

HOUSE OF ASSEMBLY

Wednesday 26 May 2010

The **SPEAKER (Hon. L.R. Breuer)** took the chair at 11:01 and read prayers.

YANKALILLA, MOVEABLE SIGNS RESTRICTIONS

The **Hon. R.B. SUCH (Fisher) (11:02)**: I move:

That council by-law No.4 of 2009 of the District Council of Yankalilla entitled Moveable Signs Restrictions, made on 17 September 2009 and laid on the table of this house on 11 May 2010, be disallowed.

I will be moving four motions this morning in relation to moveable signs, and members will be aware that there is a notice of motion relating to the City of Onkaparinga to be dealt with sometime during the Thursday morning session. The arguments that I am about to give apply to all of these but, under standing orders, I have to move them separately; and, whilst the arguments are virtually identical, there are a couple of slight variations between the councils in the by-law they have put forward.

The City of Onkaparinga was the first council to introduce the by-law, as far as I am aware, and, as a result, people are being fined \$100 for what is not allowed under the by-law, and that is to have a sign on your car advertising it for sale when the car is in an area that is under the control of the council. That applies to residential roads as well as to arterial roads.

Mr PENGILLY: Point of order. The member for Fisher indicated at the start of his remarks that he had a series of separate motions on individual councils. The first, which he is on now, is the District Council of Yankalilla, yet he is talking about the City of Onkaparinga which is the subject of a later motion. Is that proper procedure?

The SPEAKER: I uphold that point of order. I understand that you are going to try to speak to all four, but I guess we cannot presume that. Can you clarify that for us?

The Hon. R.B. SUCH: I have been advised by the Clerk that I cannot move these as a block, but I am just putting the issue in context, because I will be dealing with the City of Onkaparinga issue at some other time. So, I need to put in context how this type of by-law is being applied, but I will deal with the City of Onkaparinga issue at another time.

The SPEAKER: I think that is satisfactory. Are you happy with that? Yes. Please continue.

The Hon. R.B. SUCH: I have become aware of these by-laws because of what has happened already in two of these councils in relation to the implementation of a by-law identical to that applying in the City of Onkaparinga. People are being fined \$100 for parking their car in front of their own home. In one case, because a lady was having renovations done, she moved the car out onto the road to allow a skip bin to be delivered, and she was fined \$100 because there was a small 'For sale' sign on the car. In another case, someone was fined for parking a car on an arterial road (Black Road) so that she could visit a friend. In both those cases, the cars were legally parked, complying with the law. Someone else was fined recently for parking their car when they went shopping at Marion Shopping Centre. Marion, as far as I know, does not have a specific by-law, but I am sure it is working towards that.

There are many other cases I could outline, but the point is that the proposal, in this case the first one, involving the District Council of Yankalilla, is, in my view, unreasonable and unfair. What I do support, and what I am trying to do by moving for disallowance, is to have these by-laws redrafted so that they focus on two key issues: the safety of pedestrians and other road users, and whether or not there is any damage to council property.

If a car is parked legally on a road and there is no safety issue and no damage to council property or anyone else's property, why should that person incur a \$100 fine? If someone parks on a lawned area belonging to the council, I have no problem with them being dealt with. If someone parks in a dangerous way on an arterial or suburban street, they should be dealt with. I would have thought that should be the approach, not this blanket prohibition on someone driving around and parking their car, even for a moment, with a small 'For sale' sign on it.

When I have taken up this issue with the council, the argument has come back that the primary test is whether the vehicle is driveable with the signage in place. That does not resolve the issue, because the council is saying that, if it restricts vision in front of the driver's seat, the vehicle

is being advertised for sale. That does not resolve the issue because, unless you are a complete numbskull, you would not drive a car with a sign in front of you, anyway. What we have is a problem with these moveable signs.

If you take the by-laws to their logical conclusion, they can and will be applied to businesses. For example, if a plumber or an electrician parks their vehicle outside their home at night, it could be argued that they are putting it there principally to advertise their business because, clearly, they are unlikely to be doing electrical or plumbing work at midnight at their own home.

I think this by-law needs to be tidied up. People say that inspectors will not do these things, but inspectors will do and have done these things. They have been pinging people when the person concerned has a legitimate reason to put their vehicle in the street, and they are fining them \$100. I have raised this issue with a senior traffic police officer who often gives advice on radio, and he told me when I spoke to him at the Clipsal event that they regard this measure as being petty. He said that he did not believe the police would enforce it, even though they could. That would be part of my response, but, more importantly, it does not focus, as it should, on the safety of road users and on damage to council property.

Members may think this is not an issue in country areas throughout the state, but it is. I have had people contact me from the Riverland, Yorke Peninsula and Port Augusta, and they have expressed concern about this very matter. I would urge members to ask around their electorate to see what the local people think about it. Where this issue becomes even messier is that it can apply to any magnetic sign attached to a vehicle. So, if someone puts a magnetic sign on their vehicle, that would clearly come within the interpretation, I believe. It is even more bizarre because these by-laws exempt garage sales. You can put a sign out saying you are selling your whole garage full of goodies. That is okay, and I do not have a problem with that. I do not think it should be prohibited, but the same package of by-laws says that you can have a garage sale and sell a truckload of stuff, but that you cannot sell your car.

It has been put to me that in some country towns where someone is leaving the area, they have limited options for selling their vehicle. I know in the Riverland people have raised the issue with me that on the Sturt Highway people have got into strife for advertising a vehicle there. They may not have the same number of options for selling a vehicle they no longer want as in the city.

We have an exemption for garage sales, we have an exception for land agents selling property, and I do not have a problem with that. I am just pointing out the inconsistency where the very same package of by-laws says that a land agent can put out signs here, there and everywhere saying properties are for sale, but if a citizen has a little sign on their car—a \$100 fine.

There is also an exemption for charitable functions and I think that is fine, too. It could be a fete or a fair. There is an exemption, lo and behold, for council, state and federal elections. The public would say to me that here is a bit of a double standard: you are exempting politicians and would-be councillors and mayors but the ordinary citizen, the ordinary ratepayer, is going to cop it in the neck because of what is in these by-laws.

A \$100 penalty is quite a large amount of money, particularly for people who do not suspect that this is what is going to happen to them. I make the plea, and I do not have to repeat the case other than to move the motion and just a couple of other minor points. These by-laws need to be redrafted. I am surprised that there is not a template that the LGA has because otherwise you would expect the by-laws to be the same. With those remarks, I commend the motion to the house that the District Council of Yankalilla council by-law No. 4 be disallowed.

Mr PENGILLY (Finniss) (11:12): I will be brief in my remarks as this will obviously be adjourned shortly. I put to the member for Fisher the question as to whether he has spoken to the District Council of Yankalilla about this. I suspect not. I say that is because this is a problem across a variety of councils and it very often gets down to the individual officer, whether they are overenthusiastic, seeking to make a name for themselves, or whether they are reasonable and show common sense about the matter. I am not defending Yankalilla's by-law nor am I putting forward a party position: I am making my personal remarks on this.

Yankalilla must have reasons for doing this. It is a long, drawn-out town, quite frankly, from Yankalilla down through to Normanville, and they have limited areas for parking. I do not disagree entirely with the member for Fisher, but it is up to those council enforcement officers as to how they deal with it.

Let me tell you that in the city of Victor Harbor there is an officer who is overly officious and makes life an absolute misery for many citizens. However, the other officers down there seem to show a lot more common sense. That is how it varies. The council can put these by-laws in place but at the end of the day it relies on council officers as to whether they use of bit of sense and a bit of nous about how they deal with it. I do not know what the member for Fisher is going to say on his other motions; I suspect something similar. I am just of the view that he needs to speak to Yankalilla council, which happens to be in my electorate, about this issue before coming into the house on this particular motion.

Debate adjourned on motion of Ms Thompson.

ROBE, MOVEABLE SIGNS RESTRICTIONS

The Hon. R.B. SUCH (Fisher) (11:15): I move:

That council by-law No. 4 of 2009 of the District Council of Robe entitled Moveable Signs Restrictions, made on 8 September 2009 and laid on the table of this house on 11 May 2010, be disallowed.

I will not go through the arguments I have enunciated in relation to the District Council of Yankalilla. In response to the member for Finniss, no, I have not consulted with any of these councils. I do not believe I need to, because the principle, I think, is the same throughout the state and, quite frankly, I do not have the time to consult 68 councils on a general principle that should be applied, that is, safety and whether you are damaging council property.

Debate adjourned on motion of Ms Thompson.

VISITORS

The SPEAKER: I acknowledge the presence in the gallery of some students from Cedar College, who are guests of the member for Torrens, who is not able to be here today. Welcome; it is nice to see you here and I think we have some more of your classmates in this afternoon.

MID MURRAY, MOVEABLE SIGNS RESTRICTIONS

The Hon. R.B. SUCH (Fisher) (11:16): I move:

That council by-law No. 2 of 2009 of the Mid Murray Council entitled Moveable Signs Restrictions, made on 9 March 2010 and laid on the table of this house on 11 May 2010, be disallowed.

The same arguments apply to this motion. The only difference with this by-law is that there is no specific mention of cars. However, it states that 'a moveable sign must not be tied, fixed, attached or leaning against anything', so I think that, on any interpretation, you would have to take it that it includes a vehicle if it states 'anything'. Once again, I am surprised that there is not a consistent approach across the state in relation to this matter.

Debate adjourned on motion of Ms Thompson.

PORT AUGUSTA, MOVEABLE SIGNS RESTRICTIONS

The Hon. R.B. SUCH (Fisher) (11:18): I move:

That council by-law No. 2 of 2009 of the City of Port Augusta entitled Moveable Signs Restrictions, made on 22 February 2010 and laid on the table of this house on 11 May 2010, be disallowed.

Once again, similar arguments apply. The only difference (and it comes back to the point I made before about a lack of consistency in by-laws) is that this exempts businesses, which is a point I made earlier; that is, I believe it could be applied to businesses—for example, the plumber or electrician parked outside their home at night.

I am urging the LGA and the councils to redraft this measure, redraft all of them, so that they tackle the real issue and focus on safety, abuse of council property and that issues such as businesses be dealt with as well. This by-law exempts businesses, but the others do not, so we have inconsistency across the state, and I do not think that is what the community wants.

Debate adjourned on motion of Ms Thompson.

RAILWAYS (OPERATIONS AND ACCESS) (MISCELLANEOUS) AMENDMENT BILL

The Hon. J.R. RAU (Enfield—Attorney-General, Minister for Justice, Minister for Tourism) (11:20): Obtained leave and introduced a bill for an act to amend the Railways (Operations and Access) Act 1997. Read a first time.

The Hon. J.R. RAU (Enfield—Attorney-General, Minister for Justice, Minister for Tourism) (11:21): 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.

In February, 2006 COAG signed the Competition and Infrastructure Reform Agreement (CIRA) to provide a simpler and consistent national system of economic regulation for nationally significant infrastructure, including ports, railways and other export related infrastructure. The agreed reforms aim to reduce regulatory uncertainty and compliance costs for owners, users and investors in significant infrastructure and to support the efficient use of national infrastructure.

The agreement commits South Australia to review the State rail access regime and to make certain amendments, where necessary, to include consistent regulatory principles aimed at ensuring efficient and timely investment in infrastructure and effective competition in the provision of rail services (CIRA, Clause 2).

In 2009, the Government directed the Essential Services Commission of South Australia to review the access provisions of the *Railways (Operations and Access) Act 1997* and provide advice on:

- any amendments to the rail access regime that would be needed to comply with certain parts of clause 2 of the CIRA;
- any other changes to the access regime that may improve its overall effectiveness.

This review identified a number of areas where the *Railways (Operations and Access) Act 1997* could be modified to provide both greater consistency with the CIRA and improvements to provide greater certainty to access providers and seekers and reduce the red tape burden on the rail industry.

Amendments to achieve greater national consistency

The Bill provides for the adoption of regulatory principles consistent with those to be employed in all third party access regimes nationally. These principles include:

- an objects clause to promote economic efficiency and effective competition;
- 6 month time limits for conciliation and arbitration decisions made according to the conciliation/arbitration framework in the Act to provide greater certainty to business and to reduce the time and costs associated with settling access disputes; and
- pricing principles to be taken into account by an arbitrator.

Other improvements to the access regime

Other improvements to the access regime include:

- inserting a definition of private sidings in the Act to clarify when a private siding falls, or does not fall, within the scope of the access regime;
- inserting a confidentiality provision to protect the confidentiality of information provided by an access seeker to an access provider during commercial negotiations;
- limiting the extent to which access contracts require notification, so as to reduce the administrative burden on railway operators;
- repealing section 21 of the Act as an unnecessary restriction on operators' business activities, taking into account other provisions in the Act requiring segregation of business activities.

These amendments will provide greater regulatory certainty, reduce business red tape and increase consistency with other rail access regimes.

I commend the Bill to Members.

Explanation of Clauses

Part 1—Preliminary

1—Short title

2—Commencement

3—Amendment provisions

These clauses are formal.

Part 2—Amendment of *Railways (Operations and Access) Act 1997*

4—Amendment of section 3—Objects

This amendment broadens the objects of the Act to provide for the facilitation of competitive markets in the provision of railway services through the promotion of the economically efficient use and operation of, and investment in, those services.

5—Amendment of section 4—Interpretation

This clause amends 2 definitions—

- *pricing principles*—this definition is amended as a consequence of the amendments to section 38. The definition clarifies that the term pricing principles is used in different contexts in sections 27 and 38.
- *railway infrastructure*—the amendment excludes private sidings from the scope of the definition of railway infrastructure, other than a private siding prescribed by the regulations to be railway infrastructure for the purposes of the Act.

6—Repeal of section 21

This clause repeals the requirement that an operator must not carry on a business other than an authorised business.

7—Amendment of section 22—Segregation of accounts and records

This clause inserts new subsection (1a) into section 22 to require an operator whose railway service business includes providing (or providing and operating) railway infrastructure for another industry participant to keep accounts and records of that part of its railway service business so as to give a true and fair view of that part of the business distinct from the remainder of its railway service business.

8—Amendment of section 31—Access proposal

This clause inserts new subsection (3a) into section 31 to relieve operators of the requirement to give notice of an access proposal to the regulator in relation to proposed access contracts of an annual value of less than \$50,000 or for a term of less than 2 months.

9—Insertion of Part 5A

This clause inserts new Part 5A

Part 5A—Confidential information

33A—Confidential information

The proposed section provides that certain information received under section 29 or Part 5 of the Act is to be regarded as confidential information.

The provision provides that a person must not disclose confidential information other than in the circumstances set out in the proposed section.

The provision also prohibits unauthorised use of confidential information, including use of the information for the purpose of securing a personal or competitive advantage.

The provision permits the regulator to disclose confidential information to the Minister or the public if the regulator considers that it is in the public interest to do so.

The provision requires operators to develop and maintain a policy aimed at ensuring that confidential information obtained by the operator is not disclosed or used except as authorised by the provision. A copy of the policy must be provided to the regulator and to any other person who requests a copy from the operator.

10—Amendment of section 38—Principles to be taken into account

This clause adds to the principles to be taken into account by the arbitrator by including reference to the following pricing principles relating to the price of access to a service:

- (a) that access prices should allow multi-part pricing and price discrimination when it aids efficiency;
- (b) that access prices should not allow a vertically integrated operator to set terms and conditions that would discriminate in favour of its downstream operations, except to the extent that the cost of providing access to others would be higher;
- (c) that access prices should provide incentives to reduce costs or otherwise improve productivity.

11—Insertion of section 50A

This clause inserts new section 50A

50A—Time limit for arbitration

Proposed section 50A provides that an award must be made within the period of 6 months from the date on which the dispute is referred to arbitration (the *standard period*).

However, if after the commencement of the standard period the arbitrator exercises a power under Part 6 in relation to the provision of information or documents, any period between the date of the exercise of the power and the date of compliance is not to be taken into account when determining the end date of the standard period.

Debate adjourned on motion of Hon. I.F. Evans.

SUPPLY BILL

Adjourned debate on second reading.

(Continued from 11 May 2010.)

The Hon. I.F. EVANS (Davenport) (11:22): I indicate to the house that I am the lead speaker on this bill. For those new members who have not been involved in a supply bill debate, we are in unusual circumstances, because the bill we are debating today is for a bit over \$5 billion to be supplied to the government so that it can run its programs between now and when it brings the budget down in the middle of the football finals in September. The Liberal Party believes that public servants should be paid, so the tradition is that we will ultimately support this bill to supply the government with money.

The first point is that a supply bill debate is always a wide-ranging debate and, because there is no budget attached to this bill, one can essentially address any area of government expenditure, or proposed government expenditure, as part of the debate.

The first issue I wish to address is: why is it that we are not getting a budget from this government until the middle of the football finals in September? The tradition, as the house well knows, is that the budget is brought down in June. In 2007, the budget was brought down on 7 June; in 2008, it was 5 June; in 2009, it was 4 June; and, in 2010, it is going to be in September, in the middle of the AFL football finals.

Mr Griffiths: On 16 September.

The Hon. I.F. EVANS: On 16 September, the member for Goyder advises. The reality is that this is an eight year old government. This is not a new government that has won the election and has come in and said, 'Shock, horror, the budget is in trouble—we need more time to prepare the government's response to the financial position of the state.' This is actually an eight year old government that is essentially saying to the public of South Australia, 'Shock, horror—the finances of the state are in such a position that we need 180 days before we can decide what we are going to do in our budget.'

Compare that to the English parliament. There has just been a change of government there after 13 long years of Labour government in England, and Prime Minister Cameron has agreed to bring down a budget within five weeks. Within five weeks, after 13 years of Labour government, they are bringing down a budget. In the state Labor government here, Treasurer Foley, after eight years of being Treasurer, says to the public, 'What the heck, the finances are in such a bad state, we need another six months to think about what we are going to do, what we are going to prioritise, and how we are going to bring down our budget.'

I think this process is an absolute nonsense. I think it is a disgrace that an eight year old government cannot bring down its budget in the normal time frame, given it was re-elected. I think there would be some leniency if a new government had been elected, but, even then, not six months. All this, in my view, is an opportunity for the government to park all the bad news in the middle of the AFL and rugby finals in the middle of September to try to minimise media scrutiny about the bad decisions that are going to be in this budget.

Make no mistake, Madam Speaker, this budget is going to carry a lot of bad news, and it is going to carry a lot of bad news for South Australia for the very simple reason that the government has been a very poor manager of the economy; a very poor manager of the budget. I will walk through some of the issues where I think the government has been a very poor manager over a long period of time. Let's walk through them one by one; let's look generally at the economic issues.

Under this state government, since coming to government, the percentage share of the national economy that the South Australian economy makes up has actually declined. Our share of the national economy has declined from 6.8 per cent to 6.5 per cent over the term of the Rann government. Our economy, as part of the national economy, is not growing; in fact, it is declining. So, our relevance as a state to the national economy is becoming less, and that is reflected in jobs growth.

The state government has put out this grand vision of having 100,000 extra jobs by 2016, conveniently, two years after the next state election, as a measuring point. It has also announced in the Governor's speech that there will be 100,000 trainees over the similar period. The question is:

how many of the 100,000 trainees, mainly being funded by the federal government, are going to be counted towards the 100,000 job target being promoted by this government?

The reality of jobs growth is that, if South Australia had kept pace with the national jobs growth, we would have 25,000 more jobs in South Australia. So, while the Rann government runs around saying what a good job it has done in relation to jobs growth in South Australia, the reality is that it has delivered 25,000 fewer jobs than it should have had we just kept up with the average throughout the rest of Australia. I think a fair question the taxpayer can ask this government is: why should South Australia accept a below average performance?

Another area where we are below average is in relation to business investment. South Australia had 7 per cent of national business investment when the Rann government came to office in 2002. We now have only 5.3 per cent of national business investment. So, the message there is that not only are we behind in the number of jobs we are also behind in business investment.

My colleague the member for Waite has made some good press releases lately about the level of exports. The level of exports in South Australia is declining. The value of South Australian exports has fallen from \$9.1 billion in 2001-02, when the state Liberals were last in power, to just \$7.9 billion, and that is without any adjustment for inflation; so, the real value of that would be even less. The reality is that South Australian exports have gone backwards at a rate of knots under this particular government. We can only hope that the self-professed world's greatest agriculture minister can turn that around, given his vast expertise in the matters of locusts and crops. The reality is that business investment has declined, jobs growth has declined, our share of the national economy has declined and our level of exports has declined under the Rann government.

Another issue is our population growth. Mr Rann and the government have been running around supporting a two million population target but the reality is that our population growth over the term of the Rann government has declined. There are a number of figures showing that the Rann government is under-performing compared to the rest of the national economy.

The Rann government quite often makes a comparison between its term of eight years and the previous Liberal government's term of eight years. I want to remind the house of two key issues in relation to the difference between those two economies. The Rann opposition spent over 500 days delaying legislation to sell or lease the electricity assets in South Australia to pay off the State Bank debt. Labor policy was that it did not want the State Bank debt reduced by the sale or lease of the electricity assets. The government also campaigned actively against the GST. These great economic managers who sit opposite would have you believe that they could produce the level of service that is currently being produced in South Australia if they had kept the State Bank debt high and not had the GST revenues.

It is obvious to everyone who has followed this matter that those two key decisions by the Liberal Party (both state and federal) have transformed the South Australian economy. They are the two basic key decisions that have transformed the South Australian economy. It is unrealistic to compare the past eight years with the previous eight years to a degree, because the circumstances are significantly different due to the revenue streams flowing into the government (and I will come back to that later) and also the level of debt that the previous government had.

When we look at the Supply Bill, I think it is fair to look at the performance of the government in a whole range of areas. The taxpayers can ask themselves, 'What do we believe about this government? What do we believe when this government says anything?' This government has a history of making very grand announcements and then walking away from them. I still remember the grand front-page announcement about what I think was an \$800 million expansion of the Mount Bold reservoir—nowhere to be seen. I remember Premier Rann's front-page announcement: 'We're going to bulldoze bikie fortresses'—yet to be seen.

I remember the pledge card about lower electricity prices and water prices. In fact, water prices are going to double under the regime of Mike Rann. The government talked about an underpass at the intersection of South Road and Sturt Road, adjacent to my electorate—not to be seen. There has been talk about underpasses along South Road, beneath Port Road and Grange Road—not to be seen. There was an announcement of a tramline to North Adelaide—not to be seen. There was the promise of a solution to the Britannia roundabout—not to be seen. There was a front-page promise of prisons at Murray Bridge—not to be seen. There was the promise of a FIFA compliant Adelaide Oval for only \$300 million of South Australian taxpayers' money, or \$450 million total cost.

Forgive me if I do not put a lot of faith in what the government says it is going to do. My advice to South Australia is that the only time you can believe that the government is going to deliver something is when you see the first brick go down. Up until then this government will flip and flop all over the place. It simply reacts to the political polling of the day and whatever will deliver a political result the government will deliver. It may not be in the best interests of the state but if it is in the best interests of the Labor Party then it will certainly change its position to deliver it.

During the last election campaign, one only has to look at the number of times that this government simply matched the opposition's promises. In fact, there was a press release put out about following the leader and how the Labor Party was following the Liberal leadership at the time.

I can remember when we announced the desalination plant the minister in control of SA Water at the time (Hon. Michael Wright) said that we did not need a desal plant; it was way too expensive. Of course, we were promising a \$400 million desal plant, half the capacity of the one which the government is building but, apparently, that was too expensive and it was not needed. The government saw the polling and instantly changed its position some months later to announce it would build a desal plant, twice the size of that promised and, indeed, more than twice the cost.

You could look at the promise of tasers for police officers where the government copied the opposition. You could look at stormwater re-use and aquifer recharge where the government has copied the opposition's policies. Even in relation to the easing of water restrictions they copied the opposition. In relation to funding for Magill Training Centre and the argy-bargy about that issue, it followed the opposition. The whole Adelaide Oval debate is because the Liberal Party put on the table the issue of an inner city stadium.

This government has simply followed public debate and matched the opposition in a range of areas. Madam Speaker, you have to ask the question: what is its vision? What is its strategy? After eight years in government, can anyone write down what this government stands for, its vision for the state or metropolitan Adelaide? The answer is that you cannot write down the vision because it keeps on changing.

We were going to have \$100 million put into Football Park two years ago, because at that stage the government believed in a two-stadium strategy. They said they would put \$100 million into Football Park to upgrade the venue for football and they put \$25 million of state government money into the SACA stadium to help upgrade Adelaide Oval. Just two years ago this government was saying to all South Australia, 'We are going to have a two-stadium strategy.'

Well, guess what, the polling went pear-shaped for them. People liked the idea of an inner city stadium. All of a sudden the state government's vision for South Australia has changed. Apparently, South Australia will now be the only state going forward with a one-stadium strategy. We will have football, cricket, rugby and concerts at Adelaide Oval, if you believe the Treasurer. There is nothing new about cricket, rugby and concerts at Adelaide Oval. There is actually nothing new at all in that.

What is new is that this government's vision for South Australia is that over the next 20 years we will have just one stadium. Can members name another state with only one stadium? Every other mainland state has two stadiums, and I could even mount an argument that Tasmania has a two-stadium strategy with Bellerive for cricket and the football oval in the northern part of the state, but not South Australia. Apparently, this government's vision is a one-stadium strategy.

I mentioned the election and what you can and cannot believe with the Labor Party. We have to go back to a simple document; that is, the Labor Party's costing document at the election. It was a two-page spreadsheet signed off, essentially, by the Treasurer's own staff. I am sure that the South Australian public had a lot of confidence in a two-page document setting out the costings for the next four years, independently verified by the Treasurer's own staff. It was a laughing stock, and I guess it shows the level of arrogance this government has towards the electorate. In the last days of the election it did not put up any independent costings, as we did, but, rather, it put up costings delivered, essentially, by the Treasurer's own staff.

