour, which contribute to the high crash rate at the site. There have been 121 reported crashes at the junctions since January 2001 and the junctions' layout is believed to contribute heavily towards these crashes. Discussions with the federal government over many years have resulted in approval for inclusion of the project in the AusLink Bilateral Agreement 2004-09. The federal government approved the project for full AusLink funding at the estimated cost of \$5.1 million on 6 July 2006.

The preferred solution is the realignment of the staggered signalised T-junctions to form a conventional signalised four-way intersection to give the best long-term performance outcome and the best value for money. The project provides dedicated lanes for through and right turns on Hampstead Road. Muller Road will be realigned through an existing landscaped road reserve area, and Regency Road will be widened adjacent to a retirement village to provide for a dedicated left-turn lane.

The proposal also provides improved pedestrian facilities for all movements, and bicycle lanes for all approaches and departures at the intersection. The project scope also includes landscaping works to offset the removal of existing landscaped road reserve areas and closure of direct access from Hobart Crescent to Muller Road. Alternative access from Hobart Crescent to Muller Road is via Cheviot Street. New stormwater drainage will be provided for the intersection and will be connected into existing stormwater networks. Drainage will be designed to minimise ponding from road runoff.

Road lighting will be totally redesigned and upgraded to the standard for urban arterial roads. The key aims of the upgrades are to:

- improve transport efficiency, especially freight movements along Hampstead Road;
- improve the safety for motorists using the junctions;
- reduce congestion and travel times for motorists;
- reduce vehicle operating costs;
- improve air quality and reduce noise emissions; and
- reduce arterial traffic movements on local road networks.

Local residents, the general public, businesses and land-owners have been kept informed of the project through advertisements in the local Messenger newspaper, meetings (both public and individual), and a public display at the Greenacres Library was undertaken. An overview of the project was presented at a community meeting arranged by the member for Enfield on 10 December 2005. A future consultation will be undertaken with all affected parties via meetings and media releases.

Construction is to cost \$5.1 million and be completed by June 2007. An economic evaluation equates the net present value of the upgrade benefits to be \$26.8 million (and that is

in 2005 dollars) with a project benefit/cost ratio of 6.7. The member for Torrens was also present at the Public Works Committee and I think she was happy that this is also going to be an improvement for her constituents and also for all the other road users in South Australia. So, Madam Deputy Speaker, pursuant to section 12C of the Parliamentary Committees Act 1991, the Public Works Committee reports to parliament that it recommends the proposed public work.

**Mr HAMILTON-SMITH (Waite):** I rise to support the motion and to reiterate and reinforce the comments made by the chair, and also to commend the member for Torrens. I am sure she will enjoy having this important new roadwork in her patch, which I am sure will be to the benefit of all. The opposition just makes the point that we would like to see much more of this. We would like to see a far greater investment in this sort of infrastructure. It is needed. There are a number of intersections like this one that need significant upgrading, and it would be nice to see more money made available to work our way through the list. We support the motion and look forward to its swift passage.

Motion carried.

#### **PUBLIC WORKS COMMITTEE: MAWSON CONNECTOR STAGE 2—ELDER SMITH ROAD**

**Ms CICCARELLO (Norwood):** I move:

That the 248th report of the committee, entitled Mawson Connector Stage 2—Elder Smith Road, be noted.

The government is committed to providing road access to the Mawson Lakes development through the Mawson Lakes Project Commitment Deed. It is proposed to construct the next stage of Elder Smith Road between Main Street, Mawson Lakes, and Main North Road, Parafield. This will create a link with the recently completed section of Elder Smith Road from Salisbury Highway to Main Street and the Mawson public transport interchange. Elder Smith Road will extend eastward from Main Street through land occupied by the Land Management Corporation, the University of South Australia and Parafield Airport Limited and connect to Main North Road. Upon completion, Elder Smith Road will provide an east-west link between Salisbury Highway and Main North Road.

As a result of crown law advice relating to operating a road on land owned by the commonwealth, written agreement has been sought from the commonwealth government to transfer the road corridor to the Commissioner for Highways prior to committing to any construction contract with a third party. The committee was told that it appears the land will be bought for one dollar, and the tender calling construction will proceed whilst the formal arrangements take place for the transfer of the land.

A number of Aboriginal heritage surveys have been undertaken in consultation with representatives of the Kurna communities. These indicate that there are a number of heritage sites within the immediate area, although none will be affected by the road alignment. These areas will be roped off during construction to avoid any disturbance. Monitoring of some locations will be required during the excavation, associated with the realignment of the Airport East Drain. One Aboriginal artefact has been identified close to the project site and is to be relocated by a representative of the Kurna community.

The area is highly significant in terms of its biodiversity. Approximately 25 vernal pools have been identified within

the vicinity of this project, with several containing plants of conservation significance. Three of these pools are affected by the proposed road alignment. Remediation and rehabilitation of some of the remaining pools and vegetation is required to offset and compensate for these impacts. Construction of a new pool to the south of the road alignment has also been identified to offset the loss of existing pools.

The project will complete the arterial road link between Salisbury Highway and Main North Road, and will satisfy the government's commitments under the Mawson Lakes Project Commitment Deed and subsequent amendments and agreements. Investment in this section will capitalise on the government funding of the section between Salisbury Highway and Main Street, Mawson Lakes. This section of Elder Smith Road provides access for residents in the Mawson Lakes development both east and west of the railway line to the Mawson Lakes town centre, as well as providing access to the arterial road network.

Traffic modelling predicts that considerable traffic will be attracted to Elder Smith Road from other roads. This will improve the capacity and traffic flow on the road network in the area resulting in travel time savings and reductions in fuel usage. The completion of the Elder Smith Road between Main Street and Main North Road will reduce the volume of traffic on Grand Junction Road, and the heavily congested Gepps Cross intersection by providing an alternative route to the Port Adelaide area from Main North Road and areas to the north. The project will also provide a freight link between the proposed Cross Keys industrial area and the Port River Expressway via Salisbury Highway.

The project will improve access to the Mawson Lakes town centre from nearby suburbs to the east of Main North Road. It will also improve access to the UniSA campus from nearby suburbs to the east of Main North Road, as well as to the Mawson Lakes public transport interchange for residents of nearby suburbs to the east.

The project will cost \$11.3 million, and construction is expected to commence in January 2007 and to be completed by the following October. Once the link has been completed between Main North Road and Salisbury Highway, the economic benefits will be largely delivered through reduced travel time and fuel consumption as a result of providing a more direct link, thus reducing traffic flows on other roads. A sensitivity analysis conducted by varying the discount rate to 4 per cent and 10 per cent results in benefit cost ratios of 1.6 and 0.9 respectively. Based on the evidence presented to it, pursuant to section 12C of the Parliamentary Committees Act 1991, the Public Works Committee reports to parliament that it recommends the proposed public works.

**Mr HAMILTON-SMITH (Waite):** I rise to support the motion. This is a good investment, and the opposition is very pleased with it. Again, I make the point that we would like to see more of this work going on. We look forward to the rapid passing of this motion and the works commencing.

**The Hon. P.L. WHITE (Taylor):** I also rise to support this project as a member of the committee that investigated its worth and proposed implementation. The construction of the next stage of this connector road will be very important to that local area, the City of Salisbury. This stage between Main Street, Mawson Lakes, and Main North Road will complete a link to the section that has just been built (the stage 1 section of the Mawson connector) and will facilitate carriage of east-west traffic through the City of Salisbury.



This is something that is lacking significantly in the area at the moment, meaning that a lot of that traffic builds up in residential areas. This major interconnector road will help bring a lot of that traffic out of those areas and also aid businesses.

I support this project, which will be an aid to the community of the City of Salisbury, as well as providing a very important freight link between the Cross Keys industrial area and the Port River Expressway. It will also add to the facility at Mawson Lakes itself, which is a suburb and part of the City of Salisbury which has been changing rapidly in recent months. If members have not been there to have a look in the last 12 months, I suggest they do so because the activity in that area, with the University of South Australia campus, the proposals around the Parafield Airport, and the recently completed transport interchange at Mawson Lakes, really does make this a hive of activity. I am sure the \$11 million or so that will be spent on the construction of this project next year will be well spent. I am pleased to add my support to the project, and I will be interested to monitor its progress.

Motion carried.

#### **PUBLIC WORKS COMMITTEE: BIO INNOVATION SA BUSINESS INCUBATOR BUILDING**

**Ms CICCARELLO (Norwood):** I move:

That the 249th report of the committee, entitled Bio Innovation SA Business Incubator Building, be noted.

The bioscience industry is growing at double digit rates across the world and is recognised as one of the world's fastest growing industry areas. In South Australia, the sector generates more than \$100 million in revenues, employs more than 1 000 people, and contributes 14 per cent of the total business research and development expenditure.

The Land Management Corporation is to construct a purpose-built bioscience business incubator building at the Thebarton Bioscience Precinct at an estimated total capital cost of \$12.913 million (excluding GST). The Minister for Science and Information Economy will lease the building from LMC for an initial minimum 15-year period and assign the operation and management of the building to Bio Innovation SA, which will in turn sublease space in the building to selected bioscience companies. The government will retain the use of the land as a bioscience precinct for 15 years. LMC will lease the land and have the option to purchase the allotment at market rate at any time during or at the end of the initial 15-year period. The capital cost of the project is funded by a loan to LMC from the South Australian Government Financing Authority, which loan will be fully repaid out of the proceeds of the operating lease payments to LMC and the eventual sale of the building to a private owner.

This project will involve the construction of a purpose-built bioscience business incubator building consisting of research laboratories, offices, administration area, and common meeting facilities capable of being used by all Thebarton bioscience and advanced technology companies. The facility is a two-storey concrete-framed building of approximately 2 660 square metres gross floor area, with undercroft parking of 807 square metres. The design is modular to offer maximum flexibility and allow tenant companies to select their preferred combination of laboratory and/or office areas. It is expected to house up to 16 companies employing approximately 80 staff when all modules

are occupied. Eight modules will provide combinations of laboratory and office facilities, and the other eight modules will initially provide only office accommodation. All company modules, as well as storage and most of the service spaces in the undercroft, have been designed with maximum flexibility in mind, as each company module is likely to see a turnover of one new tenant every three to four years. The tenants will be required to fund their own office fit-out costs as part of their tenancy agreements with BISA.

The master plan for the precinct allows for a total of 571 car park spaces, and 68 of these spaces will be provided as part of the Bioscience Business Incubator Building requirements. Bike racks will be provided in the undercroft. LMC will develop the landscaping of the incubator allotment independently of the landscaping of the original garden on the 'common' titled land. Bio Innovation SA will redevelop the former garden located immediately south of the incubator building following the completion of the building works. It intends to return as many of the mature trees and other established vegetation on the precinct as possible. Discussions also have been held with West Torrens City Council to plan a sympathetic development of the linear park adjacent to the site. There are no plans to provide for pedestrian access along the precinct boundary facing the southern river bank, due to the steepness of the river bank and lack of continuity of the linear park beyond Murray Street on the eastern boundary.

The business incubator concept has proven to be the most successful method yet devised for creating employment, commercialising new technologies and stimulating local economic development. Business incubators are effective tools for enhancing the entrepreneurial climate, retaining local businesses and developing targeted industry sectors. In addition, they have a pronounced positive effect on the surrounding local community.

The establishment of a bioscience business incubator was supported by Science Thinkers in Residence Dr Susan Greenfield and Dr Maire Smith, who visited Adelaide in 2003-2005. Incubators help to shift the culture from research to entrepreneurial and act as a powerful branding tool to entice venture capital to the state and encourage significant new investment and job creation in the bioscience sector.

Facilitating the supply of physical infrastructure for early stage bioscience companies will strengthen the state's capacity to convert academic research to commercial activity and to value add this activity in a competitive global environment. Unless purpose-built laboratory facilities are established to foster early commercial growth, the commercial value of much locally generated academic research may not be realised. The critical mass of commercial bioscience activity at Thebarton provides collaborative and supply/demand opportunities that attract other companies.

This project supports South Australia's Strategic Plan through the expansion of the cluster of existing commercial medical bioscience activities at the Thebarton Bioscience Precinct, and our committee certainly looked at a number of these projects a couple of years ago. The incubator will focus the attention of international players on the commercial research capability existing in the state and act as a catalyst to attract further investment, scientific development and highly skilled jobs. Interest is expected from early stage companies from elsewhere in Australia and the South-East Asian region to become tenants of the building and to take advantage of the high level of business expertise available as well as access to capital.

At the conclusion of the 15-year lease, the LMC will be left with a building of estimated residual value of \$6.4 million. In consultation with Bio Innovation SA, the LMC may elect to retain the building and continue to lease it or to sell the building to a private investor. At that time, the LMC will either repay the balance of the principal to SAFA from its own resources or from the proceeds of the sale of the building. When the LMC decides to sell the building, it will also purchase and on sell the land allotment, with net proceeds for the land sale returned to the Consolidated Account in line with cabinet approval.

Bio Innovation SA will pay all outgoings against the property, including standard building maintenance charges. The LMC will only be responsible for the costs of making good any building maintenance items considered to be of a structural nature. Significant flow-on benefits are expected to occur through increased investment in the local bioscience industry, new employment opportunities for bioscience graduates and undergraduates and through the fostering of a climate of entrepreneurship and innovation, which will attract other early stage bioscience companies.

Construction is expected to begin in early 2007 and to be completed by early 2008. There is a high demand for state-of-the-art research facilities in South Australia, and there are very few existing unused laboratory facilities. A significant number of start-up companies are seeking to be tenanted in the incubator building. Many are already in facilities at Thebarton or remain located in universities and hospitals. A number of other bioscience companies seeking additional space for growth have been identified at a post-incubator stage, hence there is the potential to lease part or all of the incubator building to other companies requiring specialised space should the demand for incubator facilities diminish. The flexible nature of the building design allows office space to be converted to laboratory space, and vice versa, with minimal disruption to adjoining areas. Potentially, the building could be fully converted to office-only facilities in the future, if the bioscience sector substantially declined.

On behalf of the committee, I congratulate all those people who have been involved with this and other projects in the bioscience area. One of the things that was pointed out to us at the meeting was that, although other states—New South Wales, Victoria and Queensland—have been very keen to secure bioscience facilities, in South Australia the comparison was made that, whilst Queensland has been spending \$500 million as compared with our \$12 million, we are performing way above Queensland, with much less money. On that basis, based upon the evidence it has received, pursuant to section 12C of the Parliamentary Committees Act 1991, the Public Works Committee reports to parliament that it recommends the proposed public work.

**Mr HAMILTON-SMITH (Waite):** I rise to indicate that the opposition will be vigorously supporting this motion. However, we have some concerns about the government's entire approach to biotechnology and supporting science and innovation, some of which is evident with this proposal. I make the point in the first instance that, with all due respect to the chairperson, I think she is wrong on the issue of whether we are doing better in biotechnology than Queensland with far less money. In fact, as she acknowledged, Queensland is spending somewhere between \$500 million to \$1 billion in assistance in this and related knowledge industries. The committee heard evidence that we in South Australia have invested far less, in a total sense, in this

science and innovation area—down to about \$50 million. If one compares South Australia with Queensland, Western Australia and other states, we are the laggard.

There is an example of this in the way in which the government has approached this project. It is a project of the former government. Bio Innovation SA is a vehicle of the former government. I commend the member for Frome (the former leader) who, as deputy leader, I think, pioneered the formation of Bio Innovation SA in the first instance when the former Liberal government was in office. I commend this government for not throwing this baby out, because this baby is a good one. The government needs to understand that some of the people it has within Bio Innovation SA are really first class.

We heard evidence in respect of this project from Dr Michaelis and Ms Nelson (as an example), as well as the LMC partners. The opposition reminds the house that this is a much bigger project than the \$12 million linked to this proposal. We think that the government was slow off the mark to secure the land and to remediate the site. It could have moved more quickly. In fact, we should have been debating this proposition some years ago—back in the life of the last parliament.

This is the area, I say to the government, where it needs to go. It has not done much in its first term in office. We are now in year 1 of its second term in office. It is having to do things, and it is struggling with them—whether they are expressways, underpasses along South Road or other infrastructure initiatives. It is getting a lot of them wrong. I say to the government that it is awash with cash. It has something like \$2.7 billion per annum more than we ever dreamed of five years ago when we were in office. Much more of that money should have gone into knowledge, innovation and areas such as building our bioinnovation industries. The point has been made that South Australian companies, such as GroPep (which has now been acquired by Novozymes, a Danish company) and BresaGen (which is to be acquired by another company, Hospira) are examples of the opportunities that biotechnology offers.

Go to this area, do more in this Thebarton Biosciences Precinct, listen to Bio Innovation SA and look at opportunities to invest further. I encourage the government to look at what the Californian Institute of Technology has done in Los Angeles by building (in that case the space industry) a range of small businesses clustered around centres of excellence, which in turn have created opportunities. We could do the same thing if we linked our biotechnology opportunities with our other strengths in cereals, grains, wine and a host of other biotechnology areas where there is expertise not only in the human sciences but also in the agricultural sciences. We need to do more here.

In respect of this proposal, I think there is a little bit of voodoo economics in the way in which the Treasurer has constructed this arrangement. This was the subject of questioning in the committee, because it almost staggers belief and confounds reason as to why we would set up this land management and financial arrangement—do this deal, if you like—in the way that we are going to do it. My friend the member for Norwood touched on this and I remind the house that, in effect, instead of giving the \$12 million to Bio Innovation SA and saying, 'Here, go ahead and build this building. Go out, get it designed, get it scoped, make your arrangements, build the building and deliver the outcome,' we have set up this complex arrangement (and it is a fairly complex arrangement) whereby the Treasurer will pay money

to Bio Innovation SA so that it can then pay rent to the Land Management Corporation (LMC), which will have gone out to borrow this \$12 million from the marketplace (and keep in mind that, in effect, LMC is owned by the Treasurer), and it will pay interest on those borrowings.

Then, of course, LMC will take the rent it receives from Bio Innovation SA and pay it back to the Treasurer as a dividend. We have this merry-go-round the Christmas tree, where money will be provided each year from Treasury to Bio Innovation to pay rent from one arm of Treasury so that the rent can go to another arm of Treasury (LMC), which will then return it to the government as a dividend. Do not forget, I say to the house, that this money is being borrowed. This is another example of off-balance sheet borrowing by the government. Why on earth you would enter into this convoluted arrangement has me absolutely stumped.

Not only that but, I think, in response to questioning we had an admission from the witnesses that, in effect, Treasury had imposed some sort of a final valuation on this property to the effect that, after a given period of time (I think it was about 15 years or so), the property would be worth only about \$6 million. We have spent \$12 million and then, after 15 years or so, it is worth only about half of what it cost to build. I may not be precisely right with those figures. I am looking through the evidence given, but that is in the ballpark. The question I would have liked to have asked but did not get the opportunity was what LMC really thinks the property would be worth in 15 years.

It staggers belief that you can build a fantastic facility such as this for \$12 million and, in 15 years, it will be worth only half of what it cost to build. That is not the way in which commercial real estate works. If you build something for \$15 million or \$50 million, I can bet my bottom dollar that, if it has been properly maintained and looked after, it will be worth a lot more in 15 years than it is today. Something is not right about the way in which the valuations have been done in this case. In fact, in my view, something is quite horribly wrong with the way in which this is set up. LMC acknowledges that this is the first time it has ever been asked to enter into such an arrangement on behalf of the government which, in itself, I think is an extraordinary admission.

This is a great way for the government to spend its money. It is a very worthwhile cause and we need to do more of it, but the way in which the Treasurer has gone about setting up the financial arrangements is an absolute mystery. We are robbing Peter to pay Paul. We have a big financial circle going on, with some smoke and mirrors involved. It must make sense to the Treasurer, because it does not make sense to anyone else. I do not think it made sense to the witnesses, it certainly did not make sense to the people on the committee—just about all of us were scratching our head on that score—and, frankly, the people involved in the marketplace to whom I have spoken say it does not make any sense. We will not oppose the measure, of course, because we think it is a great investment; I raise that point and bring it to the attention of the house. I say to the government that it has a highly competent organisation in Bio Innovation SA, which could have done this work. I doubt whether we needed to enter into these complexities in order to make it a success. The opposition supports the motion and looks forward to seeing the first sod turned and the building constructed. I say to the government: do more of this. It has taken five years to reach this point—it has been like giving birth to triplets—which should have been reached three or four years ago.

**Mr KENYON (Newland):** I support this motion. I found it a very interesting presentation, particularly by Dr Michaelis. I thought he was a very impressive individual and I was pleased to meet him for the first time. I have to contradict the member for Waite because I am sure it was part of the evidence—but I will check the *Hansard* record to be sure—that Dr Michaelis's evidence was that for very little money, compared with the \$500 000 or so that has been invested in Queensland, we have outpointed them massively in results.