There has been some comment since the election about the level of GST that the state government is getting. There have been media reports that the state government will get a touch over \$700 million extra. I advise the house that the 2010-11 commonwealth budget substantially increased the GST revenue South Australia is expected to receive. The 2010-11 commonwealth budget increases the amount of GST to be provided to South Australia by \$1.7 billion. The state government will round that down for adjustments they think will happen through various grant programs, but the reality is that the commonwealth budget shows not that we are getting

\$700 million more in GST revenue but, rather, \$1.7 billion over the forward estimates period for the increase in GST.

I mentioned earlier the lack of control by the state government over economy and budget, and I want to talk about budget matters generally for a while. We now know, of course, that it has been independently verified by two sources: the Commonwealth Grants Commission and the Institute of Public Affairs have now confirmed that South Australia is the highest taxing state in Australia.

So, we are below average on exports, business investment, population and a whole range of other areas, including our share of the national economy. We are below average on all of those, but, Madam Speaker, guess the one thing we are above average on: the one thing that South Australia is above average on is our tax take. We are the highest taxing state in Australia. Why should South Australia accept a below-average economy and an above-average tax take? Why should we accept that? The reason we have it delivered to us is that this government is a poor manager of government services.

You have to go no further than the government's own record and what it proposes to do. What the government proposes to do is cut \$750 million out of government expenditure—or, through increased taxes, gain it through revenue—but it has to find \$750 million through its Sustainable Budget Commission. The reason it has had to cull \$750 million is poor management. After eight years in government it has come to the people and said, 'We have the got the budget in such a mess that we have to cull \$750 million from it.'

If you want some examples, you need to go no further than the Public Service itself. The Public Service has increased by about 10,800 positions above budget and outside of areas that we call sensitive areas, such as police, nurses, etc. There are about 10,800 extra public servants at a cost of around \$700 million per year. What this government has done over an eight-year period is take its eye off the ball management-wise. The Public Service has increased, and it is now at a point where it will have to cull \$750 million out of the budget, and that is why I go back to my initial remarks: the September budget I think will be a very tough budget for South Australia.

However, we should not think that the level of savings or increased revenue measures will just be \$750 million. It will be more than that. We are all aware of the shared services concept (centralising services and somehow saving money), and we are aware of other savings measures announced by the government that have yet to be fulfilled. The Treasurer, I think it is fair to say, has indicated that the savings target is no longer just \$750 million but about \$1.2 billion.

So, why do we have the budget delayed until September? There are two reasons: the budget is delayed until September so that the government can hide the bad news among the football finals—and, possibly, the federal election but, certainly, the football finals—and it has to work out how it is going to make this \$1.2 billion in savings.

I mentioned that South Australia is the highest taxing state in Australia, and I want to touch on a couple of examples. Credit goes to the former shadow treasurer for his work in this area, but the Liberal Party announced during the election campaign (in about October, I think from memory) that we would lift the threshold on land tax. There was a lot of angst in the community about land tax. In June 2009, of course, the Treasurer was saying that, given that we were running budget deficits, there was no room to change the land tax provisions. He said on 5 June:

You look at land tax. It's now the No. 1 tax issue in terms of tax agenda. I've had to have a good look at the state's finances. The fact we are running deficits this year and next, it would not be a financially responsible thing to do.'

So, what happens? Typical of this government, it looks at the polling, land tax is an issue (particularly through the eastern suburb seats of Norwood, Morialta and Hartley), so the government changes position. Even though it was still running deficits at the time, even though it is still proposing a deficit next year, it decides to change its land tax policy.

It comes to this: at what point do you believe the government? Do you believe the government when Kevin Foley says, 'We won't change the land tax provisions because we are running deficit budgets,' or do you believe Kevin Foley when he then changes his position some months later down the track? It is a habit of this government that it says whatever it has to say to get it through the media conference that day. The Liberal Party, being the party of low tax, moved the agenda forward and promised land tax reform. The government then announced its policy. We have matched that. We are debating a land tax bill later this week, and the Liberals welcome the changes to the land tax.

We also welcome the government matching us on our payroll tax announcements. We announced taking payroll tax off trainees, apprentices, etc., and the government has matched that after eight years in government. The problem has been there for eight years, but only when the Liberal Party promises it does the government then act. I know and the government knows that it was lobbied pillar to post by the various employment group training schemes that said, 'If you got rid of this payroll tax provision, we would improve our employment of apprentices by about 10 per cent,' was the advice to us. But why did it take the government eight years to react?

There have been some major announcements since the election, and I want to touch on just a couple of them; one is the rents resource tax. While it is not directly a state tax, the mining royalties are, and that would be covered by the matter of supply. The reality is that this Treasurer, our Treasurer, made the assumption that the rent resource tax proposed by the Rudd government was the same as the rent resource tax applying to offshore mining investments. We know that because he told some radio listeners that some weeks ago.

It is a staggering admission from the Treasurer to say that he assumed that it was the same as the offshore provision given that, when the health reforms were debated, they were briefed at the COAG meeting about the Henry tax review. How did our state Treasurer get it so wrong on the rent resource tax? Asleep at the wheel, concentrating on other issues. But in terms of the single biggest development in South Australia, the Roxby Downs development (which we all know premier Rann lobbied against for years, and now he is in government he is supposedly a strong supporter), when the rent resource tax was proposed, the Treasurer of the state assumed that it operated differently than it does.

I cannot believe that they did not ensure they were properly briefed from day one and had a clear understanding of that issue. My prediction to the house is that prime minister Rudd will back down on that tax; he will significantly change that tax. It is a classic example of the Labor Party announcing a decision, consulting afterwards, finding out the bad news and having to backflip, and members can understand why people have lost confidence in the Rudd government, given its continual change of position.

The other issue I wish to tackle is the new health agreement. I wish to tackle only one issue on that today; that is, this principle that the state will hypothecate, essentially, about 30 per cent of its GST revenue. I think that personally this is a very bad precedent for state governments to adopt. I think that the Western Australian model achieves the same outcome essentially but delivers more independence for the state.

The problem I have with the government's position is that, once you hypothecate it for health, when the federal government comes to you about the environment, education or mental health, or whatever the politically popular agenda is in five years by whatever centralist prime minister happens to be in Canberra at the time, you have given up the principle that the states are not prepared to hypothecate the GST. The states fought hard for the GST. It was always a windfall gain for the state parliaments to have some independence about some money they could spend on programs they wanted. I think it is a bad precedent to set; that is, the hypothecation of the money with regard to the health fund.

The other issue is the mixed message from the government. The Premier said that none of this money in the new health arrangement would be going to the new hospital—none of it at all. 'We've negotiated this brand new deal but nothing is going to the capital for the new RAH.' Then, about three weeks after the announcement, out comes the backflip, out comes the change of position—and guess what? Apparently the state government is going back to the commonwealth to see whether it can negotiate some capital for the RAH. Again: tell the public one thing, change your mind and try to renegotiate your position.

The last thing I will touch on is the Adelaide Oval stadium. I want to make some comments in relation to this because I think it is an issue that warrants particular attention, given the public debate we are having. I want to make some comments to the South Australian football community. I declare that I am and always have been a member of the Sturt Football Club as a past player. I have a son who plays for them. Members of the South Australian football community are contacting us on a regular basis. That has increased greatly in the last few weeks, given the confusion. The football community is very concerned that the government is using the South Australian football community and setting this project up to fail, and then it is going to use the South Australian football community to wear the odium. That is what the football community is concerned about.

There are a number of conditions that football requested in this particular project that the government appears to be walking away from. One of them was that the football community would control the stadium for six months of the year during the football season. We now know that the stadium management authority is going to manage the stadium, not the football community, during that six month period. The football community entered the debate on the basis that there be no extra cost to them. No; they would not be responsible for any budget overrun. Yesterday, the statement to the house said that the government is putting in \$535 million and football and cricket will be responsible for the budget overrun. That is not how football entered these negotiations.

My understanding is that there was an agreement from football that they would enter negotiations on the basis that there was a car park facility for 3,800 car parks. This morning the Premier is saying, 'There is no car park.' My question is: is the government setting this project up to fail and is it going to let football wear the odium? That is football's concern. My message to football—and I have been involved in football since 1976 at the SANFL level—

Mr Kenyon interjecting:

The Hon. I.F. EVANS: Premiers, Tom. My message to football is: if whatever the government is offering you by way of the new deal at Adelaide Oval is not in the best interests of football, walk away, because the taxpayers will not blame football. The taxpayers, quite rightly, will blame the government. Football should not fear the government's promise that it will not put money into another stadium. They should not fear that threat because the record of this government is, if the polling shows it is popular, it will change its position and fund it. Evidence: only two years ago this government was saying to this parliament, 'Football Park is the future of football. Football Park is where it is all going to be. We are going to spend \$100 million and upgrade it.' There were trams heading down that way, if I recall. The government had the vision for Football Park. Let football be under no misunderstanding about how this government operates. It may well say one thing today, but do not think for a second it will stand by it tomorrow.

The Hon. S.W. Key: We love football.

The Hon. I.F. EVANS: The member for Ashford said, 'We love football.' The reality is that it is the government's decision to do what it is doing. I make the point to the football community: you will only get to make this decision once. Don't get locked into something that you are not convinced is in the best interests of your sport. I remember the division in the 1970s when they decided to go down to Football Park. I remember the hard work that has been done over decades building that facility.

The government, for crass political purposes, should not come crashing in over some sport just for the base political purpose of gaining a vote. The votes happened, you have government, that does not mean that you have to trash the sport. I say to football: have the courage to make one decision and one decision only, and that is, if it is not in the best interests of football, walk away; walk away with your head held high because you have acted decently and honourably in the negotiation. It is not football that has changed the rules: it is this government.

The great fear in the South Australian football community is that this government is setting them up to take the fall if the project does not go ahead. That is the fear in the football community, and I say to them: have the courage to make the decision that is in the best interests of football; the taxpayers will not blame football. In time, this government will come back to the negotiating table and renegotiate yet another deal.

I do not believe for one minute the government threat that it would not put money into another stadium. I am still looking for the Mount Bold reservoir expansion; I am still looking for the prisons at Murray Bridge; I am still looking for the \$100 million the government was going to put into Footy Park. This government changes its mind every day of the week, depending on which way the polls blow. The football community can have confidence that the only consistent thing about this government is its inconsistency.

I do not wish to hold up the house any longer. We are supporting the Supply Bill because we accept the fact that the public servants and government programs need to continue, but I think it is a disgrace and damn near an abuse of process that a government that has been re-elected needs another six months to sort out its own mess and bring down a budget in September for scrutiny, at the height of footy finals. I think it is treating the South Australian public with contempt.

The Hon. R.B. SUCH (Fisher) (11:57): I rise to support the Supply Bill because, as we know, we need to pay our public servants, and others. The first point I would make is that it is

concerning that this government—the recently re-elected Rann government—seems to have run out of puff; it has lost its mojo, in my opinion, and I am not talking about the Austin Powers type of mojo, I am talking about the magic power or spell. There does not seem to be any excitement, or vision, or passion, coming out of the government, and that is despite some additions or incorporations into the cabinet. Hopefully the Attorney-General and some others will, over time, reinvigorate this government because, in my view, it has come almost to a grinding halt.

In terms of specifics of finances, I have an uneasy feeling about the forthcoming budget. I have this feeling that we are in for a rough time with the budget, which will come down at about the same time that Carlton will win the premiership, and I say that as a long time supporter of the mighty blues. This concern is reinforced, I think, by what we are seeing in relation to promises and projects which are being adjusted or not proceeded with. It is unfortunate—it is a consequence of the election—that the budget is so far into this year. The year will be almost over by the time we get to have a look at it.

We have a Sustainable Budget Commission, and I think it is incumbent on anyone who uses that term to define what they mean by 'sustainable'. It has become a buzzword. When I go to functions and people use that word, I have a habit of asking what they mean, because they rarely define it. If you look at the linguistic origin of 'sustainable', it really means 'to hold up'. You can sustain things and you can have different categories of sustainability and I am not sure, when they are talking about sustainability, whether that is going to sustain the Public Service or what is going to be sustained.

I am not in favour of across-the-board cuts. I think it is a lazy way of going about things and I hope we do not see a simplistic across-the-board cut to all agencies, because I do not think it is the way to go. I think you have to be more disciplined, more focused, and look at programs and activities that warrant continuance or expansion or those that need to be deleted. So I hope that we do not get this 3 per cent, 5 per cent cut across all agencies—that is not likely—or across many agencies or some agencies. I suspect the agencies that will cop it will be those other than health, and so we will see areas like the environment and agriculture cut again.

I do not claim to be an expert in agriculture, but I take a keen interest. On my right I have one of our leading stud breeders—that is in sheep I am talking about; I should qualify that. Cutbacks, not only at the state level but at the federal level, in research and agriculture concern me. I mean, if we ever want to lead and continue to lead in areas of agriculture and horticulture, you have to invest in research and you have to invest in on-farm support and programs. However, what we have seen in recent years at the federal and state level is a gradual diminution in support for fundamental research. If you drive through the state, you can see research centres that have been given the rough treatment and scaled back.

Members need to realise that we are now importing more fruit and vegetables than we are exporting and we are importing half our fish. That is not a very good indication of a society (an economy, a community, a nation or a state) that is committed to being a major food producer. The way we are going—I think Dick Smith is probably stretching it a little bit, but he is indicating we will not be able to feed ourselves. I do not think we are anywhere near that point, but I think we have to be careful that we do not allow expertise in agriculture, and our skills and so on, to diminish over time. I know the government does not have many members in rural areas, but I do not think that is a reason why they should take it out on agriculture and horticulture in terms of not funding adequate and appropriate research.

I remember the Premier saying a few years ago that he was going to take the sword or the axe to unnecessary committees. I have not seen any recent reporting on that, but I would argue that the state government has many committees that are probably not needed in their current format. I have raised questions about committees like the Dog and Cat Management Board. That is just one, but there are dozens of them. I think it is time the government had a close look at whether we need all these so-called advisory committees. Sure, you need some, but if you are going to have them, have the right ones and have them properly resourced and make sure they do the job.

I think there are a lot of savings that could be made in education, particularly in head office. Clearly you need some coordinated approach in terms of what is offered by way of curricula and so on, but I think our state school education system is far too centralised, far too strongly dominated by our city-based Flinders Street empire. If you give authority and more autonomy to principals and governing councils (which means the parents), you do not need that centralised administration controlling every aspect of what a school does or does not do.

You only have to look at the Building the Education Revolution, which is federally funded but administered through the state, to see that the Catholic system and the private school system have got better value for their projects and finished them well ahead of most of the state schools because they have been allowed to commission their own architects and project managers and get on with the job and get it done.

In fact, I think I have been invited to two private school openings of buildings that are coming up shortly, while the state school system is being forced to drag the chain. This is not a reflection on Rod Hook, as I think he is a fantastic operator, but when you have a centralised system you run into incredible delays and added expense. I think that has been shown with the BER program as administered by the state government.

There are savings to be made. I am not advocating a system where you do not have some monitoring of what happens in state schools; of course you need that. We have it for Catholic schools and for independent schools now. A similar system could operate for state education. I have said it before and I will say it again: if the state school system is not revitalised and parents are not given a real chance to run the school in conjunction with the principals, I think that, in the city in particular, the state schools will gradually wither away. I do not know whether that is the agenda, but that is what will happen.

While I am talking about education, I am passionate about TAFE. However, what I have seen with TAFE during the last decade or so has been happening for over 20 years. I used to have great battles with the treasurer, Stephen Baker, who argued that TAFE was overfunded; I proved that it wasn't. TAFE is a very important powerhouse for skills training in this state, but it has been more than muled: it has had some other parts of the anatomy taken away so that it is nowhere near the organisation it was.

TAFE used to make a significant contribution in engineering and a whole range of areas. It has been neutered in many ways, and I think that what has happened to TAFE has been unacceptable and that the priorities need to be revisited. This is despite a silly mistake made by John Howard when he created technical colleges to compete with TAFE on the false basis that the union in TAFE was difficult. They were never difficult in South Australia: they were very constructive, in my view, and I never had a problem with them when I was the minister. We now have a duplicated system when we could have had a much better funded TAFE system, which is what we should be aspiring to.

In regard to health, I think that the bureaucracy has grown. I note that the Minister for Health announced recently that he is going to trim some positions out of health in the administrative area. I think that there needs to be a close look at a lot of those positions. In talking to clinicians at the Royal Adelaide and elsewhere, they tell me that nearly everything they do is bogged down with internal bureaucratic controls and restrictions.

Clearly, you need some people to administer, but I think that, if you look at the Royal Adelaide, we have gone from a situation where you used to have a director of nursing to an army of people—and I am not picking on the Royal Adelaide specifically but just using it as an example—who are involved in health administration.

I notice that in New South Wales and, I think, in Queensland too, they did an analysis and found that there were more administrators in the health system than actual practitioners—nursing, medical staff and so on. I have not looked at the figures here, but one of the issues I have long argued for is that the Auditor-General, in doing the annual analysis for departments, ought to be looking specifically at how many people there are in the front line.

Whether or not people spend their money correctly for the tea fund I do not personally care too much about. I want to know how many police, nurses and doctors are in the front line. However, the way that the Auditor-General's report comes to us now, we do not really get to know the precision that is needed to make a proper judgment about those things.

The health issue is fundamental because if we do not get a handle on it—and when I say 'we' I mean collectively the parliament, the government, the whole caboodle—we will not have enough tax dollars in the future to deal with health issues. As I indicated in this place recently, I am pleased that the health minister and his department have really taken on board the notion of preventative health. He would argue that they have always been focused on it, but he and his department have indicated to me that he is now prepared to look more vigorously at in situ preventative health checks for state government employees. That is not only good for the individual

it is also good for the taxpayer, because a lot of money will be saved if people can be prevented from going into hospital, and so on.

So if there is one message that needs to be adopted it is that of preventative health. The state government needs to push this as hard as it can, from the early days at school, from birth (a program of checking newborns was adopted by former minister Lea Stevens). Preventative health needs to be extended and expanded right throughout the school system and, indeed, into the workplace so that people can pick up health issues early and have them dealt with.

In terms of law and order, we still hear too many examples of people in the community doing things of a criminal nature. The government says that it is tough on crime, but it does not seem to be as effective on crime as it should be. Graffiti is as bad as it ever was. People coming into Adelaide on the interstate trains must think we are a mob of hicks. I do not know whether the Premier or the ministers of transport or tourism ever get out and have a look at what those tourists see, but tourists coming in must think this is Hicksville. Wherever you look along those interstate rail lines there is graffiti and vandalism, you cannot read the timetables, things like that.

The government made a commitment, doing the election campaign, to help clean off graffiti but what we would like to do is clean up graffiti vandals. And we do not want people calling them 'graffiti artists'; artists do things legally and proudly show their work, they do not do it at three in the morning and vandalise the transport network as well as private and other public property.

This is a challenge for our new Attorney-General: I believe our courts system needs a fundamental overhaul, and I also believe that there is an opportunity to not only save money but also increase the opportunity for justice in our system. It is a very expensive system, and I think there needs to be a focus on some of the procedures there. I will have a lot to say about that in a month or so after my case is finalised; however, I think there is an opportunity for the new Attorney-General to really look at how the courts could be improved.

Some of their facilities are inadequate. There was a joke the other day about a judge and a convicted criminal being in the same lift; it was only a joke because I think they use separate access and egress facilities. I have not had the pleasure of looking around the Supreme Court—I do not particularly want to—but I am told that some of the physical surroundings there are not too good. However, in a time of priority, and given my fears about the budget, I am not hopeful a lot will happen there.

In terms of transport, I am a great fan of the tram network. I would probably have preferred it to go to the eastern suburbs or other locations, but if a tram to the Entertainment Centre is the start of it going further west than that is fine. I think that in years to come people will look back and say that that was one of the best achievements of the Rann government, despite some people being critical of it and saying that it is a tram to nowhere. Well, if it is a tram to nowhere I am not sure why so many people want to get on it. In time people will say that that was one of the greatest achievements of the Rann government.

Members interjecting:

The Hon. R.B. SUCH: A lot more needs to happen in terms of public transport, not just expanding the tram network. I want to quickly raise a couple of other issues. I have previously raised this issue—and it is a financial matter—of expiation fees as they apply to pensioners and people on low incomes. I do not accept the government's argument that it cannot make adjustments to give those people some concessional benefit; in the age of computerisation I just cannot accept that argument. To hit pensioners and low income earners with huge expiation fees is unfair, and does not suggest a social inclusion policy. To me, it looks more like a social exclusion arrangement.

In respect of funding for the CFS, which is a local issue because I have been on the soapbox, I do not believe the emergency services levy has been fairly allocated to the people in the hills area—and I include the people from Tea Tree Gully right through to the electorate of Mawson. Those people are paying the same as those getting a full-time MFS service, and we are not advocating replacing the CFS with the MFS. The MFS backs up the CFS, but its vehicles cannot go off road.

People in areas from Tea Tree Gully through to Mawson are paying a very large contribution to the emergency services levy, and the figures that have been published in the *Hills and Valley Messenger* today—that they have calculated; they are not my calculations—reinforce the concerns of local CFS personnel that they are not getting a fair share of the

emergency services levy to the point that they cannot train people, and they do not want too many more recruits because they cannot afford to put a uniform on them. When you get to that situation I think there is something wrong in the funding allocation. The emergency services levy funds a whole lot of things, worthy though they may be, but when people are putting their lives on the line to defend areas in the hills right through from Tea Tree Gully to Mawson, it is only fair and reasonable that they be adequately resourced and supported.

In terms of stormwater use, some progress is being made down south. It is much more challenging, I accept, but I hope in a tight budget there can be some money for stormwater retention wetlands on the Glenthorne site, as well as revegetation because, as Professor Paton has pointed out, many of our birds in the Adelaide Hills are under threat and we need revegetation in areas like Glenthorne Farm, much of which is as bare as a baby's backside.

The last point I make is that, apart from a letter from the Premier's Department saying that the celebrations next year for our 175th birthday will be modest, I hope some money is put aside—and that needs to be done now—with planning in place by all government agencies. Let us celebrate and be proud of South Australia, of what we have achieved and what has happened here. I am surprised that the present government would not want to celebrate what it and former governments have achieved and what the community has contributed. Next year—and we cannot wait until next year to plan for it; let us get on with it now and put in some money for proper celebrations—let us show the world that we are proud of what we have achieved here and how we have led the world in so many areas.

Time expired.

Mr GRIFFITHS (Goyder) (12:18): When the member for Fisher approached me seeking an opportunity to speak, he said that he would be about 10 minutes, but he went a bit longer.

Members interjecting:

Mr GRIFFITHS: I know, I have been conned. Being too much of a gentleman sometimes gets you into trouble. It is a great pleasure to stand and speak on behalf of the people of Goyder and South Australia about the Supply Bill. I am a bit like the member for Davenport: I am rather intrigued about the timing of it all. We know the budget will be presented on 16 September. We know that after the 2006 election the budget was presented also in September. We know that tradition—certainly in the last eight years—has been that the budget is presented in the first week of June or so.

I respect the fact that an enormous amount of work goes in for the three or four months beforehand to ensure that budget bids from the various departments are considered seriously, and taken back to be renewed and reviewed in order to come up with a figure that allows the presentation of a budget that provides the services and infrastructure needed for our state. However, I seriously believe—and I support the member for Davenport in his comments earlier—that this budget should have been able to be presented far earlier than 16 September.

Election processes create time pressures—I understand that—but after some eight years in government, and with a variety of efforts in previous years to reduce costs through the Smith review and through dividends being required of, I think, one quarter of 1 per cent of departmental spend, at other times budgets have been brought down demanding significant dollar savings from within departmental expenditure.

In June last year, when the Treasurer walked in here and presented his eighth budget, he told us about the Sustainable Budget Commission—a group of people paid significant amounts of money per day, in some cases, to work with the challenge of trying to identify \$750 million in savings.

These people, it appears, have already reported on some level to the Treasurer. The Treasurer, in answering a question from the opposition in relation to the royalties taxation regime currently in place, stood up and, as part of his answer (especially as it relates to the federal recognition of his suggestion that South Australia was going to change its royalties regime), detailed the fact that the Sustainable Budget Commission was also here to consider revenue. It is not just expenditure but revenue also.

I still think that, in the fullness of time, after eight years of experience, with a government that understands the processes and a variety of ministers who have been there for some time and who also well understand the processes, there should have been the opportunity to present this budget in July of this year at the absolute latest.

That would have been appropriate because then there would have been an opportunity for the people of South Australia to ensure that the budget could be reviewed—a budget which will presumably again be at least in the \$15 billion range, given that last year's was \$15.05 billion. I am somewhat intrigued, though, that we are being asked to consider a one-page bill that allows for the expenditure of some \$5.22 billion in funds (approximately one-third of what the budget will be for the full 2010-11 financial year) without any knowledge of where that money is to be expended, what the priorities may be, where the real necessities exist and without the opportunity for debate to occur.

I am frustrated by that process. I understand that there is the traditional August break when the parliament will adjourn and many people will go back to their electorates, travel or do study tours and that sort of thing, but we are actually here to work on behalf of the community that put us here. That is why I believe that the budget should be presented far earlier.

If the election result had been somewhat different, I (and no doubt Isobel Redmond as the premier) would have demanded that a Liberal government present the budget far sooner than September. It would have worked as diligently as it could to ensure that that was actually achievable. History has told us that, in the 2001-02 financial year, when the Liberal Party was last in government, the budget was in the range of \$8.4 billion. History records now that the current financial year shows a budget of \$15.05 billion. That reflects an enormous increase in revenues, but also an enormous increase in expenditure.

The member for Waite, when he has spoken in the past, has referred to the fact that the Treasurer has a problem with expenditure and not with revenue. He has relied upon significant windfall gains from property taxation and, indeed, federal government grant revenues which I note have increased in the current financial year by \$1.2 billion alone, even in a difficult economic climate. That is why there is a significant jump in our budget.

However, budgets have to be responsible. They have to be framed in such a way that they reflect as accurately as possible what the revenue and expenditure will be and that is where I have had great frustration in the last four years since coming into this chamber and looking at the performances of ministers and governments where expenditure has been significantly above the budget provisions.

I know that there will be members from our side who will stand up and talk about the experience in the commercial world where that level of error would never have been acceptable. Nor indeed can it be when you work with public funds. Those funds, in essence, are more important because the 47 House of Assembly members and the 22 members in the Legislative Council are charged with ensuring that those funds from the public purse are spent appropriately. Unless we have that opportunity to review the budget, I think we are sadly failing the commission that has been granted to us by virtue of our election to this place.

There is no doubt that we are a state that has great potential in the future but, to ensure that that potential becomes reality, we have to put in place a set of policies that encourages investment and encourages business to be successful. Government policy will drive opportunity, but it cannot be a hindrance to it. That is my great frustration.

We have to ensure that the discussions we have, the legislation that is put in place and the policy adopted by the government provide the opportunity for hard work to be recognised, for enterprise to be rewarded and for people to have the opportunity to be successful in their business ventures and, in turn, have the opportunity to employ in numbers.

We have nearly 800,000 people in the state who are unemployed. There will be some challenges in future years to ensure that the workforce that we need is actually going to be available due to the significant numbers who will retire. That is why migration and population increases will be important factors for us. It is important that we provide that framework for businesses to be successful. That is why I have a lot of frustrations with the taxation imposts imposed on business in South Australia.

Much has been said in recent weeks about the federal government's super profit tax on mining. The uncertainty that has created around the nation is frightening, when you look at the share values that have been affected by it. I was listening to an economics commentator on the radio this morning, and he believes that the significant drop in the sharemarket, while also a result of overseas impacts (we understand that we live in a global economy now) is because of the uncertainty in Australia when it comes to mining investment driving down the willingness of people

to invest within that industry and, indeed, driving down the value of so many other businesses that are publicly listed. That is where government policy is absolutely critical.

If we look at state taxation regimes since 2001-02 until the 2009-10 financial year, the budget papers identify that there has been a 66 per cent increase in state taxation revenue. The Commonwealth Grants Commission reports, which are updated yearly, reflects also that South Australia regrettably is the highest taxing state in, I think, five of the nine key areas the commission reports on.

Mr Gardner: The IPA report.

Mr GRIFFITHS: The IPA report that came out just after Christmas 2009 identified again that South Australia was the state that makes it the hardest for small business to pay its level of tax because of the tax regimes put in place. It identified, I believe, that we were some 69 per cent above the land tax average for the nation when it came to our businesses.

Mr Gardner interjecting:

Mr GRIFFITHS: The member for Morialta refers to the fact that it is outrageous—and it is. There is so much media commentary about the fact that land tax is a serious disincentive when it comes to employment and, indeed, the willingness of people to own property. Media commentary constantly highlighted the fact that businesses were really concerned about their ability to retain their employment numbers because of land tax. The Liberal Party recognised that. On 9 October last year, after considerable debate in economically challenging times, we came out with a policy that we believed was appropriate to encourage people to invest in property and to give some 55,000 people some level of rebates by completely removing their land tax liability and decreasing the amount paid by people who own property above that \$250,000 threshold we proposed would be responsible for the payment of land tax.

At the time, the Treasurer came out and said that the Liberal Party was fiscally irresponsible, that the state could not afford that level of rebate and that we could not do that. But it is amazing (and I am sure that many others will refer to this) that, when polling starts to come out and you get closer to that electoral cycle and start to really feel the pinch at the boundary areas, when you know the marginal seats you have to win or, indeed, the seats that are swinging quite considerably, where for those people it is a really important area, the Treasurer finally is dragged into it. When he presented his Mid-Year Budget Review on 28 January, he told us about an increase in the land tax threshold from \$110,000 to \$300,000.

The Liberal Party came out and supported that because it was an appropriate move. It was a little better, as it turned out, than our proposal, but it is based upon a very different set of financial circumstances known to the state at that time. When we framed our policy and put it before the people of South Australia, we were not aware of the significant increases projected in GST income that was going to flow through. We have heard since then again—twice, as it has turned out—of significant further increases in the projections across the forward estimates of GST revenue. This is providing the opportunity.

But even then, when the Treasurer put out his figures, he talked about the loss to revenue from land tax of some \$52 million per year for the next three years. However, the budget papers from that mid-year review still identified that land tax revenue will increase during that same time by \$150 million. So, the Treasurer gives some back, but he pulls in a hell of a lot more. That is, I think, where people are shaking their head in wonderment. They want to operate businesses and they want to own property, but there are people out there who have been seriously scared off because of the fact that government policy is not encouraging it. That has to be a concern for all South Australians, and it has to be reviewed.

I also want to talk briefly about forward estimates on financial borrowings. There can be no doubt that \$6.8 billion is a significant amount in anybody's terms. The fact that the forward estimates identified that, at the same time as that \$6.8 billion liability is realised, it will have an interest cost of some \$711 million per year or, as the Leader of the Opposition says continuously, \$2 million per day in interest costs, and that worries people who understand the economics and the impact that will have on South Australia.

We did get to a situation only a few years ago when government debt was down to a very minimal figure. Significantly, it was created through the opportunity created by the Liberal Party making the hard decisions it did in the 1993-2002 period. I recognise that the treasurer got it down to a very low figure, but to allow state borrowings to get a back up to that \$6.8 billion, without

necessarily ensuring that the provision of infrastructure that is required is there, is frightening. All South Australians should have a perspective on that. They need to understand the impost that that interest cost will create upon them.

I just want to talk a little about things that are relevant to me. There has been much debate about the stadiums and the various proposals the Labor Party has put forward for Riverside West and, indeed, the government's counterproposal on 2 December of last year. I will go to my grave believing in the fact that we could have delivered a 50,000 seat covered stadium, incorporating 5,000 car parks, on the rail yards land for \$800 million. I believe in that in all sincerity.

It was a proposal that actually excited the people of South Australia. They wanted to preserve the iconic nature of Adelaide Oval. They respected it wonderfully for the cricket ground it provides and for the forum it also provides for SANFL football, predominately for finals. They wanted to ensure that South Australia was brought to the standards that exist in the other states of Australia and that we had a covered stadium that ensured that 50,000 people could sit in comfort at all times and witness our wonderful national game.

Yes, claims and counterclaims occurred. The government proposed that their \$450 million was all that was going to be put on the table and 'not a cent more' were the words we continually heard and that agreement had to be reached by 30 June, whereas we are out there trying to sell our vision for Riverside West, which incorporated the stadium and also the revitalisation of the Riverbank precinct to ensure that it became a place for people. That is what it deserved to be.

Again, the government has seen the wisdom in our policy announcements. They have put out some sort of vision that recognises the need to provide that as an open space opportunity for people and for some developments to take place. For us, it was going to be a mixture of developments, a lot of that funded by the private sector. We have certainly all heard of the fact that the casino was interested in a potential move there. The Entertainment Centre and the Convention Centre extensions, all of those things were a great opportunity for South Australia to move forward.

Regrettably, the result from 20 March removed the opportunity for the Liberal Party to provide that to the people of South Australia in the next four years, and it is a tragedy because the vision was an exciting one. Anyone who was able to witness the projections on what we intended to put there could only have believed that this was a state that was actually moving forward and that these were people who actually had a vision for our city and our state and who wanted to make sure that we lived in the best possible place.

We know we live in a great state as part of a great nation, but South Australia needs much more. Yes, our \$800 million proposal would have been delivered, whereas the government's comment now is that we are up from \$450 million to \$535 million with, potentially, additional money coming through from the federal government later on if the FIFA bid for the World Cup is achieved.

Discussions continue about the scope of the development—for example, whether car parking provisions are to be there and whether the SACA and if the SANFL have to put in more money forward. It has confused the issue so much that South Australians must be wondering, 'Why the hell did we vote for that Labor mob, because now they have gone back on their word? They are putting different figures out there. They had said not a cent more, but suddenly it has changed.' I will continually live with that frustration. I hope there is an opportunity to ensure that the riverbank precinct does become the exciting place that it should be and that all South Australians deserve.

I just want to build a little on some economic issues as they affect South Australia. I am very concerned, and I recognise that the shadow minister for industry and trade, the member for Waite, has been talking about export income being down, too, and lots of people talk about that because it is of great concern. In many ways, South Australia has built its economy upon its ability to export products, be they raw products from mining or from agriculture, or the value-added products that give us greater opportunity to employ more people. When you look at the significant drop in export income to our state over the last eight years, without adjusting for inflation, that is a real cause for concern to me.

If we also look at the fact that smaller number of businesses in South Australia are involved in the export business, my recollection is that the national figure is something like 14 per cent but that for South Australia it is more like an 8 per cent margin. That shows that there is a lack of serious encouragement from government to support businesses to make themselves export-ready or there is a concern about policies that are in place, or that we just have businesses that are not willing to challenge themselves to go to that next level of development to ensure that they have a

chance to become export ready and to be competitive, internationally and nationally, when it comes to the business and the products that they produce.

South Australia is filled with clever people who undoubtedly have this opportunity to do it. I have absolute faith in the capacity of our community to be willing to challenge itself to move forward, to grow its business opportunities and to provide employment chances to people, but we have to ensure that we create the forum, the skills set, the support base and the people within government who are challenged to ensure that every hurdle is overcome and that we have champions within government and the community to make opportunity become reality. That is what I really want to see.

Within the transport field there is going to be a need for a significant investment in future years for infrastructure: the Superway being constructed at a cost of, I think, \$840 million; the Northern Expressway about to be completed soon (and those people who drive on that road all the time will be pleased with that); and the announcement by both political parties during the election campaign for the duplication of the Southern Expressway, some \$445 million. All these infrastructure items are appropriate and necessary.

I am concerned about the long-term future of the South Road, involving some 22 kilometres in length; to construct a form of overhead superway would involve billions of dollars in expenditure. We have to ensure that we have the opportunity for improvements in our productivity by getting the infrastructure right and by ensuring that our transport options, including provisions for funding and maintenance of our road network, are there.

Anyone who drives extensively throughout South Australia will have frustrations everywhere they go. There are some great quality roads; I readily admit that, and I recognise the efforts of the Hon. Michael Wright, the former minister for transport. When he had responsibility, he invested some money on Yorke Peninsula, for which I am forever grateful, but there is a need to recognise that our regions need far more support, be it in road infrastructure, ensuring business opportunities, or general infrastructure development to support growth in the community.

I am lucky enough to represent the people of Yorke Peninsula, Adelaide Plains and the Copper Coast area. I am sure I heard the mayor, Paul Thomas, quote this yesterday: he has something like 2.4 per cent population growth per year—I think double the state's figure—and it is because people are making lifestyle choices. Unless the infrastructure is actually keeping up with the number of people wishing to locate there, we will have people thinking, 'Yes, I want to move to this area,' but they will go somewhere else where they think they are better served by a range of infrastructure provisions, whether it be roads or, indeed, hospitals.

We on this side have a great concern about the level of support that exists for the regional hospital network. The country health plan of June 2008 was a debacle. The government has revisited that and has put an enormous challenge in front of the health advisory councils to prepare a 10-year vision for health delivery in those communities. Those people, from the feedback I am getting, feel somewhat restricted regarding the supposed budget implications, and I have told the representatives I met that their challenge is to actually prepare a plan that ensures provision of the services they need. The debate about the money required for that purpose is to be held in another place. Overall, enormous challenges are facing our state. I believe that the next budget will be a difficult one also. I have no doubt that retail has suffered considerably in the last two or three months, and we rely upon a very strong economy for transactions to occur to actually drive government revenues.

Mr HAMILTON-SMITH (Waite) (12:38): This Supply Bill comes before the house at a time of mounting concern over the extent of European debt problems, which are just this week sending shudders through global markets, yesterday leaving Australia's sharemarket down by 3 per cent, a 10-month low. Interestingly, the S&P/ASX200 index lost 130 points in a single day to 4,265 points, with the broader All Industries down 126 points; energy and mining stocks worst off with sectors following by 4 per cent and 3.7 per cent respectively. This follows, of course, the first wave of the global downturn in 2008, which saw the most stunning revelations in this chamber by the Treasurer about impacts upon state revenues that have had ongoing consequences.

This Supply Bill comes before us at a time of considerable global and national uncertainty, which raises concerns about the security of revenues, but it also highlights issues to do with risks related to expenditure. Looking back over the last eight budgets, and looking forward to the ninth budget to be introduced by the Treasurer in this Rann Labor government, I observe that the government inherited a very good set of accounts indeed, considering the wreckage caused by

Labor and the basket case of a state it left in the early 1990s, following the debacle of the State Bank crisis.

After eight years of sound Liberal government, we fixed the books of account. The Premier and the Deputy Premier took over a very good show, indeed. Looking at each of those budgets, I must say that I think the Treasurer, in his first two budgets, did a reasonable job of getting a grip of the situation. I think he made significant economies and cuts, and prepared the state in productive ways for what could have been a period of sustained investment to actually change the structure of the state economy and position us forward.

Instead, the third and subsequent budgets saw the Treasurer and the Premier let out their belt as fast as they could swallow the cash. The government set about a course of increasing revenues through taxation exponentially and letting out expenses by hiring extra people, growing the size of government, and introducing a range of inefficiencies. As fast as that tax revenue fell over the counter at the Treasurer, he swallowed it and let out his belt. The result is that our relative productivity, our relative position to other states, is virtually unchanged or declining. Our share of the national cake is falling. Our slice of the national economy is winding back. The structural changes that were needed have not been made.

My colleagues the member for Davenport and the member for Goyder have covered a number of points, and I will just reiterate some of them. For example, the growing state debt that the Treasurer and Premier are accruing is heading towards \$7 billion, more in the out years, and, yes, that is starting to approach State Bank levels. Admittedly, as a percentage of GSP, it is not as severe, but the fact is that, instead of covering its expenses through efficient government and efficient management of the state's affairs, the government is again falling back to Labor's traditional backstop: debt.

Labor is going to reap \$591 million in state taxation revenue over the next four years—including an extra \$156 million in land tax revenue—above what was budgeted just last year, according to the Mid-Year Budget Review. We will have to wait for the Treasurer's budget in September, unfortunately, to see the current state of affairs. I note that, according to the Mid-Year Budget Review, we are now in a deficit on all three accounting measures. I have previously criticised the Treasurer for being in deficit on two; it is now a trifecta, with a net lending deficit of over \$1.5 billion, a cash deficit of over \$1.6 billion, and even a net operating deficit of \$174 million.

State revenues have increased by \$606 million in the 2009-10 budget, but spending has also increased, getting back to the point that I have consistently made to the house that this government does not have a revenue problem. Even during the economic crisis that we have just endured, and continue to endure, revenues have continued to grow, thanks to a profligate federal Labor government borrowing on behalf of the Australian people and throwing the money at state treasurers as quick as it can. Revenue has continued, and that has enabled expenditure to continue. We are living on borrowed time, thanks to this Premier and this Treasurer.

In this period, grants from the commonwealth have increased by \$1.2 billion (just from 2008-09 to 2009-10) from \$7.25 billion to \$8.45 billion. These commonwealth bailouts, as I have mentioned, have made the Rann Labor government far better off in net revenue terms. People need to be very clear on this. It is not, as the Treasurer would have us believe, that he is running a good show; it is, rather, that Kevin Rudd (the Milky Bar kid) is throwing money at the Treasurer faster than he can spend it.

A massive \$3.9 billion on top of that has been collected from state government revenue sources above and beyond what the government planned to collect. So, this Treasurer has consistently, over eight years, said, 'I'm going to raise X amount of dollars from revenue this year,' and consistently the figure has come up as X plus 10 per cent or X plus 20 per cent. He cannot even accurately estimate how much money he is going to get in from these profligate taxes each year, to the point that it is now \$3.9 billion since 2002. Even the Auditor-General remarked upon it in his 2008-09 report. On page 12, part C, he states:

Over the past six years the state government has received large amounts of unbudgeted revenues that have enabled net operating surpluses.

There it is, from the Auditor-General. Of course, part of the reason is the extraordinary hike in taxes: a 66 per cent increase in taxes over the last eight budgets. It is worth running through them. Despite the hailed reforms of payroll tax, there has been an extra 50 per cent of tax take—up from \$601 million to \$903 million in those eight years; taxes on property, up a striking 110 per cent;

taxes on gaming, 29 per cent; taxes on insurance, 52 per cent; and taxes on motor vehicles, a serious concern for all families and small businesses, up 39 per cent.

This government has been on a splurge, with a taxes intake of stunning proportions. According to the IPA, South Australia is the most severely taxed state for businesses, more harshly taxing than the basket case state of New South Wales. South Australia's businesses pay 4.8 per cent more state business taxes than the national average and 11 per cent above the tax liabilities seen in WA. The average business in SA pays over \$247,000 in state taxes and, according to the IPA, the average SA business land tax liability is 69 per cent above the national average and a massive 536 per cent above land tax liabilities in WA.

Why would you open a business in South Australia, when you can do it in WA and enjoy this type of benefit? That is why, under this Treasurer and Premier, work on the Northern Expressway is preoccupied with contractors who are outbidding local contractors from Melbourne, Sydney and Brisbane, because they have lower fixed costs in those states, and they can come in here and bump off our people, who are having to pay higher land tax bills, higher WorkCover bills, higher taxation at large, and get the work—our work, paid by our taxpayers—to build our roads and desalination plants. That is the effect that this government has had on small businesses and families in this state, through its mismanagement of the state's fiscal affairs.

An issue that should be brought to the house's attention is what is going on with water. We know that water prices are to be doubled and have increased already by 113 per cent under the Rann Labor government. However, the house needs to be reminded that since 2002-03 the total amount stripped by this government out of SA Water as general taxation revenue has exceeded \$2.2 billion. SA Water and water charges have simply become a cash cow for the government. When people pay their SA Water bill, 30 to 35 per cent of it is simply tax revenue to the government. Thank God they no longer run the electricity system, or the taxpayers of South Australia would have their pockets emptied at the same pace.

I want to turn my attention to Shared Services and other services that the government and the Treasurer proposed. They have consistently failed to meet their savings targets—and that is the Auditor-General talking. He says again and again in his 2008-09 report that savings targets have simply not been met. How on earth is this government going to find the \$750 million worth of cuts it hopes to identify and then execute it through the budget review commission? They have not been able to do it for eight years—the Auditor-General has confirmed that—and now they are going to identify \$750 million worth of cuts, and they say they are going to achieve them. Well, let's see.

The great mistake of this government, of course, back at the very beginning, as I said, was that as fast as they swallowed the cash they let out their belt. They hired all these extra people—nearly 16,500 of them. They grew the size of government and went to 15 ministers for the first time in the state's history, all of whom needed their shoes polished and their affairs attended to. Yes, we did hire some extra nurses, teachers, doctors and police officers—about 5,500 in accord with natural growth—but that does not account for the nearly 11,000 additional public servants employed under general administration. The problem here is that once you let go of the system, once you over-hire, as any business operator knows, it is hard to turn back the clock; it is hard to unscramble the egg.

I could go on about unfunded superannuation liabilities and the mismanagement of the WorkCover scheme. I could go on about so many things that this government has mismanaged but I will leave that for others in response to the Supply Bill. I simply say that this government and this Treasurer really do need to get a grip. This state faces very dire national and international fiscal circumstances at present.

Our exports have plummeted from over nine billion eight years ago, before this government came to office, to 7.9 billion today; that is a 23 per cent decline in the past 12 months alone. It is interesting to break that up. Meat and meat preparations are in difficulty; wheat is down 44 per cent in the past 12 months; wine is down nearly 13 per cent; wool and sheepskins are down 5 per cent; machinery is down nearly 3 per cent; metals and metal manufacture is down 30 per cent; fish and crustaceans are down 11 per cent, partly thanks to the new quota that the Rudd Labor government has agreed to for tuna fisheries; road vehicles, parts and accessories are down a stunning 84 per cent; petroleum—we closed Mobil—is down as well.

In other areas there is nothing but decline. Our exports are in serious trouble and with it there are problems with respect to jobs. This leads me to the observation that there appears to be two stories about the state economy at the moment: one story is very much a surface story about

stimulus spending—the building of school halls and other government and public investment, whether it is trams or roads—designed to get us through the current downturn. Combined with that there is the issue of historically low interest rates. Although they have risen, they are still at historic lows, and low fuel prices.

Those three things together have created a bubble in the state economy that has kept job levels at reasonable levels, keeping in mind that to be defined as employed you only need to have a job for one hour a week. There has been an enormous shift from full-time to part-time employment which has created a sense (a bubble) that things are okay in the state economy. However, when you look beneath that superficial story there is another story: a story of declining exports, the loss of Bridgestone, the loss of Mitsubishi and the loss of the Mobil refinery.

It is a story of declining employment in some of our core industry sectors. For example, in agriculture, food and fisheries the change in full-time employment over the past 12 months is down 9,400 from the period November 2008 to November 2009; manufacturing is down 13,900. Even mining has experienced a decline in jobs (2,900) and the retail trade has also deteriorated (9,800)—and this is in full-time employment. From November 2001 to November 2009 the figures are equally startling.

What we are seeing is a decline in full-time employment in some of our core industry sectors, those upon which we rely and which are being replaced by casual and part-time employment in stimulus-related expenses which largely relates to public investment. This is a worrying sign, because one asks what will be left when the stimulus funding ends and the interest rates and the fuel prices we currently enjoy rise—as will inevitably occur.

I have some comment to make about the next four years of fiscal management under this government. My first bit of advice would be to abandon the hospital project: it is not too late. This \$1.7 billion project as it is touted—I am sure it will be significantly more—is essentially a hire purchase agreement. We are going through a PPP process to finance this entire deal.

It is \$1.7 billion plus nearly \$200 million to clean up the site—call it a \$1.9 billion or \$2 billion hospital. I am sure that it will be much more at the starting point but, by the time we have paid for it 30 years later, it will be many billions more. Even the operation of the hospital is to be privatised and financed in what amounts to a hire purchase agreement. There is no revenue stream from it. It will be paid for from the health budget.

Members opposite on the government benches will be gone, the Premier will be the ambassador in Rome and the Treasurer—God knows—he will probably be in a bar in New York. I do not know where members opposite will be, but we on this side of the house will be trying to pay the bill out of money destined for doctors' and nurses' wages. I say to the government: don't do it, rebuild the Royal Adelaide Hospital.

By the way, do not give us one football stadium for the next 50 years; do not leave us with one stadium. Even though Melbourne has Etihad Stadium and the MCG, they have just completed a third stadium. It is not a vision for the next 50 years. We need a separate dedicated stadium at a separate site. It should be in the rail yards. If you must build the hospital, find another city site but, with the amount of money you are talking about, you can afford to give us a dedicated second stadium.

By the way, members opposite should think more in visionary terms about the future and deliver a budget in September that gives us a vision for the central business district of Adelaide, that gives us the prospect of ring roads around the city that are so desperately needed, that gives us a vision for the upgrading of the north-south axis from Wingfield to Victor Harbor so that traffic can flow freely and that gives us a vision for the state that includes regional South Australia.

Instead of focusing on trams, the government should think about our bus system and our broader public transport system. In fact, it should go back to all the things in the master plan for Adelaide that was announced by the opposition in February 2008 and give this state a future.

This Supply Bill finances a government that at the moment has no vision and, because of the things it has undertaken to do, stands to expose this state to extraordinary risks—risks which they will not have to deal with but which they will leave as wreckage for others to clean up.

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

[Sitting suspended from 12:58 to 14:00]

CHAMBER PHOTOGRAPHS

The SPEAKER: I advise members that I have authorised a photographer to take photographs from the Speaker's chair and the public and northern galleries for use in parliament's education and community education programs and on the Parliament House website.

VISITORS

The SPEAKER: I also acknowledge that we have some young students from Cedar College years six and seven. They are guests of the member for Torrens. We welcome them.

Honourable members: Hear, hear!

PAPERS

The following papers were laid on the table:

By the Minister for Sustainability and Climate Change (Hon. M.D. Rann)—

Climate Change and Greenhouse Emissions Reduction Act 2007—Government Response to advice received from the Premier's Climate Change Council Report

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

Death of—Joyce Millicent Wilman Report April 2010

By the Attorney-General (Hon. J.R. Rau)—

State Coroner—Annual Report 2008-09

Response by the Attorney-General to the Report of the Statutory Authorities Review Committee into the Inquiry into the Office of the Public Trustee

MAKING CHANGES PRISONER REHABILITATION PROGRAM

The Hon. A. KOUTSANTONIS (West Torrens—Minister for Industry and Trade, Minister for Small Business, Minister for Correctional Services, Minister for Gambling) (14:02): I seek leave to make a ministerial statement.

Leave granted.

The Hon. A. KOUTSANTONIS: Through measures such as more than 100 criminal law reforms and extra prosecutors, more criminals are going to prison, and there are now almost 200 crimes fewer a day compared to 2002. While the Rann government is proud of its tough law and order policies, it realises that the cycle does not end when offenders go to prison. That is why the government has been committed to having the appropriate rehabilitation programs in place to help foster inmates to learn from their mistakes.

The Department for Correctional Services provides an integrated and individual case management based approach to rehabilitation, across both custodial and community corrections. The 2009-10 budget allocates approximately \$30 million for rehabilitation and reparation. This investment and the dedicated work by the Department for Correctional Services has led to South Australia boasting the country's lowest rate of reoffending.