*Ms Ciccarello interjecting:*

**Mr KENYON:** I said \$500 000 but I meant \$500 million. My understanding is that we have surpassed Queensland in our results for very little money compared with Queensland. I look forward to catching up with Dr Michaelis at a later time and having him explain to me in greater detail in a more relaxed atmosphere how the industry works in South Australia and nationally. There was some interesting discussion on the amount of research occurring both in this state and nationally. Clearly, a lot can be done if we are of a mind to do it.

I disagree with the member for Waite on a number of points. First, in relation to not giving the money directly to Bio Innovation, it seems to me that the best thing is for Bio Innovation SA to be doing bioinnovation, getting involved in the industry, making sure that the incubator is working and everything is ticking over, and not having them worry about land negotiations, constructing a building, remediating the land and fitting out the labs. That is probably best done by those who are good at doing it. It is no surprise to me that they would get LMC to do it. I suspect that the member for Waite is looking for something to criticise in the project just because he can; I suppose that is his job.

In relation to the valuation, during his evidence Dr Michaelis made the point that the labs would need an extensive refit after 15 years. While I am not completely sure on this, it seems to me that has been taken into account in determining the final value. The accounting processes the honourable member mentioned are standard stuff. It is partly affected by national competition policy and partly affected by government accounting standards which are uniform across the country. As the member for Waite said it is an excellent project. One of the good things about the committee process for a new member is that all these things going on in the background that you did not know about beforehand are brought to your attention. Certainly, it is the case with this project.

Along with the members for Taylor and Waite, I went to Taiwan recently. While we were there we talked about marketing. Some people are good at the inventive or innovation side of things and some people are good at commercialisation. One of the skills they have in Taiwan is commercialisation. I wonder whether there is something we can learn in this state about commercialisation. In relation to the two companies that were recently bought out, Dr Michaelis was of the view it was a good thing. If those companies had been able to commercialise more quickly, I wonder whether it would have been less likely they would have been taken over. Those profits, dividends and share value growth could have remained in Australia. It is an excellent project and I am happy to support it.

**The Hon. R.B. SUCH (Fisher):** I support this motion with great delight. In 1999 the then premier, John Olsen, sent me to America—I think he was happy to send me anywhere,

but that is beside the point—with a group of public servants to look at biotechnology, in particular incubators and research parks, so that we could pick up on what was happening in the United States and also Canada. As a result of that trip, one of the developments was the establishment of Bio Innovation SA, which has proven itself to be a worthwhile activity and development in this state. On that trip we looked at research parks in North Carolina and facilities in Saskatchewan (Canada), California and other states of America.

It was interesting to evaluate how worth while or otherwise incubators and research parks are, but it is accurate to say that incubators can really help in new era technology and in helping companies get established, and it is a development that should be applauded. I have said before in this house that we pretty well missed the boat when it comes to IT in this state. We were a bit late getting in on the IT revolution. We were somewhat late getting in on biotech, and I trust that we will not be too late getting in on nanotechnology. Things are happening in respect of nanotechnology in our universities—and I commend them for it—but I believe we need an equivalent to the bioinnovation approach to help support research and commercial application in respect of nanotechnology, and the model that is being used for bioinnovation may well be useful in respect of nanotechnology.

I commend this initiative and I believe that sometimes governments have to do things which assist the private sector, research and commercialisation and, in the long run, we all benefit as a result. I support this motion.

**The Hon. R.G. KERIN (Frome):** I certainly support the construction of the incubator. Not having had a chance to read the report, I will do so with great interest because I think that this is a major step. It has been a while coming, but better now than not at all. Bio Innovation needs to be congratulated. It is a structure which has worked very well. Dennis Martin and the board are an enormous support to the staff. Dr Jurgen Michaelis, who has done a fantastic job, came from Germany to head up Bio Innovation and he has done a sterling job. He is incredibly dedicated, and he has a great staff, many of whom have been there since the inception of Bio Innovation. They have worked very hard to achieve the goals for which it was set up. It was basically set up to try to get around a situation.

There has always been a real challenge for governments as to who owns the IP when it looks at commercialisation of intellectual property which largely comes out of government institutions. The challenges include: how do you reward your researchers; how do you handle the funding that comes back as profit from any inventions that are commercialised; where does it finish up; and how do you fund future research and commercialisation? Governments have not been able to do that well and Bio Innovation was an attempt to take it out of the government departments which, quite frankly, did not understand much about what to do to get it moving and how to set up a unit. The staff have been terrific, but the industry in South Australia took the opportunity of being networked, and it pulled together incredibly well. They looked at it as an opportunity.

I can remember some of the first networking events we had. This is a small industry, yet many of the major players did not know each other. We found that by having them working together as we went through the networking, the synergy was such that the sum of the individual people was greater than the individual contributions, which was a very

good thing. Certainly the universities are often known for not wanting to cooperate with each other. I remember that, at the second or third networking event we had in Parliament House, the three universities publicly supported Bio Innovation and pledged that they would work hard to ensure that it worked. I think it has worked very well, and it has a terrific international reputation. I have had the opportunity to visit some of the big biotechnology regions overseas and certainly Bio Innovation is well known.

Dr Jurgen Michaelis is very highly respected for what he has been able to do, but this activity is probably known more for its structure than the scale. I think that it has done very well in the time it has operated. We set it some very difficult targets and it has pretty much achieved those targets. One of the things a couple of committee members mentioned was the fact that we have had excellent results for the money that we put towards biotechnology. I think members will find that Queensland and Victoria almost went into competition with each other in the very late 1990s, early 2000s, as to which state could spend more, and really for the dollars they have not had anywhere near the returns we have been able to achieve. I think it has been the correct strategy.

I am absolutely convinced of the merit of incubators. I have seen several incubators overseas. There is one in Jena (in the old East Germany) which is headed up by a Dr Klaus Ullrich. Biocentive is the name of the company. However, the important thing is that the incubator here has been designed by the same architect who created the building over there. They have about 16 companies in that building. I have talked to all of them, and there is no doubt that what has drawn some of those companies to Jena is the fact that the incubator is there. It is a terrific facility, but Biocentive has been able to create other services as well. When you walk into the office of Biocentive, there is a Bio Innovation SA transfer on the door. There is a partnership between the two, and I think that we can both gain enormously from that.

One of the examples of how an incubator can draw people is Alan Dunbar. He was working in the banking sector in London and, with a couple of friends, he came up with some imaging material to take scans on the doctor's computer, rather than people having to visit the doctor. They were in London trying to work out how to get this to the next stage and, because of the incubator, they shifted to the old East Germany to set up their company. They have been working at the incubator for over 12 months and they have made terrific progress. Having seen Biocentive's building and the way that it is actually built, I believe that young companies could not shift into one of the normal buildings around Adelaide and have the facilities that exist in East Germany with an incubator. The building is constructed with all the services provided through the walls to each floor. There is a start-up production area within the incubator and it is absolutely tailored. From talking to all the tenants in the building in Germany, at least those who could speak English, it was very heartening to see how important the incubator had been in terms of enabling them to start growing some good companies.

I visited an incubator in Hong Kong, and their facilities are something we could not even dream of. The incubation means that a lot of R&D that otherwise would not have been commercialised will be. I do not think we should ever underestimate the merit of the incubator. I well and truly support what is happening. Perhaps it could have been quicker, but let us not look backwards: let us look ahead. I am sure that we will have extra bioscience companies and a lot

of extra highly-paid jobs created in South Australia because of the existence of this incubator. I also urge the government to look at the next stage.

In many of the big bioscience precincts around the world, there is a next stage whereby, once a company moves on from the incubator, there is often a need for certain combined facilities they can all use, whether that be packaging facilities, some of the production facilities, access to high-tech machinery, etc. That is the next step we probably need to look at as to where we take the industry in the state. As I said, I certainly support the incubator. The more support we give Dr Michaelis and his staff and the board of Bio Innovation the better off we will be as a state. What a lot of people do not understand with biotechnology is that it has a real fit for South Australia. We have a natural advantage of a very good R&D base. We have the Plant Genome Centre, which is an enormous facility that needs to be well and truly supported by all levels of government.

What biotech can do—and anyone who has been through the Thebarton Precinct will understand—is bring in a lot of people who are very highly paid, a lot of people over \$100 000 a year and higher as far as their pay goes. For us as a state, when we do not have a lot of head offices or nationally-based companies in South Australia, that is one way of making sure that we get that mix through the workforce of South Australia with more highly-paid jobs, because at the moment we have the lowest average wages. We have to make sure that we have highly-paid jobs in bio-tech and in IT, an area to which we can attract those people, despite the fact that we do not have the head offices. As I said, I look forward to reading the report and following the development of the incubator.

I heard what the member for Waite said about the financing deal and I look forward to reading about that. This has to be a very long-term commitment to this facility and to this industry, because it has some real upsides for us. The more we invest in it, I am certain, the better off we will be.

**The Hon. P.L. WHITE (Taylor):** I rise briefly to add my support to this very important project. This will be a unique facility in Australia and a very important facility in the world in the development of biotechnology companies. I was pleased to hear the member for Frome talk about how well we do here in South Australia in terms of our start-ups. The number of start-up companies generated in recent years has been very good. A couple of years ago I attended the world bio conference in San Francisco, which is a little bit of an unusual technical conference compared to those that I am used to attending as a former scientist and engineer, because it is not only an academic conference but also a conference of practitioners and policy makers.

Most of the Australian premiers and the federal science minister attend that conference each year. I was very impressed with the reception that the South Australian delegation received at that conference, in particular, the head of Bio Innovation SA, Dr Jurgen Michaelis, who is very well regarded world wide and whose reputation is deserved. It is important for members to note that it is often said that states like Queensland spend a lot more on bio innovation than South Australia, and that is true, but the way South Australia effectively spends its funds has meant that we have achieved a lot that Queensland has not achieved. Our Thebarton Precinct has a very good reputation world wide and, as the member for Frome stated, it is a precinct full of very high-

value, high pay-off work being done by very highly-qualified, high-salaried people.

The companies are small but they have the promise of a significant turnover in terms of profit and company returns. This incubator is important because it is another step in the pathway that we can provide for South Australian companies from generation of idea to market of product. It is true that for a lot of start-up companies there is the initial hurdle of scientists doing commercial work. In management terms, that is always a hurdle, but there is another hurdle when it comes to expansion and investment in very costly capital equipment and wet area space, for example, as well as the usual company costs that are required. This incubator will go a long way toward filling that divide.

I think it is also worthy of highlighting to members the importance of another recent announcement by the government that will have an impact on South Australian companies' ability to grow and get their products to market. That is the investment of a new private venture capital fund in collaboration with the MTAA, that is, the Motor Trade Industry Superannuation Fund, a very large Australian industry super fund. It is investing that amount—it is not government funds; it is private funds—in our state to help those companies get to the next stage of growth. That is very important and very exciting. Together with the satisfaction of a hole in the production cycle that will be met through the incubator, I think this state is well placed to generate a lot of wealth and a lot of important scientific work through pharmaceutical and biotechnological advances in this state. I support the project and I look forward to hearing about a new generation of successful start-up biotechnology companies in South Australia.

Motion carried.

## UNREGISTERED HEALTH PRACTITIONERS

**The Hon. P.L. WHITE (Taylor):** I move:

That the Social Development Committee investigate and report upon the issue of bogus, unregistered and deregistered health practitioners in South Australia, and in particular—

- (a) their prevalence in South Australia;
- (b) the practices they use, and associated health and safety risks;
- (c) the methods they use to promote their services and the risks of exploitation of sick and vulnerable people;
- (d) the measures, regulatory and otherwise, that can be taken to better protect the public; and
- (e) any other related matter.

The motion calls on this parliament to refer to the Social Development Committee an investigation of bogus, unregistered and deregistered health practitioners operating in this state—we might call them quacks. When people are advised that they have an illness which conventional medicine cannot cure, they often seek out alternative health practitioners in the hope of finding a cure. Often people will respond to late night television advertisements, advertisements in unusual magazines and newspaper advertisements. I must say that the majority of practitioners who work in the alternative and complementary fields of medicine are ethical and genuine practitioners who have undertaken some appropriate training and provide their patients with a quality service.

Australians are spending an increasing amount of money on services provided by the complementary and alternative therapies sector, which can provide positive outcomes for patients, particularly when used in conjunction with conventional medicine. The problem is, however, that some practitioners do not have that same level of ethical practice

and, in fact, they exploit their patients by claiming to be able to cure cancer, for example, or they make other health claims which are not backed up by medical fact—they have no basis in fact. Those practitioners are quacks. They are the modern version of the snake oil salesman or carpetbagger, you might say, and they seek to exploit vulnerable sick people to relieve them of their funds.

Quacks occur in all states of Australia and in most countries of the world. One of the factors often found with bogus practitioners is that they prey on desperate people and they often travel overseas to avoid the authorities in a particular state. In a recent Victorian case, a quack provided what is known as ‘ozone therapy’, which involves injections of caesium chloride. That particular practitioner travelled between Victoria, Western Australia, the Northern Territory and Thailand, leaving behind grieving families after six people died having had that particular treatment. One family spent in excess of \$40 000 on the bogus treatments and their loved one (their mother) died.

Similar cases have occurred in South Australia. During the estimates committee recently, the Minister for Health—in fact, it was the discussion during estimates that prompted me to move this motion—talked about a registered dentist who was peddling cancer cures. He took himself off the dental register in an attempt to avoid disciplinary proceedings, because the Dental Board could not pursue him if he was not a registered dentist. Other bogus practitioners have never been registered or have been very poorly qualified.

It seems that it is easy for practitioners to attain some impression of credibility by joining or even creating dubious professional affiliations and then displaying those to their patients. Many practitioners are unregulated in the medical and health sector. They are not part of any college, union or association that otherwise might demand of them a certain level of ethical practice and commitment to ethical standards.

Debate adjourned.

### EMERGENCY MANAGEMENT (STATE EMERGENCY RELIEF FUND) AMENDMENT BILL

**The Hon. J.W. WEATHERILL (Minister for Families and Communities)** obtained leave and introduced a bill for an act to amend the Emergency Management Act 2004. Read a first time.

**The Hon. J.W. WEATHERILL:** I move:

That this bill be now read a second time.

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

Leave granted.

Section 37 of the *Emergency Management Act 2004* (the Act) provides for the establishment of a Fund to provide robust and transparent arrangements to administer publicly-donated and charitable monies following a disaster.

The State Emergency Relief Fund is the successor to the State Disaster Relief Fund. That Fund was established in March 1985 under section 22A of the *State Disaster Act 1980* to administer the donated moneys from the Lord Mayor’s Trust, set up following the Ash Wednesday Bushfires. The Lord Mayor’s Trust had run into difficulties arising from the problems relating to various legal restraints on trusts. The provision of the old State Disaster Act remedied this, by providing a more flexible but publicly accountable fund to assist disaster victims. Section 37 of the present *Emergency Management Act 2004* was enacted in similar terms to the old section 22A.

The State Emergency Relief Fund has been successfully used (since the inception of the Act in November 2004) to disburse money raised in public appeals for three very different emergencies—the

Eyre Peninsula Bushfire, the Virginia Flood and the Gladstone Factory Explosion.

The Government now proposes some minor amendments to section 37 to widen the range of crises for which the fund can be utilized and to clarify the types of assistance that the fund can provide. The amendments will allow the Governor to authorize the use of the State Emergency Relief Fund as a mechanism to disburse money raised through public appeals for situations (*‘proclaimed situations’*) other than emergencies or disasters as presently defined in the legislation and will enable the committee established to administer the Fund to disburse money to assist communities as well as individuals affected by an emergency.

#### Definition of “emergency” within the Act

The current definition of “emergency” within the Act precludes a slow-moving crisis, for example a drought. The definition describes an emergency as an “event”. A note attached to the definition gives a number of examples (eg. flood, fire, explosion, terrorist act), which gives weight to the concept of an event as a discrete happening.

A drought for example would not be an “event” as presently defined. There is also doubt whether an outbreak of Foot and Mouth Disease would be included in the present definition. The proposed amendment will allow the Governor to proclaim the situation or circumstance for which the Fund could be used.

#### Support for affected communities

Under the present Act, the Fund may be used “for the purpose of the relief of, persons who suffered injury, loss or damage as a result of that emergency”. It is not clear from the present section 37 that monies in the Fund can be used to fund community development activities for affected communities (say, for example, job creation activities, or the holding of a community concert or the building of a community facility) which may assist in community recovery from an emergency or disaster.

It is our experience now in South Australia that in large-scale emergencies the life of the community suffers in addition to the individuals directly impacted. The minor amendment suggested would place beyond doubt that moneys collected in the Fund can also be used to assist communities as a whole.

The difficulty of determining who is a victim of a particular emergency is a common problem for those managing a community’s recovery from a disaster. In the case of a drought for example, this question will be a particularly difficult one, and some flexibility in this aspect of the legislation is desirable.

I commend the Bill to Members.

#### EXPLANATION OF CLAUSES

##### 1—Short title

##### 2—Amendment provisions

These clauses are formal.

##### 3—Amendment of section 37—State Emergency Relief Fund

This clause makes a series of amendments to section 37 of the Act. The main purpose of the amendments is to enable the State Emergency Relief Fund to be used to receive payments for the relief of persons who suffer injury, loss or damage as a result of a situation or circumstance identified by the Governor by proclamation. (As the section currently stands, the fund can only be used in connection with an emergency in respect of which a declaration under the Act has been made.) It is also to be made clear that money received under this section may be applied for the benefit of a community that has been adversely affected (in addition to providing assistance to particular individuals).

**Mrs REDMOND** secured the adjournment of the debate.

#### AUDITOR-GENERAL’S REPORT

In committee.

(Continued from 21 November. Page 1343.)

**Ms CHAPMAN:** This afternoon I will ask the minister some questions in regard to his portfolio responsibility of families and communities and housing. My colleague the member for Heysen proposes to ask some questions in relation to disability and possibly ageing, and the member for MacKillop will have some matters to cover in relation to

Aboriginal affairs. I hope that is of some assistance to the minister.

I refer to page 437 of the Auditor-General's Report, and in particular the financial operations of Families SA, in which it is recorded that the audit review in prior years highlighted the breakdown of controls over financial transactions processed by FAYS, which is now known as Families SA. I note that the 2003-04 and 2004-05 Auditor-General's reports also highlighted breakdowns in internal controls and financial management practices with FAYS, in particular a number of suspected frauds. On 11 November 2004, during questioning on that year's report, the minister detailed four fraud cases under investigation by the South Australia Police. Those four frauds were both recorded and referred to in the Auditor-General's Report, and the minister confirmed them as indicated.

In 2004-05 the Auditor-General made no mention of any particular reference to fraud. However, in questioning on the Auditor-General's Report on 8 November 2005, the minister stated that no frauds for the last financial year had been detected. The 2004-05 annual report at page 58 tells us that there were two cases of fraud in 2004-05. My first question is: can the minister explain that discrepancy?

**The Hon. J.W. WEATHERILL:** I ask the member to clarify her question because the advice I received is that four frauds were identified before 1 July 2004, before the Department for Families and Communities was established. She made reference to some in 2004-05. Could that be clarified?

**Ms CHAPMAN:** On 11 November 2004 the minister, when questioned on the 2003-04 Auditor-General's Report, confirmed that there were four fraud cases under investigation by SAPOL. For 2004-05, in particular, on 8 November 2005 when the minister was asked about fraud cases, he said that 'no frauds for the last financial year have been detected'. In the annual report for 2004-05, which has now been published, on page 58 it tells us that there were, in fact, two cases of fraud in the 2004-05 year, so we have referred to the minister's evidence at both previous hearings in to the Auditor-General's Report.

**The Hon. J.W. WEATHERILL:** I think that is a reference to the fact that two cases remained active during the 2004-05 year. It is still a reference back to two of the four fraud cases that were referred to in the earlier answer, but I will double check that to make sure it is correct. Certainly the advice that I have received and the advice I am receiving again today is that there have been no new fraud cases detected since the Department for Families and Communities came into operation.

**Ms CHAPMAN:** In relation to fraud cases since the CYFS financial accountability project, which is referred to in this report, was commenced on 27 February 2004 to address financial control weakness, how many cases of fraud have there been since that time?

**The Hon. J.W. WEATHERILL:** None detected.

**Ms CHAPMAN:** How much money and/or the total value of goods or services was involved in the two fraud cases in the 2004-05 year, and were the money and/or goods recovered?