The Productivity Commission's Report on Government Services 2010, released in January, found that 32.2 per cent of criminals released from South Australian gaols were incarcerated again within two years, well below the national average of 39.3 per cent. The report also found that South Australia has the highest percentage of prisoners enrolled in education courses to improve literacy and numeracy. At 66 per cent, the participation rate is almost double the national average of 36.4 per cent.

South Australia also recorded the highest rate of prisoners in vocational education and training courses (49.2 per cent compared to the national average of 28.6 per cent) and participants in pre-certificate level 1 courses (13.8 per cent compared to 2.8 per cent nationally).

As Minister for Correctional Services, I am proud of these statistics. However, I know, and the government knows, that more can be done. As a result, my department has invested in the development of a new program called Making Changes, which helps contribute to public protection by further reducing the risk of reoffending.

Departmental staff have been provided with the training for the first phase of implementation, which began in community corrections facilities this week prior to the program being rolled out at Mobilong next Monday. The second phase of implementation will occur over the next six months and enable the delivery of Making Changes at additional prisons and community correctional centres in regional areas.

As part of the program, offenders consider the effects of their behaviour, including the perspective of victims of crime. Given the high proportion of offenders with drug and alcohol issues, the program has a strong focus on minimising substance use. In addition, the program includes managing impulsive behaviour, effective emotional management and relationship skills. The content of the Making Changes program has been devised and structured to achieve the following objectives:

- improving motivation and greater readiness to engage effectively in the treatment process;
- increasing the understanding of the relationship between substance use and offending behaviour;
- increasing the awareness of the impacts of substance abuse and/or offending behaviour on others, including victims;
- developing skills to assist in reducing substance abuse;
- improving offenders' problem-solving abilities and developing effective strategies to modify behaviour; and
- positively changing attitudes and beliefs associated with criminal behaviour and reducing the risk of reoffending.

Making Changes will target offenders assessed as being of moderate to high risk of reoffending. Offenders selected to go through this rehabilitation program will go through an initial screening process, which includes an up to five-hour assessment to determine whether the offender is suitable for this intensive program.

The program will consist of approximately 140 treatment hours across three intervention phases: a preparatory and motivational phase; a substance abuse phase; and a general offending phase. Making Changes will accommodate offenders with different learning styles, and it will focus on skills to manage the specific areas associated with criminal conduct. I understand that reports regarding participation will be provided to the Parole Board of South Australia and will be used to assist the board when determining offenders' conditional release.

The Making Changes program is similar to successful programs already operating interstate and overseas, and will complement two other moderate to high intensity programs that have been operated with positive outcomes within the department since 2004 for violent and sexual offenders. Making Changes has been developed by utilising the skills within the Department for Correctional Services who have the knowledge and understanding of the South Australian prison population.

Once the Making Changes program has been implemented across prison and community corrections sites, the existing core programs—including Anger Management, Victim Awareness, Alcohol and Other Drugs and Think First—will be phased out. Making Changes will be evaluated in a similar manner to the sex offender and violent offender programs.

I believe that this is a progressive (and members will not hear me saying that too often) and positive step for rehabilitation services in South Australia's correctional facilities. This program further demonstrates the commitment that this government has to the public protection through rehabilitation.

VISITORS

The SPEAKER: Before we go on to reports of committees, I acknowledge in the gallery the presence of the mayor of the Onkaparinga Council, Lorraine Rosenberg, former member from here, and the CEO from the council, Mr Jeff Tate. I also acknowledge and can see the Hon. Mark Brindal up the back there, are former member of this place. Welcome back.

LEGISLATIVE REVIEW COMMITTEE

Mr SIBBONS (Mitchell) (14:09): I bring up the first report of the committee.

Report received.

Mr SIBBONS: I bring up the second report of the committee.

Report received and read.

QUESTION TIME

ADELAIDE OVAL

Mrs REDMOND (Heysen—Leader of the Opposition) (14:11): My question is to the Treasurer. On what date was the Treasurer first aware that the \$450 million funding contribution announced on 2 December 2009 was going to be insufficient to deliver the proposed FIFA compliance stadium?

The Hon. K.O. FOLEY (Port Adelaide—Deputy Premier, Treasurer, Minister for Federal/State Relations, Minister for Defence Industries) (14:11): I have made that statement very clear repeatedly, both publicly and within this chamber that, over some time, some weeks—and I said this in my press conference today—

Mrs Redmond: Weeks?

The Hon. K.O. FOLEY: —over a number of weeks—in reports that I was given verbally, that there were concerns about the scope and the cost of the works. We continually requested that the SMA look at doing all it can to remain within the budget allocation that the government had provided, but about a week or so ago, it was clear that that was not going to happen.

Mrs Redmond: A week.

The Hon. K.O. FOLEY: It became clear a week or more—

Members interjecting:

The SPEAKER: Order! The Treasurer is answering this question.

Mr Williams: How many weeks before 20 March?

The SPEAKER: The deputy leader!

The Hon. K.O. FOLEY: I can say to the interjection of the member opposite that I was not made aware in any way, shape or form prior to the election that the 450 would not be sufficient.

Mrs Redmond: Did you ever ask?

The Hon. P.F. Conlon interjecting:

The SPEAKER: Order!

The Hon. K.O. FOLEY: Since the announcement, and particularly since the election, the SMA has ramped up in terms of the engineering, construction and architectural design of the stadium, and they have been liaising—

Mr Williams: Since the election, they've changed their design.

The Hon. K.O. FOLEY: No.

Mrs Redmond interjecting:

The SPEAKER: Order! We have one question at the moment.

The Hon. K.O. FOLEY: Madam Speaker, the leader is suggesting what did I know before the election. What we have said repeatedly is that the SMA, headed up and chaired by Ian McLachlan, who I understand the member for Norwood is very close to. I understand he handed out how-to-vote cards for you on the 20th.

Mr Marshall: You are so wrong; nowhere near it.

The Hon. K.O. FOLEY: Was it the member for Adelaide?

Members interjecting:

Mr Pengilly: We ask the questions.

The Hon. K.O. FOLEY: And you have been doing that for a long time.

Members interjecting:

The SPEAKER: Order, the members on my left!

The Hon. K.O. FOLEY: And you will be doing it for another four years. The government was given a figure from the SMA, chaired by Ian McLachlan and CEO, Leigh Whicker, together with Andrew Demetriou and his officers from the AFL. That figure was based on a number, I am advised, of \$10,000 per seat, and given what was already under construction in the western stand, that was a deficit of 36,000 seats—36,000 seats times the \$10,000 came to around 350, 360 million, plus the 85, got us to a figure of 450 million. Is that a reasonable way to calculate it, leader?

Members interjecting:

The SPEAKER: Order!

The Hon. K.O. FOLEY: I am advised by the SMA that is how they reached the figure.

Mr Gardner: You need a new whiteboard.

The Hon. K.O. FOLEY: Need a new whiteboard; rightio. I consulted with senior officers within government about whether that was a reasonable assessment as to what the cost would be, and they concurred in that at \$10,000 a seat, because that was what the cost of the western stand was. Madam Speaker, and to my colleagues on both sides of the house, how did the Liberal Party come up with its cost estimate? Because if you listen to the Leader of the Opposition, they had WT Partnership, the designers of houseboats.

Mr PISONI: Point of order: debate.

The Hon. A. Koutsantonis: Number. Give us a number.

Mr PISONI: Ninety-eight, minister.

The Hon. A. Koutsantonis: Give us a number.

Mr PISONI: Ninety-eight. Ninety-eight. Want it again? Ninety-eight.

The SPEAKER: Order!

Mr Pisoni interjecting:

The SPEAKER: Member for Unley will sit down. We have heard your point.

Mr Pisoni interjecting:

The SPEAKER: The member for Unley will sit down. The Treasurer will get back to answering the question.

The Hon. K.O. FOLEY: What I would say—

Mr Pisoni interjecting:

The Hon. K.O. FOLEY: I tell you what; the former member for Unley was much better at points of order than that, if we remember.

An honourable member: Not really.

The Hon. K.O. FOLEY: Not really. This is what the Leader of the Opposition said as to how she arrived at her costing of \$800 million for her stadium.

Mr PISONI: Point of order: this is debate. The question was about when the Treasurer was aware of the blowout in the Adelaide Oval.

The SPEAKER: Yes, I will uphold that point of order. I think I have been very generous with you, Treasurer. Would you like to conclude your remarks?

The Hon. K.O. FOLEY: As I said, in the process over some weeks since the election it was becoming apparent that this was going to be a difficult one to land at 450. This does need—if I do say so, in terms of context and fact—to be put on the public record.

Mr WILLIAMS: I rise on a point of order. I think the Treasurer has finished the question; I think he is going to sit down. He understands—

The SPEAKER: Do you have a point of order?

Mr WILLIAMS: Yes; the point of order was about relevance.

Members interjecting:

Mr WILLIAMS: No. 98.

The SPEAKER: The deputy leader will sit down now. Treasurer, have you finished answering the question? I did not think that was irrelevant, but have you finished answering the question? Obviously, you have.

OLYMPIC DAM

Mr SIBBONS (Mitchell) (14:17): My question is to the Premier. Can he advise the house whether the mine shaft at the Olympic Dam mine is being recommissioned?

The Hon. M.D. RANN (Ramsay—Premier, Minister for Economic Development, Minister for Social Inclusion, Minister for the Arts, Minister for Sustainability and Climate Change) (14:17): Obviously, Olympic Dam is very important to this state. Members would be aware of the catastrophic accident that occurred last October—catastrophic in terms of production, but thank God that no-one was hurt or killed. Just to put that into perspective, people would be aware that an accident occurred in October of last year that saw the system damaged and metal production at Olympic Dam cut by 75 per cent. This was in the Clark shaft.

The Clark shaft is fully automated, concrete lined and extends from the surface to a depth of about 860 metres and is seven metres in diameter. Ore that is crushed underground is hauled to the surface in two 36.5 tonne capacity skips, with a combined capacity of 1,375 tonnes per hour. Members of this house would be aware that the total ore production at Olympic Dam is in excess of 95 million tonnes per annum, and about 70 to 75 per cent is hauled from underground using the Clark shaft.

BHP Billiton advised the Australian Stock Exchange on 21 October 2009, that a force majeure had been declared on some uranium and copper sales contracts from Olympic Dam due to massive damage to the main ore haulage Clark shaft. I am very pleased to inform the house today that after many, many months of extraordinarily hard work by BHP Billiton and contractors, that BHP Billiton's Olympic Dam mine is heading back to full production, with hoisting from the Clark shaft recommencing in the last couple of days.

As we saw, the damage to the Clark shaft meant a reduction in Olympic Dam's production of around 75 per cent. That is a massive reduction in production over these many months. So over the last seven months an extensive repair program has been undertaken. Significant works underground in the shaft itself and up to the surface infrastructure have now been completed. This week small amounts of ore have begun to be hoisted by the Clark shaft system and BHP Billiton will continue to refine and recommission the system over the coming few weeks. BHP Billiton expects to return to normal operation by the end of the June 2010 quarter.

I was very pleased to meet with Marius Kloppers and other executives of both Olympic Dam and BHP Billiton's head office this morning. We discussed the resource rental tax and, once again, in a series of meetings we are very pleased to be acting as an honest broker with the federal government in order to ameliorate the impact on projects in this state.

ADELAIDE OVAL

Mrs REDMOND (Heysen—Leader of the Opposition) (14:21): My question is again to the Treasurer. Did the Treasurer has a briefing with the Stadium Management Authority in March prior to the state election?

The Hon. K.O. FOLEY (Port Adelaide—Deputy Premier, Treasurer, Minister for Federal/State Relations, Minister for Defence Industries) (14:21): I cannot recall exactly when I met with the Stadium Management Authority. I will check my diary and let you know.

ADELAIDE, ECO-FRIENDLY CITY

Mr PICCOLO (Light) (14:21): Can the Premier advise the house how Adelaide has scored in the world eco-friendly city index.

The Hon. M.D. RANN (Ramsay—Premier, Minister for Economic Development, Minister for Social Inclusion, Minister for the Arts, Minister for Sustainability and Climate Change) (14:21): I am very pleased to announce to the house—I am sure all members of the house will be delighted in this—that Adelaide has been named No. 1 in Australia and seventh in the world for being an eco-friendly city. The Mercer Quality of Living Survey 2010, released today,

placed Adelaide in the top 40 in the world ranking of 221 cities on 39 criteria, including political, socioeconomic, environmental, health, education and transport rankings.

But importantly, in terms of being an environmentally sustainable city, Adelaide came in ahead of every other Australian city and seventh in the world, ahead of Copenhagen in Denmark, Oslo in Norway and Stockholm in Sweden. The eco-city criteria are rated on factors that include air pollution, traffic congestion, water availability and also waste removal. This independent survey puts into context on a world scale what we have been doing in this state to promote a clean and green environment.

For instance, South Australia is the destination of choice for wind farm investments, which I am told have now exceeded \$2 billion in South Australia and before the end of this year will contribute 1,000 megawatts into our power grid.

A higher proportion of households in South Australia have grid-connected solar systems than any other state, helped by Australia's first solar feed-in legislation which pays a premium to consumers for household installations that feed excess power into the grid. We also have, of course, Australia's largest rooftop solar array on the Adelaide Showgrounds, which has now been declared a power station on the national system. We have made solar panels mandatory for all new and substantially refurbished government buildings from July this year.

We are planting a series of urban forest throughout Adelaide, including 3 million plants and trees under our Million Trees Program; 1.9 million have already been planted. ABS statistics show that in 2009 7,750 people in Adelaide were cycling into work each day—the highest figure for any Australian capital city and five per cent higher than the year before. There has been a 61 per cent increase in bike lanes and bike paths (now 777 kilometres worth) in and around Adelaide since 2002.

We have a \$1.8 billion desalination plant due to open at the end of the year that will be totally powered by renewable energy. We have an innovative \$2 million Building Innovation Fund designed to encourage building owners to use new technologies to reduce greenhouse emissions on commercial office buildings. Plumbed-in rainwater tanks are compulsory on all new houses, and SA already has the highest concentration of home rainwater tanks in the nation. The government is subsidising both plumbed and non-plumbed tanks.

Last year, SA became the first place in Australia to ban plastic shopping bags saving 400 million bags from being dumped into landfill and waterways each year. The state government is pushing ahead with a \$2 billion investment in public transport infrastructure to electrify our rail and tram system, an extended tram system as well as an extended train system.

SA is ahead of its target to have 20 per cent of the state's electricity supplies powered by renewable energy by 2014 and on target to reach 33 per cent of renewables by 2020. The state has the most decarbonised electricity grid in mainland Australia and has an international reputation for hosting renewable energy and leading in waste management and water conservation. It has the highest level of stormwater capture in Australia and many existing schemes for aquifer storage recovery.

South Australia has the highest level of waste water treatment and re-use in Australia. It is the leader in waste management and recycling through programs such as the nation's first container deposit legislation, with the deposit, of course, being improved, and so on and so on. I am sure that members opposite will now try to decry the Mercer index. I am sure that they will now try to talk down Adelaide, but the Mercer index surveys 221 cities around the world and we came in seventh in the world and number one in Australia. At least people on this side of the house will be proud of that.

Members interjecting:

The SPEAKER: Order!

ADELAIDE OVAL

The Hon. I.F. EVANS (Davenport) (14:27): My question is to the Treasurer. Can the Treasurer confirm that he had a briefing with Leigh Whicker and his team in the week prior to 9 March 2010?

Prior to the election on 9 March this year, on radio the Treasurer said, 'I had a briefing during the week with Leigh Whicker and his team.' In the same radio interview, the Treasurer said, 'I know what things cost.' The interview continued, and he said, 'What we are comparing is a new

stadium versus the upgrade of Adelaide Oval for \$500 million.' Does the Treasurer now concede that he knew the cost blowout before the election?

The Hon. K.O. FOLEY (Port Adelaide—Deputy Premier, Treasurer, Minister for Federal/State Relations, Minister for Defence Industries) (14:27): That is a rehash of a story that occurred during the election campaign.

Members interjecting:

The Hon. K.O. FOLEY: Yes, and I got bollocked from a number of sources. It was a Saturday morning interview, from memory, on the sports program and I used the figure '500' incorrectly. I do recall meeting—

An honourable member interjecting:

The Hon. K.O. FOLEY: I beg your pardon?

An honourable member: He said you look like a wedding singer with that suit on.

The SPEAKER: Order!

The Hon. P.F. Conlon: That's not what he said the first time. He hasn't got the courage to say it a second time.

The Hon. K.O. FOLEY: I look like a wedding singer in this suit?

The Hon. P.F. Conlon: That's not what he said the first time.

The SPEAKER: Order!

The Hon. K.O. FOLEY: Were you having a crack at me about fashion sense?

Mr PENGILLY: Point of order: I refer to standing order 141.

The SPEAKER: Please ignore the comments from members on my left, Treasurer.

The Hon. K.O. FOLEY: I think he said something else. I think he asked whether I was sober on the Saturday morning. I think that is what he said.

The Hon. P.F. Conlon interjecting:

The Hon. K.O. FOLEY: I think he did.

Members interjecting:

The SPEAKER: Order!

The Hon. K.O. FOLEY: Or did I have a hangover?

The SPEAKER: Order! The Deputy Premier will answer the question. Members on my left will be quiet.

The Hon. K.O. FOLEY: You are a nasty piece of work. We saw what you did to defeat the former member for Unley to get that seat.

Mr PENGILLY: Point of order, Madam Speaker. I again refer to standing order 141.

The SPEAKER: We will get back to the question. I will uphold that point of order.

The Hon. K.O. FOLEY: He wants to have a crack at me about my suit selection. Have a look at it. God! I accept that I had a meeting with the SMA. I never denied that I did. If it was 9 March, according to the deputy leader, it was 9 March. We did not have a discussion about the costs.

Members interjecting:

The Hon. K.O. FOLEY: We didn't!

Members interjecting:

The SPEAKER: Order!

The Hon. K.O. FOLEY: We didn't. Work had only—

Members interjecting:

The SPEAKER: Order! The Treasurer is answering the question.

The Hon. K.O. FOLEY: That was the beginning of the process. But, I will just tell you this: I got into trouble because I rounded off a figure—I said 500. I got a little bit of trouble from my own side, too, just quietly. It is the sort of thing you do not like to do in the middle of an election campaign.

The Hon. J.D. Hill interjecting:

The Hon. K.O. FOLEY: Pardon?

The Hon. J.D. Hill: Yours wasn't the only mistake in the election campaign.

The Hon. K.O. FOLEY: It wasn't the only mistake. It was not like in the last week when the member for Bragg, in her great press conference—and I did thank you on the night—at that Tuesday night press conference (and I don't think that was a mistake; I think it was totally designed) ensured that we on this side—

Mr PENGILLY: Point of order: relevance to the question.

The Hon. K.O. FOLEY: Then again, there was the—

Mr Griffiths: It's all spin.

The Hon. K.O. FOLEY: 'It's all spin', from the former shadow treasurer.

The Hon. P.F. Conlon: They costed the expressway from a *Messenger* article.

The Hon. K.O. FOLEY: That's it; they copied it from a *Messenger* article, and we never heard anything more about the Southern Expressway. They never even—

Mr PENGILLY: Point of order.

Members interjecting:

The SPEAKER: Order! The member for Finniss.

Mr PENGILLY: Relevance to the question, Madam Speaker.

The SPEAKER: Yes, I think it's time now that the Deputy Premier got back to the question. I think he is explaining himself, but he seems to be getting sidetracked somewhat—

The Hon. K.O. FOLEY: I apologise, Madam Speaker.

The SPEAKER: —and that is before the interjections.

The Hon. K.O. FOLEY: I apologise but, Madam Speaker, I am—

Members interjecting:

The SPEAKER: Order!

The Hon. K.O. FOLEY: I am a decent person with a heart, and I do feel for the member for Davenport that he is not on this side of the bench because of the sabotage of the member for Bragg and the former deputy leader in the dying days of the campaign. I have some compassion for you.

The SPEAKER: Treasurer!

The Hon. K.O. FOLEY: And, the member for Bragg: the gift that keeps on giving. I think the former attorney coined that phrase.

Members interjecting:

The Hon. K.O. FOLEY: It was the minister for corrections. The gift that keeps on giving. Long may the member for Bragg remain in this parliament, because the longer we may remain on this side. Had it been—

An honourable member interjecting:

The Hon. K.O. FOLEY: Well, just remember when it happened. It was a 24-hour story. I copped a bit of flak on the day, but the opposition—

Mr MARSHALL: Point of order.

Members interjecting:

The SPEAKER: Order, members on my right!

Mr MARSHALL: It is a very clear question, and the Treasurer refuses to answer it.

The SPEAKER: I am not sure if that is a point of order but, Treasurer, could you please conclude your answer? You were doing quite well till the last minute and a half.

The Hon. K.O. FOLEY: I will conclude by making this point, Madam Speaker: had that been a moment of high drama in the campaign, where I had been briefed on a higher cost and I had gone out there, that issue would have run for a week. It would have been a central attack line from members opposite. Not even members opposite thought that at the time, because it simply was not true.

The SPEAKER: The member for—

Members interjecting:

The SPEAKER: Order! This is getting very unruly here. The member for Ashford.

ADELAIDE OVAL

The Hon. S.W. KEY (Ashford) (14:33): My question is to the very well-dressed Treasurer. Is the Treasurer aware of the costing methods used for costing other or alternative stadium proposals?

The Hon. K.O. FOLEY (Port Adelaide—Deputy Premier, Treasurer, Minister for Federal/State Relations, Minister for Defence Industries) (14:34): I might ask my fashion adviser: does this look okay?

The Hon. A. Koutsantonis: I like your shirt.

The Hon. K.O. FOLEY: His shirt with my suit.

The Hon. P.F. Conlon: Jack Snelling's your fashion adviser.

The Hon. K.O. FOLEY: No: Tom. Maybe the apricot shirt would go better.

An honourable member interjecting:

The Hon. K.O. FOLEY: Salmon.

Ms Fox interjecting:

The Hon. K.O. FOLEY: Well, the member for Bright likes my suit. What I can say is that we have been attacked on this side because we did not have robust enough analysis and work done on the costings of the stadium. As I said earlier, the numbers that were used by the SMA—and our people thought it was a reasonable approach—was a cost per seat approach, for which the leader has attacked us as being rubbery. This is what she said in a press conference a few hours ago. In her press conference this morning when commenting on her alternative stadium she said:

From my view, the SANFL put up a proposal for a stadium and their figure was \$643 million, so our figure of \$800 million we felt was actually pretty much on the money.

Then, when asked to concede by a reporter that her figures were also rubbery, Ms Redmond responded:

I'll concede this much. In any costing you can only go so far when you have got concept designs and you can only base it upon how much per seat.

Madam Speaker, she has confirmed that that is exactly the method that she used to cost her stadium. Now she is accusing us of having rubbery figures because that is what we did.

Members interjecting:

The SPEAKER: Order! I can't hear the Deputy Premier's answer.

The Hon. K.O. FOLEY: The leader has been caught out on her own words. She has confirmed that our method of costing the seats, or the SMA's method, was an appropriate method to use and it was the same method she used. What I can also say about her alternative proposal—and I do not know whether the member for Adelaide was listening, again, to the leader on radio this morning when she said about—accept the fact that we are building a hospital up in the north-west part of the city—

Members interjecting:

The Hon. K.O. FOLEY: 'Where would you build it?', and the Leader of the Opposition said, 'We'd build it behind Adelaide High School on the west parklands.' So, on the Leader of the Opposition's alternative proposal, her advice to us is not to spend—effectively, what she said on radio today was 'Don't spend \$85 million more, spend \$300 million more and build it on the western parklands.' The leader wants us to spend more money and build it on the western parklands. I say to the member for Adelaide: I don't think the Adelaide school council or your constituents would be very pleased with that project being built there.

Members interjecting:

The SPEAKER: Order! Question time goes for an hour, and we try to allow the members on my left to have 10 questions, but I am sure nobody heard that response then. We will try and behave. Some of you should get jobs in showgrounds I think—showgrounds with the voices.

ADELAIDE OVAL

Mrs REDMOND (Heysen—Leader of the Opposition) (14:37): My question is again to the Treasurer. How much additional funding did the Stadium Management Authority request over and above the additional \$85 million state contribution announced by the Treasurer yesterday?

The Hon. K.O. FOLEY (Port Adelaide—Deputy Premier, Treasurer, Minister for Federal/State Relations, Minister for Defence Industries) (14:37): Although the leader did all but sit in on my press conference, as certainly her chief adviser did—

Mrs Redmond interjecting:

The Hon. K.O. FOLEY: Oh well, if you want to listen in on my press conference, I've got nothing—

Members interjecting:

The Hon. K.O. FOLEY: If you've got nothing better to do with your time than—

Mr Williams interjecting:

The Hon. K.O. FOLEY: Press conference in secret!

Members interjecting:

The SPEAKER: Order!

The Hon. K.O. FOLEY: What I said then was that the figure on the current working diagrams exceeds the allocation that we have made.

Members interjecting:

The SPEAKER: The Deputy Premier is answering the question.

The Hon. K.O. FOLEY: We were sending the message very clearly, as we have been doing for some weeks, that this was going to be a difficult number to land at. In fact, in the briefing from the time between when I got the written briefing on what the final cost was, in excess of what at that time was our initial offer, to when the Premier and I and the Minister for Infrastructure were briefed Monday night, the figure had come back some tens of millions, because they had started some work on paring it back. As I have said before, and as I think was said yesterday by Leigh Whicker and/or Ian McLachlan, they haven't landed a final figure.

Members interjecting:

The SPEAKER: Order! One question at a time.

The Hon. K.O. FOLEY: The figure is a small amount above what we—

Members interjecting:

The SPEAKER: Does the opposition want this question answered? They are not giving the Deputy Premier much of an opportunity to answer it.

The Hon. K.O. FOLEY: I said in the press conference, from memory, that it was in the tens of millions. That figure is being reworked to bring it within the envelope of money that we have made available.

An honourable member interjecting:

The Hon. K.O. FOLEY: No, that's \$450 million plus 85.

HISTORY WEEK

Mr BIGNELL (Mawson) (14:40): My question is to the Minister Assisting the Premier in the Arts. What is new about History Week this year and why is it such a popular community event throughout the state?

The Hon. J.D. HILL (Kaurua—Minister for Health, Minister for Mental Health and Substance Abuse, Minister for the Southern Suburbs, Minister Assisting the Premier in the Arts) (14:41): I thank the member for Mawson for asking this question and I acknowledge that he is a history-maker himself, and his most recent election result was an outstanding example of making history. The deputy leader of the opposition made some history himself winning the position as deputy leader from the lowest possible vote ever received by anybody standing for that position, but that's another matter altogether.

The Hon. P.F. Conlon: And he'll soon be history.

The Hon. J.D. HILL: And he soon will. SA History Week 2010 is a long 10-day week; it started on Friday 21 May and it continues until Sunday 30 May. An estimated 60,000 people took part in the program last year and it is anticipated that more will take part in this program this year which is a significantly bigger program. SA History Week continues to grow in size and popularity and, as South Australia's history festival, it is now firmly in the state's cultural calendar. This year's program includes 405 events—an increase of 68 from last year—that have been coordinated by 294 different organisations across South Australia, many of which are run entirely by volunteers. I pay tribute not only to the paid staff but also the many volunteers.

The Hon. K.O. Foley interjecting:

The Hon. J.D. HILL: The Deputy Premier advises me that he participated last Sunday by launching History Week for the tram museum.

The Hon. P.F. Conlon: He drove the tram.

The Hon. J.D. HILL: He drove a tram? Over the course of the 10-day week, there are literally hundreds of events offered every day in South Australia. History Week 2010 includes theatre performances, dances, walking tours, film screenings, public lectures, displays and bus tours. People can explore Adelaide Gaol, peep into the past at the Willunga Courthouse Museum in the member for Mawson's electorate and take a tour of Adelaide Town Hall and both the Council Chamber and the Queen Adelaide Room.

The 2010 program more strongly reflects South Australia's cultural diversity than in previous years, as a number of Indigenous groups are offering events related to Indigenous history in this state as well. At the Coinda Club in Port Augusta, in the member for Stuart's electorate, the Yura Language Group has a display celebrating Aboriginal history, and I hope the member is able to get along to that.

Most of the events offered in History Week are free or ask for a gold coin donation; this is to encourage participation across a wide cross-section of the community. The 2010 program takes place right across South Australia from regional areas to towns and cities and remote South Australia. The 2010 program booklet has been organised by region to help visitors locate events in their local area or other places of interest.

The event organisers in 2010 include major cultural institutions, local museums, historical societies, businesses, heritage-listed sites, archives, churches, libraries, local government, universities, schools, gardens, and cultural and community groups. Twenty thousand copies of the SA History Week program have been distributed to libraries, councils, visitor information centres, community groups and museums right across the state.

The Hon. M.J. Atkinson: An outstanding production.

The Hon. J.D. HILL: It is an outstanding production, as the member for Croydon says. For the first time SA History Week also has a dedicated website (www.historyweek.sa.gov.au) where visitors can search the full program online and find events in their local communities. The website includes full event descriptions, images, maps, contact and booking information, and a whole range of other things. Online visitors can also subscribe to receive the latest History Week news or follow the event on Facebook and Twitter. The website has already proved enormously popular with almost 3,000 visitors since it went live in late April.

Sponsors of History Week—and I pay tribute to them—not only include the government, of course, but also the Adelaide City Council, the University of Adelaide and AGL; and media partners of the Messenger News and 891 ABC Adelaide. I thank the sponsors and the media for their great support.

The government and History SA are delighted with the ongoing and growing success of History Week. Each year more South Australians and visitors to our state take advantage of the opportunity to engage with South Australia's rich and diverse history. I will add just a note of history: History SA is now the name of the organisation which used to be known as the history trust, which was established by former minister for the arts in South Australia, Murray Hill, some years ago—

Mrs Redmond interjecting:

The Hon. J.D. HILL: —and chaired capably by Phil Broderick, a well-known lawyer in South Australia. I also congratulate Margaret Anderson, the chief executive, and her team for the great job they do.

ADELAIDE OVAL

The Hon. I.F. EVANS (Davenport) (14:46): My question is to the Treasurer. Can the Treasurer advise the house whether he has been informed that the estimated cost of the footbridge over the River Torrens, proposed as part of the Adelaide Oval redevelopment and broader development, has increased from an estimated \$20 million to more than \$38 million, and what is the latest cost of the bridge?

The Hon. K.O. FOLEY (Port Adelaide—Deputy Premier, Treasurer, Minister for Federal/State Relations, Minister for Defence Industries) (14:46): The deputy leader is correct in that the cost of the bridge has ballooned to an extent that in the last version of what the Premier and I were shown it was a rather large structure, and it was suggested that—

The Hon. P.F. Conlon: Six lanes wide.

The Hon. K.O. FOLEY: I thought it was the beginning of the Southern Expressway about 100 kilometres closer to the city. I thought Bignell had pulled a swiftie on me and got the freeway starting in the city going all the way to the southern suburbs. It was suggested to the architects that that was a tad wider and larger than what we thought—as engineers ourselves—it should be. We do not have a final cost on that but, when we do, when we settle on—

The Hon. I.F. Evans interjecting:

The Hon. K.O. FOLEY: No, I will be upfront about the footbridge, as I have been with everything else. The initial design for the footbridge was for a far too small structure. Following the advice of architects and engineers that have been employed since the project was contemplated, we, in fact, need a much larger, more structurally sound bridge, because there could be as many as 25,000 to 30,000 people storming out of a game after a Power win. What they have done is gone from the sublime to the ridiculous—from the very small to too large. So it has gone out by some tens of millions, but that will come back.

The Hon. P.F. Conlon interjecting:

The Hon. K.O. FOLEY: As the Minister for Infrastructure said, we have not even, as yet, finalised the location of the bridge in respect of where it will land on this side of the river, whether it is by the railway station or—

The Hon. P.F. Conlon: It will be designed as part of the precinct, not as part of the stadium.

The Hon. K.O. FOLEY: As the minister says, because of the precinct design and the fact that we are nearly doubling the size of the convention centre and putting in place serious works to bring to life the cafe, restaurant and bar culture of that area, and whatever may happen with the Casino, it really is a precinct concern and where it lands will be as much for the precinct as it will for the oval. So, I do not disagree with the deputy leader, but what I am saying is that this is part of further work to be undertaken to get a more realistic cost and a more realistic design of the bridge.

ADELAIDE OVAL

Mrs REDMOND (Heysen—Leader of the Opposition) (14:49): My question is to the Premier. Given that the cost of the FIFA-compliant Adelaide Oval upgrade will now be at least \$840 million—

The Hon. K.O. Foley: How do you work that out?

Mrs REDMOND: I will explain that in a minute—will the government now work with the opposition in a bipartisan manner and reconsider building a purpose-built FIFA-compliant, roofed city stadium; and, if not, why not? By way of explanation, madam, I will tell the Treasurer exactly how we work it out.

Members interjecting:

The SPEAKER: Order!

Mrs REDMOND: We get \$840 million from the \$535 million that the state government is now up to, plus the \$50 million initial state and federal contribution to the western grandstand, the \$5 million for the Stadium Management Authority and media reports of \$250 million on top of that for the federal contribution to the FIFA-compliant stadium.

Members interjecting:

The SPEAKER: Order!

The Hon. M.D. RANN (Ramsay—Premier, Minister for Economic Development, Minister for Social Inclusion, Minister for the Arts, Minister for Sustainability and Climate Change) (14:50): I think that we can now understand where they get their financial briefings from: the Messenger Press. We now finally find out, because it appeared that the Liberals' stadium and the Liberals' hospital proposals—the hospital was like a moving ambulance and the stadium was moving from venue to venue. But now we know, as of today, that the Liberals' proposed stadium, apparently covered for \$800 million, was not going to be an upgraded Adelaide Oval but an upgraded Adelaide High oval. That is how ludicrous the opposition is looking.

Clearly, the Leader of the Opposition does not realise that, if we win the 2018 or 2022 World Cup bid, the amount of money the federal government would contribute—and the honourable member opposite has made some claim about the amount—would actually be a contribution to what we have already done. So, basically, it is money off the top.

SORRY DAY

Ms BEDFORD (Florey) (14:51): Thank you, Madam Speaker—

Members interjecting:

The SPEAKER: Order!

Ms BEDFORD: Could I ask the Minister for Aboriginal Affairs and Reconciliation, please, to report to the house on Sorry Day?

The Hon. G. PORTOLESI (Hartley—Minister for Aboriginal Affairs and Reconciliation, Minister for Multicultural Affairs, Minister for Youth, Minister for Volunteers) (14:51): I thank the member for Florey for this very important question and, in doing so, acknowledge her commitment and her work to advancing the cause of reconciliation in our community. Today—

Members interjecting:

The SPEAKER: Order!

The Hon. G. PORTOLESI: —we remember the pain and sorrow that adults and children, families and communities—

Members interjecting:

The SPEAKER: Order!

The Hon. G. PORTOLESI: —experienced during the dark days of forcible removals—a period in history that came to be known as the Stolen Generation. Each of us in here should stop, just for one minute, to imagine how we would feel if that was to happen to us in this place—our children taken away. It is not a surprise therefore that the injustice of that experience would impact on generation after generation. That is why saying sorry is so important, because we, as a nation,

admit that we got it wrong and that we all share a collective responsibility for making good past wrongs.

I do sense that, as a nation, we have come of age a little by having the courage and the maturity to say sorry; and although 'sorry' is the hardest word and a very powerful symbol, it is simply a down payment, a promise, to try to make things better, because sorry is not enough if Aboriginal people live much shorter lives than non-Aboriginal people.

Sorry is not enough if Aboriginal young people have an unemployment rate that is much higher than non-Aboriginal people. Sorry is not enough if non-Aboriginal Australians, including us, are able to turn a blind eye to the entrenched disadvantage experienced by Aboriginal people.

Today, on Sorry Day and on the eve of Reconciliation Week, which starts tomorrow, I have set myself the task, as each and every one of us in this place should, of working with and across government and with the private and community sector to find a way of translating our words into action. When all is said and done, we know that actions do speak louder than words and we will be judged accordingly.

I am confident, however, that the task is not insurmountable. We are making inroads, and the amazing resilience and capacity for forgiveness of Aboriginal people is an inspiration to all of us.

ADELAIDE OVAL

The Hon. I.F. EVANS (Davenport) (14:54): My question, again, is to the Treasurer. Does the \$535 million state government contribution toward the Adelaide Oval upgrade include the cost of new car parking infrastructure in the precinct, and will football or cricket codes be expected to pay any costs towards new car parking infrastructure; and, if so, how much?

The Hon. K.O. FOLEY (Port Adelaide—Deputy Premier, Treasurer, Minister for Federal/State Relations, Minister for Defence Industries) (14:54): Again, Madam Speaker, I have answered that question—if not in full, certainly in large part—in my press conference today and other media interviews that I have done. We are in the process of identifying a number of locations around the precinct that will be suitable for a low cost transformation, perhaps greening. Some current industrial land in the precinct, particularly around the rail yards, will give us an option to provide a good—

The Hon. P.F. Conlon: Why is that funny? How hilarious is that?

Mrs Redmond interjecting:

The Hon. P.F. Conlon: What, the western Parklands?

Mrs Redmond interjecting:

The SPEAKER: Order! I am not sure who is answering the question here, the Deputy Premier or the Leader of the Opposition, but it was directed at the Deputy Premier.

The Hon. K.O. FOLEY: We are identifying that land. My advice from the SMA is that they are undertaking a very detailed audit—

Mrs Redmond interjecting:

The Hon. K.O. FOLEY: It's funny.

The SPEAKER: Deputy Premier.

Mrs Redmond interjecting:

The Hon. K.O. FOLEY: Squirming—of the car parking availability in the CBD—the average availability on a Friday night, a Saturday afternoon, a Sunday—to get a good understanding of what is the installed capacity of available car park, which, I am advised, is a very large number. Of course, we also have the Convention Centre car parking that is in place at present and car parks such as the one we have within this place. We have the park-and-ride on Port Road at the Entertainment Centre—before the member for Norwood interjects, when a concert is not on or a concert that fills the car park—and a greater use of public transport than is used at present. With that work underway, there has already been public discussion, indeed, by the council itself, that there be an underground car park—

The Hon. I.F. Evans interjecting:

The Hon. K.O. FOLEY: I am getting to that. They would like to see some underground car parking in the precinct. We are not uncomfortable with that at all, but what we have said to the SMA is that any contribution from taxpayers towards any car park would again have to fit within the 450 plus 85 envelope. That is entirely up to them. My understanding is that they are looking at commercial operators, commercial car parking companies and investors who might want to invest and, indeed, talking to the council, which, I understand, on advice, has a car parking fund of some millions. We will not be making a provision for an underground car park as such, in addition to what we have already said.

ADELAIDE OVAL

The Hon. I.F. EVANS (Davenport) (14:57): My question is again to the Treasurer. Does the \$535 million state government contribution towards the Adelaide Oval upgrade include the cost of the proposed roof over the Memorial Drive centre court and, if not, what is the estimated cost of the roof and who will be responsible for that?

The Hon. K.O. FOLEY (Port Adelaide—Deputy Premier, Treasurer, Minister for Federal/State Relations, Minister for Defence Industries) (14:58): I do now confess publicly that my press conference today was not done in secret because Andrew Coombe was there—and I think he may have even been taping it—and the leader was not far away, and this question was asked and I answered it. So, I do not know what the leader's press secretary does when he shadows my press conferences. He certainly does not listen too closely and report back.

The Hon. P.F. Conlon: He was probably beating up a journalist at the time.

Mr Bignell interjecting:

The Hon. K.O. FOLEY: Who was?

Mr Bignell: Mike Sexton.

The Hon. K.O. FOLEY: Good bloke.

The Hon. P.F. Conlon: The bloke he didn't recognise.

The Hon. K.O. FOLEY: Didn't recognise who called him Mike.

Members interjecting:

The SPEAKER: Order!

The Hon. K.O. FOLEY: What we have said about the initial design is—this is one of the major cost increases that was incurred—that there was a vision, a plan or a concept of a much grander redevelopment of what is the current tennis precinct, but although I did not consult with the minister for sport on this, I was able to deduce that we were unlikely to have the Australian Open in Adelaide, but it was a very good design if you did have an endless bottomless pit of money. Again what we have said is that, within the envelope of money that we have made available, they will have to—

Mrs Redmond interjecting:

The Hon. K.O. FOLEY: I am just answering it, leader. Within the envelope that we have announced yesterday, they will have to fund whatever it is they want to do to the tennis centre in terms of turning it into a 'shed', which, I understand, is a requirement of the Crows. I think the Port Adelaide guys are happy to walk up to the local pub, but the Crows' supporters want a 'shed'.

I do not know; that is entirely up to the SANFL. If you ask me what the cost of the roof is: I do not know. I have to confess that I do not know what the cost of the roof is, specifically, but that, again, has to be funded from within the envelope. If we are to win the World Cup, there is advice that, because of the requirements of FIFA to have a facility there for undercover warm-ups, etc., you may, indeed, have a more grand design undertaken, but that would be funded by the commonwealth contribution.

If I have to cop a fair bit of flak because I say 500 instead of 450, or I am seen to be having some problems with some of the numbers, the leader, embarrassingly, said a short while ago that she was adding the 250 to the 500 to come up with a figure in excess of 800. It is our contribution minus the commonwealth contribution, less whatever else is expended.

Members interjecting:

The SPEAKER: Order!

Mr Marshall: Nothing wrong with her numbers.

The Hon. K.O. FOLEY: Nothing wrong with her numbers?

Members interjecting:

The SPEAKER: Order! You've had your fun.

The Hon. K.O. FOLEY: I guess there is nothing wrong with Isobel's numbers, is there, Martin, or Vickie?

Members interjecting:

The SPEAKER: Order!

The Hon. K.O. FOLEY: This is getting difficult. I said in the house yesterday, and I will repeat what I said yesterday: if there are further additional costs required for FIFA they will be small, and that might be an extra \$10 million or something for—

Mr Williams interjecting:

The SPEAKER: Order, the deputy leader!

The Hon. K.O. FOLEY: I said yesterday, and I will say it again: if we win the FIFA bid, the major structural work to the ground will have already been done as part of the cost to be FIFA-compliant; that is, the seats and the laser levelling of the oval. Apparently there is a six foot drop from the centre—

The Hon. P.F. Conlon: Five foot drop.

The Hon. K.O. FOLEY: —five foot drop from the centre to the boundary. But if there is some extra small expenditure, and I said that yesterday, that would come out of the contribution from the commonwealth. But the vast bulk of the commonwealth contribution is minus—taken away—from the state contribution. I say to the member for Norwood, on that one both your leader and yourself are way, way wrong.

ADELAIDE OVAL

The Hon. I.F. EVANS (Davenport) (15:03): My question is again to the Treasurer. Can he explain why he told the parliament yesterday that due to confidentiality reasons he could not reveal to the parliament the amount the federal government would contribute towards making Adelaide Oval FIFA-compliant, when on 12 May of this year he said on radio:

We have been asked to have a FIFA-compliant oval. The commonwealth will give us up to \$250 million to do that.

Why is it the Treasurer can tell the public but he cannot tell the parliament?

The Hon. K.O. FOLEY (Port Adelaide—Deputy Premier, Treasurer, Minister for Federal/State Relations, Minister for Defence Industries) (15:03): For a start, the member asked that question yesterday, and in his question the amount—breaking news—is up to 250.

The Hon. I.F. Evans: Well, why didn't you tell us that yesterday?

The Hon. K.O. FOLEY: But I haven't said—we cannot say what the exact figure is.

SCHOOL BUSES

Mr TRELOAR (Flinders) (15:04): My question is to the Minister for Education. Will the South Australian government follow the lead of the Western Australian Liberal government and pay school bus operators to retrofit air conditioning to school buses in regional South Australia?

The Hon. J.W. WEATHERILL (Cheltenham—Minister for Education, Minister for Early Childhood Development) (15:04): That is a good question, because school buses and the way in which they are decked out in terms of both seatbelts and air conditioning has been a matter of some contention, and we have certainly taken that seriously. As you would be aware, there is a program now of progressively upgrading our whole fleet of buses. The buses are a combination of buses owned and run by the state government and buses that are provided to us by way of contract, held by private operators. So some of them are assets of the state government; others are owned privately.

What we have been doing for our own fleet, as the process of renewal of those buses comes up, is insisting that they all have air conditioning and seatbelts. So that process is occurring. My latest estimate is that that process will be fully complete in, I think, about seven or eight years' time.

We are also undertaking the same process with our contractual arrangements with private operators. So when we tender for new arrangements we ensure that in the contractual arrangements there are obligations to upgrade, for the private operator, their plant and equipment so that they also meet those standards, although I think there are certain accommodations that are made for private operators so that they can arrange the finance so that they can be in a position to put those assets in place.

I am not familiar with the new initiative in Western Australia, if there is one, but that is the present policy, and it is not proposed, I understand, to be altered.

ROAD SAFETY

Ms FOX (Bright) (15:07): My question is to the Minister for Road Safety. Can the minister outline what the government is doing to protect our children who travel in vehicles from road trauma?

The Hon. J.J. SNELLING (Playford—Minister for Employment, Training and Further Education, Minister for Science and Information Economy, Minister for Road Safety, Minister for Veterans' Affairs) (15:07): Thank you to the member for Bright who, like me, has a personal interest in the safety of small children travelling in cars.

The Hon. J.R. Rau: She's only got one.

The Hon. J.J. SNELLING: Although she has only one, yes, indeed. Thank you, Attorney. This government is strengthening its commitment to road safety by adopting new nationally approved changes for the use of child restraints in motor vehicles from 1 July. The new laws represent significant changes that will give greater protection for children travelling in vehicles and will hopefully go a long way to reducing road trauma.

Unfortunately, nearly 60 children under the age of 12 are either killed or seriously injured in crashes in South Australia every year and more than a third of those casualties are children who are under the age of seven. Around a quarter of those seriously injured were not wearing a child restraint at the time. Research also suggests that children are being moved into bigger seats or are prematurely graduating to seatbelts when this is not appropriate, and I have to own up to being one of those people. We put my five year old son into an adult seatbelt long before we should have. I have since been educated and we have put him into a booster seat which is appropriate for his size.

The new laws will reduce the risk of injury caused by the use of unsuitable restraints for a child's size by specifying the type of restraint to be used at different ages and where children must be seated in a vehicle. They also give parents and carers the advice and clarification they need about what type of restraint provides the best safety benefit for their children. The changes to the Australian road rules will introduce a mandatory—

An honourable member interjecting:

The Hon. J.J. SNELLING: Mr Bean is getting a little bit excited.

The SPEAKER: Order!

The Hon. J.J. SNELLING: The changes to the Australian Road Rules will introduce a mandatory size-appropriate restraint system for all children up to the age of seven. Specifically, the new laws will require children up to the age of six months to be restrained in a rear-facing child restraint (for example, an infant capsule that members will be familiar with); from six months of age until the age of four, to be restrained in either a rear or forward-facing child restraint (that is, a child safety seat); and from four until the age of seven, to be restrained in either a forward-facing child restraint or booster seat restraint by a correctly adjusted and fastened seatbelt or child safety harness.

The new laws also deal with the issue of children sitting in the front seat of a vehicle. Children aged between four and seven will not be permitted to sit in the front seat unless all other seat positions are already occupied by children under seven. Children up to four years of age must be restrained in the rear of the vehicle where the vehicle has two or more rows of seats.

Provision will be included in the new laws to ensure that a child is not required to use a restraint unsuitable for their size and weight. For example, a child who is too tall or heavy for the restraint must use a restraint for the next age category. The new laws come into effect on 1 July. Many parents are already aware of the changes and have already taken steps to make their own arrangements.

In fact, this very morning I was at the Red Cross at Mile End to buy another infant capsule, which we need again. I wish I had frequent purchase points. It would be very handy, but unfortunately they do not.

The Hon. M.J. Atkinson interjecting:

The Hon. J.J. SNELLING: It has something to do with sharing bath towels, I am told. In fact, when I was there at the Red Cross, the place was full of parents eager to buy the new child restraints that are necessary under these new laws. People are becoming aware, but I do encourage parents to beat the 1 July change to the laws and make sure that their children are appropriately restrained.

GRIEVANCE DEBATE

TRADESTART PROGRAM

Mr TRELOAR (Flinders) (15:11): I rise today to speak on the very disappointing admission by the state government yesterday that the TradeStart office in Port Lincoln will close. By way of background, TradeStart is a federal Austrade program administered in partnership with the state government and specifically aimed at assisting regional exporters in developing links with international markets.

This closure unfortunately means that businesses in Port Lincoln and on Eyre Peninsula will no longer have access to an export adviser as part of the TradeStart program. This is a significant blow to small and medium-sized enterprises (or SMEs, as they are commonly referred to), those small and medium-sized enterprises that wish to develop and enter overseas markets, particularly in the agriculture, food and aquaculture sections.

This can only be described as a huge setback to export growth in my electorate of Flinders and, indeed, the whole state. Make no mistake: this will hurt businesses in my electorate, and that in turn hurts the export growth generated by the engine room of the regional economy. I am well aware that this government does not understand the importance of our primary producers, including farmers, fishermen and minors, the vast majority of whom export into a globalised world economy earning valuable export income for the state.

The Premier promised the people of South Australia, during the state election campaign, that only he could get the best deal from his mate Kevin Rudd and the federal Labor government. Only he could do the hard yards and negotiate for this state. This situation has shown that promise for all it is worth, and the people of this state will be the judges of how the relationship between federal Labor and this state Labor government is panning out. I can say in this instance that the exporters of Flinders have been duded.

I would like to turn briefly to the farcical situation that occurred in question time yesterday. The Minister for Industry and Trade was asked a couple of very straightforward questions on this very topic: the closure of the TradeStart office in Port Lincoln. He was asked how many direct and indirect jobs are to be lost and how many programs are to be cut and at what cost as a result of the government's confirmation that the TradeStart office in Port Lincoln is to be closed.

What followed from the minister (the Hon. Tom Koutsantonis) was one of the most embarrassing and ill-conceived—

The Hon. A. KOUTSANTONIS: Point of order.

Mr Treloar interjecting:

The Hon. A. KOUTSANTONIS: Point of order. You can sit down now.

The SPEAKER: Point of order. The member should be seated.

The Hon. A. KOUTSANTONIS: I know that the member for Flinders is young and inexperienced. I am here to help. I'm from the government; I'm here to help. He is using my name rather than my title, and, in this place, I would ask that he refers to me as the member for West Torrens or minister.

The SPEAKER: I will uphold that point of order, but he did say minister, I understand.

Mr TRELOAR: Correct, Madam Speaker. At no point did the minister even come close to addressing the substance of the question. Instead, he chose to go off on some ill-conceived diatribe about the federal Liberal opposition. This just goes to show that this government is as arrogant and out of touch as they have ever been, and South Australians are sick of this sort of political posturing. What they want is a government that can be held to account.

Exports have plummeted under this Rann Labor government from \$9.1 billion in 2002 to \$7.9 billion today. The closure of the Port Lincoln TradeStart office is just another slap in the face for the exporters in Flinders, and it goes to show that both the federal and state Labor governments have no regard for anything outside of the city limits. Nor do they show any comprehension of the extraordinary contribution that our regions make to this state's economy. In fact, they are well on the way to killing the goose.