**The Hon. J.W. WEATHERILL:** It is likely that the two cases referred to in the annual report are presently with the Department of Public Prosecutions and progressing through the court system, so I want to be a little careful about what I say. However, the ex-employee in one of those cases has pleaded guilty to 116 counts of theft, amounting to approximately \$22 000, and will be sentenced very soon. In relation

to the larger of these cases, the ex-employee has gone to preliminary hearings and been charged with 271 counts of theft, amounting to \$100 000, and this person is due to appear in court in January 2007. DFC has a pending insurance claim with SAICORP of the order of \$1.3 million. I think those two cases are likely to be the ones that are presently progressing through the courts, and that is the sum involved in relation to them. However, I repeat again that they are cases that were identified arising out of the arrangements that occurred before we established the new Department for Families and Communities. They really arose in the old days of the department of human services as a consequence of the arrangements—or the lack of arrangements—that were put in place to detect and monitor financial accounting.

**Ms CHAPMAN:** I refer the minister to page 436 where, under 'Administration of concessions', it states, 'The Department administers the provision of concessions to eligible recipients, for the Emergency Services Levy; water, sewer and council rates; electricity', etc. In the Auditor-General's Report for 2004-05, at page 490, the issue of last year's administration of concessions was raised by the Auditor-General and, in particular, the statement that the department had not implemented an appropriate documented agreement with the parties providing concessions that detailed the respective roles and responsibilities in terms of the arrangements and pointing out that there were some difficulties in keeping track of who was getting concessions. This has still not been dealt with in 2005-06. It seems the department has already had two years to deal with these issues which, according to this year's report, have still not been addressed.

A number of aspects in relation to the control over concession amounts are identified in this audit by the Auditor-General as unsatisfactory. What work has been undertaken to ensure the accuracy of property-based concessions, whether this is through CARTS (as it is referred to in the report) or other technology solutions? More specifically, how is the figure of 3 000 claimants (which could not be validated) arrived at, and were all these 3 000 people paid the concessions?

**The Hon. J.W. WEATHERILL:** The question of the administration of concessions has been receiving our attention since the question was raised with us by the Auditor-General. One difficulty that has really emerged with the administration of concessions in relation to the electricity retailer has been as a consequence of privatisation. As a consequence of privatisation, we do not have the direct access to our customers we had in the circumstances where the government ran the electricity authority. So, of course, that complicates the matter by bringing into play the privacy legislation at the federal level that binds corporations in the way in which they deal with their customers, and that creates great complexity when one is dealing with the information that needs to be obtained for the purposes of verifying the entitlement to concessions. So, certainly, we labour under that burden. However, having said that, we took the opportunity provided by the concession arrangements we put in place during our last announcement about increasing the concessions and, indeed, putting in place a bonus for people who receive concessions, to tidy up the databases by obliging people to register their details. That assisted us in the data matching to ensure that we had the appropriate material.

Approximately 3 000 customers of the energy retailer AGL who are receiving concessions are not known to DFC, because they have not provided AGL with an authority to

pass on their information to the DFC. While DFC undertakes a validation process with Centrelink for these customers, this process does not always take place before concessions are paid and, as a result, information about non-validated customers must be returned to these organisations, and there are limited follow-up procedures in place to ensure concessions are removed from non-validated customers.

Interim measures are being implemented in 2006-07 to ensure that a more detailed validation process is undertaken, and this process will be incorporated into service level agreements currently being negotiated. Concessions and anti-poverty services are also working closely with AGL to obtain the appropriate authorisation from customers who have not already provided it to AGL. The choice here is to simply cut customers off before we can be entirely satisfied about their eligibility. In many cases, they will be people who are entitled to concessions but about whom, for one reason or another, we have had difficulty in verifying that fact. We are going through the process of undertaking that validation, but we are not going to undertake draconian steps to simply cut people off.

In the transport area, we are reliant upon the transport department to make the relevant ticket sales and undertake the validation processes at the point of sale. In all of this, we need to bear in mind that we do not design systems of validation that are so expensive they eclipse the value of the concessions in question. Some of them are quite modest concessions and, if we put in place some of the validation processes that might be, I suppose, a counsel of perfection, we could find ourselves with a very expensive process of validation. We are trying to balance all of those things. We are quite mindful of our responsibilities to the taxpayer to ensure that these concessions reach their appropriate audience, and we are trying to do that in a way that does not impose a ridiculous administrative burden.

**Ms CHAPMAN:** I have some questions in relation to housing. There were two areas of concern, particularly in relation to the South Australian Housing Trust, which caught the attention of the Auditor-General. In relation to the accounts payable (referred to on page 1087), the Auditor-General found in his audit that the authority levels within the purchasing system were not consistent with the levels of authority approved by the board. The audit communicated the view that the levels of authority were not expressed in a manner that enabled them to efficiently and effectively be administered. What was the total value of purchases that were made without the appropriate level of authority, as defined in the statement, and are the guidelines now in place to ensure effective administration?

**The Hon. J.W. WEATHERILL:** I think the concern that was raised by the Auditor-General was not the value of these sums but, rather, the measures in place to address the issues raised by the Auditor-General. In that regard, through the use of an online purchase order system implemented in 2005-06, we now have a process of monitoring and reporting the use of manual vouchers and providing training to staff, which resulted in an increase in the use of the online purchase order system. The auditors are seeking a continuation of these measures. All other issues raised in this year's audit are being addressed by the trust.

**Ms CHAPMAN:** Perhaps the minister misunderstood my question. I was not asserting that the Auditor-General had raised the question of the total value. My question was: what was the total value of the purchases that had been made without this proper level of authority?

**The Hon. J.W. WEATHERILL:** We would have to take that question on notice. It will be quite an exercise to obtain that material, I would have thought. It may also be something that we have to discuss with the Auditor-General, because it may rely upon his working papers.

**Mr WILLIAMS:** My question relates to the Aboriginal affairs portfolio. I refer to page 864 and the notes on page 889, which talk about the cash held. On page 889 it states:

The cash balance for APY lands and Commonwealth Community Essential Services Program includes the receipt of funds from the Department of Treasury and Finance that will be returned in the year 2006-07 as part of the cash alignment policy. The remaining funds are committed to the indigenous projects commencing in the 2006-07 financial year.

Cash held is some \$21 million and, adding up the figures, it looks as though about \$2.1 million will be returned under the cash alignment policy. Can the minister inform the committee which programs failed to be conducted, which has meant that that cash surplus has arisen?

**The Hon. J.W. WEATHERILL:** I will take the question on notice.

**Mrs REDMOND:** I refer to Volume 2, page 457; the section dealing with the remuneration of employees. There is a list of the employees who now receive in excess of \$100 000 in terms of remuneration received or receivable (so, that is without the add-on costs). Can the minister explain why, in the last 12 months, there has been more than a 50 per cent increase in the number of employees in that pay band?

**The Hon. J.W. WEATHERILL:** There are basically three contributing factors to the number of people in that category. The first is that, when we were established as the Department for Families and Communities, the agency was built up over a period of time, so the number of people at the start date who began with the agency did not really reflect the correct starting point for the purposes of the number of executives over \$100 000 who were to be part of the new department. So, 13 of those staff were employed part-way through 2004-05, and their normal salary was in excess of \$100 000. That explains why they are not in the 2004-05 statistics, and it therefore affects the percentage increase.

The second factor is the indexation of non-executives that is tipping them over into the \$100 000 limit. So, people who were formerly under that limit, through wage increases naturally have been taken up over that limit. The third factor is the growth in the number of staff over that limit. As the portfolio has grown, the proportion of people within this agency as executives naturally grows, when the size of the agency grows. Indeed, this agency has grown considerably since this government has come into office. There has been a substantial increase in the resources put into both child protection and disability services.

**Mrs REDMOND:** That is what puzzles me, and I now refer to page 460 of the same volume. In table 9.3 at the top of the page there is a list of the funding to non-government organisations. I note that, in the case of Minda Incorporated, Community Accommodation Respite Agency, Novita, Community Support Incorporated, Anglicare SA, Centacare, Orana, Community Access Service, Royal Society for the Blind, Guide Dogs Association, Lifestyles Assistance and Accommodation Services, Barkuma Incorporated, Elizabeth Bowey Lodge and Community Lifestyles Inc., all those organisations are receiving less funding in the current year than they were in the previous year.



While there is an increase of 23 in the absolute number of people in the department who are receiving more than \$100 000 remuneration, there is a significant decrease in the amount of money going out to the organisations that are doing the work in the community to help our disabled community. Will the minister please explain?

**The Hon. J.W. WEATHERILL:** It may come as some surprise to the honourable member, but people employed directly by the government also assist people in the community who are vulnerable and who have special needs, including people with disabilities. While our non-government partners are an essential and valuable part of our service offering, they are only part of the service offering. It is wrong of the honourable member to malign public servants as not making a contribution in the way in which she has. The simple answer to the question is that the figures in 2005 compared with 2006, and the variances which seem to suggest that less money is going out this year than last year, is largely due to the effect of some very substantial one-off payments that have been distributed to those agencies in that year.

We made no secret of the fact that, when we found the budget room to apply surpluses to other purposes, we quickly identified disability service agencies as worthy recipients of those additional funds. We made substantial one-off contributions to organisations such as Minda, Orana and Novita to assist them in their valuable work.

**Mrs REDMOND:** I correct the minister's assertion that I am in any way maligning the public servants involved. I do not do that at all. I am sure that they all do earn their money. My questions, really, have been directed towards the apparent inconsistency between a department that is able to afford such a dramatic increase in the number of people paid at that level when funding for all these organisations I listed is decreased. My next question relates to the very bottom of that same table (9.3) and funding to NGOs. I notice that the heading 'Other' has had a 25 per cent reduction in funding from last year. Will the minister indicate what organisations are covered within that heading of 'Other'?

**The Hon. J.W. WEATHERILL:** I will take that question on notice.

**Mrs REDMOND:** At page 462 in the same volume, 'ILC disability equipment waiting list' appears under the heading 'Unexpended funding commitments'. It is apparent from that—although, I guess, I would like the minister first to confirm that my reading of it is correct—that initially the government intended to contribute \$7 648 000 towards getting rid of those equipment waiting lists in the disability sector, but thus far has acquitted of that sum only \$161 000. I remember the great fanfare when the government announced that it was putting all this money into disability equipment and getting rid of the equipment waiting lists. What is the explanation for the fact that, to date, so little of that substantial allocation has been spent?

**The Hon. J.W. WEATHERILL:** It is a case of the honourable member needing a ruler. If she applies the ruler to the page, the honourable member will realise that it is the column down to which she refers. That column is the Commonwealth-State Housing Agreement moneys.

**Mrs REDMOND:** I refer to page 459 in relation to 'Grants, subsidies and client payments', and the various amounts listed. At 9.2 at the bottom of the page there is a reference to 'capital funding to incorporated disability health services' and, in particular, the Intellectual Disability Services Council (IDSC), Julia Farr Services and Independent

Living Centre (ILC). Those amounts are significantly higher in the 2006 column than in the 2005 column. Given that IDSC, ILC and Julia Farr Services have now been shut down in favour of disability services, does that mean that that extra money is being pumped into the department, or am I misunderstanding what is happening there?

**The Hon. J.W. WEATHERILL:** Those moneys have been applied to particular programs within those areas. Julia Farr has not yet been dissolved, but even in the case of IDSC that money will still be expended on the programs. There is no sense in which that money is retrieved. It is applied to the same program, albeit that the corporate entity ceases to exist in the case of IDSC, and soon we will see it cease to exist in the case of Julia Farr. Of course, ILC, is in that same category as IDSC. It should be spent on the same things that it was intended to be spent on.

**Mrs REDMOND:** Nevertheless, it is interesting to me, though, that the effect of that apparently is that the government funds itself better to provide the same programs than is the case with funding those organisations to provide the programs. I go back to the issue covered by the deputy leader on page 437, that is, the administration of concessions. On page 436 the Auditor-General is talking about control over concession payments being unsatisfactory, and there is a series of key observations. I want some further information about a couple of those. At page 437 the report states:

There was a lack of check to confirm whether applicants for energy concessions meet one of the required eligibility criteria.

I want to confirm whether my understanding of what the minister said in answer to a question from the deputy leader was correct. In fact, you do make those checks but you do not make them in time necessarily and you grant the energy concession rather than not grant it, pending its checking. I want some clarity about that.

**The Hon. J.W. WEATHERILL:** Your understanding is correct.

**Mrs REDMOND:** On page 437 it continues:

SA Water administers the council rate pensioner scheme on behalf of councils. Audit review found the department had not performed a reconciliation of amounts paid to SA Water for council rate concessions to the actual concessions paid by SA Water to councils. Audit noted that SA Water retained significant credit balances throughout the 2005-06 year which were not returned to DFC.

I take it that your department has paid the money to SA Water. They are supposed to send it on to councils. No-one is doing a check to see whether that is happening. SA Water is sitting there with the benefit of that money, presumably earning interest on it. Will the minister indicate how much was involved in that particular system?

**The Hon. J.W. WEATHERILL:** You can rest assured that we always pay attention to how much money SA Water is holding on our account. If in any given year a smaller number of concessions are taken up than was anticipated that money is deducted from the sum applied next year.

**The CHAIR:** The time for examination of this section of the Auditor-General's Report having expired, we will proceed to the section relating to the Minister for Transport, Minister for Infrastructure and Minister for Energy, for 30 minutes.

**Mr HAMILTON-SMITH:** My first question is really an omnibus question. This is such a surprising Auditor-General's Report that it has to be viewed in its entirety. On page 1369 the Auditor-General has qualified your report indicating that financial reports have been 'misstated'. On page 1370 he has indicated that bank accounts in your

portfolio have not been properly reconciled. On the same page he has been critical of policies, procedures and documentation required to manage network assets. On page 1371 he has been critical of the expensing of exclusions in regard to the public works projects for which you are responsible. The report states that management is 'inconsistent with the requirements of Australian accounting standards'. He has been critical of payroll and expenditure on pages 1371 and 1372. He has been critical of bus contract management, on pages 1372 and 1373. He has slammed the department's IT systems on page 1373. He has been highly critical of the way in which mobile phones are being managed.

**The CHAIR:** Where is this heading?

**Mr HAMILTON-SMITH:** I am coming to that, Madam Chair.

**The CHAIR:** Don't come to it: get to it.

**Mr HAMILTON-SMITH:** Given the array of issues that the Auditor-General has raised, what is going wrong in the department? When one views all these criticisms together it equates to a management concern of very significant proportion. What is going wrong in the department that has allowed all these issues to be raised? It is probably the most wide-reaching and concerning Auditor-General's Report in this portfolio in recent years.

**The Hon. P.F. CONLON:** The shadow minister continues the performance he displayed at estimates. He has all the repetition of a four year old but none of the forensic qualities. Giving some sort of empty rhetoric for the first two minutes of his 30 minutes, then saying 'What is wrong?' relying on his rhetoric, is about as likely to cause a difficulty to the government or get to the source of any real matter as anything I have ever heard. I will deal with it point by point. If one was to listen to the member for Waite, what we have found here is the most awful Auditor-General's Report ever—'the worst in recent years' or something. The simple truth of the matter is that this is just an entirely ordinary discourse and an entirely ordinary conversation between an audit and an agency. It is exactly what is supposed to happen. It is exactly the reason we have an Auditor-General. The Auditor-General each year reviews how the department goes against the criteria that the Auditor-General sets and then makes comments. I am assured that is correct, apart from the fact it is fairly obvious.

I digress here, because we had a lot of empty rhetoric to start with. The notion that this is the worst thing that you have ever seen—when the shadow minister was for a few minutes a minister in the previous Liberal government that had a trail of egregious sins against the proper audit and a recidivist approach to fighting and attacking the Auditor-General whenever he found one of these egregious sins—and that this in some way compares to that is to engage in empty hyperbole. The truth is that the Auditor-General not only found against ministers—and not about a conversation with an agency—but actually found wrongdoings by ministers.

**Mr HAMILTON-SMITH:** Madam Chair, I rise on a point of order.

**The Hon. P.F. CONLON:** Sorry, empty rhetoric is only for one side in this place, is that it?

**Mr HAMILTON-SMITH:** Madam Chair, you have called me to order about the way I asked the question and restricted my explanation of the question so as to get to the point. The minister is straying into irrelevant material and is not answering any of the questions, particularly the question I put to him. Are you going to apply the same standard to him as you did to me?

**The CHAIR:** Member for Waite, your question was very wide ranging and I know that the Speaker has made it clear that, if questions asked are wide ranging, answers may also be wide ranging.

**The Hon. P.F. CONLON:** The truth is that, if you want to make specious claims about its being the worst Auditor-General's Report and going through it and picking bits out and talking about where he slams me—I do not recall being slammed anywhere—I will talk about what a bad Auditor-General's Report looks like. When it names ministers and when he has to come to the parliament to seek the protection of the parliament from those ministers and when you people were all attacking the Auditor-General, that is when you are in a bad area. The reason I am most reassured that this is nothing but an ordinary conversation between an Auditor-General and an agency—and we take seriously those comments and we attempt to act upon them to always improve our performance—is that we did something they could never do.

Having received the audit report, my people and I met with the Auditor-General. I said, 'How serious are these matters? What can we do to improve?' We have set up some structures within the agency. We hear the message of the Auditor-General and act upon it. That is exactly the reason you have an Auditor-General. It is exactly the correct response. I can invite the member for Waite to keep pursuing this nonsense that this is a great disaster, but I have to say that he will be on his own with it, because while these matters are serious and we take them seriously, that certainly was not the view of the Auditor-General in the conversations we had with him. I invite the shadow minister to do as I have done and contact the Auditor-General to get those views.

**Mr Hamilton-Smith:** I have done.

**The Hon. P.F. CONLON:** He has done.

*Mr Hamilton-Smith interjecting:*

**The Hon. P.F. CONLON:** Good on you. Well, I look forward to your withering forensic examination in such case, but I have to say that it will have to be better than 'What is wrong?' and 'Why are you so bad?' We take seriously every matter raised by the Auditor-General, and that is why we had a meeting with the Auditor-General and why we have set up a process within the Department of Transport, Energy and Infrastructure for an on-going discourse with the Auditor-General so that we can continue a method of continuous improvement, responding exactly to the Auditor-General in the way that we should.

**Mr HAMILTON-SMITH:** Apart from the qualification of the report and the observation by the Auditor-General that your financial statements have been misstated, why does the minister continue to make the same mistakes from year to year in regard to audit? In particular, why has he failed to ensure that the department for which he is responsible has reconciled its bank account on a timely basis throughout 2005-06? By way of explanation, audit has identified 'significant outstanding reconciling items which were unresolved' and warned that 'this reflects a significant breakdown in control'. Audit also noted that the same problems had been brought to the minister's attention in earlier audit reports. Why are we making the same mistake over and over again from year to year, minister?

**The Hon. P.F. CONLON:** Again the premise of your question is wrong. Those matters have all been addressed. As I understand, there were some issues about the integration of energy. All those matters have now been addressed and they are not occurring any more. Honestly, your questioning is like

the Russians at Nuremberg. As I have said before, it is like they show a photo and say, 'Do you see this photo? Do you now admit that you are a Nazi murderer?' It has to be a little more sophisticated. They are paying you for this job, Martin: it has to be a little more sophisticated. If you have some pertinent issue to raise, do it.

**Mr Hamilton-Smith:** Well done, Paddy. Aren't you funny! What a comedian!

**The Hon. P.F. CONLON:** Have you finished?

**Mr Bignell:** Where's Bono?

**The Hon. P.F. CONLON:** 'Dear Mr Bono'—he was not quite sure how to address him. Is it Bono—Mr Bono? Didn't his name used to be Sonny? I am not sure. If you want to raise matters seriously, I will treat you seriously. If you want to raise matters saying, 'Why have you not done the things that you did wrong last time?' it is just a nonsense. It is a matter that has been identified within the agency. This might be breaking news—and I don't know what you did in your five minutes as minister—but I do not personally reconcile bank accounts within the agency. I do not think any of them would like me to do that. No, I did not think so. I look forward to your asking a question about the qualified audit, if you ever have the courage to get around to it. If you are going to be taken seriously, you will have to ask serious questions, not puerile nonsense like that.

**Mr HAMILTON-SMITH:** I think the puerile nonsense is coming from your management performance in the portfolio, minister; you do not have to worry about that. Let me move on. Why did the minister not act upon warnings in previous Auditor-General's reports that the reconciliation of key financial systems (which he is being very flippant about, according to his previous answer) to the general ledger were not being properly undertaken? By way of explanation, the Auditor-General says:

This year's review has again identified significant delays in the preparation and independent review of key reconciliations including the reconciliation of the payroll, accounts payable and accounts receivable. . .

I mean, you are very flippant about it, minister, but you are just not managing the financial affairs of your department. You think that it is a joke: you are not taking it seriously and you are not acting upon it year after year.

*Members interjecting:*

**The CHAIR:** Order! Member for Waite, can I have a reference for that quote, please?

**Mr HAMILTON-SMITH:** The Auditor-General is saying it himself.

**The CHAIR:** Member for Waite, can I have a reference for that quote, please?

**Mr HAMILTON-SMITH:** Are we required to give a reference for every sentence, Madam Chair? Very well. Bank Account Reconciliations, page 1370 of the Auditor-General's Report, as I have already mentioned.

**The CHAIR:** Thank you. That is all that is required and it can be given in a polite manner.

**The Hon. P.F. CONLON:** Again, the honourable member probably paid no attention to what I said. He said that we do not take seriously the Auditor-General and I am flippant about it. Actually, what I did was take the chief executive of the Department of Transport, Energy and Infrastructure—

**Mr Hamilton-Smith:** You sacked him. Which one?

**The Hon. P.F. CONLON:** I am sorry: what was the second question?

**Mr Hamilton-Smith:** How many CEOs have you had?

**The Hon. P.F. CONLON:** You want to know how many CEOs I have had: is that your new question? You do not want this one answered either. Marty, I have a two-year old who behaves a little like you are at the moment, wandering off when you do not like the answer. I just hope that you are not going to be on the ground stamping your feet and screaming shortly. I come back to the question. I do not take it flippantly. That is precisely why I took the chief executive and the financial comptroller to meet the Auditor-General to discuss issues with them, in particular because some of these issues had been raised a second time. On a couple of those occasions there were different views between people in the agency and the Auditor about the practical ability to reconcile some of those asset registers, I think was the case.

There has actually been no flippancy. The only thing I do not take seriously is the honourable member's quite juvenile method of questioning. The truth is that we take the Auditor-General very seriously. This government has done that: the honourable member's government did not. I have been to see him with the chief executive and the financial officer to make sure that we put in place systems, if possible, to meet those requirements set out by the Auditor-General. I am struggling to understand how we could act more responsibly and more appropriately, but I am certain that I will get instruction from the honourable member upon it.

**Mr HAMILTON-SMITH:** I make the point that the Auditor-General seems to be finding these mistakes year after year, so I take the minister's assurance that he is working with the Auditor-General with some comfort. I just hope that we do not see these same problems next year. I move on to the Auditor-General's finding in regard to capital works being carried out by the minister. It is page 1371 of his report. This is the Northern Expressway, the South Road tunnels, the Bakewell Bridge, hundreds of millions of dollars worth of projects. Does the Auditor-General's finding—

**The Hon. P.F. Conlon:** Can I see the reference to these projects that he is talking about?

**The CHAIR:** Order, member for Waite! The minister has asked for the reference and I cannot find it.

**Mr HAMILTON-SMITH:** The Auditor-General notes on page 1371 in regard to management of public works—

**The CHAIR:** Can you give a more careful reference? The headings on page 1371—

**The Hon. P.F. CONLON:** Can I assist the shadow minister by saying that there have not been public works on the Northern Expressway, because they have not commenced.

**Mr HAMILTON-SMITH:** They are about to.

*Members interjecting:*

**The CHAIR:** Member for Waite, please take your seat. The information on page 1371 refers to expensing of exclusions and payroll. I am having difficulty finding your reference on page 1371 to capital works.

**Mr HAMILTON-SMITH:** The Auditor-General describes, under Expensing of Exclusions, a number of concerns about the way the department is managing its capital works program. The key punch is in paragraph 3 which, in effect, says that the minister's approach to accounting for capital works expenditure is 'inconsistent with the requirements of Australian Accounting Standards'. Here we are about to begin hundreds of millions of dollars' worth of work on a range of projects and our capital works processes are not in accordance with Australian Accounting Standards. That is what those paragraphs say.

**The CHAIR:** Member for Waite, will you please quote the whole paragraph, not quote—

**Mr HAMILTON-SMITH:** You want me to read it, Madam Chair?

**The CHAIR:** I am reading it, and that is why I ask you, for the sake of *Hansard*, to quote the whole record, because otherwise it does not read accurately.

**Mr HAMILTON-SMITH:** I will quote paragraph 3, from the report. It states:

In Audit's view this approach to accounting for capital works expenditure results in recognition of an asset, capital works in progress, which includes costs which do not meet the asset recognition criteria and is inconsistent with the requirements of Australian Accounting Standards.

That is a significant comment, and I ask the minister to tell us what he is doing about it.

**The Hon. P.F. CONLON:** Apparently this started about the Northern Expressway and the South Road underpass. As I understand it, what the Auditor-General is referring to there is an accounting standard and, in particular, I think the example is whether landscaping should be considered as a capital expenditure or as recurrent, an operating expenditure. It is a difference of viewpoint between the Auditor-General and the accountants who have accounted for things like landscaping as capital and he believes that they should have been operating. I think it is actually the other way round.

*Mr Hamilton-Smith interjecting:*

**The Hon. P.F. CONLON:** That is right: several hundred million dollars worth of landscaping. Can I say: you do your job, son. You are going to go down in history with all those other great shadow ministers of transport. Your name will be up there with all of them. If you want to take this seriously, I will take you seriously, but the truth is that this is a matter of accounting standards for things that you might say are at the margin, whether landscaping is recurrent or capital expenditure. It does not mean that the money has been spent wrongly. It does not mean anything except that you have spent a lump of money, and there is a view in the agency that it is operating expense and there is a view from the Auditor-General that that money was spent on capital, because landscaping might be one or it might be the other.

If you think that is a matter of enormous moment, then I am just going to have to let you think that. But, again, I stress that when we met with the Auditor-General he did not seem to be preoccupied with this. I am not in any way going to verbal the Auditor-General or take less than seriously those matters he has raised. However, it seemed to me that the Auditor-General was positive about the steps we had taken to make sure that the conversation between the auditor and our accountants—and these are accounting matters, in many cases minor accounting matters—is addressed more often than in between audits. I think it is an entirely responsible thing to do. Good luck in selling this as the disaster you would so dearly love it to be.

**Mr HAMILTON-SMITH:** The minister may feel that accounting is not important within his portfolio and that these things are minor detail, but previous mistakes by previous Labor governments have shown otherwise. I move on to the issue of bus contract management on pages 1372-3. The Auditor-General is concerned that we may be overpaying bus contractors with defective service adjustment provisions. In particular, can the minister guarantee that he is not overpaying bus contractors for public transport services? The Auditor-General has found significant failings in contract management within the portfolio for which the minister is responsible. The problems that the Auditor-General has identified and reported upon are significant discrepancies in

previous Auditor-General's reports, and they include a failure to monitor self-reported on-time running data provided by contractors, discrepancies in on-time running data, and weaknesses in the service quality audit process, revealing large discrepancies between the two. The Auditor-General specifically warned that these failures may be resulting in 'overpayment to contractors' and 'unreliable assessment of the contractors' compliance with contracted service standards with impacts on public transport users'.

**The Hon. P.F. CONLON:** My advice is that bus contractors are not overpaid. I think if there was a shortcoming it would be that I do not think we provided proper information about this matter to the audit office at an earlier stage. I think if we had they may have come to a different conclusion. More information would have indicated a few things. One of the things I should explain is that late running has a number of causes. One of the causes of late running was, in fact, the big increase we achieved in public transport patronage. The more people that get on at a particular stop affects the capacity to keep the time. We cannot blame contractors for that. What we do is we respond responsibly. Our response was to make the first major review of all services for many years, so that the service times set would actually meet the number of people and meet requirements. That is the responsible thing to do. In fact, a lot of the matters that we have identified about late running have been addressed in the most comprehensive review ever—a very good thing to do.

Again, as I say, what this highlights to me is the importance of sharing proper information between the auditor and the agency, which is a structure that we have set up. Before the shadow minister mistakenly repeats that I do not think accounting is important, if he thinks that I personally, as the minister, sit down and decide whether landscaping goes in the capital account or elsewhere, it does not work like that. I do not do that. We employ accountants; they do it. We rely upon those people and they do a very good job. On occasion, the auditor has a different view about which column things go into. I know that I annoy the shadow minister a great deal. I know when people mention my name to him he gets all shaky and grumpy, and I know he would like to blame me for everything in the world, but it simply does not work that way.

**Mr HAMILTON-SMITH:** Quite the contrary, minister. You are my favourite minister. I love having you.

**The Hon. P.F. CONLON:** You have never had me and you never will, my good man. I do not know what your army practices were but it will not be happening here.

**Mr HAMILTON-SMITH:** I want to move on to the subject of mobile phone management. The minister does not seem to think accounting is important, but did he approve his portfolio's mobile telephone policy in 2005, and why has the policy failed? This is mentioned on pages 1373-4 of the report. The Auditor-General has found that as at May 2006 there are 800 mobile phones in use in the department, with annual expenditure just short of \$500 000. The Auditor-General has identified what he describes as serious weaknesses in the mobile telephone policy, including: no process to justify allocation of a phone to users; a collapse in arrangements for managers' approval before phones are purchased; a failure to implement arrangements to ensure employees comply with the private calls policy; and no process in place to ensure that charges are for calls actually made by the employee. If the minister cannot get the basics right, it is difficult to get the big things right.

**The Hon. P.F. CONLON:** The shadow minister can never get taken seriously because he can never simply ask a question without some completely puerile remark at the end. I say to the shadow minister that what he should aspire to is being taken seriously.

*An honourable member interjecting:*

**The Hon. P.F. CONLON:** I was not edifying. I tell you what, I got your Premier. Do you remember him—John Olsen? I was not edifying. I can tell you this: I worked on facts and I worked on them for years, and I brought down your Premier. So, with all the opposition's talk about how you do things, I will give you lessons, and I will give you lessons for free. It is not about making puerile statements in here. It is about going out, finding facts and working hard, and I am proud of it. In fact, I got one of your federal people from fine leg with a run-out. What was his name—Wilson Tuckey? He never writes any more.

The fact is that people in the department do pay for private phone calls. A number of additional measures have been taken and the distribution list for statements is being reviewed to ensure that users are notified of costs. A link to electronic statements has been placed on the DTEI intranet home page to allow staff simple access to the total of monthly call costs. Within three weeks detailed individual monthly mobile phone statements will be emailed to all mobile phone owners to seek their formal confirmation.

Contrary to the comments you made, it is a matter we do take seriously. Every comment we get from the Auditor we take seriously and we try to respond. As I have said, we have actually improved the ongoing conversation with the Audit Office to attempt to do that. But make no mistake, we take seriously all the things the Auditor-General says and seek to respond to them, but on occasions there are differences of view between some accountants in Treasury and some accountants in our office on the audit. That is an ordinary fact of human existence. This is not one on which we disagree, I hasten to point out.

**Mr HAMILTON-SMITH:** Minister—

**The Hon. P.F. CONLON:** What about the \$100 million you made noise about before?

**Mr HAMILTON-SMITH:** Well, if you would like to answer a question on that, feel free, but it just goes without saying that you are one of the few ministers who had a qualified report. If you are proud of the fact that the Auditor-General describes your financial reports as misstated, go right ahead and boast and crow about it, but the fact is you misstated your financial reports.

**The Hon. P.F. Conlon:** Is that a question, or what? Do you want that question answered?

**Mr HAMILTON-SMITH:** I will move on—

**The Hon. P.F. Conlon:** You don't want it answered?

**Mr HAMILTON-SMITH:** Well, feel free, but there are other eggs to cook. Is the minister's portfolio paying its bills on time and correctly managing its expenditure and accounts payable? And, if not, what action have you taken as the minister responsible to fix the problem within your portfolio? To explain: the Auditor-General has found a failure in controls which determine who is authorised to use the e-procurement and accounts payable system, and detailed exception reports as to whether goods or services are received and properly invoiced. The Auditor-General found the department had not implemented an effective review of authorised users, and reports were not produced and monitored on a regular basis. We can't reconcile our bank account; we can't pay our bills on time; we've got no accounts

receivable; the mobile phone system has gone berserk; public works that do not comply with accounting standards. Are we paying our bills on time?

**The Hon. P.F. CONLON:** Yes, we are—90 per cent on time, DTF standard, DSO. That longwinded rhetoric—

**Mr Hamilton-Smith:** Not according to the A-G.

**The Hon. P.F. CONLON:** Okay, well, not according to the A-G. But you asked me the question and you won't let me answer it. On the other one, you asked me to feel free to answer, and you make snide remarks about qualified audits but do not have the courage to ask the question. I will explain that, because one of the things that is completely obvious from the opposition's comments on the \$100 million in the qualified audit is that members opposite never understood what happened. They never had any idea of what actually happened. They said this was some mistake or bungle because of the Department of Transport putting it in the wrong column. I can understand now because the penny may have dropped as to actually what did happen, and that is why the shadow minister has been very reluctant to ask the question.

*Mr Hamilton-Smith interjecting:*

**The Hon. P.F. CONLON:** No, no, you did not ask the question: you said, 'Talk about it if you want.' So I will talk about it. But you refused to ask a question about it.

*Mr Hamilton-Smith interjecting:*

**The Hon. P.F. CONLON:** Oh, here we go. The truth is that you asked, 'Am I proud of the qualified audit?' I will tell you what, I am proud of getting that \$100 million and spending it on roads. I am proud of it. I am bloody proud of it, and if the opportunity presents itself again I will do it again. Most of them are in the electorate of the bloke sitting behind you, and I am sure he is pretty happy with it, too. Let me explain to you exactly what happened, and then you can tell me what you would have done—and perish the thought that you might ever have an opportunity to do it.

*Mr Hamilton-Smith interjecting:*

**The Hon. P.F. CONLON:** As if you would, Marty. You had that five minutes—missed by this much! The commonwealth communicated with us—

*Members interjecting:*

**The Hon. P.F. CONLON:** He doesn't want to know about this; he's got to run away.

**Mr Hamilton-Smith:** No-one's going anywhere; I'm sitting here listening intently to the minister—intently, with great interest.

*Members interjecting:*

**The Hon. P.F. CONLON:** They talk about this bloke as the new leader; I think it's great. The commonwealth communicated to us, by facsimile, from memory, saying, 'We will give you \$100 million to upgrade Sturt Highway if you accept it within 24 hours.' Some people may ask why they would do that. It is because they are nearing the end of their financial year and want to get it off their books, right? So the first thing we have to do, being offered \$100 million to do a lot of good work in the member for Schubert's electorate, is to find out if we can accept it, being at the end of the financial year, because it will be in the next year; it may be accounted for next year. What we do is we then ring Treasury and we say, 'Look, some fellow wants to give us \$100 million, can we accept it without damaging our research next year, damaging our budget?' That is why they wanted to get it off their books. One day you may face issues like this.

I have got to tell you that their advice was that, on balance, they believed it would be treated in the same way as the

money was treated for the Eyre Peninsula rail upgrade, so that we could accept it without damaging the budget situation in the next year, because, if we could not do that, we could not accept it. Treasury advice to me was that there is a risk that the Auditor-General will not agree with that accounting method, and I was faced with this decision: to take the risk of a qualified audit and accept the money and build roadworks in South Australia or reject the money and take no risk at all with a qualified audit and accept the money and build roadworks in South Australia or reject the money and take no risk at all with a qualified audit.

Now, I will tell you what I did. I took the money. We are spending it on roads, we are spending it in the member for Schubert's electorate. I took the risk of a qualified audit and that is what I got. And I have to tell you: I just hope if you are ever a minister you will do the same thing so that South Australia does not miss out on \$100 million worth of roadworks. The notion, that this was some sort of a mistake, that you propagated for a while, was just completely wrong. You failed to understand it, and I have to say that your approach to this has failed to pursue the interests of South Australia. The interests of South Australia was \$100 million worth of works on the Sturt Highway, and, if the risk of that was a qualified audit, that was a risk I was prepared to take; and I hope if you ever get the job that you will do the same thing.

*[Sitting suspended from 6 to 7.30 p.m.]*

**The CHAIR:** We now proceed to the examination of the Auditor-General's Report in relation to the Minister for State/Local Government Relations, Minister for the Status of Women, Minister for Volunteers and Minister for Consumer Affairs for 30 minutes. The member for Kavel.

**Mr GOLDSWORTHY:** We might have covered this in estimates, I am not sure, but I refer to page 144 of the Agency Audit Reports, and specifically to A13, 'Grants and Subsidies' in the primary industries and resources portfolio. OSLGR is part of PIRSA, and I presume that is why it is in there. It sounds like a new Australian beer. Page 144 states, 'Grants and subsidies paid to entities within the SA Government: Intra-Government transfers: SA Local Government Grants Commission', and \$954 000 appears under the 2006 heading but it has no figure in 2005. Is it coming in from another agency? What is the deal?

**The Hon. J.M. RANKINE:** That is exactly right.

**Mr GOLDSWORTHY:** Can the minister tell me what agency it has come from?

**The Hon. J.M. RANKINE:** It was in the Department of Transport.

**Mr GOLDSWORTHY:** From that answer, minister, I presume it is a similar situation when one looks at the subheading 'Grants and subsidies paid to entities external to the SA Government'. That is where we have SA Local Government Grants Commission, \$123 519 000; the Office of Local Government Administered Items, \$1.5 million; and the Outback Areas Commission Development Trust, \$623 000. Is that the same set-up?

**The Hon. J.M. RANKINE:** It is the same set-up. In fact, two agencies have come into PIRSA—OSLGR and the Office for Volunteers.

**Mr GOLDSWORTHY:** These lines do not mention volunteers, do they?

**The Hon. J.M. RANKINE:** No. I am just informing the honourable member that we have had two state government

agencies transfer into PIRSA. The Office of Volunteers came over in March, and OSLGR went over on 1 July last year.

**Mr GOLDSWORTHY:** They were both in the Department of Transport, were they? We have one adviser shaking their head and one nodding their head. Volunteers came out of the Department of the Premier and Cabinet?

**The Hon. J.M. RANKINE:** That is right.

**Mr GOLDSWORTHY:** I have always wondered why those two offices hooked in with PIRSA because it is not really a natural fit, is it?

**The Hon. J.M. RANKINE:** Page 97 of the report will give the honourable member information about the transfers. My advice is that local government (OSLGR) was transferred over as part of a ministerial reshuffle to bring it into PIRSA when the member for Mount Gambier was the minister. The same thing effectively occurred with the Office for Volunteers when I became the Minister for Volunteers. It just made things administratively easier. I am sure the honourable member would agree that there is a fairly natural fit between local government and volunteers. They are very connected to the community. In that regard it is a fit, but you could place that argument around any departmental location for either of those areas.

**Mr GOLDSWORTHY:** I have a recollection that some suggestion came from the LGA to place volunteers and local government back with the DPC, is that right?

**The CHAIR:** The honourable member is straying from the Auditor-General's Report. I will allow the question, but I ask the honourable member to get his questions back to the Auditor-General's Report.

**Mr GOLDSWORTHY:** I have a very good relationship with the minister; I am sure she will not mind answering.

**The CHAIR:** The honourable member can have whatever relationship he likes with the minister; I am concerned about the proceedings of the committee.

**The Hon. J.M. RANKINE:** I understand that the transference of the Office for State/Local Government Relations was part of the recommendations in the Local Government Association's Financial Sustainability Report, and that report has been endorsed. To the best of my recollection, a formal request has not been put to me in relation to that specific proposal.

**Mr GOLDSWORTHY:** I have a couple of other questions I could ask but I will not because they will be ruled out of order.

**The CHAIR:** Then get on with questions that are in order.

**Mr GOLDSWORTHY:** Another area about which the Auditor-General made some quite interesting comments appears in the Audit Overview document. At page 11 the Auditor-General makes some observations regarding accountability and the adequacy of existing audit authority, etc., in relation to local government administration. I understand that the minister has a meeting with the Auditor-General this Friday to discuss what is in these few pages. My intelligence tells me that you have a meeting with the Auditor-General this Friday but I wonder whether I can ask the minister's opinion—

**The CHAIR:** Questions relating to opinion are out of order. Questions relating to fact are in order.

**Mr GOLDSWORTHY:** Will the minister comment on the text on page 13, under 'Acknowledging recent changes'? The Auditor-General's Report states:

... the financial attest opinion that is the primary focus of audit responsibility within Local Government Authorities does not provide for the level of assurance concerning the matters of concern

regarding propriety and lawfulness that are referred to in this commentary.

I would be interested in the minister's comments on that part of the Auditor-General's remarks.

**The Hon. J.M. RANKINE:** The honourable member does not refer to the previous sentence, however, where the Auditor-General is acknowledging that there have been significant changes to the financial management and auditing and reporting arrangements, and the important initiatives that have been developed by the sector itself. I can tell the honourable member that the state government has worked very closely with the LGA to help support it through a range of processes to improve financial governance and address the issues of financial sustainability.

*Mr Goldsworthy interjecting:*

**The Hon. J.M. RANKINE:** I understand the Auditor-General does have some concerns. I can confirm the honourable member's intelligence, being that it was an answer I gave in this house. I advised the house that I was meeting with him.

**Mr Goldsworthy:** Last week you said next week but there was no actual day.

**The Hon. J.M. RANKINE:** I understand my chief of staff confirmed with you not long ago that I am meeting with him on Friday.