I was, however, given just a glimmer of hope in all of this, when a spokesperson from the minister's office stated yesterday that our state government will lodge a bid with the federal government to take over the TradeStart services. I sincerely hope that the outcome—

The Hon. A. Koutsantonis interjecting:

Mr TRELOAR: I sincerely hope—

The Hon. A. Koutsantonis interjecting:

The SPEAKER: Order! The Minister for Industry and Trade will let the member speak.

Mr TRELOAR: Once again, minister, we will need to check *Hansard* to find out exactly what the minister said.

The Hon. A. Koutsantonis interjecting:

Mr TRELOAR: I do it every day. I sincerely hope that the outcome from this bid will be the reinstatement of the Port Lincoln office. I look forward to continuing encouragement of small and medium-size enterprises looking to break into export market places.

WORLD BUSINESS SUMMIT ON CLIMATE CHANGE

Ms FOX (Bright) (15:17): In the past year I had the great privilege to visit Denmark for four days, representing the South Australian government at the World Business Summit on Climate Change, which was, of course, an important precursor to the UN Climate Change Conference, held last December.

Earlier this week I had a meeting, in my role as Deputy Speaker, with Mrs Susanne Shine, the Danish Ambassador to Australia. It was great pleasure to meet her as it is all the ambassadors who come to present their greetings to our parliament. During a very informative session with the Danish ambassador, she informed me that 37 per cent of people who live in Copenhagen go to work on their bicycles, and it is true that at rush hour the bicycle lanes are absolutely full in Copenhagen.

I am sorry to hear that the Copenhagen-style bike lane, costing some \$500,000, installed by the Adelaide City Council, is to be scrapped. I understand the parents of those students attending Sturt Street Primary School, residents and shop owners have expressed their dissatisfaction with the outcome of the bicycle lane, as has, I think, the member for Adelaide. Even cyclists on cycling websites have pointed out that the bicycle lane, while a good idea on paper, did not really work out in reality. However, I do think it is worth pointing out that at least the Adelaide City Council tried to do something different. They try to seek to reduce traffic emissions and congestion.

I have heard a number of people on radio and, indeed, online saying, 'But we're not Copenhagen. Adelaide was not built for this.' Let's remember that Adelaide was first planned in 1836. Adelaide was not designed for vehicles either. It was designed for horses and carts, as was Copenhagen.

The fact of the matter is that, while there are very many similarities between Copenhagen and Adelaide, some 40 years ago there was an oil crisis in Europe in the early 1970s and, of course, by 1974 the price of oil had quadrupled in Denmark. There were deep fears about oil dependence and oil rationing in some parts of Scandinavia. What that did was force a total rethink

of the transport culture in Denmark. At the time, Denmark was 99 per cent dependent on foreign oil, and a change in culture was sorely needed.

It would be a huge pity if a crisis of similar magnitude, or indeed nature, was to occur in the southern hemisphere. While our offshore energy dependency does not mirror that of Denmark in 1974, it would nonetheless be advisable for governments at all levels to keep on trying different solutions, as the Adelaide City Council did try to do. While I acknowledge the difficulties faced this time round, I commend the Adelaide City Council for its efforts. All of us find it difficult to change vehicle habits that have been ingrained for generations but it is time to think outside the square and beyond the automobile.

LAND MANAGEMENT CORPORATION

Ms CHAPMAN (Bragg) (15:20): Today I raise a matter of concern arising out of some information that has been provided to me under freedom of information. Members would be aware that the Land Management Corporation—which operates under a board chaired by Mr Mike Terlet and other appointed members—makes tens of millions of dollars a year for the government. It has a prescribed charter and last year the Land Management Corporation provided the government with about a \$52 million dividend. It is a substantial income earner for the government. It obviously has a significant property development role and, to some degree, that was considerably expanded under legislation that was passed in this parliament by this government.

It is no question that the government itself has now become a significant property developer through this vehicle and others. The Land Management Corporation sells our assets, so we should know what is being sold, who it is being sold to and for how much. Even now, unfortunately, most of this information is hidden from the public eye and even through freedom of information requests, land title and company searches we still cannot find out where our state assets are going.

Recently it came to my attention that there was a sale of five hectares of prime real estate on the corner of Prospect and Churchill roads last year. This sale—and the lack of transparency and disclosure publicly about the circumstances of that sale—raised a number of issues of transparency. This land was sold to a private developer for \$2 million less than the valuation assigned to the property some six months prior to the sale.

For the benefit of the house I indicate that Churchill Road Properties Pty Ltd purchased Lot 500 Churchill Road in June last year for \$3.3 million, which had been valued at \$4.5 million, and Lot 501 Pty Ltd purchased Lot 501 Churchill Road in July last year for \$3.3 million, which had been valued at \$4.1 million.

The properties are purchased, on the face of it, with a deficit to taxpayers of some \$2 million from their valuation assessment. It is land which the Prospect council has identified for rezoning and major development and on which it has also proposed to spend \$1 million in landscaping on the adjoining council land. The government has also identified potential major development around Churchill Road and even the Premier has mentioned this when releasing the government's 30-Year Plan for Greater Adelaide which was out for consideration in draft last year and now has been published in its final form. This was featured in that draft.

This is very valuable land and, like all state asset sales, details should be as transparent as possible. A considerable search had to be undertaken of the public records but this is information which is simply not published in the annual report by the LMC, which is under the direct responsibility of the government and whose profits go to the government, and this is yet another example of what the government is doing in its failure to provide this information to the people of South Australia who have investment in these assets. There are a lot of questions surrounding this sale. I make no personal reflection on members of the board of the LMC. I have read their charter and I understand what their job entails. What I do say to the government is: I have a lot of questions asked about this and they will be forthcoming.

SORRY DAY

Ms BEDFORD (Florey) (15:25): As I begin today, I acknowledge that we are gathered on Kurna land. Today is Sorry Day, so let us recap on what I think is the 13th anniversary of the Bringing Them Home report on the stolen generations. In 1998, close to one million Australians said 'sorry' to the stolen generations by signing the Sorry Day books and taking part in events on Sorry Day; and in May 1999, the Journey of Healing set out from Uluru and moved to each state

and territory. We have had symbolic bridge crossings in every capital city and, more recently, the Prime Minister made a national apology in Parliament House, Canberra on 13 February 2008.

In my speech to this house in 1999, I said saying sorry is an understanding that there are both material and spiritual issues involved in reconciliation and perhaps one of the most important things we can do is to address the matters of the spirit. This is done in many ways, and the symbolic ways, such as the large gatherings we have witnessed here in Adelaide at the bridge crossing and the National Apology Day, are a big and special part of paying symbolic homage to those messages. However, like many people I speak with, I think there seems to be little to show for our manifestations of goodwill and desire for change.

This week I began to think about how I would express my feelings about Sorry Day and Reconciliation Week. Reconciliation Week is, of course, framed by two significant dates in Australia's history: 27 May is the anniversary of the 1967 referendum in which more than 90 per cent of Australians supported the removal of clauses from the national constitution that discriminated against Aboriginal people, and 3 June marks the High Court's decision in the Mabo case.

While I was driving to attend the Blue and Gold Society breakfast for the Girl Guides, I began to think about this speech. The breakfast was attended by patron Mrs Liz Scarce, Mr Martin Lindsall, mayor of the City of Playford, and my colleague in the other place and fellow Aboriginal lands committee member, the Hon. Terry Stephens. The guest speaker soon helped me to get things in perspective. She has an impressive CV that is far too long to read today. She was born and raised in Alice Springs and is an Arrernte Aboriginal woman from Central Australia. Leanne Liddle spoke passionately about how change can occur. She has been an Aboriginal parks and wildlife coordinator with the Department for Environment and Heritage for 10 years and is currently the project manager of Kuka Kanyini in Watarru in the APY lands. She has a legal and science background; however, her greatest asset is the information she has learnt and valued from living with the desert people, her grandparents (who are no longer with her) and her parents.

The Kuka Kanyini project, when loosely translated into English from Pitjantjatjara, means 'looking after game animals', but it is much more than that. The project was piloted in the small Aboriginal community called Watarru (Mount Lindsay is the English equivalent) and has been in operation for just over five years and accomplishes more than just an environmental benefit, because it also recognises and supports social and cultural elements.

Watarru is about 10 hours' drive south-west from Asp. It lies within the APY Lands, which is freehold land that has access restricted by invitation of the traditional owners and by permit only. The language spoken is Pitjantjatjara or Yankunytjatjara and, for most, English is a second or third language. Watarru is approximately 130 kilometres from the Western Australian border and 250 kilometres north of the South Australia-Northern Territory border. The community fluctuates between 50 and 100 people. Many of them are older women. The community is remote and has limited services. It has one small shop, one school, 12 students (yet three teachers), a health clinic (serviced 1.5 days a week), and the main income is welfare based. The road south of Watarru goes nowhere but to sacred sites.

The Kuka Kanyini project was founded on the results of a biological survey conducted by DEH 10 years ago. The Aboriginal people from this area (commonly known as Anangu) were not particularly interested in the 'new species' that were identified because, unlike the scientists, they already knew the species that were there and those that were missing; and the ones that were identified were a real bonus.

More importantly, during Leanne's talk about what was going on in the project, she spoke about the role of women in looking after the community. A lot of effort has been achieved by the women of the community. They are the drivers that restore the balance on many fronts within this and many other remote Aboriginal communities, for it is the women who manage the key activities that manipulate the landscape that has resulted in so many important, threatened and vulnerable species living in the area—and all with limited intervention by western science.

In the little time that is left, I want to ask members here to reflect on how they can use their positions of influence for change in the spirit of this year's reconciliation theme, which is 'Let's see it through'. In Florey, I have a reconciliation task force working on projects and, along with the City of Tea Tree Gully which is unveiling its latest project of ground art in Civic Park. This is one of the ways that the community can come together and work to see change happen here in the city. It is

the remote Aboriginal communities that I am looking forward to visiting in my role on the new committee.

PRESCHOOLS

Mr PENGILLY (Finniss) (15:30): It was interesting this afternoon in question time that the Minister for Road Safety raised the issue of the responsibility of parents and drivers to provide from 1 July restraints for children in vehicles. I felt some angst and some degree of annoyance over the fact that—not that for a moment do I believe that those children do not need protection—we have hundreds, if not thousands, of children in South Australia travelling across rural and regional South Australia in department of education school buses (and others) without seat belts, which makes an absolute farce of what the minister talked about here this afternoon, particularly given that some of those children spend two to three hours a day on these buses travelling 80, 90 or 100 km/h, with no air conditioning in many cases, particularly on the West Coast. The former member for Flinders raised this on numerous occasions.

I express a bit of righteous indignation about the fact that we are doing this for younger children, yet our children at school are not getting what they deserve, need and should have from the Rann government. It seems to me to be a government that has absolutely run out of puff, has run out of ideas and has got itself in a hideous mess on the Adelaide Oval redevelopment and where it is going with that. It smacks of State Bank stadium down there, quite frankly.

That is not what I was going to talk about this afternoon. I wanted to raise the issue of preschools in my electorate and the necessity for an extension of the preschools that already exist there and, indeed, to put some preschools into areas where they do not have them at the moment. One area, for example, is Mount Compass, which is a bustling little rural community with increasing numbers of young families and increasing numbers of younger children but no preschool centre. Parents have to take their children to Port Elliot, Victor Harbor or come over the other side of the hill towards Willunga.

I ask that the government and the department of education look seriously at putting in a preschool at Mount Compass, and equally at Parndana on Kangaroo Island which also does not have that sort of facility and which also has a large number of children. This thing is not going away, because the growth in the numbers down on the South Coast is rapidly leading us to the position where we need another, or a much larger, preschool in the Victor Harbor area. It is cramped and overloaded. We have private care facilities as well; however, the reality is that we do need a much larger preschool or a new one down there.

Earlier this year, along with the federal member for Mayo, Jamie Briggs, I visited Yankalilla. The Yankalilla preschool is also suffering from no room whatsoever. The facilities down there are quite primitive. The parents group and the people who run the centre are very actively pushing to obtain more funding to do something, seemingly without getting a lot of success. Yankalilla and Normanville is a bustling little community. Cathy Tozer, the director of the preschool down there, does a mighty job; and they have a very active and keen parent committee, management committee, call it what you may, that operates in that place.

Quite simply, we need to apportion expenditure to places where it is really needed. I seriously question the nonsense that has been going on this afternoon regarding the Adelaide Oval redevelopment coming from the Treasurer. We seem to have an open-ended cheque book in this state for doing things for sporting facilities, such as bridges over the Torrens or whatever, which seemingly has blown out from \$20 million to \$38 million. We certainly seem to be able to find money for all sorts of things, except when we really need it to improve the education of our children, the preschools of our children, medical facilities in the bush and services in the bush. We have got it wrong. We are not going in the right direction. We seem to have a want list instead of a needs list. It gets down to very basic ideals on where we are going.

Time expired.

THINKERS IN RESIDENCE

Ms THOMPSON (Reynell) (15:35): I would like to start my remarks today by sending my good wishes to David Campbell. I have never met the former minister for transport in New South Wales. What I know about him is what has been in the press over the last few days. I do not know what faction he is; I do not know anything about his background, but I do know that he has been very shoddily treated by Channel 7 in recent days. As I understand, there was no question of corruption, nothing that brought his private matters into the public field. He had a difficult private

situation, obviously, as he chose to keep some aspects of it quiet, but I do not think it is up to Channel 7 or, indeed, me or anyone else here to judge him and the way he behaved.

I am particularly sorrowful about Channel 7's attack because I see it as an attack on each and every person who chooses to stand for election as a candidate to any of the parliaments of Australia, because it indicates that we all need to be whited sepulchres, with no skeletons in our closet in any way if we are to stand for public office and, in my opinion, that diminishes our democracy. I wanted to put those remarks on the record because I think it showed serious prejudice and ignorance.

What I really want to talk about today is something very exciting and a true achievement of this government, one of the hidden achievements that is not a building that people can see, and that is the Thinkers in Residence program. What spurred me to talk about this was an event I attended at the Hawke Institute early in April at which three former speakers summed up some of their views, opinions and wisdom about important issues for South Australia. They did it in 20 minutes and it was a true brain fest. Nearly 1,000 people were in attendance. In fact, the Hawke Institute had to keep changing the venue.

One of them was Geoff Mulgan (once described as the brain of Britain) from the Young Foundation, which is a world-leading social innovation centre in the UK. Geoff was a Thinker in Residence a while ago and, as a result of his recommendations, we as a state have established the Australian Centre for Social Innovation. This centre will act as an incubator in which to grow, develop and test unique, effective remedies to our nation's pressing social problems—and I referred to one earlier; one of the many social problems where people can get kicked for their private activities.

Another important Thinker in Residence for the south was Professor Ilona Kickbusch, the south being host to a healthy city for many years and a great record of achievement in health cities and safe cities. Ilona is the driving force behind the Health in all Policies initiative that this government has adopted. This process is now attracting international attention as an exemplary model for cross sector work in tackling 21st century population health challenges. At the time, both Professor Kickbusch and Dr Mulgan were in Adelaide for the 2010 Health in all Policies international meeting held in conjunction with the World Health Organisation, a very prestigious gathering which did not receive much attention from the press, I have to acknowledge.

Another presenter was Judge Peggy Fulton Hora. Judge Fulton Hora served 21 years on the California Superior Court bench and is a strong advocate for smarter justice. The presentation was just before her final lecture at the Adelaide Town Hall. I was not able to attend that, but I understand that that was also a packed event.

The Thinkers in Residence have been such an asset to South Australia that the Premier has now formed the Thinkers Trust, because so many of these former thinkers keep coming back and act as a wonderful resource to the state and members of parliament. I have certainly used them to plan my trips overseas and to get maximum value out of my study tours. The Liberals, however, were going to abandon the Thinkers in Residence program, I understand, as one of their cost-saving measures.

Time expired.

PAYROLL TAX (NEXUS) AMENDMENT BILL

Adjourned debate on second reading.

(Continued from 11 May 2010.)

The Hon. I.F. EVANS (Davenport) (15:41): I rise to speak to the Payroll Tax (Nexus) Amendment Bill 2010 on behalf of the opposition, indicating I am the lead speaker. The opposition will be supporting this measure in principle but with some questions. We do not intend to hold the house long on this bill but we do have a couple of questions for the Treasurer and whether he wishes to go into committee to take those will ultimately be a matter for him. I will put that to him later in the debate.

This is, on the surface of it, a simple bill. The state governments under the Rann government regime have adopted a policy of unifying the payroll tax legislation nationwide. There is an agreement of all the states to do that. This bill is a very minor issue that we are dealing with in relation to changing the legislation.

The opposition had a briefing from the government officials, and we thank them for that. According to that government briefing, the government consulted no-one about the bill.

The Hon. A. Koutsantonis: Other than you.

The Hon. I.F. EVANS: Other than us.

The Hon. A. Koutsantonis interjecting:

The Hon. I.F. EVANS: The Ministry for Industry and Trade interjects. I cannot understand, given that he represents trade and industry associations, why he makes light of the fact that the government thought so little of those organisations not to consult them. However the state opposition has consulted with those industry and trade associations because we do value their input. And so we did—

The Hon. A. Koutsantonis: You and Martin are working closely together, are you?

The Hon. I.F. EVANS: Yes, we are, actually. I will put that on the record. The Minister for Industry and Trade asks whether the member for Waite and I are working closely together. In actual fact, the member for Waite, with my support and that of the party, will move some amendments to the land tax bill, and I suspect that even the Minister for Industry and Trade will support them. We will see.

Going back to the topic, which is the Payroll Tax (Nexus) Amendment Bill, I was making the point that this government is so ambivalent to the view of business that it did not consult anyone, not a single organisation. So, we took it upon ourselves to write to the industry associations and we heard back from the Motor Trade Association which suggested that it does not have a problem with the bill, but the Master Builders Association is opposed to the bill, mainly because of its retrospective nature.

The impact of this bill commences on 1 July 2009. Given that this is May 2010, we are going to retrospectively apply these new provisions from 10 months ago. The Master Builders Association make the point that that is going to be a cumbersome burden and a red tape burden on those industry sectors in relation to having to retrospectively apply this legislation.

We put that very point to the government officers during the briefing: their answer was that there was an electronic bulletin on the RevenueSA website that referred to this, as from, basically, 1 July of last year, and an alert employer would have picked it up and therefore would be prepared to deal with this particular piece of legislation.

I know that when I was in business I used to always rush to the RevenueSA website to see what bulletins I should be reading to make sure that I was across the latest change to whatever legislation they were referring to. I suspect that the retrospective nature of it will not be a significant burden—I hope it is not. The reality is that across Australia, with the harmonisation of the law, all states are commencing it on 1 July.

I do think it is an example of this government's laziness that it had July, August, September, October and November to bring this piece of legislation in, and did not. Then we are caught in the circumstance that 10 months later we are now dealing with a piece of legislation that it wants to start from 1 July. So, no consultation and retrospective nature.

What actually is the change that they are proposing? The change they are proposing is not a huge change. In fact, when we asked for a live example of where it had caused the state a problem, as in not collecting revenue, the officers could give us just one example—it only occurred once. So, we are legislating here today, retrospectively, to change legislation to fix a problem that we are advised has occurred once. It may well be a sledgehammer to crack a nut, but we are dealing with the legislation.

Business SA is the other organisation that the opposition consulted with. Business SA recognised the retrospective nature of the legislation, but they argue that the harmonisation of the law principle is more important than any concerns about the retrospective nature or the extra bureaucracy for business involved in this particular legislation.

What does the change entail? The change entails changing the definition as to where payroll tax is paid. Currently, we are advised, payroll tax is paid in the jurisdiction where the employee has their bank account. They are now going to change it to where the employee resides; their normal place of residence.

Apparently, RevenueSA is concerned that employers may be forum shopping and encouraging their employees to put their bank accounts into the jurisdiction that has the lowest payroll tax regime and paying the payroll tax there rather than in South Australia.

Mr Marshall: It wouldn't be here.

The Hon. I.F. EVANS: It wouldn't be here because payroll tax is not that attractive in South Australia. The reality is that when we asked, 'Could you give us an example of that?', they could give us but one example. So, we are legislating on the basis that there has been one example of this and the fact that they want to go to harmonisation of the law.

The issue is that Australia-wide they are going to a system to stop forum shopping so that the jurisdiction where the payroll tax would be paid is the jurisdiction where the employee normally resides. If there is an issue about establishing where the employee normally resides, they are then going to use a fallback provision about the jurisdiction in which the ABN is registered. So, there is a fallback provision.

We raise the issue about the extra cost to business and whether businesses will have to use the system as from 1 July or commence at a later date. We were told that businesses have been given the opportunity to use either the old or the new system and will be required to comply with the changes from the start of the 2010 financial year, but they will be encouraged to work with them as from 1 July. So I think RevenueSA has recognised there is a problem with trying to go back 10 months, given that we are only two months away from the start of a new financial year.

I do have one question on this bill that the Treasurer may wish to answer, which is in relation to the definitions of wages paid. In the briefing there was no mention of the changes of the definition of wages paid. If anyone has ever read the Payroll Tax Act and looked at clause 11 about the definitions of wages paid—

The Hon. K.O. Foley: It is one of my favourite clauses.

The Hon. I.F. EVANS: It is one of the Treasurer's favourite clauses—it is a very complex clause to try and establish on what basis wages are used to calculate payroll tax. For some reason in this bill that clause has been reworded. There was nothing in the briefing about why they have done that. I am no lawyer, but to the best of my reading I cannot really see a difference between the old clause and the reworded new clause.

If the Treasurer cannot confirm for me today that there is no change to the definitions in this bill of wages for which payroll tax will be paid, I would seek a written confirmation between the houses so that we can clarify that on the record for the house. I suspect there is no change, but I cannot work out why that clause has been reworded if it is not to introduce some change. Other than that question, Madam Deputy Speaker, the opposition generally supports the bill.

The DEPUTY SPEAKER: Thank you. Member for Davenport, I have only just got a copy of it in front of me. Which clause were you referring to?

The Hon. I.F. EVANS: It is clause 5, which amends section 11 of the act.

The DEPUTY SPEAKER: Yes. Would that be substitutions of section 10 and 11?

The Hon. I.F. EVANS: Yes.

Mr PEDERICK (Hammond) (15:53): I rise to support this bill. I think there will be some problems with some of the administration of it, but I want to reflect on the rate of state taxes briefly in this state and that, under the Rann Labor government, South Australia is the highest taxed state in the nation. This has been confirmed by two independent reports: the Commonwealth Grants Commission and the Institute of Public Affairs.

Tax revenue has increased by 66 per cent since this government came to office, and one example is payroll tax, which in 2001-02 brought in \$601 million and in 2009-10 brought in \$903 million, an increase of 50 per cent.

In regard to the Payroll Tax (Nexus) Amendment Bill 2010, the amendments aim to close a loophole in the current payroll tax legislation so that, where taxes are paid to workers who provide their services in more than one state or territory in a month, payroll tax is paid to the jurisdiction of the employee's principal place of residence and not the jurisdiction where the bank account is located, as is currently the practice. We are told that this prevents employers from directing their employees to situate their bank accounts for the payment of wages in a state or territory that has a lower rate of payroll tax.

I just wonder what level of administration this will put on businesses, especially in mining, which are already under stress from the prospect of a super tax. In particular, there are many areas in South Australia—whether it be Prominent Hill, the Moomba gas fields, the Cooper Basin (which goes across the state border between Queensland and South Australia) or mining developments throughout the state—where people fly in and out or go into other states such as Western Australia. In these areas, quite a few people are on rosters of either three weeks on/three weeks off or four weeks on/four weeks off, and they can come from anywhere in the country.

While businesses were notified of these changes last year, it is interesting to note that consultation did not take place and, as the shadow minister (the member for Davenport) indicated, the government could only provide one current example where those changes would apply. The government has admitted that it has based the concept on anecdotal evidence only.

These changes have been agreed by all states and territories as part of the national payroll tax harmonisation process with only South Australia and Western Australia yet to formally adopt them. It is hoped that these amendments will not have any impact on compliance costs for business or greatly increase revenue to the state; however, they will apply retrospectively from 1 July 2009.

Businesses have been given the opportunity to use either the old or the new system and will be required to comply with the changes from the start of the 2010-11 financial year. Businesses with employees working in more than one jurisdiction that are still operating under the old system will have to make the changes in their payroll tax for this financial year at the time of the annual reconciliation.

I note that the Liberal Party supports the bill, but I hope that, when businesses have to adjust their paperwork, it does not become a burden working out the place of residence of everyone who works in their business.

Mr PISONI (Unley) (15:58): I understand that we are not planning to go into committee, but I have a question that I hope the Treasurer might be able to answer in his reply. Currently, we have a number of projects in South Australia where we have a lot of interstate contractors. The tram is a classic example. In relation to the desal plant, we know that there are a number of workers who reside in Victoria but are here for two or three month stints. The northern expressway and, I suppose, the new superway may very well see interstate workers, who reside in other states, coming into South Australia.

South Australian taxpayers' money is being spent on these programs. There is obviously federal money as well, but it is there for the benefit of South Australia. It appears to me that, as a result of these amendments, Victoria, New South Wales or Western Australia will be the beneficiary of the payroll tax that is collected for those workers who are working on South Australian programs in South Australia. We have heard a number of South Australian companies and members of the Civil Contractors Federation saying how difficult it is to win contracts in South Australia.

I had a discussion with Rod Hook at a Public Works Committee hearing about that situation. His explanation—and I am paraphrasing here—was that, for things such as the tram, the expertise was not here in South Australia, and that, consequently, they had to go to a Victorian company with Victorian workers in order to bring that project in. I then asked him whether that means that it is the end of the tram once the tram extension happens. Surely, if a new tramway was part of the program of the government you would then think it would be in the interest of South Australia to train up South Australian companies, to give them the ability to work on the tram extension.