*Mr Goldsworthy interjecting:*

**The Hon. J.M. RANKINE:** We have nothing to hide. I have raised the concerns of the Auditor-General with the LGA in some correspondence. I have had discussions with the LGA and I am meeting with the Auditor-General on Friday. We all agree that we want the best possible systems in place throughout the local government sector and we want people in our community to have confidence in their councils. They deserve nothing more than that. We will be doing our best to address any issues or concerns that the Auditor-General may have.

**Mr GOLDSWORTHY:** Have you received a response to your correspondence to the LGA?

**The Hon. J.M. RANKINE:** No.

**Mr GOLDSWORTHY:** On page 13, the 'Concluding comment' states:

There are, in my opinion, sound reasons to suggest that this assurance should be comparable to that applicable to State Government departments. In short, the audit of local government should include, in my opinion, a provision similar to section 36(1)(a)(iii) of the Public Finance and Audit Act 1987. Further, in my opinion, the auditor of Local Government should be provided with adequate powers to require accurate and timely information to be provided.

Does the minister understand what section 36(1)(a)(iii) provides?

**The CHAIR:** The question is not in order. The honourable member can ask a question about the Auditor-General's Report. Questions relating to opinions or understandings are not in order—they never are.

**Mr GOLDSWORTHY:** I am asking whether the minister knows what is in the act. That is a critical part of what the Auditor-General is commenting on.

**The CHAIR:** This is not a test of the minister's knowledge. They are questions relating to matters contained in the report. The minister can comment (if she wants) but the question is still out of order. I just ask that the questions be in order.

**The Hon. J.M. RANKINE:** I can give the honourable member an answer that may satisfy him. I have had discussions with the Local Government Association. It does not

think it is at odds with what the Auditor-General requires. I understand it has either passed on information to him or is doing so in relation to its auditing framework that has gone out to councils. It does not think it is in conflict or at great variance with what the Auditor-General is talking about. It is keen to meet with him. I am meeting with him on Friday. The honourable member can be assured that we will be doing our best to either address his concerns or work through the issues we need to address so that he has no further concern.

**Mr GOLDSWORTHY:** In view of the fact that it is difficult for me to broaden my questioning on some of these aspects that draws my questioning to a close. There is nothing in the Auditor-General's Report that relates to the Office for Volunteers, so I will pass on to my colleague the shadow minister for consumer affairs to take over the questioning.

**The Hon. J.M. RANKINE:** I add another comment. In our discussions today the LGA indicated that it wanted local government to have the highest standards of accountability in relation to its financial governance. It is a very willing partner in relation to this whole exercise.

**Mrs PENFOLD:** I note on page 160 that \$38.1 million is held in the agents indemnity fund. Can the minister advise what the income was in the last financial year for the agents indemnity fund? At the bottom of page 160 it states:

... cash and investments of \$31.8 million held in the agents indemnity fund to provide compensation for persons who have suffered financial loss as a result of fiduciary default of a land agent or conveyancer and cash totalling \$17.6 million. . .

I was just interested in these trust funds that are held under the control of the Office of Consumer and Business Affairs.

**The Hon. J.M. RANKINE:** I am sorry, we do not know that offhand. We will get that information for the honourable member.

**Mrs PENFOLD:** Can the minister also advise the amount of interest received in the last financial year on the agents indemnity fund, that is, the whole of the fund?

**The Hon. J.M. RANKINE:** We will get that information for the honourable member.

**Mrs PENFOLD:** Can the minister advise whether the interest stays in the fund? If not, what happens to it?

**The Hon. J.M. RANKINE:** Yes; it stays in the fund.

**Mrs PENFOLD:** Can the minister advise whether any of the agents indemnity fund was used by OCBA to investigate compliance conciliation disputes and disciplinary proceedings, or for any reason other than to provide compensation for persons who suffered financial loss as a result of fiduciary default of a land agent or a conveyancer?

**The Hon. J.M. RANKINE:** I am advised that administrative expenses are taken from the fund.

**Mrs PENFOLD:** Perhaps the minister could advise what types of administrative expenses are taken from that real estate fund.

**The Hon. J.M. RANKINE:** It is mainly salaries to administer the fund, but also expenses directly incurred in administering the fund.

**Mrs PENFOLD:** Can the minister advise how much money was used to provide compensation over the past 12 months?

**The Hon. J.M. RANKINE:** I am advised that \$13.5 million was taken from the fund to compensate those people involved in the Growden's claim, but we do not have the specific detail of the other small claims. The commissioner will get that information for me to pass on to the honourable member.

**Mrs PENFOLD:** What is the minister doing to ensure that people who are likely to cause payment from the fund such as Growden's clients for whom the largest part was charged are contributors to the fund, that is, those who might call on it at a later date?

**The CHAIR:** What is the reference, member for Flinders?

**Mrs PENFOLD:** It is all to do with that same fund and the reference at the bottom of page 160.

**The Hon. J.M. RANKINE:** All real estate trust accounts contribute to the fund. The interest from the trust accounts of real estate agents is what goes into the fund. So all real estate agents are contributors, in effect.

**Mrs PENFOLD:** Could the minister explain how the Growden's case was not covered by that trust account? What I am concerned about is that there will be other anomalies which I believe did not contribute to that fund and which may be calling upon the fund in the future. Has something been done to close that loophole, because that was a one-off law to deal with Growden's but it could happen again?

**The Hon. J.M. RANKINE:** My advice is that there is a long answer and a short answer. I will try to give the short answer. Growden's was a finance broker, not a real estate agent. Previously there had been a fund for finance brokers but that had been closed down. The honourable member would recall that we had to change legislation to allow the clients of Growden's to make a claim on a trust fund that, in effect, was about real estate as opposed to financial brokerage.

**Mrs PENFOLD:** What has been put in place to ensure that the same thing does not happen again?

**The Hon. J.M. RANKINE:** There is currently a national project involving all ministers for consumer affairs in relation to finance brokers, so we are hoping that in the not too distant future we will have at least harmonised legislation around Australia to control finance brokers.

**The CHAIR:** Member for Flinders, we are drawing a very, very long bow here: can the honourable member focus her questions on the issues raised by the Auditor-General's Report rather than anything that is mentioned in it?

**Mrs PENFOLD:** My next question might be out of order, then. Will the minister advise me where I can find in the Auditor-General's Report the second-hand vehicles compensation fund, because I cannot find it anywhere, yet I know there is a fund that is under the jurisdiction of the minister. I cannot locate it in the book, no matter where I look.

**The Hon. J.M. RANKINE:** It is not reported in here other than that on page 192 there is one line that mentions the second-hand vehicles compensation fund and says that the fund has an estimated contingent obligation to pay \$35 000 related to current and expected claims against the fund.

**Mrs PENFOLD:** I have similar concerns about this trust fund. Who administers this fund and is the fund audited by the Auditor-General?

**The Hon. J.M. RANKINE:** It is administered by the Office of Consumer and Business Affairs and yes, it is audited by the Auditor-General.

**Mrs PENFOLD:** How much money is in the fund?

**The Hon. J.M. RANKINE:** \$3.4 million.

**Mrs PENFOLD:** How much interest was received, does it stay in the fund and, if not, where does it go?

**The Hon. J.M. RANKINE:** Same deal: it stays in the fund.

**Mrs PENFOLD:** May I have the amount of interest that was received?

**The Hon. J.M. RANKINE:** No, but we will take it on notice.

**Mrs PENFOLD:** Can the minister advise whether Bob Moran was a contributor to this fund?

**The Hon. J.M. RANKINE:** He and his companies were contributors to the fund.

**The CHAIR:** I will listen very carefully how far you are going here, member for Flinders.

**Mrs PENFOLD:** I am very interested in knowing. How much did Bob Moran's activities cause to be paid out last year and also in previous years from this fund?

**The Hon. J.M. RANKINE:** The advice I have is that there were 14 consumers who made complaints against the second-hand vehicle dealers fund for moneys said to be owing to them in respect of vehicles placed on consignment with Austwide Vehicle Negotiators Pty Limited and GTR Auto Pty Limited, which I understand are Bob Moran's companies. These claims have been processed and the total payment from the fund was \$176 892.45. There are a further five consumers who have not lodged claims with the Magistrates Court. I understand that the potential claims from those five people could total just over \$22 500, and payments can be made from the fund only on order of the Magistrates Court.

**The CHAIR:** We are being very generous with our bows, member for Flinders. How targeted can you be this time?

**Mrs PENFOLD:** What is the minister doing to prevent dodgy operators from exploiting the second-hand vehicles compensation fund, which is costing legitimate operators and their clients thousands of dollars every year?

**The CHAIR:** That is not an appropriate question.

**The Hon. J.M. RANKINE:** We are reviewing the Second-Hand Vehicle Dealers Act, and we hope that the honourable member will support the legislative changes when we bring them in.

**Mrs PENFOLD:** I think I might.

**The CHAIR:** We would like some questions that do relate to the Auditor-General's Report.

**Mrs PENFOLD:** Can the minister advise what process is in place to deal with interstate complaints that relate to funds such as these that I have been mentioning, the real estate one and the motor vehicles one? When a complaint comes from an interstate customer through to our OCBA, do we pay out funds?

**The CHAIR:** Does the honourable member have reference where this matter was raised by the Auditor-General? If she does not, then this is not appropriate to the Auditor-General's questioning. However, the minister is continuing to be very generous and may care to answer.

**The Hon. J.M. RANKINE:** I understand that, as long as the operator is based here in South Australia, those claims are considered.

**Mrs PENFOLD:** Has OCBA reduced any of its areas of responsibility over the last 12 months and what are they, and what was the reduction in costs that resulted?

**The Hon. J.M. RANKINE:** I am very clearly advised that that is a no.

**Mrs PENFOLD:** Has OCBA increased any of their areas of responsibility over the last 12 months; what are they, and what was the increase in costs that resulted?

**The Hon. J.M. RANKINE:** That question is a bit detailed and I will have to ask you to—

**The CHAIR:** Member for Flinders, the last series of questions you have asked are estimates questions, not



Auditor-General's questions. The minister does not need to take it on notice, although if she wants to she can.

**The Hon. J.M. RANKINE:** Give me a written question on notice.

**Mrs PENFOLD:** I will do that.

**The CHAIR:** The time set down for the examination of this area having expired, we will now proceed to matters relating to the Premier, Minister for Economic Development, Minister for Social Inclusion, Minister for the Arts and Minister for Sustainability and Climate Change for 30 minutes.

**The Hon. M.D. RANN:** Do we have to stand?

**The CHAIR:** Yes; the rules applying to the committee of the whole apply.

**The Hon. I.F. EVANS:** Does that mean that only one minister is answering?

**The CHAIR:** No.

**The Hon. I.F. EVANS:** At no time during a committee do two ministers answer, Madam Chair.

**The CHAIR:** We are dealing with matters relating to the Minister for the Arts.

**The Hon. I.F. EVANS:** Yes; and the Minister Assisting the Minister for the Arts is on in December. Anyway, if you want to apply the rules, apply the rules.

**The CHAIR:** He may be assisting the Premier. We will see what happens.

**The Hon. I.F. EVANS:** I will not unduly delay the committee, but I notice that on this side the rules apply and on the other side they do not.

**The CHAIR:** We will see what happens.

**The Hon. I.F. EVANS:** I refer to page 862. Can the Premier advise why the department did not have documented policies and procedures relating to the management and control of grants paid? Given that the grants paid are a material component of the departmental operations, they comprise some \$101 million of payments out of a total of \$133 million, excluding salaries.

**The Hon. M.D. RANN:** I greatly appreciate this question which really relates to written agreements and the need for written agreements for grants between \$5 000 and \$20 000: The report states:

A Treasurer's instruction requires a written agreement setting out the terms and conditions of a grant to be established for all grants paid in excess of \$5 000. Arts SA complies with this requirement for all grants paid in excess of \$20 000. In relation to the documentation completed for a grant between \$5 000 and \$20 000, audit's view was that the documentation did not meet the requirement of the Treasurer's instruction.

That is what you are referring to, which is in volume 3 at page 862. In his 2006 report, the Auditor-General noted that the documentation used by Arts SA for grants between \$5 000 and \$20 000 did not meet the requirements of Treasurer's Instruction 15, 'Grant Funding'. Treasurer's Instruction 15 requires a written agreement setting out the terms and conditions of a grant for all grants paid in excess of \$5 000. The Auditor-General notes that South Australia complies with this requirement for all grants paid in excess of \$20 000.

Grants of less than \$5 000 require only written evidence of the grant transaction, not a written agreement. The Auditor-General raised no concerns about the adequacy of the documentation used by Arts SA for these grants. During the course of 2005-06, when Arts SA was informed by the Auditor-General's Department of this oversight (and it is an oversight), it commenced a review of the adequacy of all

elements of its grant funding and performance agreements. Arts SA engaged the Crown Solicitor's Office to ensure that all of Art SA's grant funding and performance agreements comply with Treasurer's Instruction 15. The internal audit committee of the department has endorsed the policy and procedures proposed to ensure the appropriate management of grants, and the policy has been adopted and approved by the chief executive and is now in operation.

All grants administered by Arts SA will now comply fully with Treasurer's Instruction 15. A table shows the number and dollar value of grants provided by Arts SA in 2005-06 across the three financial thresholds. There were 100 grants under \$5 000, and the dollar value was \$243 696; 180 grants between \$5 000 and \$20 000, totalling \$1 931 537; and 78 grants above \$20 000, totalling \$84 950 279.

**The Hon. I.F. EVANS:** Just so that I understand, what you are saying is that, in relation to grants between \$5 000 and \$20 000, Treasurer's Instruction 15 was breached?

**The Hon. M.D. RANN:** Yes; and that is why the breach was mentioned in the Auditor-General's Report. It would not have been mentioned if it had not been breached. Following this, Arts SA has received—from my understanding on what I have just read—advice from crown law and has now rectified this oversight. I am sure they will not do it again; I certainly hope not.

**The Hon. I.F. EVANS:** Prior to adopting that policy, did Arts SA take advice from the Crown Solicitor about the procedure they needed to follow for those grants between \$5 000 and \$20 000?

**The Hon. M.D. RANN:** I am advised by Mr Mackie that they did.

**The Hon. I.F. EVANS:** The way I understand the answer so far is that the same agency that gave the advice not to have agreements between \$5 000 and \$20 000 is now giving advice on what the agreements between \$5 000 and \$20 000 should be. How did the Crown Solicitors Office miss a Treasurer's Instruction that those grants between \$5 000 and \$20 000 had to have an agreement in place?

**The Hon. M.D. RANN:** Obviously there was a mistake. Just like oppositions and even premiers make mistakes, there was a mistake made. It has been identified by the Auditor-General's Report, it has been acknowledged and it has now been corrected, and that is exactly what an Auditor-General is for.

**The Hon. I.F. EVANS:** Is there an internal audit process of the grants and, if so, how come the internal audit did not pick up this procedure?

**The Hon. M.D. RANN:** I have just been advised, albeit by a whisper—and my hearing, as you know, is not as good as it used to be—that there had been internal audits and that this anomaly had not been picked up but, now it has been picked up, it has been corrected.

**The Hon. I.F. EVANS:** Now that the internal audit has established that it picked it up, for how many years has this issue occurred when the internal audit did not pick it up?

**The Hon. M.D. RANN:** I am not sure whether or not this oversight occurred during the reign of the Hon. Diana Laidlaw, but we can certainly ascertain whether or not that is the case.

**The Hon. I.F. EVANS:** In relation to the Office of Public Employment, on page 787 the net asset deficiency has increased from \$1.1 million to \$1.7 million. What plans does the government have to address that?

**The Hon. M.D. RANN:** Given that the office is coming back within DPC, I will have to get a report for the honourable member on that.

**The Hon. I.F. EVANS:** In relation to the Festival Centre Trust, what failures of control environment specifically is the Auditor-General referring to at the top of page 40 and the bottom of page 39?

**The Hon. J.D. HILL:** I am advised that Volume 1, page 39 of the report, states:

The trust's Handbook of Accounting Guidelines and Work Instructions details its policies and procedures which in the main establish the foundations for a satisfactory control environment. However, consistent with prior year findings, the 2005-06 audit revealed a number of instances where key controls were not being performed by officers as required. Audit recommended that the trust implement appropriate mechanisms to ensure failures in the control environment are identified and addressed.

I am further advised:

The trust understands and accepts the needs for its officers to consistently implement control measures established and recorded in the Handbook of Accounting Guidelines and Work Instructions. Internal educative and review processes will be strengthened to address the deficiencies noted in the audit.

I am also advised:

No material, misstatements or omissions were detected.

**The CHAIR:** Leader, I will just let you know that I am advised that, since there have been ministers assisting, they have always participated in this role in the Auditor-General questions.

**The Hon. I.F. EVANS:** Thank you for the answer, minister, but it did not actually tell me what control we are missing. You have told me the procedure they are taking to fix it, but what actual problem were they referring to; what failure of control environment? What were they not controlling; what were they not reporting?

**The Hon. J.D. HILL:** I will have to get further advice for you on that.

**The Hon. I.F. EVANS:** Given that the Auditor-General's Report states 'as previously advised'—so this problem occurred last year as well and we have had at least a year, it might have been two years to fix it—

*The Hon. J.D. Hill interjecting:*

**The Hon. I.F. EVANS:** Well, the minister says it might be five or seven years. It may well be. Why was action not taken over the last 12 months to fix it?

**The Hon. J.D. HILL:** I will get further advice, but I just say to the member that in the last 12 months or so we have taken a new approach to running the Festival Centre. We have a new director, Douglas Gautier, who is embarking on a very ambitious and adventurous approach to the Festival Centre so that we will have a much stronger arts program. Instead of being just a hall for hire as it has become in recent years, it will become a venue which promotes the arts. He is building up a new team around him, and he has identified some areas that need strengthening within his centre. We are also in the process of strengthening the board. As the member might know, it is the intention of the government to appoint Barry Fitzpatrick to be chair of the board. He has a very strong banking background. I think that the measures we are taking will strengthen the board considerably.

I am also advised that, consistent with matters raised by the prior year's report, audits found that expenditure processing by the trust is such that individual officers were solely responsible for all expenditure entry processes from batching, checking the validity and approval of invoices to posting the

expenditure for automatic payment. Notwithstanding the initial approval of a separate financial delegate, it was noted that expenditure transactions processed by an accounts payable officer were not subject to review by any other officer. Audit considered that this represents a risk that invalid expenditure or errors could be processed without detection. It was recommended that the trust implement procedures to ensure that invoices processed into the accounts payable subsidiary system are independently reviewed for accuracy and validity, and the trust responded it was unable to find a suitable process that it could employ. That was volume 1, page 40.

I am advised that, while raising concern with the trust processes, audit was unable to advise a satisfactory solution. The trust has been working with its internal auditors to find a practical solution that will meet audit expectations for processing of accounts payable. It is now believed that a solution involving a Masterpiece generated report not previously available to the trust can be implemented, and this will be completed and tested within the next two months. If there are any other matters that I have not covered in my answer, I am happy to get report for the member.

**The Hon. I.F. EVANS:** Well, that was a piece of genius. The minister actually answered my next question, which I have not asked, and did not answer the question I previously asked. That was absolute genius. In relation to expenditure processing, the minister just answered that, apparently between the government and the Auditor-General, they cannot come up with a process to manage the handling of expenditure within that section of the agency. The question I am still asking the minister—and he may have to come back to me—is about the control environment.

**The Hon. J.D. Hill:** I just said that I would come back to you on that one.

**The Hon. I.F. EVANS:** Yes, but you spoke for five minutes about something that was totally unrelated. As long as there is an understanding that you are coming back to me about why this matter is consistently raised in the report and nothing happens about the control environment, then that is fine. On page 40 the audit raises the issue of a lack of stocktakes. What is the agency doing, given that it is not meeting Treasury instructions, it is not doing stocktakes, it is not controlling its expenditure processing and it is not fixing its control environment? Why are no stocktakes being undertaken in this agency?

**The Hon. J.D. HILL:** I thought I made it plain to the honourable member in answer to the previous question that I will get the information for him, and I certainly will do that. In relation to stocktakes, the auditor said that the trust had not performed stocktakes to verify the validity and completeness of the information maintained in the trust asset register. Audit recommended that procedures be undertaken by the trust to ensure the existence of assets recognised in the asset register, as these assets represent material balances in the trust's financial report. Audit undertook additional testing to ensure the validity of assets recognised, and the trust responded that it will review assets during 2006-07, and it will develop procedures to be included in its policy and procedure documents. That is in volume 1, page 40. The audit itself recognised that the trust had responded to that and would undertake to review it during 2006-07. A procedure for conducting annual fixed asset stocktakes is being developed. I am advised that a stocktake will be completed by December this year.

**The Hon. I.F. EVANS:** Are there any missing assets that we are aware of?

**The Hon. J.D. HILL:** I am not aware of any missing assets. That is, I guess, what a stocktake will do. I am advised that the stocktake will be completed by December this year.

**The Hon. I.F. EVANS:** When was the last stocktake completed? How many years behind are we?

**The Hon. J.D. HILL:** I cannot answer that question. I am happy to get advice if it is possible. I do not know.

**The Hon. I.F. EVANS:** So, the officer did not have the inquisitive nature to ask audit, 'Well, gee, if we didn't do a stocktake this year, when did we last do it?' We might not have had a stocktake for five or six years, for all we know. The note on page 40 of the report relates to the \$900 000 repayment not being required. When was that arrangement put in place? For how many years has the \$900 000 a year repayment not been required, and what is the level of debt that it is servicing?

**The Hon. J.D. HILL:** I apologise to the member; I do not have information in relation to that. I will get a response for the member.

*An honourable member interjecting:*

**The Hon. J.D. HILL:** This is about the restructuring of the loan? I beg your pardon. I am aware of that.

**The Hon. I.F. EVANS:** I knew I would find something you know about. If I kept asking, I knew I would get there eventually.

**The Hon. J.D. HILL:** Thank you. One appreciates the humour of the Leader of the Opposition, so rarely on display, and when it is, it should be celebrated. There was an enormous burden placed on the Festival Centre to repay debts, and I am not sure exactly when—

**The Hon. M.D. RANN:** I think they were incurred in the time of the Hon. Diana Laidlaw.

**The Hon. J.D. HILL:** I seem to recall it. The Premier reminds me that it may well have been to the time of the Hon. Diana Laidlaw, when the Festival Centre embarked on a range of show business—

**The Hon. M.D. RANN:** They were like musicals that were less than successful.

**The Hon. J.D. HILL:** Unsuccessful musicals; exactly. The Festival Centre went through an entrepreneurial period when it decided to run some musicals, but they chose to do them at a time when musicals were not very much the flavour of the month. As a result, the Festival Centre accumulated a considerable debt. If my memory serves me correctly, a debt repayment structure was put in place which had relatively small payments in the immediate years, but they ramped up over time.

**The Hon. M.D. RANN:** Was that the musical *Crazy for You*? I think it was.

**The Hon. J.D. HILL:** I think it was *Crazy for You*, as the Premier reminds me. The debt repayment schedule was ramping up. I approached the Treasury about rescheduling this debt so that the burden would not fall on the Festival Centre in a heavy way over the next few years while it is going about the rebuilding process and the reinvigoration. I am pleased to say that the Treasurer agreed to support that approach.

**The Hon. I.F. EVANS:** What is the current level of debt? For how long is this arrangement with Treasury in place?

**The Hon. J.D. HILL:** I am happy to get a report. This is not part of the audit process. It is really part of the debt management process for the Festival Centre. I am happy to get it; I just do not have it with me.

**The Hon. I.F. EVANS:** With due respect, it raises debt in the Auditor-General's Report. I'm allowed to ask it. It actually does raise the debt.

**The Hon. J.D. HILL:** Did I say you are not to allowed to ask it?

**The Hon. I.F. EVANS:** The chair did.

**The Hon. J.D. HILL:** I said that it is not in the Auditor-General's report, so I am not briefed on it, but I am happy to get the information for the member.

**The Hon. I.F. EVANS:** The minister will probably find the debt on page 43 of the Auditor-General's Report, under 'Liabilities'. With respect to the \$7 000 error mentioned on page 867 of the report, can we have an explanation of what that is, other than an error?

**The Hon. M.D. RANN:** I will obtain a report on the \$7 000 error, and I will advise the honourable member of the nature of that error.

**The Hon. I.F. EVANS:** What was the decrease in the loss of the ticketing contract with the Adelaide Entertainment Centre, which is raised on page 41 of the report? What volume of decrease was it?

**The Hon. J.D. HILL:** I am not sure that I have the exact details. I will explain the process that was undertaken. The Entertainment Centre went out to tender for the ticketing arrangements. Prior to that, it had been mandated that it had to be BASS. We took the view that the Entertainment Centre should be able to go to the marketplace and reach an agreement with the market about an appropriate ticketing system, and that was done. As a result of that, of course, there was a consequential effect on the BASS system. We are working through the BASS arrangements with the Festival Centre. We are investing, as I understand it, in new software to manage BASS.

We are optimistic that BASS will be able to provide a superior service to the arts companies that currently use it—the festival, the State Theatre Company, the opera company and the orchestra. I think some of the football grounds also use BASS. The investment that we are making will produce a better system. So, we hope that will occur. It is important to the arts companies that the ticketing system is able to give them good information about the audiences that they gain for their productions. Prior to the arrangements that we are putting in place, BASS was not very good at doing that. I think that was perhaps one of the reasons why it lost the contract with the Entertainment Centre. There would be a range of reasons in relation to that.

**The Hon. I.F. EVANS:** Does the minister have any ballpark figure on how much that move cost BASS in sales—the revenue decline?

**The Hon. J.D. HILL:** My memory is that it is somewhere in the vicinity of \$400 000 to \$500 000, but I will obtain some information for the leader. Basically, what was happening was that the Entertainment Centre, by paying BASS, was really cross-subsidising BASS. So, the Entertainment Centre now has a cheaper system, and BASS has a loss. It was really a transfer, if you like, of the resource from one government instrument to the other.

**The Hon. I.F. EVANS:** On page 878, under note 13, there is a reduction in public employment charges by \$585 000 down to zero. Can the Premier inform the committee what that is?

**The Hon. M.D. RANN:** As I understand it, in the previous financial year it was part of DPC, and then was its own entity. I think it is just a simple transfer.

**The Hon. I.F. EVANS:** What are the charges for, though?

**The Hon. M.D. RANN:** If the leader wants me to itemise the charges, we can get back to him on that. We will take that question on notice.

**The Hon. I.F. EVANS:** ‘Bad and doubtful debts’ are mentioned on page 877 of the report; there is a reduction from \$99 000 down to \$5 000. How much of that was written off and how much was collected?

**The Hon. M.D. RANN:** We can obtain a report acknowledging the management skills needed to reduce these bad debts.

**The Hon. I.F. EVANS:** I again refer to page 877. Last year there was an amount of \$278 000 as part of a depression initiative, which has a zero figure this year. Why has that occurred?

**The Hon. M.D. RANN:** I think this relates to the national depression initiative. We can obtain a report on that. I imagine it would probably relate to social inclusion work with Jeff Kennett through beyondblue for important work in terms of addressing depression. However, I will obtain a report just to make sure that my memory is accurate.

**The Hon. I.F. EVANS:** Given the zero dollar figure this year, does that mean that it is not occurring?

**The Hon. M.D. RANN:** As the leader would have noticed, we have signed agreements with beyondblue this year for funding for a range of initiatives, including initiatives in schools, to address depression. Also, from memory, research work is being done on postnatal and prenatal depression. Considerable work is being undertaken between social inclusion and other agencies of government, including the education department and Jeff Kennett’s organisation beyondblue—a fact which Mr Kennett has acknowledged in terms of South Australia’s strong role with beyondblue, which I think helped set an example for the nation.

**The Hon. I.F. EVANS:** I refer to page 877. Is it possible to get a breakdown of the make-up of the three lines: projects assistance, \$2.32 million; general purpose assistance, \$3.13 million; and, other grants, \$2.982 million? They are so general in their description one would not know what is included. Will the Premier take that on notice and provide a breakdown?

**The Hon. M.D. RANN:** Absolutely.

**The Hon. I.F. EVANS:** I refer to page 878. Will the Premier provide details of the School Retention Action Plan No. 4, \$263 000, which is part of the social inclusion initiatives. Can the Premier give us a breakdown of what is included in that?

**The Hon. M.D. RANN:** I would be delighted to do so. I must say that we are getting some spectacular results. This is one of the references to social inclusion. Obviously, there are some that cover action on homelessness, there are others on school retention and there is the Aboriginal sports initiative. There is a range of initiatives, but school retention is an area where we are getting traction, particularly in relation to a cohort of Aboriginal students.

**The CHAIR:** I declare the examination of the Auditor-General’s Report relating to the Premier and his other ministries closed.

Progress reported; committee to sit again.

#### STATUTES AMENDMENT (DOMESTIC PARTNERS) BILL

Adjourned debate on second reading.

(Continued from 14 November. Page 1211.)

**Mr PISONI (Unley):** The member for Heysen will be the lead speaker, so I will require my 20 minutes. I rise to support this bill but, in doing so, I point out that this bill is a compromise for those who seek recognition of same-sex relationships. Why do I say that? Well, I will talk about that later in my contribution. I would like to read out sections of an email which was written by Family First and sent to its supporters. The email is headed ‘We have had a great win on the relationships bill’—a great win for Family First. If it is a win for Family First, certainly, it is not a win for those who seek recognition of same-sex relationships. The email states:

Family First believes that the best interests of children should come before the rights of any group. . . we are glad that this new bill does not grant these rights, and in fact places a substantial roadblock in the gay lobby’s path.

I am sorry, but Family First does not have a monopoly of knowing what is best for children: parents know what is best for their children. The email further states:

There is no discussion of gay couples in the bill and the whole issue of sex relations has been removed. Accordingly, the bill is no longer a gay rights’ bill.

That is what Family First is saying about this bill. I note the Hon. Ian Hunter is present in the gallery, and I am sure that he is embarrassed about how this bill has let down the gay community. The email continues:

Family First does not believe that we should be granting anyone legal rights on the basis of homosexual relations.

That is what Family First is writing and telling its members. That is the Hon. Andrew Evans’ and the Hon. Dennis Hood’s interpretation of the bill; even then they go on to say that it does not mean that they will support the bill.

This bill does give rights and enforces responsibilities to same-sex couples similar to those of opposite-sex couples. However, it does not give them recognition: it lumps them in with a wide variety of relationships that might not even want the rights and responsibilities they will be given. It rates the relationship of a long-term monogamous same-sex couple in the same way as, say, two spinster sisters living together, or two lifelong widowed friends who choose to share a home for friendship and financial security reasons, or flatmates who share friends and socialise together, or an invalid and their living carer in a kind-for-kind type relationship.

Let us look at what could happen in this scenario. A god-daughter lives in Melbourne, and her spinster godmother lives in a large house in Adelaide. The god-daughter wins a place at the University of Adelaide. The godmother offers her free board; she gets lonely and she believes that she will enjoy the company. Six months after the god-daughter moves in, the godmother falls and breaks her hip. The god-daughter gives up her social life to clean the house and take her godmother shopping. They even enjoy going out to dinner occasionally—either alone, together, with a group of the god-daughter’s friends or a group of the godmother’s friends. They share their social life. They share their whole lives together. Three years later the god-daughter meets the love of her life and decides to move out, but she believes that, because of this bill, she is entitled to a settlement from her godmother.

That could be the outcome from this bill only because this government has tried to placate the conservatives in the Labor Party (and I notice the Attorney-General sitting over there) and Family First by deliberately lumping same-sex relationships in with a wide range of relationships that are of a non-sexual nature. There is no provision for a couple to opt in or to opt out without a large degree of bureaucracy. Let us look at the politics of that. If the government allowed people in

same-sex relationships to opt in, it would enable same-sex couples to have an official date that they could celebrate each year. It would enable same-sex couples not just to share the rights of the wider community; it would also enable them to have formal recognition of their relationship. The government is not giving them formal recognition. There is no formal recognition, whatsoever. They should be able to have a party, invite some friends and have witnesses to the act of commitment they have made to each other. I do not believe that this government will do that. It is dominated by those who confuse their allegiance to their God with their responsibility to their electorate and, as such, have trouble with the concept of same-sex relationships.

I have a very close friend who lives interstate. We did our apprenticeships together. He had a very confused time in his early 20s. Society was telling him to have a girlfriend, but his heart was telling him it did not feel right. After much effort to try to comply with society, he finally felt that his only way forward was to concede that he was, in fact, same-sex attracted. I was the very first person with whom he shared that information. I can tell this house that it made no difference whatsoever to our relationship. We still went to nightclubs together. I was hoping to meet a nice girl and he was hoping to meet a nice boy. He soon moved interstate and met the partner of his life. Some 25 years later we are still in regular contact and he has been in a monogamous relationship with his partner for 20 years—longer than I have been married to my wife Michelle. When we visit each other we go out as couples and our kids call them uncles.

As you can see, I am rather angry that, after all the promises made by the Premier to the gay and lesbian community in an election climate—and we know this Premier likes to make promises and then not follow through—and the fact that the Attorney-General told the house that this bill was delayed because it was being made ‘better’, we now have a bill which gives rights and responsibilities to a broad range of domestic partners but which conveniently does not allow for the celebration or recognition of loving same-sex relationships in the same way as my wife and I can celebrate our relationship.

I will support this bill today, but I express the concerns raised with me that it does not go far enough. I would like to see same-sex couples have the option to be recognised as a couple by choice and not just as a matter of convenience, through an automatic mechanism after three years’ qualifying period. What is the reason for a three year qualifying period? I was married to my wife within 18 months of meeting her. Our decision to marry did not involve anyone else. We were consenting adults in love. We did not need a qualifying period, determined by a self-righteous Attorney-General to make our decision effective at the time of our choice, but maybe the Attorney-General feels that, if one is homosexual, one must be a little confused about relationships. He wants people to qualify their relationship to prove that they love each other, so he has provided for a three year time frame. That is discrimination against same-sex couples. I can see that an opposite-sex couple will need to wait three years—but they have a choice to circumvent the waiting time by getting married, as my wife and I did. There is no choice in having the relationship recognised by the Attorney-General other than after a three year wait; there is no choice whatsoever.

At this stage I am not advocating gay marriage. I will support this bill, but only because it removes discrimination for gay couples in their everyday lives, but by no means does it remove prejudice towards them, nor does it give social

status for loving relationships between same-sex couples. I would like an option to be made available for same-sex couples wishing to register their relationship. I will not be completely satisfied until this option is made available to same-sex couples who have been able to circumvent the three year waiting period. Just as it takes men to be active to stop violence against women, it will take the support of the general community to stop discrimination towards same-sex couples. The support is there. Just this week, 77 per cent of responses to a *Herald Sun* online survey supported a mechanism for gay couples to register their relationship.

In the meantime, I would like to encourage local government to take the lead from the City of Sydney and now the Melbourne City Council. These councils have set up their own relationships registry for same-sex couples and opposite-sex couples. The state government will not do it for same-sex couples, so it will require perhaps some—

**The Hon. M.J. Atkinson:** A change of government perhaps?

**Mr PISONI:** Well, a change of government would be great. We would love to see the government change. If the arrogance of this government continues, it will change sooner than members opposite expect. This will not fix the hole left in this bill for same-sex couples, but it will provide a mechanism for recognition and celebration of same-sex couples. It is quite simple to recognise. I refer to the City of Sydney Relationship Declaration Information Pack of September 2005. In the introduction it states:

The City of Sydney adopted the City of Sydney Relationships Declaration program as a means of recognising the partnership status of both same-sex and mixed-sex couples. Under the program two people may declare that they are partners and have this declaration recorded in the City of Sydney Relationships Register. While making a relationship declaration does not confer legal rights in the way marriage does, it may be used to demonstrate the existence of a de facto relationship within the meaning of the New South Wales Property (Relationships) Act 1984 and other legislation. The City of Sydney reserves the right to cease keeping the relationships register at any time.

It gives couples the ability to have their relationship recognised, a date they can celebrate and to differentiate themselves from the two spinsters who live together for a matter of convenience, security and financial gain.

In closing, I say that I have had many disappointed same-sex couples calling my office claiming that they have been let down by the Labor Party on this issue. The Labor Party tells them one thing in an election climate—that is, what they want to hear—but when the government is asked to deliver, it is a compromise. It is a cop-out to Family First and the conservatives in the right wing of the Labor Party.

**The Hon. S.W. KEY (Ashford):** I am very pleased to speak to this bill. As members may recall in the last session of parliament, on 1 December last year I had the opportunity to speak I think for two minutes in support of the bill. In recognition of the former member for Unley’s contribution to the debate, I was more than happy to give some of my time to the former member. I think it is most fitting that the current member for Unley is also participating in this debate and supporting the legislation. I thought it was really important to note then, as I do now, that since that legislation in December 2005 more than 25 countries have recognised same-sex partners. It is also interesting to note that same-sex partners are recognised across the European Union, some parts of Eastern Europe, the Americas, South Africa, New Zealand, the rest of Australia, Poland, Romania, Slovakia,

Taiwan, Ireland, Greece, Oregon, Italy and New York. I think it is most fitting, therefore, that South Australia comes into line.

South Australia has always been a pacesetter and I think it is about time that we got back into that lead, particularly regarding antidiscrimination and equal opportunity legislation. I am very pleased that the Attorney has also introduced legislation to modernise our legislation, enabling us to take our place once again in the equal opportunity legislation area. I had the privilege of being involved, mainly as the minister for social justice but also as the minister for the status of women, in receiving literally hundreds of letters from people all around South Australia, 90 per cent of whom supported this matter and acknowledged the need to have legislative change for same-sex couples.

I have been very up-front about my view regarding equal opportunity legislation in my electorate of Ashford. In fact, I proudly talk about my involvement over the past 20-25 years, having been a trade union official in this area, and the fact that I have had the privilege of being involved in drafting such legislation as the equal opportunity legislation, as well as affirmative action legislation, sex discrimination legislation and human rights legislation. I think it is most appropriate to point out that, on that basis, the people of Ashford are clear about what my views are on a number of issues, and this is certainly one that I have been very clear about. Over the past nine years, both as the member for Hanson and as the member for Ashford, I have received three letters from constituents who have identified that they have problems with either equal opportunity or religious discrimination legislation and saying that there should be more discrimination, particularly against Muslims and same-sex couples.

However, I have received hundreds of letters over that time, particularly regarding the recognition of same-sex partners which, on balance, gives me a clear indication that the people of Ashford support progressive equal opportunity legislation, which is what this is. Much negotiation has occurred over the past few years regarding this legislation, and I put on record my appreciation of the efforts of not only those staff who supported the social justice and status of women portfolio but also the staff who worked in the Attorney-General's area.

I would particularly like to compliment the Attorney-General on the campaign that he has led and continues to lead in this very important area. I am very proud that the Rann Labor government has now delivered on what was a convention policy, I think previous to the year 2000. I certainly have a very clear memory of a motion that I moved at State Convention that was supported by the Australian Services Union and then amended by another one of our delegates who has been very involved with the Let's Get Equal campaign, Matthew Loader. I would also like to compliment the member for Florey because she has been a long-time campaigner in this area, as have many other members on this side and also members of the Liberal Party. I particularly compliment the Attorney-General on putting forward legislation that I think will be acceptable to most members of this house and also the other place.

**Mrs REDMOND (Heysen):** I indicate to the house that I am the lead speaker for the opposition on this matter, although it may be evident before we get very much further in this debate that, indeed, I am also proud to advise the house that for us this is a conscience issue. As we all know,

members of the Labor government will not be able to have a conscience vote, but on this side of the house we are able to have a conscience vote on this particular matter. I indicate, like the member for Unley, my support for this legislation, which seems to have gone through a somewhat tortured history. Like the member for Ashford, I am really proud of South Australia's heritage in terms of the way we have led in many areas. We did not quite lead, of course, in giving women the right to vote. I have always told guests to the chamber that we were the second place in the world, believing that to be the case, a few months after New Zealand.

However, I recently read one of the *Parliamentarian* magazines about the Isle of Man, and it claims to have given women the right to vote in 1881, which would make us the third place to give women the right to vote. Of course, we were the very first place to give women the right to stand for parliament—notwithstanding that it took us 65 years actually to elect one after we got that right. The other thing that makes me very proud is that, way back in the 1890s we also gave Aborigines the right to vote. It was only at federation that in this state they lost that right and did not get it back until the referendum in the 1960s.

So, we have a proud history and proud heritage in this state of being fairly forward thinking in our social policy, so I am pleased that the government has finally got around to reintroducing this bill. I have been waiting for it since the election. Of course, the government did not finalise the bill as it came to the house prior to the election, which was the Same-Sex Relationships Bill.

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

**Mrs REDMOND:** I indicate that I was not going to filibuster it but was going to vote in favour of it. Like the member for Ashford, I have had very few people contact my office to complain. Indeed, the very first time I was on the radio after coming in here was when I gave support to the member for Florey's move on superannuation, and I woke up the next morning to my name being on ABC radio because they said I had crossed the floor which, of course, I had not, because it was a conscience vote for us. Nevertheless, it was reported that I had crossed the floor to vote in favour of that. Like the member for Ashford, I have been inundated with people saying 'Good on you' and a couple of people very occasionally saying 'This is an outrage and against God's law and God's will.' I do not accept those arguments.