I am just using the tram extension as an example. They may work in conjunction with the Victorian companies. You might break the contract down, therefore requiring more than one tenderer for different sections, so that those skills could be developed in South Australia for South Australians. We are told that we will be seeing further expansion of the tram line. I would certainly like to see more South Australians employed when the government spends this amount of money, that money is spent on South Australians. Then, of course, there is the added benefit that those contractors will be paying their payroll tax in South Australia and not in Victoria because their workers technically reside in Victoria.

I am wondering whether the Treasurer might be able to explain just how it is determined. Is it where they are on the electoral roll? Are they deemed as living in South Australia if they are here for more than a month, if they fly or drive back on weekends, if they are on for three weeks and back home for a week? I would be very interested to hear the intention of the legislation in that

instance and if that will have any impact on the payroll tax collection in South Australia, or if that may in fact be an added incentive for the government to choose South Australian companies when it is spending this money on infrastructure in South Australia.

Mr MARSHALL (Norwood) (16:03): I rise to speak on the Payroll Tax (Nexus) Amendment Bill 2010. I note that we as the opposition will be supporting this bill. The proposed amendments aim to close a loophole in the current payroll tax legislation, so that when wages are paid to workers, who provide their services in more than one state or territory in a month, payroll tax is paid to that state of the employee's principal place of residence and not the state where the bank account is located, as is currently the practice. This is a fairly minor amendment, and, although we support it, I suppose I raise my disappointment that the amendments which are proposed could not be more substantive.

Earlier, the shadow treasurer, the member for Davenport, talked about the very high level of state tax in South Australia, and the member for Hammond also talked about the Commonwealth Grants Commission analysis, which showed that we have the highest rate of state taxes in the country. This is very disappointing. In payroll tax in particular, we have had a massive increase of 52 per cent in the life of this government, payroll tax revenue increasing from \$601 million in 2001-02 to more than \$915 million in 2009-10.

There are two main issues, of course, with the levying of payroll tax. First of all, there is the rate, and the second issue is the threshold, and it is this second issue which I would like to deal with here today in my speech. The threshold is a massive disincentive for business, particularly the small and family business sector, in South Australia. I represent the people of Norwood, and there are many small and family businesses in this area, and many of them fall victim to the very low threshold for payroll tax payments in South Australia. Our threshold is \$600,000. This is the lowest in the country: many other states are as high as \$1 million. So, small businesses and family businesses in those states do not pay any payroll tax until their wages bill hits \$1 million.

As I said, there are many small and family businesses in Norwood that have raised this issue with me. I have much sympathy for that, having previously been a member of a family business paying this tax. It is a tax on businesses, but it is more than that: it is ultimately a cost to employees, because it is a disincentive for their business to be employing them, and ultimately it is a cost to all consumers. So, whilst we support this amendment bill, we call upon the government to think more substantially about the guts issues related to payroll tax and, most importantly, the threshold being the lowest in the country.

Ms SANDERSON (Adelaide) (16:06): I support the payroll tax amendment bill of 2010. As mentioned by the member for Morialta in his address in reply, payroll tax was a wartime measure to free up potential workers for national service. We need to wean ourselves off this ridiculous tax that is simply a tax on jobs. Businesses are leaving our state and taking with them the jobs and opportunities for South Australia.

In the 2008-09 year, 26,300 people left the state (half were between the ages of 20 and 39 years) due to a lack of opportunities for jobs and work in this state. I implore the government to act swiftly to reduce both the rate of the payroll tax and the threshold before we lose more jobs and businesses from this state. At the moment, as mentioned, the \$600,000 threshold is the lowest in the nation. This needs to be brought into line with the other states so that we can compete and keep South Australians in South Australia and in jobs.

The Hon. K.O. FOLEY (Port Adelaide—Deputy Premier, Treasurer, Minister for Federal/State Relations, Minister for Defence Industries) (16:07): I will say a few words in an attempt to answer some of the issues raised and anything that members of the opposition are not satisfied with, particularly the member for Unley, because there are multiple elements to this that I will need to reflect on.

I will start with the members for Adelaide and Norwood. I acknowledge their passionate contribution. I do not know whether they are now announcing Liberal Party policy. I did not hear the lead speaker, my good colleague and friend the shadow treasurer. We are of the same alma mater; we came into this place at the same time. Am I getting old?

The Hon. I.F. Evans: Yes, so am I.

The Hon. K.O. FOLEY: I am not sure whether the members for Adelaide and Norwood have articulated what the Liberal Party tax policy now is; it is a cut in the headline rate and an

increase in the threshold. I will give them the benefit of the doubt and pass some advice that they might want to check with their shadow spokesperson.

The member for Adelaide is correct that payroll tax was a wartime measure. We won the war, but we did not see the tax go. The issue of payroll tax is a vexed one. It is one that many employers and members of parliament have issue with. The reality is that it is a significant tax and our single largest tax revenue source. I think I am right in saying that: it is our single largest tax revenue source, as I look to the advisers with me today. It depends whether you—

The Hon. I.F. Evans: GST.

The Hon. K.O. FOLEY: Well, GST aside.

The Hon. I.F. Evans interjecting:

The Hon. K.O. FOLEY: Yes; the biggest own-source revenue—one of the few taxes we have left that we actually levy ourselves. Since coming to office, the member for Norwood says, we now raise 52 per cent more. That may well be correct, but that is not because of an increase in rate: it is because of the growth in the number of people employed in South Australia.

Mr Marshall: It's still too high. It's a disincentive to employment.

The Hon. K.O. FOLEY: Well, it has not been a disincentive for employers in the state. It is quite the opposite. We have seen substantial—

Mr Marshall: We are growing a lot slower than any other state.

The Hon. K.O. FOLEY: Member for Norwood, there is no media in the gallery. I would much prefer this to be a more congenial exercise, but if you want to—

Mr Marshall: You are singling me out.

The Hon. K.O. FOLEY: I am responding to the contributions you made. That is what you do in the second reading speech. Interjections are out of order. The payroll tax increase has not been because of an increase in the rate but because of the significant jobs growth under this government. In fact, since coming to office, we have substantially reduced the burden of payroll tax. The member for Norwood shakes his head. He has been in this chamber for a minute and he is an expert. We have reduced—

Members interjecting:

The SPEAKER: Order! Let the Deputy Premier conclude his remarks.

The Hon. K.O. FOLEY: —the rate of payroll tax considerably since coming to office, and we have brought (up until the last Victorian budget) our rate of payroll tax equivalent to that of Victoria; and I think that we are also equivalent with Victoria on threshold. Our main competitor base, in terms of like-for-like industry, certainly historically, has been the manufacturing state of Victoria. I accept that workforce profiles are now changing, but we have always felt in our government that we had to remain competitive at least with Victoria. So, we have brought our rates and thresholds into line with Victoria, and you cannot say that our companies are disadvantaged in relation to Victoria.

At my last look, although I do not have the scales in front of me, we have a lower land tax percentage than New South Wales, but I do think that it may have a larger threshold. I think our rate is close to if not lower than Western Australia, from memory; certainly not as low as Queensland. But the threshold issue is also a factor, I guess, over time, of the make-up of wages in terms of the size of the businesses that we may have operating.

The truth is, as Ken Henry pointed out, that what we do in all these taxes is to shift the base, and this government is not going to change that. The reality is that the narrower you make the base of taxation the higher the burden on those who are left to pay. Whilst it is intrinsically an attractive option to lift the base, we should bear in mind that we are narrowing the base and placing a burden on a smaller number of employers than otherwise may be the case.

The truth of the matter is that we are not going to abolish it and the Liberals are not going to abolish it (state Liberals at least), and we will continue wherever possible to keep our rates competitive. We cannot allow a gap to open up substantially, particularly with Victoria. Whilst it is obviously an attractive thing on which to speculate—how good would it be if we could get rid of payroll tax—the truth of the matter is that we can't and we won't, because we can't afford it.

To take \$600 million plus, or whatever the number is, out of our own source revenue, the ramifications would be horrendous in terms of the delivery of government services. The Henry review has looked at this and, from memory, the Henry review is of the view that, in fact, what you should do is lower the rate and broaden the base. You put a payroll tax on everyone and you bring the rate down. The larger employers will lose a significant impost on their business and perhaps would be in a position to reinvest that in more labour.

I do not think that the opposition will be advocating—we certainly will not be—that we broaden the base. That is pretty obvious. I would just caution the members for Norwood and Adelaide that, in the absence of another form of revenue, it is incredibly difficult to identify how you can replace that tax.

Ms Sanderson: The GST was brought in to replace payroll tax.

The Hon. K.O. FOLEY: No, it was not. Now, the member for Adelaide, and I will be kind, the GST was not brought in to—

Mr Pisoni interjecting:

The SPEAKER: Order!

The Hon. K.O. FOLEY: The GST was not brought in to replace payroll tax. It was never the case. John Hewson's GST, back in the unlosable election in 1993, was 15 per cent. The 15 per cent GST on food, I think, from memory, identified the abolition of payroll tax. What John Howard and Peter Costello delivered, and finally in compromise with the Australian Democrats in the Senate, was a GST at 10 per cent and not on food.

Mr Pisoni: You missed the bit where Labor opposed it.

The Hon. K.O. FOLEY: Come on; can you just—

Mr Pisoni: Tell the whole history.

The SPEAKER: Order!

The Hon. K.O. FOLEY: I am not trying to make a point, I am just—

Mr Pisoni: It's all in *Hansard*. It's a great way for students to study and then they know the opposite is true, Kevin.

The Hon. K.O. FOLEY: You are a horrible person. I think the member for Adelaide is not uncomfortable with my saying this. What happened in the Howard election when the GST was put in place was that a range of taxes would be abolished and all state treasurers—and at the time I think it was treasurer Lucas—signed off on that. They were the BAD tax (which I think is a hoot of a name for a tax) and the debits tax. There was a whole lot of—

Mr Marshall interjecting:

The Hon. K.O. FOLEY: FID. There were many transactional taxes—

Mr Pisoni: Stamp duty on state cheques.

The Hon. K.O. FOLEY: —on leases, marketable securities and, as the member for Unley constructively puts this time, on stamp duties on mortgages, etc. The last tax that we have not followed through—and all states broke the agreement—is stamp duty taxes on commercial property. The problem is that much of this has been twisted over the years at the expense of the states with the Property Council, or builders at least, saying that stamp duty was to be taken off the family home or house transactions. That was never going to happen. That was never on the IGA report. It was commercial properties, but we pulled up at that because we could not afford it, we needed the revenue.

Payroll tax was never part of Howard's GST. We have this big tax there: it is a vital part of state revenue. If you cut it, you have to identify an offsetting saving. In a perfect world, I would love to be rid of payroll tax, provided I had an acceptable replacement—and we cannot think of one and my guess is that neither will your side.

Mr Marshall interjecting:

The SPEAKER: Order! The minister is speaking. It is not a question from the opposition.

The Hon. K.O. FOLEY: I think the member for Norwood will find the resource tax is being put back in to a cut in company tax or a contribution to low income earner superannuation, from memory, and to an infrastructure fund. So, that is not going to work either. At the end of the day, we have the payroll tax system that we have. I should admit that we are bringing in yet another payroll tax cut in this budget (which is part of the election commitments) to provide full rebates for trainees at a cost of some \$25 million. So, there will be a \$25 million per annum cut.

The Hon. I.F. Evans: That was our policy.

The Hon. K.O. FOLEY: We are in government. It was our policy and we will be implementing it, and that will be a further reduction in the burden on employers in this state. On the issue that the shadow minister raised, I am advised, on advice, that there is no change to the definition of what wages paid are and that we are now, I assume, getting national consistency in how we describe that in legislation. In relation to the issues raised by the member for Unley in respect of payroll tax paid by contractors from another state working in South Australia, my advice is they pay payroll tax here in the jurisdiction, unless they are working across jurisdictions on a particular project. However, as I said, to benefit the member for Unley, I will have my staff go through his question and identify what else we need to answer.

I would like to comment briefly on this aspect. I am not critical—and the member for Unley may want to have a stoush over this—and this is not meant to be inflammatory, it is just my view on the issue of companies obtaining work in South Australia. I think he makes a very good point about skilling our people in this state in ways in which they are better placed to get contracts as they come along, and that is why we have vehicles within government such as the industrial supplies office—that is the old name but what its new name is escapes me. Its whole reason for being is to identify work packages and companies that have the skill sets to bid for those contracts.

However, at the end of the day, we are a signatory to the national preference agreement and that means that we do not favour local contractors—and we have never done that. Our government has never done it—and I am not aware of the last Liberal government doing it—except in some selected programs. I am sure there are some examples where this has not been followed for various reasons, but the policy strength for the non-preference agreement means that you keep your local companies competitive.

First, if you shut the borders and simply say, 'We will only have the South Australian contractors bid', you are bringing in a degree of protection which may mean that companies will not be as competitive as they need to be. Secondly, we are a very small state and most companies in the fields of contracting to government in construction, etc., work on a national basis, and if we start closing our borders to international firms, if that retaliatory action occurs in other states, then it will greatly disadvantage our companies' abilities to access contracts.

I will give you an example. One of the great builders of South Australia under an outstanding CEO in Peter Kennedy is Hansen Yuncken. It is a household name in South Australia as a major builder and it has built most of our hospitals in this state. If we simply said, 'Well, Hansen Yuncken could have every project in South Australia' and maybe we would only let Built Environs or someone else tender, two things would happen. My guess is, first, the state would not get the most competitive price flowing back to taxpayers; and, secondly, Hansen Yuncken, whose order book is probably larger in New South Wales and Queensland than what it is in South Australia would be shut out of those projects, stopping a company like that from growing through contracts interstate.

I have always been a strong believer in the national preference agreement and I think it is good for our business. However, I will peruse the *Hansard* contributions and any answers that are required that have not been given, I will provide as soon as practicable.

Bill read a second time and taken through its remaining stages.

LAND TAX (MISCELLANEOUS) AMENDMENT BILL

Adjourned debate on second reading.

(Continued from 11 May 2010.)

The Hon. I.F. EVANS (Davenport) (16:23): I am the lead speaker for the opposition in relation to this bill. The opposition will be supporting this bill because, essentially, this bill implements the Liberal Party policy from the last state election.

The Hon. K.O. Foley interjecting:

The Hon. I.F. EVANS: And the Treasurer well knows it. It is a good bill because it was a good policy. After eight years of plundering South Australian land owners through the nation's worst land tax regime, great credit goes to the former shadow treasurer and the former leader for holding a tax summit in 2008. We held the tax summit. There was a great debate about a whole range of tax issues, and the land tax regime in South Australia was the subject of much discussion at that particular summit.

We are here today to support this particular bill because, ultimately, it was the Liberal Party's policy that delivered this bill to the parliament. It was the political pressure put on by various opposition members, whether it be the member for Morialta, the member for Norwood or the member for Adelaide, or the candidate for Hartley, who ran public meetings, or the Hon. John Darley in another place who ran public meetings, bringing to the attention of the government the outrageous unfairness of the land tax regime as it stands. We welcome the fact—

The Hon. K.O. Foley interjecting:

The Hon. I.F. EVANS: Well, the Treasurer collected a lot more money through the land tax provisions, and he will know the cumulative nature of the land tax reforms that have occurred over time had some quite devastating impacts on business. The reality is that there was something like 69,000 people paying land tax previously, and it increased to 188,000 people, or entities, paying land tax during the last financial year, or last year.

The Treasurer may try to make the cheap political point about whether this existed under previous Liberal regimes. The reality is that three times as many entities were paying land tax under the Rann government's land tax arrangements than previously. The only reason the government moved was because of political pressure: it has had eight years to make these changes and did not. It was only through the great work of candidates, and now members of parliament in the seats of Adelaide, Norwood and Morialta, and Joe Scalzi as a candidate in Hartley, a whole range of people who went out and applied political pressure to this particular issue, and the government caved in.

The government did not want to cave in. It was only in June 2009 that the Treasurer was crying poor and telling the South Australian public, 'Our budget is running deficits. We can't possibly afford to reform the land tax regime in South Australia.' That was the intent of the quote by the Treasurer in June 2009. Well, lo and behold, we are still running budget deficits and, lo and behold, we now have the capacity to change the land tax regime.

We announced our policy in October 2009, and I think it was only a couple of months later, in the lead-up to the federal election, as part of the Mid-Year Budget Review, if my memory serves me right, that the Rann government came out and said, 'Lo and behold, even though we are still running'—

Mr Pederick: 28 January.

The Hon. I.F. EVANS: On 28 January they announced this, thank you, member for Hammond—'Lo and behold, even though we are still running budget deficits it now won't be irresponsible to change the land tax regime because the Labor Party are changing it and not the Liberal Party proposing it.'

So, let the record be crystal clear in the *Hansard* as to exactly what happened here: the Rann government was totally opposed to land tax reform in this form for eight years. There was political pressure applied by the Liberal Party across a whole range of suburbs and electorates right across the state—great work by the Hon. John Darley from another place and the Land Tax Reform Group. The Labor Party was telling the South Australian public, 'We are running budget deficits, we can't afford to reform land tax.' The Liberal Party, having held its tax summit, announces a land tax policy, and three months later, lo and behold, the government has found the mechanism to change its land tax regime that is reflected in this particular bill.

The Treasurer will quite rightly get up and say, 'Bad luck. We're in government and we'll implement the policy.'

The Hon. K.O. Foley interjecting:

The Hon. I.F. EVANS: Yes, that is right; I have seen the script. You are starting to sound like Stephen Baker; when he was treasurer he used to say that. That is the Treasurer's right to say that because governments ultimately get to implement their policies—well, most of them, at least. The reality is that this policy, this legislation, has been delivered because of the good work of the

Liberal Party, the good work of the former leader, the good work of the former treasurer, who applied the political blowtorch to the government and got it to move.

Even after these changes the government tells us that there are about 74,500 to 75,000 entities who will now not pay land tax under this regime. That means that there will be about 120,000 entities paying land tax. When the Liberal Party last left government there was only 66,000, so it is still double the amount. That is the reality. There will still be double the number of entities paying land tax under this regime.

We are pleased that the government adopted our policy of exempting aged care facilities and not-for-profit organisations providing living accommodation, medical treatment and nursing. All those groups become eligible for land tax exemptions. The threshold is going to be increased from \$110,000 to \$300,000 under which there will be zero tax paid. Importantly—and I think this is a good initiative—there is the indexing of those thresholds annually so that they rise—

The Hon. K.O. FOLEY: That was not a part of your promise.

The Hon. I.F. EVANS: Of course it was. I announced it at a public meeting at Blackwood late in the campaign. Weren't you there? Of course it was part of our promise—to the best of my memory. I give credit to the Treasurer: that is a good initiative. I would encourage him to look at doing it to other thresholds in the taxation system.

The way the indexing will work is that it is based on the average of the property values across the sector. There is a weighting among residential, commercial and industrial sectors. I do have a two page brief given to me by the Treasurer's office in regard to how this index is calculated. I do not intend to read it into *Hansard*, as it has some rather complicated mathematical formulas. I asked the Clerk whether I could insert it as a statistical record, and unfortunately I am unable to do that, so I will forward it to all members of the non-government parties so that they are crystal clear as to how the property values are going to be calculated. It is important that we have a clear understanding of how that will happen.

Importantly, under this legislation, the threshold cannot drop. The thresholds are adjusted by a formula based on property values which, as I said, are weighted based on sales, modelled roughly on an existing New South Wales formula. If property values drop for some reason, then the threshold will remain high, which means fewer people will pay land tax. Then, I understand, what will happen is that threshold will be held at that level until the revenue lost due to a downturn in property values has been recovered following an upturn in property values. That was certainly my understanding of the briefing. If that is not correct, the Treasurer can correct me.

I could speak for a long time about land tax and these changes. I know that others who were more involved in the formulation of this policy want to have their say, and I think that is fair. I just want to say, again: congratulations to those on my side of the house for their good work on this matter. The member for Waite has some amendments which the Liberal Party is supporting. We welcome those amendments and congratulate him on them. We congratulate the government on adopting our policy even though it took it eight years to do so.

Mr HAMILTON-SMITH (Waite) (16:33): I rise to support the bill and to commend my friend the member for Davenport for his remarks with which I wholeheartedly agree. This problem of land tax is one that perplexes the entire nation but which perplexes South Australia in particular. The opposition, as the member for Davenport has observed, was quick to move on this in the last term of parliament. The house will recall we held a tax summit in April 2008. A group of about 100 people assembled right here in this chamber. Various speakers were asked to address the summit. Opposition MPs attended in abundance, and we consulted and listened to people. It was interesting what they had to say, particularly because at that time our land tax regime was clearly the most punitive and onerous in the nation.

Land tax is a very peculiar tax. It falls only on holders of land at the time. The present value of tax liabilities is incorporated into the property value so that it is similar to a lump sum tax and efficient in that particular sense. It allows the community to share in increases in wealth resulting from increasing value of land, which in turn may result directly from public investment in surrounding infrastructure.

As our summit revealed, however, there are a number of weaknesses with the tax, some of which are addressed by this bill but others which are not. It is likely that the land tax on commercial land is less efficient than land tax on residential land, reflecting the more pervasive distorting effects on business cost structures. This tax is a real burden to businesses, particularly businesses

that are competing for business in South Australia with companies based interstate that do not have to work with such an onerous structure. We have had the case of plant, equipment and contractors employed on the Northern Expressway and the desalination plant coming from interstate where, in some cases, if they come from states like Queensland, they are paying no land tax at all up to a value of \$500,000 and far lower rates in most other states than us at almost every category level. This enables them to come over and knock off our people—our civil contractors—when tendering for jobs. That is just one example of how this tax hurts South Australian businesses and South Australian families.

The average efficiency in comparison with other states' taxes is variable. Efficiency is diminished with land tax as a result of exemptions provided for residential and primary production land, but in some states the narrowing of the base has been associated with steeply progressive tax rates, and I think South Australia certainly fits that description. Arguably, a proportional rate structure would be more efficient, and I commend the government for introducing these changes to that structure but, as the member for Davenport has observed, we would not be here discussing this bill today had it not been for the opposition taking up the cudgel on behalf of South Australian families.

As we know, revenue from this tax is volatile, reflecting asset price fluctuations, particularly in commercial property but also residential. It also carries with it a high administrative burden for collection, as land data (particularly for valuation use) is required, and it is an expensive tax to raise in that regard. The system is based on modelled valuations, not market values, and these valuations may be significantly different from market values in some markets and similar in others. That is a particular issue.

People often feel that they are paying a land tax burden that is above what they think their property is actually worth, and that really hurts. It hurts shop owners. It hurts professionals who may be operating from a premises upon which they are required to pay tax. There is one group in the community that I have particular empathy for on this tax, and that is retirees, particularly from migrant communities, who came out here in the fifties and sixties when the regime was different and, not accustomed to a system of superannuation, chose over a period of time to acquire the odd property as a form of superannuation.

They might have acquired one property in the sixties, another property in the seventies, another property in the eighties. At the time those properties may not have been very expensive at all, but in time they have grown in value. I have extended family who are in this position, being married to a Greek. They are 78, 80 years old, they have a couple of investment properties, they rely on that investment property for their income, and they are suddenly finding themselves burdened with an unsustainable land tax bill that is coming out of what is, in effect, their pension, and this really hurts. I know it hurts families and communities in the seat of Norwood.

Mr Marshall: Absolutely.

Mr HAMILTON-SMITH: The member for Norwood has been very vocal on this. I know it hurts families and communities in the seat of Adelaide. I know this because my mother-in-law lives there and I know she has been onto the member for Adelaide along with her friends. I know it affects the seat of Morialta and I am sure it also affects the seats of Chaffey, Unley, Davenport, Waite and Hammond. We are all here and we all have families in this situation where this is their retirement and it is being taxed, and it is not being taxed in the same way that other superannuation assets are taxed.

In that regard, it would be interesting for the government to consider some way of providing relief for families that fit this category. I am not sure how we would apply that. I am not sure if there would be an age criterion or if there might be some other avenue. It is more than likely that such a review would need to form part of a review of federal-state financial relations, because it would need to be changed in the context of superannuation taxes, which are within the federal jurisdiction. But somehow or other we need to make sure that people with one superannuation investment (that being property) are not penalised alongside others with different superannuation investments.

A number of people will be pleased with this bill. I know from our tax summit and from discussions from 2008 right through to the current day that the Property Council was arguing for a lift in this threshold along the lines that are contained in the bill. I know Business SA made strong representations at our tax summit that this threshold should be raised. I know members of the other

place, particularly the Hon. John Darley, made similar recommendations. The Real Estate Institute of South Australia argued strongly that the thresholds should be raised.

The Productivity Commission advocated broadening the land tax base to include principal place of residence, and I can tell you that is something that I would not be supporting. At the tax summit it was consistently raised as a point that the thresholds needed to be raised to better reflect the market today, and this bill does that as a result of the efforts of the opposition in, if you like, pushing the government to this point.

This is an example of how an opposition can achieve results from opposition, even though you are stuck in opposition. By arguing a case, by pursuing it with vision and determination, you can push the government through the force of your argument and the way in which you put it to make some sensible decisions. I think this is a sensible decision, and I commend the government for bringing it forward. I think it is an appropriate measure.

It will still leave us, though, at a competitive disadvantage compared to other states, and I think we do need to go further in a new wave of reforms. I note that the Treasurer, from his earlier remarks, is focused on Victoria, but we really should be no further north than the median land tax burden across the nation. I really think we should be striking some sort of an equilibrium where we are in the middle of the pack at each category and level of land tax payable. It should be no more of an advantage or a disadvantage to set up business here in South Australia and to operate from here because of the land tax regime. At the moment it is, and even after this bill is passed it still will be. So we need to find a way to head in the long term to a more sustainable future on land tax rates.