Indeed I note from my discussions with Family First that it has indicated its support for this bill and its hope that it will gain speedy passage through both houses. I am confident that it is likely to get through this house this week and the other house before we rise for the end of the year. With any luck, at last we will get some semblance of justice for the gay and lesbian community. I do have some concerns about the structure of this bill. As I said, it has had a tortuous history. It has been changed around, and my recollection is that there was the Same-Sex Relationships Bill, and that then was referred to the Social Development Committee—although in the second reading explanation the Attorney refers to it as the Legislative Review Committee.

**The Hon. M.J. Atkinson:** Sorry, yes, it is the Social Development Committee. I did not think that had got through.

**Mrs REDMOND:** That really occurred because of efforts by people whom I would consider to be on the far religious right wanting to prevent the passage of the bill sending it off to that committee in order to delay it. There were, indeed, lots of people wanting to delay the bill and, whilst I accept that at least one of those proponents of that diversion was a

member of the Liberal Party, it was certainly not the party position, because we have not had a party position on this bill. When people have approached me about the bill, even in its earlier form as the Same-Sex Relationships Bill, I found a couple of things in discussion with them. First, that they really could not point to anywhere in the Bible that says that homosexuality is wrong and, secondly, when they wanted some explanation about why I would support it, I explained that this bill imposes as many obligations as it gives rights.

It has seemed to me for a long time to be quite bizarre that we have a system that allows, for instance, two same-sex people in a relationship people each to apply for a first home owner's grant but, if they were a couple in a heterosexual relationship, only one of them could apply or they could apply together but they could never have two. Similarly, in the return that we fill in as members of parliament and file, it makes no sense to me that I have to fill in all the details of my family including my husband, with whom I do not live, but if I had a gay partner, that does not matter. It just does not make sense to me. A range of the acts—and I counted about 93 pieces of legislation, and I will deal in a minute with the main two that are covered—simply insert this notion that a couple will be recognised for the purposes of the various bits of legislation, everything from the Adelaide Dolphin Sanctuary Act to superannuation provisions.

All those things, wherever there is any reference to a spouse, now include a reference to a domestic partner instead of just a spouse. I have no difficulty with the principle of that but I do have some difficulty with the way this has been devised within this legislation. I understand that the member for Mitchell will be proposing an amendment that will seek to create an opt-in system rather than an opt-out system. Of course, that is what happened to the previous bill. There were amendments to it in the other place that created an opt-in system. I think that is preferable, for reasons that I will come to shortly. It seems to me to be only reasonable to put all the couples on an equal footing and to impose the same obligations on gay couples as I have to have as part of a heterosexual couple.

That seems to me to be something of a no-brainer. It is not something that I see as any great social evil, and for people to say it is the thin end of the wedge and it is going to lead to the demise of marriage as we know it to me is a nonsense and a non-argument.

**The Hon. M.J. Atkinson:** No, the Family Law Act did that.

**Mrs REDMOND:** As the Attorney points out, the Family Law Act is governed by the commonwealth government and it has constitutional control over marriage, although it has always seemed to me a little odd that that particular subject was chosen to be something that the states would relinquish to the commonwealth. Nevertheless, the federal government does have control over marriage. When you think about the nature of the relationships that are covered by this bill, that is where I get into some difficulty with the effect of the legislation. As I said, it was referred off to the Social Development Committee and the then member for Hartley was very keen to see these 'domestic codependants', I think was the term he used, recognised in the law. In principle, as I said, I have no difficulty with the idea of recognising those couples.

My difficulty comes from the fact of amending the De Facto Relationships Act and the Family Relationships Act—and I will refer to what it says. At present, the De Facto Relationships Act provides that de facto couples—that is, a

man and a woman who are not legally married to each other but live together on a genuine domestic basis as husband and wife—will have a certain legal status. De facto partners who have lived together for at least three years or who have a child together (it does not matter how long it is if there is a child of that relationship) can apply to the court for a property adjustment order generally within one year of the relationship ending, although there are a few ifs, buts and maybes in relation to that one year.

In making its decision about whether to make a property adjustment order, the court has to consider certain things, such as the financial and non-financial contribution of each partner, the financial resources of the parties, the terms of any cohabitation agreement, and so on. Of course, if there has been a cohabitation agreement which the parties executed that was certified by a solicitor, and that solicitor certified that the parties understood what they were signing and that they were not doing so under duress and they had the document fully explained to them, then that would bind the court and the court could not then make an order contrary to the terms of the contract that those people had made. So, basically, it set up a system for dealing with the property of de facto relationships, as in a man and a de facto wife.

In passing, I want to comment about the nature of the de facto relationship and its recognition because, of course, that was introduced into our law in about 1975. The idea that this legislation is in some way going to do any great damage to the idea of marriage seems to me to be a nonsense when you think that, over 30 years ago, we gave legal recognition to couples who were not married. Even before that, courts entertained these ideas of putative spouse and then we enshrined that in legislation as well. So, to say that marriage is going to be somehow dismantled by the recognition of a gay relationship, when for 30 years we have had the recognition of non-legally or religiously sanctified relationships, again strikes me as a nonsense in terms of the argument.

However, it is an argument which tends to have a lot of emotion attached to it. I have no doubt that—and, indeed, I have read some of the debates—there was a lot of emotion attached at the time women were first given the vote. It was going to be the end of the world as we knew it if women got the right to vote, and the same issues are being raised in this argument now. The Family Relationships Act is the act that gives legal recognition to the status of children, whether they are born inside or outside marriage and whether as a result of in vitro fertilisation, and so on. It also defines the concept of putative spouses, that is, male and female cohabitation as a husband and wife for five years, or five of the last six years; or, again, if there has been a child there can be a declaration as to a putative spouse.

This bill changes the first of those pieces of legislation in the De Facto Relationships Act, and it will now be called the Domestic Partners Property Act. The relationship which will now receive recognition is defined as a 'close personal relationship', which means the relationship between two adult persons—whether or not related by family and irrespective of their gender—who live together as a couple on a genuine domestic basis, but does not include the relationship of a legally married couple or a relationship where one person provides the other with domestic support or care for fee or reward, or on behalf of some other organisation. So, if someone is being paid to come into your home and provide services, that cannot count as a close personal relationship. Even if they are not being paid—if they are coming to your home as a volunteer from Anglicare or some other charitable

organisation that is providing you with some services—that cannot count as a close personal relationship.

If we look at the definition in this case—two adult persons: so we know it has to be two people who must be over the age of 18. They may or may not be related by blood or other relationship ties, and they may be of the same gender or opposite gender; it does not matter. So any two people who come within that definition will come under the terms of the act, and that means that one of them—should they choose to do so if the relationship ends—could seek a property adjustment order. The difficulty I have with this is what I have colloquially referred to as the Golden Girls clause. In my view (especially as the shadow minister for ageing), we are going to have an increasing number of older women who outlive their husbands or partners by many, many years. Indeed, one of my favourite statistics at the moment is that, whilst at the moment we have some 2 340-something people in this country over the age of 100, by the year 2055 when we baby boomers age, there will be 78 000 of us (predominantly female) over the age of 100. There will be many females like the Golden Girls of the television show who will choose, for companionship and financial reasons, to live together.

For some 15 years I had two delightful neighbours (at the back of my place) who were in just that type of situation. They chose to live together. They bought a house together and they shared the household expenses. They shared the housework, they socialised together and they did the gardening together. In other words, they had all the indicia of a couple relationship to the world at large without a sexual relationship. They, therefore, fall within the definition in the legislation. That is the difficulty that I have with this. One of my sons has finally left home. One of my three adult children has left and he seems to be coping quite well. He is doing very well flatting with a university mate. That is fine. I do not know how he runs that household or if he runs it the way I used to run my flatting household—because I lived in a flat for some years after I finished high school, and we did not bother to keep separate accounts for the shopping, or anything. We just put in an amount together, and we bought our groceries together; we did all those things together. We often socialised together because we were friends.

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

**Mrs REDMOND:** We did not have a phone, Attorney. We shared the expenses, we shared the housework, we socialised together. If my son is in that situation, will he potentially have the problem of being faced with a domestic partnership adjustment order application?

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

**Mrs REDMOND:** Whilst the Attorney assures me that he will not, it seems to me that that is a very clear implication of this legislation. As I said, I am all in favour of the legislation in terms of the principle of being inclusive. I do not have great difficulty with that. I agree with the comments of the member for Unley about how this is trying to slide between a couple of options, and trying to please the gay lobby, but at the same time not wanting to offend the Family First lobby. That said, it still seems to me that there was a better way to do it, and that would be to have an opt-in clause. I discussed this with Family First and they felt it was better to actually have just the two tiers recognised; that is, the married couple and then the other group, the domestic partnership, so they are all lumped in together.

My view is that it would be better to say, well, let us have the married couple, let us have the genuine couple who are gay, lesbian, whatever, and then let us have the other group

who at the moment are caught automatically, but in my view probably do not want to be caught. Indeed, I think that most people—most of the ‘golden girls’ whom I am talking about—would find it very difficult to cope with the idea that they are, at law, classified as a couple, because the couple concept has a particular connotation, particularly for, probably, certain age groups, but they do not want to be a couple. I can guarantee that the young people going out to live in a flat are not intending, if they are just flatting with someone, to create a relationship.

However, there is a whole series of indicia in the definition. It states that a domestic partner is someone who is living with another person in a close personal relationship—I have already dealt with the definition of ‘domestic partner’—and has so lived for three of the last four years, or there is a child of the relationship. ‘Close personal relationship’ is defined as the relationship between two adult persons, whether or not related by family and irrespective of their gender, who live together as a couple on a genuine domestic basis, but does not include a legally married couple, or the situation where someone is being paid or coming in to provide services.

A person may apply to a court—Supreme Court, District Court or Magistrates Court—for a declaration that two people were domestic partners, and here are the things that the court has to take into account:

- the duration of the relationship;
- the nature and extent of common residence;
- the degree of financial dependence and interdependence or arrangements for financial support;
- the ownership, use and acquisition of property;
- the degree of mutual commitment to a shared life;
- any domestic partnership agreement made under the Domestic Partners Property Act 1996;
- the care and support of children;
- the performance of household duties; and
- the reputation and public aspects of the relationship.

As I said, the ‘golden girls’ who live behind me—delightful ladies and very dear friends—

**The Hon. M.J. Atkinson:** What was their reputation?

**Mrs REDMOND:** They had a reputation of living in the house down the laneway, and everyone knew—

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

**Mrs REDMOND:** Well, under your definition, Attorney, they would be a couple, in my view, and the only way to protect themselves absolutely from being classified as a couple would be to go to enormous lengths in terms of getting legal advice, having legal documents drawn up, having all that certified and all that sort of thing, which just seems to me to be over the top. I am not trying to pick a fight with you, Attorney. I am simply indicating that I have concerns about this, it seems to me to be the wrong way round. I think that the earlier version with the opt-in clause rather than the opt-out clause was a more sensible way to approach the issue.

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

**Mrs REDMOND:** The Attorney says that is not equality, and certainly that is the position that members of Family First put to me when I spoke to them about it. They said, ‘Well, no, that would create a three-tier system.’ But there is nothing unequal about differentiation per se. It would not make any difference if someone was given that third tier of recognition, because that recognition would then be identical in its effects to the second tier of recognition. So it is not discrimination, in my view. Differentiation is a different thing from discrimination, and all that the third-tier system would allow is for differentiating how we get to the position, but the actual



result would be identical. Once someone applies to get into the group, then they are dealt with identically, but they have to opt into the system. I am sure that is actually the point at which Family First has a difficulty because it does not want, I think, to recognise same-sex couples, whereas I do not have any problem with that. Like the member for Unley, I have many friends who are gay. Indeed, one of my best flatmates when I was at uni was a gay guy. He was by far the best. He was a far neater housekeeper than anyone else I ever flatted with, and he used to make lovely scones on a Sunday morning!

**The Hon. J.D. Lomax-Smith:** Sexual stereotyping.

**Mrs REDMOND:** No, just that one. I cannot believe that the member for Adelaide thinks it is sexually stereotyping someone to say that the person that I lived with, that individual, was a particularly good housekeeper.

*Members interjecting:*

**Mrs REDMOND:** I made it very clear that I was talking about the one person that I flatted with and that he was better than the other flatmates.

**The Hon. M.J. Atkinson:** What were you like?

**Mrs REDMOND:** I was pretty reasonable as a housekeeper, as it happens.

*An honourable member interjecting:*

**Mrs REDMOND:** Because I like talking.

*An honourable member interjecting:*

**Mrs REDMOND:** I am not trying to have an argument; I am trying to tell you why I think this—

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

**Mrs REDMOND:** No, I am not reading it, although I am referring to a couple of notes, and there are a couple of things specifically in the bill that I want to refer to. As I said, the two main parts of the bill amend the Family Relationships Act and what will now be called the Domestic Partners Property Act. By and large, what the others do, as I said, is simply insert this new definition to give recognition to domestic partners, and that has as much of a downside as it does an upside in terms of imposing obligations and not just rights. That is quite straightforward.

One of the other comments that I would like to make, though, is that this legislation specifically enhances the characteristic and sanctity, if you like, of marriage inasmuch as it always says that a married couple only refers to people who are legally married. People are arguing that this in some way damages the institution of marriage when, in fact, it seems to do quite the opposite. A lot of our legislation up until now has provided that 'married' means married or de facto; whereas we have now lifted out 'married' and said that 'married' means only legally married and, thereafter, everybody else is a domestic partner of whatever relationship. In fact, it seems to have exactly the opposite effect in terms of the recognition of the status of marriage.

There are a couple of areas about which I want to ask some questions, and I will pursue these further when we get to the committee stage of the bill. One of the things noted concerns the Judges' Pensions Act. Someone asked me whether it appeared that members of parliament were not treated in exactly the same way as judges. I have not had time to check that, but I note that there is an amendment to the Parliamentary Superannuation Act, so I am hoping that there is no differentiation because, obviously, what is good for the goose is good for the gander.

The other point that I want to talk about briefly is the superannuation funds management area, or thereabouts. It concerns the amendment to the Southern State Superannua-

tion Act. There are numerous instances in the bill where definitions for the purposes of superannuation acts of various kinds are amended. In this case, the existing definition of putative spouse is deleted, and instead a new section 3A is inserted, which redefines putative spouses. It provides that, for the purposes of this act, a person is the putative spouse of another person if he or she is, on that date, cohabiting with the other person as his or her wife or husband de facto and the person has been so cohabiting for the previous three years or has been so cohabiting for three of the last four years, or there is a child.

The second alternative provides that he or she is, on that date, cohabiting with the other person as his or her wife or husband de facto. The bill provides that, where the two persons are of the same sex, he or she is, on that date, cohabiting with the other person in a relationship that has the distinguishing characteristics of a relationship between a married couple (except for the characteristics of different sex and legally recognised marriage and other characteristics arising from either of those characteristics), and the person has been cohabiting in that way for three years or three of the last four years.

The second option, as set out in paragraph (b), seems to give the de facto relationship of a putative spouse recognition for same-sex couples. I do not have any difficulty with that; in fact, I am quite happy to see that there, but I am a bit curious as to why, in that particular provision, it appears that a same-sex relationship is actually recognised and defined as putative spouse when that does not appear to be the implication of all the other amendments. On the face of it, it appears to be a little inconsistent.

For the most part, I think that people get over-excited about this piece of legislation. As I said, it appears to be relatively straightforward. It certainly imposes obligations as much as it gives rights. One of the other areas that arises in terms of imposing obligations is that of conflict of interest provisions which, until now, have not applied to same-sex partners. That again seems to be silly. Why should I have to declare my relationships for conflict of interest provisions and people who are in gay relationships not have to declare them? I do not understand why certain members of the heterosexual community get so excited about this piece of legislation. It seems to be straightforward and overdue. I am not happy with the way in which it has been framed, and I will look closely at the member for Mitchell's suggestions about how it should be amended. I expect that it will receive a speedy passage, and I am glad that the government is at last acting to get this through the house and the other place before the end of the year.

**The Hon. J.D. LOMAX-SMITH (Minister for Education and Children's Services):** I rise to speak briefly in support of this bill. It has been a long time coming, and for many of us it has been the cause of great embarrassment that it has taken so long. I commend the Attorney-General for his efforts, which have been tireless, in wanting to get this legislation through, because it is true that there has been a disgraceful level of inequality in the standing of same-sex couples in South Australia. We need to address the entitlement and responsibility for same-sex couples that other couples—de facto and married—have had for many years. The bill at last will entrench in South Australian legislation the equal rights of same-sex couples to claims around superannuation benefits, deceased estates, funeral and medical rights, and recognition as a couple in line with other

de facto couples who have long enjoyed that status. It will go some way towards remedying decades of discrimination against same-sex couples.

I am particularly proud that our party has fought against injustice and discrimination not as a matter of conscience but as a matter of party policy, as it should be, because these rights should not be a matter of conscience alone. It is essential that we pass this legislation now because, whilst there may be elements of it about which I feel uncomfortable (as has been spoken of in this place already), certainly the issues to do with domestic co-dependants are areas of legislation which did not appear to be called for, which did not appear to respond to a community problem and which may well have some unintentional consequences. Having said that, I believe that this legislation should pass at the earliest opportunity, because to delay longer would be unconscionable.

For some time I have strongly advocated for this legislation and the need for it to be progressed with urgency, and I would like to see it passed, because I do not believe that we should wait longer to have the perfect bill. We should accept this bill as an important step. This legislation, in fact, is a vital plank from which to argue for any additional reforms in the future. It will also help to change the landscape of our community.

*Mr Pisoni interjecting:*

**The SPEAKER:** Order! I apologise to the member for Adelaide—

*Mr Pisoni interjecting:*

**The SPEAKER:** Order! The member for Unley—

*Mr Pisoni interjecting:*

**The SPEAKER:** Order! The member for Unley is interjecting out of his seat. If he does so again, I will name him.

**The Hon. J.D. LOMAX-SMITH:** As all members of the GBLTI community know only too well, change has been a lengthy process, but many of us in this house from both sides of parliament (including the other place) have shown a long and firmly held commitment to championing in change. We will remain strong advocates for the rights of the GBLTI community and expect that, when this bill is passed at an appropriate moment during the annual FEAST festival, there will be rejoicing, because at last our state can say that we are in line with at least some of the other states' achievements, and we will be able to take a stand in the future that can build on this legislation. We might desire further changes, but one thing is certain: this legislation is a great step forward, it is long overdue and, whilst many would argue that it is not perfect, it is the sort of legislation that will be welcomed by decent people throughout our community.

**The SPEAKER:** The member for MacKillop.

**Mr WILLIAMS (MacKillop):** Thank you, Mr Speaker.

**The Hon. M.J. Atkinson:** Oh, here we go; back to the future.

**Mr WILLIAMS:** At least I do not mind standing in this place and expressing my opinion on matters before the house.

**The Hon. M.J. Atkinson:** At length!

**Mr WILLIAMS:** And I may choose to do so at length, unlike—

**The Hon. M.J. Atkinson:** No, you will only do 20 minutes. We will check what is on the clock.

**Mr WILLIAMS:** That will be lengthy enough for most, I imagine—unlike many of the Attorney's colleagues on the other side, who are either too embarrassed to contribute or

would rather hide. I am looking forward to the contribution of the member for Light. He is sitting up there with plenty of interjections—

**The Hon. M.J. ATKINSON:** Sir, I rise on a point of order. The member is seated while I make a point of order. The member for MacKillop is imputing improper motives to members of the government. He is imputing that members of the government are too embarrassed to speak on this bill.

**The SPEAKER:** Order! I did not hear what the member for MacKillop said. However, even if he said what the Attorney says he said, that is not imputing improper motives. The member for MacKillop.

**Mr WILLIAMS:** Thank you, Mr Speaker. I am delighted that you can see through the Attorney so quickly and easily, as do most of us over here. As I was saying, I am looking forward to the contribution of the member for Light, because he seems anxious to contribute to the debate, and I certainly look forward to understanding his thoughts on this matter. First, I think that the fine work contributed by my former colleague the member for Hartley—

**The Hon. M.J. Atkinson:** The former member for Hartley.

**Mr WILLIAMS:** The former member for Hartley (that is exactly what I said), Joe Scalzi, put a lot of work into this matter. I am somewhat heartened that the bill the Attorney has brought to the house, to an extensive length, reflects the work that Joe Scalzi, the former member for Hartley, put into this area of policy and legislation. I suggested to the Attorney when he introduced this bill the other week that he recognise the former member for Hartley, but the Attorney, in his way and as is his wont, did not go so far as to recognise the effort and contribution that that member had made. In fact, I suggest that that work has helped the Attorney greatly in reaching this position. Let me place that recognition on the record from the outset.

I agree with many of the comments that already have been made. There is no way that the state should discriminate against people because of the way in which they choose to live or the relationship they choose to live in. I certainly do not, and will not, and I would not support the state's going down that path. However, I find it very difficult to support this bill.

**The Hon. M.J. Atkinson:** I thought you would find a reason.

**Mr WILLIAMS:** I will be quite plain with the Attorney. If it was an opt-in rather than an opt-out measure, it would have my full support.

**The Hon. M.J. Atkinson:** The member was not going to support the last bill. Can he remember what he did before the election?

**Mr WILLIAMS:** The Attorney did not have the guts to bring the last bill into this place and bring—

**The Hon. M.J. ATKINSON:** Sir, I rise on a point of order—

**Mr WILLIAMS:** Sorry, I will correct that.

**The SPEAKER:** There is a point of order.

**Mr WILLIAMS:** Give me half a moment, Attorney.

**The Hon. M.J. Atkinson:** You will correct it?

**Mr WILLIAMS:** The Attorney did bring it into this place, but he did not have the guts to let it proceed. He did not have the guts to take it through to the end point. For him to sit there and suggest that I was voting against it when he would not bring it on for a vote is a reflection on him, not on me.

**The Hon. M.J. Atkinson:** I have a very good memory.

**Mr WILLIAMS:** No, I do not think the Attorney has a very good memory at all. On this matter, I think his record is not one of which he can be very proud, to be quite honest. I do have concerns about the nature of this having to be an opt-out situation rather than an opt-in situation. I also eagerly await the contribution from the member for Mitchell, because I understand that he is proposing to move amendments to the bill. If the honourable member's amendments meet that condition to convert this bill to an opt-in rather than an opt-out situation, I do not think that I will have any problems supporting it, because I think that it will then deliver most of the wants of most of the people in this place and most of the groups who have been lobbying us for a number of years. In a nutshell, that is my position.

**The Hon. M.J. Atkinson:** What did you tell the Festival of Light survey campaign?

**The SPEAKER:** Order!

**Mr WILLIAMS:** Attorney, the reality is that, like all survey forms I received during the election campaign, I do not think I filled it out. The Attorney has my permission to talk to that group to see whether that is the reality, because that is my recollection. Having said that, I stress that the important thing was the recognition of Joe Scalzi's work on this matter. I am looking forward to hearing the position of the member for Mitchell; and, hopefully, it will result in a bill that I will feel happy to support.

**Ms CICCARELLO (Norwood):** It is with great pride that I rise this evening to voice my support for this bill. As has been said by other speakers, this reform has taken some time in finally getting to the house in this form since 2004. I am delighted that the Rann government has fulfilled its election commitment to end discrimination against same-sex couples. Also, I take the opportunity to thank the Attorney (who is sitting next to me) for his contribution and his chief of staff, Peter Louca, for the work he has done in preparing this legislation. Personally, I believe there is absolutely no justification for having same-sex couples treated differently from their heterosexual counterparts. Both sets of couples make a valuable social contribution. They both share their property and financial affairs, they both provide support and care for each other and they both display mutual commitment to intertwine their lives. It is therefore indefensible that both should not have access to the same laws.

It comes down to the simple and fundamental issue of ensuring that our laws do not unjustly discriminate against members of the community. This is a question of human rights which must be protected. Same-sex couples have legislated rights in only the state's four superannuation acts—nowhere else. In fact, currently, 99 pieces of legislation on our statute books actively discriminate against same-sex relationships. For example, unlike married or heterosexual and de facto couples, if you are in a same-sex relationship you cannot make a binding agreement about property any time before, during or after your relationship. You cannot access the same inexpensive court procedures for property division upon separation but must resort to complex principles of equity in the Supreme Court. You must pay stamp duty when transferring your home or car to each other.

You cannot inherit your partner's estate if they die intestate, and you cannot contest your partner's will if you have been left without adequate provision for maintenance, education or advancement in life. You cannot claim compensation for grief, funeral expenses and loss of financial support if a partner is killed in a road or workplace accident. You can

be compelled to give evidence against your partner in court. You have no right to participate in the management of a legally incompetent partner's affairs, and you do not have the right to consent or refuse consent to organ donation, post-mortem examination or cremation involving your partner, and the list could go on.

It is disadvantage and discrimination which is very real. We are not just talking about a small number of people who are affected by the discriminatory laws. The 2000 census recorded that 2 300 South Australians were living in a same-sex relationship. This figure, however, is widely acknowledged to be a vast under-estimation, because the census form required same-sex couples to volunteer information about their relationship rather than specifically asking for it. No accurate data is available. However, associations which represent the interests of same-sex couples in South Australia state from anecdotal evidence and experience that the figure is probably closer to 18 000.

As the member for Norwood, I am aware that many same-sex couples reside not only in my electorate but in others; and, as the employer of a gay man and a friend of many gay people, I am acutely aware of the hurdles which they face. They have recounted their stories to me. They have told me of the harassment, victimisation and sheer narrow-mindedness they encounter in their everyday lives. I have often been saddened but inspired by the quiet courage and dignity which they display in the face of sometimes blatant public discrimination. The fact that this harassment is implicitly encouraged by the existence of discriminatory legislation, which seems to justify such prejudice, is mind-boggling.

At one time South Australia could proudly boast that it was the trailblazer when it came to gay law reform. In fact, last year marked the 30th anniversary of my great friend and mentor Don Dunstan's groundbreaking legislation—legislation which made South Australia the first state to decriminalise homosexual acts between consenting adults. So, what happened? Why has South Australia languished behind the other states for so long? Perhaps it was a sense of complacency due to the success of the Dunstan reforms; perhaps it was the inherent conservatism of our state; or perhaps it was a perception of increasing community acceptance, which did not warrant the public having an opinion one way or the other.

Whatever the reasons, it is high time that these fundamental rights no longer play the role of a lowly pawn in a game of political chess. It is high time that we finished what Don Dunstan started all those years ago, and that is what this bill does. This bill represents the biggest change to the law governing couple relationships in South Australia since de facto relationships were defined in the Family Relationships Act 1975.

Under this bill a same-sex couple is in fact any couple who lives together as life partners on a genuine domestic basis; that is, they share their home and their lives. They will be now recognised on an equal basis to heterosexual de facto couples. All couples are now defined as one and the same and, subject to meeting certain criteria, all couples will have access to the same laws and consequent rights. However, it is important to understand that this bill is not about giving same-sex couples special or additional rights. It is about giving them the same rights that other legally recognised de facto couples have enjoyed for many years—nothing more and nothing less. Indeed, in granting same-sex couples equal rights, this bill also imposes many new responsibilities on same-sex couples. For example, a person in a same-sex

relationship whose partner has received a first home owner's grant or already owns land will now not be able to avail themselves of the grant. These new obligations are a direct and necessary consequence of granting equal legal recognition, and I am sure that no-one will have any reason to quibble with them.

However, I would like to talk about one criticism which, undoubtedly, will be levelled at this legislation by members of the same-sex community; that is, this bill does not contain any provision for the adoption of children by same-sex couples and access by such couples to assisted reproductive technology. Notwithstanding my own personal views, it is clear that these provisions would be extremely controversial and would have the potential of delaying or stopping this legislation from going through parliament. In this sort of situation political realities, whether or not you like them, come into play. I consider it much more desirable to have the vast bulk of discrimination removed from our statute books than to have this entire legislation remain in limbo—or even be scrapped.

There is one last thing I would like to mention. It is now even much more important that the Howard government stands up to ensure that same-sex couples are treated equally under federal law. The federal government now stands completely and utterly alone in its refusal to give recognition to same-sex couples. At present, the Human Rights and Equal Opportunity Commission is holding its national inquiry into discrimination against people in same-sex relationships, and in its recently published discussion paper it identified 68 pieces of commonwealth legislation which require amendment. There are many areas under federal jurisdiction and outside the control of the states which are blatantly discriminatory—areas such as taxation, welfare, superannuation and health, just to name a few. It is nonsense and just plain wrong that same-sex couples are recognised in one jurisdiction and not another. It is therefore vital that federal law reforms begin to remove all discrimination against same-sex couples once and for all. I am delighted that South Australia is taking this important step. I commend this legislation to the house and, once again, I commend the Attorney-General and his staff for bringing forward this legislation.

**Mr HAMILTON-SMITH (Waite):** I struggle with this bill for a range of reasons. One part of me wants to support it and one part of me does not. I commend the Attorney-General because he has brought to the parliament on this occasion a bill which is reasonable and much more sensible than any of the other iterations. I was one of the first to raise this issue in the opposition party room—in fact, before the former member for Hartley raised it. I raised on the basis of some very fundamental principles. My concerns with the early iterations of this measure were that they sought to redefine same-sex relationships as marriages. One could talk about putative spouse and the device used, but the instrument was to say that same-sex relationships are equal to marriages.

I actually have a lot of respect and time for same-sex relationships. I believe they are a part of the order of things and a vibrant, colourful and important part of our community; and they have been since time began. I think they are part of nature's plan. I think there are many similarities between same-sex relationships, marriages and heterosexual relationships. I think the fundamental question is whether one agrees that same-sex relationships are equal to marriages. This is the issue with which I have struggled. On this occasion the

Attorney-General has introduced a bill that gets around that issue by the construction of the device which the bill now uses of 'domestic partners'. I had my own private member's bill drafted. It was very similar to this bill. In fact, it was almost identical to this bill and I would be astounded if the draft was not used by parliamentary counsel when they drafted this bill two parliaments ago. Even then I struggled with the complexities of this issue.

I have had a close friend in a same-sex relationship come to me in tears grieving the loss of his partner, and anguishing over difficulties associated with the technicalities following the death of his partner in regard to property, and a range of other issues, and difficulties between the families. I have heard the accounts and I understand how emotive this is for same-sex couples. I want the same-sex community to understand that even people who may oppose this measure understand the difficulties. We do understand the difficulties.

In some respects the bill is a little disingenuous. I note the member for Heysen has made a point in regard to part 81, which deals with the Southern States Superannuation Act 1994. I also draw the Attorney-General's attention to part 83, which deals with amendments of the Superannuation Act 1988. In those two parts it uses the device 'putative spouse'. In those two parts it still talks about persons of the same sex being equal to putative spouse, which, if you take the definition, means marriage. With those two parts in the bill, I cannot support it. I wonder why these two parts do not use the same device that the rest of the bill uses, namely, 'domestic partner'. I wonder whether it is an oversight or whether there is another reason. I wonder whether during the committee stage the Attorney-General will explain it. In those two parts it does contain the same device used in the other bills which parliament rejected.

I also question whether to a degree the measure is disingenuous. If we genuinely believe as a parliament that same-sex couples are equal to marriages, why have we excluded adoptions and IVF? This is a point the member for Norwood raised. Philosophically, she raises a fair question. What we are saying when we pass this measure is that we think same-sex couples are equal but not completely equal. We are happy to agree to equal arrangements for 95 per cent of the measures for which this house has statutes in place but not all of them.

I struggle with that principle: they are either equal or they are not. If we are going to support this bill on the basis that we want domestic partners to be completely equal, it should include all measures. You cannot be partly equal any more than you can be partly pregnant. We are either equal or we are not. I think the fact that the proponents of this bill have excluded those two sections is a fatal flaw in the philosophical foundation upon which the measure stands. We are either equal or we are not. I would consider it a more principled bill if adoptions and IVF were included. I would not support it, but I would consider it to be a more principled measure. I have heard the arguments put by others that times have changed, the family is in 100 different forms and the world has moved on, but I am a person who believes that family breakdown and drug abuse, but principally family breakdown, is one of the principal causes of many of the problems we are dealing with in this parliament daily to do with crime, law and order, education and families and communities.

Family breakdown is at the heart of so many of our problems, and I wonder to a degree whether the diminution of marriage has been part of that formula. Many will say that I am wrong—call me old-fashioned, call me what you like—

but I really wonder whether, if more of our marriages stayed together, kids would not be happier and the community would not be a better place. Instead—

**Ms Breuer:** Rubbish; absolute rubbish.

**Mr HAMILTON-SMITH:** Well, the member can disagree with me and make her own contribution. I wonder whether families and the family unit are at the heart of what makes our society tick. I recognise that there are many same-sex families where children are involved for one reason or another that work wonderfully—and I am not suggesting for a moment that the government should ever get in the way of those relationships and those arrangements. I do not think we should. However, what we are doing here is creating something which, at its core, is about the proposition that there is discrimination against same-sex couples because they are not redefined as marriages.

I have spoken to some same-sex couples—and I recognise that there are a lot of activists in the same-sex community who are very keen to see this measure pass—who do not want to have their relationships redefined as marriages. They believe that their relationships are unique and they do not think that they are a married couple, or they do not even necessarily see themselves as a couple in the same sense that a married couple might. In fact, it has been put to me that it is an offensive proposition. I just reflect the view that not all in the same-sex community are agreed about this measure or the need for it, and therefore I question to a degree whether or not we need it, though I understand that for those who are passionately convinced about the bill, we do. I respect that view, and wonderfully we live in a community where people are entitled to different points of view and I am simply expressing them.

Because we did not want to define same-sex relationships as married, putative spouse, we have gone to the domestic partners model. I think it is a muddle of arrangements that will unwittingly draw people into relationships and commitments they may not want to go into but in which they may unwittingly find themselves. I think that it will be a lawyer's picnic. This is all at the core of whether or not same-sex couples are being discriminated against. I am not sure that most of the issues addressed in the bill could not be solved by other devices to the satisfaction of same-sex couples. I say that I agonise about the bill and I say that I have a great deal of respect for and acceptance of same-sex relationships and, indeed, of the other relationships that are described in this act. However, I just question whether at its core this is really about the proposition that, unless same-sex couples and other domestic partners enjoy the same legal benefits as marriages, we are discriminating against these people. I just do not think we are. I think that at its core the reason marriages enjoy these legal advantages is principally about children.

It is principally about families and the upbringing of children, the property and other issues associated with that. That is why these privileges over history and time have been extended to marriages. The proposition put by many is that, unless those same advantages are extended to same-sex couples, they are being discriminated against. I just do not think that is right. Evidence to the point is the fact that even the proponents of the bill do not want to include adoptions and IVF, and I get back to that point. To a degree, there is a lack of genuineness about the whole measure. I am not sure what to do with this bill. I understand the argument about opting in and opting out. Perhaps being required to opt in, rather than have this bill automatically apply, might make it more palatable but, on balance, I think we have arrived at a

point that is a compromise and it still has at its core this proposition that the law presently discriminates against same-sex couples.

I would strongly support any measure that opposes vilification, poor behaviour and aggressive behaviour towards any group in the community. I deplore that sort of behaviour, but the measures in this bill go far beyond that. They still at their core seek to redefine, in my view, same-sex relationships and other domestic partnerships as marriages. For all the reasons I have mentioned, I struggle with the proposition, and so I have to say to the house that, unless as I listen to the debate I am convinced to the contrary, I will have difficulty supporting the measure. I am anguished about that because I know that will hurt a lot of people, some of whom are good friends of mine and who will be hurt by that decision. However, it is a decision my conscience leads me to. I will listen carefully to the remainder of the debate, but at this stage I think that the house would be ill advised to proceed with the measure.

**Ms FOX (Bright):** I would like to thank the member for Waite for his somewhat anguished words: I see that he is indeed struggling. It is easy to look back in time and say it is long overdue, etc., but what I really stand to do this evening is celebrate the fact that we are here at all. I truly believe that the South Australian gay community has been discriminated against and I would like to thank the Attorney and his staff, who have worked long and hard on this, for placing this bill before the parliament. Let us recognise the rights of people to be equal in the eyes of the law. This is a bill that removes discrimination. There are no extra rights inherent in this bill. In Australia, of all countries, we should not discriminate against people on the basis of their relationship.

Earlier, I listened to the member for Heysen, who was talking about the Bible and what she could or could not find in the Bible that did or did not support homosexuality. I would like to point out that I am not aware of any of those passages but I would like to say that, as the grand daughter of Methodist missionaries—and I think that many people will now like to make the joke about how dancing leads to something else—or something else leads to dancing!

*Members interjecting:*

**Ms FOX:** I will tell you afterwards: it is very naughty. However, there is something I would like to point out that I do know to be a Christian truth, which is that Jesus Christ believed in tolerance, he believed in love and he believed in reaching out to the marginalised. He believed in a preferential love of the poor and the outcast and, frankly, these people have been outcast for too long. So, anyone who comes to me with a biblical argument against this bill will be laughed at—probably in an unchristian manner. I do not believe that the views that I hold are extreme. I live in an area that some might call relatively conservative yet, when I go to my local church, people ask me eagerly, 'When is this bill going to go through?' Well, here we are: justice has come and, frankly, I simply do not know what all the fuss was about.

**Ms BREUER (Giles):** I do not intend to speak for very long tonight because I do not think there is anything that has to be said. I wonder why we are here arguing this bill. It has been very much cleaned up so that it is acceptable to everyone and it is supposedly not a gay rights bill. I have to question why, in the year 2006, this is an issue. Back in the 1940s, 1950s and 1960s no-one was gay: there was not any such thing; or, can I say, no-one admitted it. I remember the

absolute devastation my mother felt when she found out that Rock Hudson was actually gay, because she did not believe there was any such thing in our society. In the year 2006 we all have gay friends, gay relatives and gay colleagues. And who cares? What is the issue? Why are we so knotted up about this? Why are so many people not able to handle this situation?

Other people have desires, they have inclinations, they have sexual practices that might be different from one's personal beliefs, but why is it an issue? There is a very small handful of verses in the Bible that condemn gay sex, yet so many people in our society are vocal about this and so few people are very vocal about those few verses in the Bible, and our whole society gets knotted up on these very few verses. Who cares? What is their problem? What is the problem of the people looking at opposing this? Some of my best friends are gay. Some of my relatives are gay and at times I have had staff who are gay. What is the issue? Does it make them any worse people? Of course it does not make them any worse people. They are ordinary people.

We are not going to change society by this bill. We are not going to make it compulsory to be gay, so what is the problem? Let us give rights to people who have very loving, caring relationships. Many of those relationships are far more committed than many of the marriages I have seen in my time. Let us get on with it. Let us get this legislation through. You never know when someone close to you is going to find out that they are gay. The image of being gay is this camp image, way out, dysfunctional, flamboyant: but you do not know who is gay and who is not in our society. Give them the rights that they deserve. Contrary to popular belief, I am not gay myself, but I will fight to the death for the rights of those people who are. I have been a single woman for a long time and it has been said. The sorts of comments that are made are very emotional and very direct, and that is what it is all about.

It is not about long-term cohabitation. It is not about the dear old souls who live together for many years. I have been living with my nephew for the past three years: does that mean that we are living in a gay relationship or cohabiting? Of course not. He is living with me because it suits us and because he is doing a university course. It is not about two people having sex. It makes me laugh when people define relationships in terms of sex, because I would like to know how many married couples do not have sex. There are many

marriages out there where sex is a dim memory of the past. We have gone a lot further than we need to with this bill. It is not easy to be gay, I know, and people go through great tortures when they define themselves as gay. I seek leave to conclude my remarks later.

Leave granted; debate adjourned.

#### **STATUTES AMENDMENT (JUSTICE PORTFOLIO) BILL**

The Legislative Council agreed to the bill with the amendments indicated by the following schedule, to which amendments the Legislative Council desires the concurrence of the House of Assembly:

- No. 1. Clause 50, page 17, after line 5—Insert:  
(1a) Section 8B—after subsection (1) insert:  
(1a) However, if the Commissioner or the Commissioner of Police is able to obtain a satisfactory record of fingerprints previously taken from a person referred to in subsection (1)(a) or (b), a request need not be made under subsection (1) in relation to that person.
- No. 2. Clause 50, page 17, after line 6—Insert:  
(3) Section 8B(5)—after ‘under this section,’ insert:  
or have been otherwise obtained for the purposes of this section,
- No. 3. Clause 51, page 17, after line 10—Insert:  
(3) Section 11AB—after subsection (2) insert:  
(3) The Commissioner may, if the Commissioner is satisfied that a satisfactory record of fingerprints previously taken from a person referred to in subsection (1)(a) or (b) exists, request the Commissioner of Police to make available to the Commissioner such information to which the Commissioner of Police has access about the identity, antecedents and criminal history of the person as the Commissioner of Police considers relevant.
- No. 4. Clause 58, page 18, after line 12—Insert:  
(1a) Schedule 2, clause 3—after subclause (1) insert:  
(1a) However, if the Commissioner or the Commissioner of Police is able to obtain a satisfactory record of fingerprints previously taken from a person referred to in subclause (1)(a) or (b), the person need not be required to provide fingerprints under subclause (1).
- No. 5. Clause 58, page 18, after line 13—Insert:  
(3) Schedule 2, clause 3(2)—after ‘under subclause (1),’ insert:  
or have been otherwise obtained for the purposes of this clause,

#### **ADJOURNMENT**

At 10.01 p.m. the house adjourned until Thursday 23 November at 10.30 a.m.