I will speak during the committee stage of the bill on a particular amendment that I propose to move, so I will not go into detail on that now in the second reading, but I will thank in anticipation the government and the minister for being prepared to listen to that amendment. I will talk more about it in committee. It has to do with this situation of land tax payable to families, where their house is destroyed through no fault of theirs, by fire, earthquake, flood or impact, and a loophole or a weakness in the legislation whereby such families can have to pay land tax while they are rebuilding their home. As I said, I will not go into that in detail now because I will address it in committee.

I conclude my remarks by again commending the government for bringing this bill forward. You could have toughed it out. You could have continued to defy the opposition and the public on this and you could have continued to say no. But you were struck by an irresistible force: the state Liberals and the people of South Australia, who were determined to bring land tax reform to this state, and we have succeeded. It is an example, I think, of a commonsense outcome that will benefit a lot of families and really make a difference to the lives of a lot of people, particularly those on low to medium incomes who are going to most benefit from the changes contained in the bill. I commend the bill to the house.

Mr GARDNER (Morialta) (16:45): I indicate to the house that I will be supporting this bill and I would like to congratulate the architects of this piece of legislation all of whom, of course, sit on this side of the chamber because last year it was the Liberal Party that was arguing for land tax reform. It was the Liberal Party that was arguing for land tax reform in 2008 when, I remember, the Treasurer, when asked about it, argued that people with valuable properties whose land tax bills were going up should be enjoying the fact that their houses had had a large capital gain. He made comments in the house in November 2008 to that effect and at other times in the media.

In April 2009 I attended a meeting along with about a thousand other people and a number of Liberal candidates. The member for Norwood was there and the member for Adelaide was there. I have a photo of the member of Adelaide at that function in front of me. The then leader of the opposition was there as was the current one. In fact the Liberal Party team was represented very well along with people like Joe Scalzi who worked very hard to ensure—

Mr Marshall: Was anybody from the government there?

Mr GARDNER: I will get to that. The member for Norwood asks if anyone from the government was there and I will get to that. Joe Scalzi was the Liberal candidate for Hartley and worked very hard along with the member for Norwood, the member for Adelaide and me to ensure that the Liberal Party policy on land tax was going to be taken to the election.

We wanted it to be announced early because we wanted this to be a bipartisan thing. We wanted the Labor Party to come on board because at the end of the day, more important than the

political issue of who is going to take the points on land tax is that the land tax reforms are delivered for the people of South Australia, for businesses in South Australia, for landlords in South Australia, for the people who buy the products from those businesses and the residents of those rental properties. In this bill we see the culmination of that from the government's point of view.

However, the member for Norwood asks whether there was anyone from the government at that meeting. There was a cardboard cut-out of the Treasurer there and I subsequently found out that it was one of my constituents who threw a shoe at it. I think it is very poor behaviour but it summed up the anger of a thousand people at the Norwood Town Hall that the Treasurer, when told by John Darley from the other place that this meeting would be taking place, had no interest in attending or sending a representative to argue the Labor Party's case: that land tax reform was unnecessary and that people should be happy about the capital gains on their houses.

There was absolutely no consideration of those people, constituents in Morialta and in seats like Norwood and Adelaide where, as a result of the rules of aggregation, land tax bills increased from \$12,000 a year to over \$100,000 a year. People who had based their retirement incomes on the idea that they are going to have an income from their rental properties had those entire rental incomes taken up with tax bills because this government changed the rules on them.

I know it is not just Morialta, Norwood and Adelaide and other seats held by Liberal members where this is being heard loud and clear because, a little bit after the land tax forum organised by John Darley, I attended a meeting of the Campbelltown Residents and Ratepayers Association in the middle of last year which was also attended by the member for Hartley.

I was very glad to see the member for Hartley there. I thought that I would have a good old stoush with her, and that would be very good for the Liberal Party because I would be able to talk about how the Liberal Party wanted to reform land tax. I assumed that the member for Hartley would defend the government's position. It was very interesting to see that she did not. In fact, she criticised the Liberal Party's position on land tax—that we wanted to raise the thresholds—as not going far enough because it did not attack the real cause of the problem which was the aggregation introduced by this government.

I note that the member for Hartley is not here in this chamber to discuss land tax and this very important bill, but at that meeting, she was only too happy to say that she was arguing within the government for land tax reform and, if that is the case, I commend her for it. However, all I can say is that she was a part of the government that saw bracket creep effectively increase land tax revenues by 292 per cent and the number of people paying land tax increase from 69,000 to 188,000.

These reforms address some of that bracket creep but it does not even bring us back to the point that we were at before the Labor Party took power in South Australia. This is of great concern to landlords and to small businesses. Especially importantly, it is of great concern to people with low incomes living in rental accommodation whose rents are definitely always going to be affected by the amount of tax that their landlords have to pay. This is of great concern to anyone who wants to buy products from the small businesses operating out of these rental accommodations whose costs are higher. We know that the end cost will always be passed on to the consumer.

This brings us then to the Liberal Party's policy which has mostly been adopted by the Labor Party in this legislation. However, there is one part of the Liberal Party's policy that is contained in the title that the Labor Party has missed and it is very important that we consider this. The Liberal Party's policy was entitled Land Tax Reform: The First Step. That is what has been responded to in this legislation: the first step and the first step alone. I say that because in point three of the recommendations that the Liberal Party took to the election, we said that following this immediate increase in the thresholds to deliver this relief to a section of land tax payers and reduce everyone's bills by a little bit, the important part is that we would then embark on a reform program. This is not the reform. This is adjusting the brackets. The real reform has to come later.

We need to look at the way that aggregation has hurt South Australian landlords and the people renting from them, including the small businesses and including everybody who buys a product from a small business in South Australia that is operating out of rental premises. It is only the first step that we are dealing with here today and, quite frankly, it is not good enough from this government.

In November, again during the election campaign, I was pleased that the then shadow treasurer and the shadow finance minister, Rob Lucas, were good enough to come out to the seat

of Morialta and listen to residents raise their concerns. We had a public meeting at the St Francis of Assisi church hall, many of whose congregation find this a very concerning issue. It was on 12 November and we had many people and heard their stories of their land tax bills increasing unreasonably during the course of the past eight years to the point where their retirement incomes were cruelly cut.

Following this, we announced the policy which we took to the election and which the government subsequently took as well. I am very pleased to vote for this bill. I look forward to voting for the member for Waite's amendments to the bill; but I flag to the house that there is a lot more work to be done to really bring land tax to the line where South Australia is not disadvantaged compared to other states.

Mr MARSHALL (Norwood) (16:53): First of all, may I commend the fiery, fired up member for Morialta on his speech on this important amendment bill.

Mr Gardner: It's of great concern.

Mr MARSHALL: It is of great concern to him, it is of great concern to me and, I think, it is of great concern to all of the people of Norwood. Of course, he has stolen most of my thunder and not left me much to talk about, so I will be brief.

The member quite rightly points out that land tax revenue over the life of this government has increased not incrementally but exponentially. Whilst the Treasurer points out that revenue, of course, is good—we need that revenue—we also need to look at the consequences of any taxes, any revenue that we raise, and we always need to be mindful of the double-edged sword of taxation. On one side, it does raise revenue for our state, but on the other side, of course, it could curtail future growth and opportunity for South Australia. It is some of those points that I would like to make briefly to the house this afternoon.

Land tax, of course, has a deleterious effect on many groups within society. I suppose principal amongst those, to me, is the investment that we have in our state. There is no doubt that, when you charge a land tax on a property investment, that has to be a disincentive for people to invest in that form of investment. Of course, a large component of the South Australian economy is based on the construction industry. If we have taxes that specifically attack the viability and feasibility of, and the return on, buildings in South Australia, this has a flow-on effect on our employees and businesses.

Other members and, importantly, the member for Waite, have alluded to this tax really hitting retirees. He is not alone with his family, nor with the electors of Waite. The people of Norwood feel really strongly about this. While I was out, in the lead-up to the election campaign, talking to the people of Norwood, I heard story after story of, often, migrant families who had worked hard every day that they had been in this country, often with second and third jobs, and they put the money that they saved into property, and in effect that was their superannuation. Of course, it was such an unimaginable body blow to them to have this ongoing increase and escalation in land taxes that they were being hit with.

I heard story after story of people who actually had higher land tax bills than the rent they were getting in. So, it hits our retirees, it hits our businesses and, of course, it also hits tenants. If investors in the property sector say, 'Look; we can't get a really good commercial return any more because of this punitive land tax rate', then they are going to reduce the number of properties for rental that are produced in South Australia, and, of course, there will be fewer houses to rent and rents go up. So, it hits our tenants, it hits our businesses, it hits our employees, and I think it is also at worthy to note that it hits affordable housing in South Australia.

When a property developer purchases a piece of property, that property developer holds that. If they are paying land tax on it, who do you think actually ends up paying for that land tax? In fact, of course, it is the person who purchases the land; so this has an effect on affordable housing in South Australia.

For all these reasons the Liberal Party focused on the issue of land tax in the lead-up to the election. In fact, the member for Waite quite rightly points out that he held a fantastic tax review forum here in the parliament in April 2008, and this is one of the major findings that came out of it. Another great thing is that the member for Waite not only spoke to the business community, he not only spoke to his own parliamentary colleagues, but he also spoke to all of the candidates. I must say, I felt very included when the member for Waite, our former leader, made contact with each of

us candidates to talk about the important issues that were hitting our electorates and, of course, on many occasions raised the issue of land tax.

Mr Gardner: Relentless.

Mr MARSHALL: Relentless. In October 2009 I was very privileged to be present at the Liberal Party's unveiling of its interim land tax position, and that was done in the electorate of Norwood; in fact, just outside the Alta Villa Club on The Parade. It was great to have it there, and I think that our leader recognised the real pain that was being suffered by the imposition of land tax and the effect the punitive rates in South Australia had on the people of Norwood.

In fact, at the time of announcing the land tax threshold rate in South Australia, it was \$110,000. We announced that we would move that to \$250,000 and, importantly, we committed as a party to further bringing our state into line with other states. Now, this is very important. We did not just change the threshold: we actually made a commitment that in the future we would bring our land tax regime in South Australia into line with other states in Australia.

Now, how was this responded to by the government? I think other members have made the response very clear. Generally speaking, I think at the time the government thought that land tax was really something that is paid by rich landlords. It did not think about the consequences for employees, it did not think about these consequences for our retirees, it did not think about the consequences for investment and it did not think about the consequences in terms of affordable housing: it thought that this was a tax which was quite rightly levied on the rich. In fact, I think one comment of the Treasurer, which I will paraphrase, was, 'Well, if they don't like it, why don't they sell a property to pay for it?'

With this clear position of the government I was, of course, quite shocked—happily, I might say, when the mid-term review finally came down. Usually, of course, it is in December but we actually got it on 28 January. So it was with a great deal of surprise, but happy surprise, when the government substantially adopted the Liberal policy which was to change the threshold and, in fact, essentially propose the amendments that it has put to us today.

There is one final point I want to make, and that picks up the point made by the member for Waite when he said that many people feel frustrated by the current land tax situation and the inability of the ordinary person to query the land tax levy that they are given. Of course, the land tax levy is based upon the valuation rate. It is difficult for people to query that rate. In fact, I have one constituent at the moment who said that he queried the rate, he got a response, and his next course of action is to take this up with the Supreme Court. This seems to me to be using a sledgehammer to crack a walnut. I think this is something that needs to be looked at. People do feel frustrated about valuations, and we need a clear and simple mechanism for people to query these rates—to get speedy but also cost-effective responses.

I also note that this amendment bill allows for indexation of the threshold. I note, though, that the indexation takes effect as of 1 July 2011. I think that, at the time the government announced it, it said that about 75,000 people who are currently paying the land tax would no longer be paying that land tax, but I wonder whether that takes into account that there will be two CPI increases before we get the change to that \$300,000 threshold.

I support this bill, but what we really need in South Australia is parity. No-one wants to lose revenue in this state, as the Treasurer has already pointed out today, but we do need to look at the real costs—not just the short-term costs but also the long-term costs for our state and, importantly, our economy here in South Australia.

Ms SANDERSON (Adelaide) (17:02): I support the Land Tax (Miscellaneous) Amendment Bill, and we are very happy that the government has adopted the Liberal Party policy changes. Just this week, I received 30 survey forms back from members of my electorate and I can state that land tax is still the number one issue in my electorate. I reiterate, as the member for Morialta said, that this is the first step. So, whilst I welcome the changes, I reinforce that this is a first step and there are still a lot of people being affected by our land tax regime.

One of its effects is on affordable housing. As we know, there is a shortage of affordable housing because it is too costly for investors to purchase low cost housing for rent due to the aggregation of land. This has affected members of my own family who were renting out properties, and it is not worthwhile by the time you pay all the state taxes.

Businesses are also suffering. A year ago, I was looking at leasing a commercial property on Melbourne Street so I inquired about 10 that were available at the time. For one of the

properties the lease was \$50,000 a year. On top of that, of course, is \$5,000 in GST to the federal government. I inquired as to the land tax component and that was \$25,000 out of the \$50,000. As anyone would see, they would not even be able to pay the mortgage on the building at that rate, and only the government is making money out of this. A person could have had a job for that \$25,000 but is now probably on unemployment benefits. This is costing jobs and putting businesses under pressure in what is already a tough market.

As was also mentioned by the member for Norwood, retired people are being punished after spending years of their lives contributing to this community through paying their taxes and working hard. They have either saved up and bought rental properties for their superannuation or, as many have done, they spent \$10,000 years ago to buy a shack on the waterfront which is now worth a lot more money and the land tax makes it unviable for them to continue with that property. That puts them in a very difficult position because if they sell the property they are subject to capital gains tax; and if they then put the money in the bank they will get a reduction in their pension. So they have to choose whether to keep spending money on a property they worked hard for. This needs to be seen as the first step, and I am very happy that we have taken that first step.

The Hon. A. KOUTSANTONIS (West Torrens—Minister for Industry and Trade, Minister for Small Business, Minister for Correctional Services, Minister for Gambling) (17:05): I listened with great interest to the crocodile tears from members opposite about land tax, and I think a few things should be pointed out. This is the only government that has lowered the imposition of land tax on ordinary South Australians. The former Liberal government lowered the tax-free threshold to \$50,000. The former Liberal government made it illegal for landlords to pass on increases of land tax to their tenants. The Leader of the Opposition was on radio saying, 'This is appalling, because people passed on the increase in the land tax in their rent,' despite her own government making that illegal.

Mr Pisoni: No, that was Bannon. Bannon did that.

The Hon. A. KOUTSANTONIS: No, it was Graham Ingerson. Anyway, I will check my history. Another important thing to remember is that the Leader of the Opposition—once the government brought in its indexed tax-free threshold, after they refused to index their own tax-free threshold and it immediately matched ours—wanted to say, 'This only helps mum and dad investors.' So, 75,000 South Australians who no longer pay land tax are just mum and dad investors. It is crocodile tears.

This opposition does not care about people who pay land tax, because, if it did care, instead of having a policy to review after the election, move the amendments now. What is your plan? What is the plan for the remaining 25,000 people who pay land tax? What is the plan? Silence. What are you going to do to the top end of town? Where are the tax cuts you promised in secret? That is the irony of the Liberal Party's case. When we cut land tax for the majority of the mum and dad investors who were doing it tough so they do not have to pay land tax, members opposite said, 'Oh, it's just mum and dad investors. What about the real investors?' Now that they are concerned about the real investors they have gone quiet. They had a secret plan, and it is so secret that they do not even know what it is.

I am sick and tired of the hypocrisy of members opposite when it comes to land tax. If they were serious about land tax reforms, announce it now. The bill is before the house. Let the shadow treasurer get up and explain to the house what he would have done if he were treasurer today. But, of course, he will not. I have since found out from the Fair Land Tax Party that the opposition intended to engage the Hon. John Darley to run a review. Well, that is interesting. They were going to outsource their land tax policy to an independent member of the upper house. That is fine. That is the rigour they have when it comes to land tax.

Perhaps members opposite, who are crying crocodile tears over land tax, could articulate to the rest of the people of South Australia what this secret plan meant. What are the parameters of this secret review the Hon. John Darley was going to conduct into land tax? Perhaps they could have told us why they did not tell the people of South Australia before the election that John Darley would be heading up this review into land tax. The shadow treasurer shakes his head as if he knows nothing about it. Maybe he was kept in the dark by the Hon. Rob Lucas; maybe he was not told about their plans.

I would like to know on the record from the opposition its plan for land tax. It cried long and hard for mum and dad investors, and then, the moment they got relief, derided that relief—mocked it and then matched it. These were the two plans: the Labor Party gives land tax relief,

\$300,000 tax free threshold indexed; the Liberal Party's plan, \$250,000 tax free threshold not indexed, after a history of legislating increasing land tax. This is the only government that has cut land tax and continued to cut land tax. The Liberal Party has no credibility on land tax whatsoever. It cried crocodile tears.

But then we find out about this secret plan, and I am fascinated to know what John Darley's scope was going to be for his investigation. I am fascinated to know what the Hon. Rob Lucas had devised. Perhaps it is not true; perhaps that was just a nudge and a wink to people who were concerned about land tax: 'Oh, listen; we can't announce any more now because we'll have to pay for it.' So, nudge and a wink, 'If you elect us, if we win, we'll do more.' Well, the election is over now. Where are the amendments? Nowhere to be seen.

Where is this secret policy? Nowhere to be seen. I think that every South Australian who was given a nudge and a wink by the Liberal Party about fear of the reforms to come after the election should look at this debate and say, 'Oh, there's none forthcoming.' They do not even have the courage of their convictions to get up and articulate what their policy was. The best they can do is match our policy, not theirs, which shows their policy to be defunct, and then keep quiet about the big end of town. It seems to me that members of the Liberal Party are hypocrites on this issue, absolute hypocrites.

The Hon. I.F. Evans: That is unparliamentary.

The Hon. A. KOUTSANTONIS: No, it's not; move a point of order.

The Hon. I.F. EVANS: Madam Speaker, I draw your attention to the use of the word 'hypocrite', which previously has been ruled unparliamentary.

The SPEAKER: I did not hear the remark, but I take the honourable member's word, and I ask the minister to withdraw the comment.

The Hon. A. KOUTSANTONIS: I did not reflect on any individual member, just an ideology. I will say this in conclusion: I am proud of what this government has done in cutting land tax; I am proud that our cuts target mum and dad investors; I am proud that they are our first object. They are the people we care about the most. I see the crocodile tears for what they are, and I commend the bill to the house.

Mr PEDERICK (Hammond) (17:12): After that interesting tirade from—

Mr Hamilton-Smith: Intellectual contribution.

Mr PEDERICK: Yes, an intellectual contribution from the Minister for Industry and Trade. It is very interesting that he is making comments that the Labor Party cares about the mum and dad investors. Perhaps some of those mum and dad investors would like to check previous *Hansard* comments from the Treasurer in this place in which he made statements that you were wealthy if you owned investment properties. You could sell them and get the wealth. That is not the point.

The Hon. A. Koutsantonis interjecting:

Mr PEDERICK: It is on the *Hansard*, Google it. Do a *Hansard* search. The staff would be on it straight away.

An honourable member interjecting:

Mr PEDERICK: It is in there. Do the *Hansard* search. The Treasurer made comments that, if people had these properties they were wealthy. It is like anyone owning property, whether it is investment property, farming property or any property like this, it is people trying to make a go of life and get on with life, and you just cannot say they are wealthy because they have some property to their name. Most of this property is mortgaged to the hilt. It is people trying to make a go for themselves. It is people who have come to this country over many years, a lot of immigrants through the 50s and 60s, who have made this a better place. Immigrants of all nationalities have done so well in this state and in this country in forging ahead, yet they get told by the Treasurer of this state that they are wealthy because they might own investment property.

The Minister for Industry and Trade talked about the good job the Labor Party has done in bringing forward this policy. Well, how did this policy of increasing the threshold come about? The Labor policy of increasing the threshold of land tax came about only because of what the Liberal Party did as a first step in raising the threshold from \$110,000 to \$250,000.

An honourable member interjecting:

Mr PEDERICK: Exactly. The government said that it could not be afforded. Then they said they would bring it up to \$300,000, because obviously polling at the time was killing them, and they knew that they needed to get back the votes of the mums and dads, especially in the suburbs around Adelaide.

We support these amendments, because we immediately matched the \$300,000 threshold. The beauty of this bill will mean that 74,500 ownerships will no longer be liable for land tax in 2010-11. From 2011-12 all land tax thresholds will be indexed. The average land value increase will encompass residential, commercial and industrial properties and be weighted to take into account factors such as, amongst other things, the percentage of residential properties subject to land tax (which is around 25 per cent).

There is also the issue that when land values go down the tax threshold will remain the same, which means that people will be protected during times of economic downturn, when land values traditionally decrease. The new index value will be applied to the land tax threshold only when the new index value is higher than all the preceding index values, and there will not be any reductions in thresholds.

We must remember that the Labor Party would not have introduced this bill if it had not been for pressure from the public, from the thousand-strong meeting in Norwood and from the whole community of South Australia and if it had not been fearful of not winning the last election. Liberal Party policy made what is happening here today happen—and that is a fact. This bill would not have happened if we had not taken that step. The Labor Party said it was too expensive to implement it, but it was all about votes.

I would also like to comment on what happens with land tax when someone in a partnership dies. Obviously, this happens with a lot of older couples in society. The surviving partner receives the land tax bill. Constituents would be going into offices, whether they be Labor, Liberal or crossbench offices, with complaints—

Mr Gardner: Regularly.

Mr PEDERICK: Regularly, as the member for Morialta interjects. Why all of a sudden do we have people aged 85 in their own residence, which is supposedly exempt from land tax, automatically getting a bill for land tax? It is absolutely ridiculous, and it could probably be changed through regulation. They come into the offices and they are confused. All of a sudden they have a bill for land tax. It just should not happen. The problem is that it is a sneaky way to gain more revenue for a government, because people see an account and think they have to pay it.

Once thing I will say in the department's favour is that when you get onto them it is usually turned around, but it should not happen in the first instance, because it upsets surviving partners if there is a change of ownership in a property. Most of these people are in the twilight of their life and do not need the grief. We on this side of the house support the bill. If it were not for the Liberal Party we would not be passing this legislation today.

Honourable members: Hear, hear!

The Hon. K.O. FOLEY (Port Adelaide—Deputy Premier, Treasurer, Minister for Federal/State Relations, Minister for Defence Industries) (17:19): I thank all members for their contributions. I will quickly address some of the issues, but I should say from the outset—and it is a pity more members are not in the house to hear my contribution—that, if people via history books or perhaps via *Hansard* on Google were to look at my career as Treasurer, as the head of the financial side of the administration of government, they would see that this government with this Treasurer has been the biggest tax cutting government, and I would be the biggest tax cutting Treasurer in this state's history since federation.

There is rarely a moment where I will seek to make a point of my achievements as Treasurer, but I think it needs to be put on the record that there should be a sign on my door: 'Tax-cutting Treasurer of South Australia'. I remember the member for Hartley's reaction when I told her about this cut in land tax. She hugged me and kissed me!

The Hon. G. Portolesi: No touching though.

The Hon. K.O. FOLEY: No touching. The truth is that in all humility I am the biggest tax cutting treasurer in this state's history—because that is what we do in Labor. We fire up the economy, we get people working and we cut taxes. That is what a good state Labor government

does. I think this administration can be very proud of the fact that we have delivered jobs, investment, tax cuts and infrastructure—and a few other things.

Having just made the observation that needed to be put on the public record that we are a tax-cutting government, I will comment briefly on the contributions from the new members on the backbench. They were articulate and very passionate, and they are making policy on the run from the backbenches. That's fine; you do that. I think the member for Adelaide or it might have been the member for Norwood talked ill of aggregation; that we should get rid of aggregation.

Ms Fox: The member for Morialta.

The Hon. K.O. FOLEY: The member for Morialta. If that is the Liberal Party policy, let us see the amendment. Let us do it. Does the member want to move an amendment in that way? Member for Morialta, I cannot hear you. Do you want to move that amendment? I have to say on this whole land tax debate that, since day 1, the Liberals say one thing and do another. They have talked up big to the big end of town. I do not necessarily suggest that the shadow treasurer was involved, although it has his hallmarks—the Fair Land Tax Party and that quite vicious personal attack on me. I am tough enough to cop it, but we know who was behind that—Harry Perks and others who were openly funding that. I do not know whether the Liberal Party made any promises to the Fair Land Tax Party at the election. I was hearing reports that a number of promises were made about what would be done in government.

Mr Marshall interjecting:

The Hon. K.O. FOLEY: Now the member for Morialta is not sitting in silence. He sat in silence when I pinged him and I put him under pressure—if he wants to get rid of aggregation, move an amendment from the backbench—and he froze in sheer panic when he realised he had gone too far. He had to pull back from that moment of committing his side of politics to a tax cut that would be in the order of 200 million, 300 million—maybe not that much, but it is a significant number. My guess would be that aggregation would be well over \$100 million, \$150 million without the data in front of me.

Ms Fox: The silence is deafening.

The Hon. K.O. FOLEY: There is silence. Other members talked about various other concerns that they have for land tax, and again I have always said that our land tax regime had become punitive. The reason is that we have been so successful in firing up this economy that, after a period of stagnation with property values under the Liberals, a good quality administration comes along, and because we manage the economy so well, property values have risen under this Labor government. I do not think this state will have ever witnessed a commercial property boom the likes of what we have seen over the last six years in this city. You walk out and you can barely see the blue sky and the clouds because of the cranes from the skylines. We have office buildings, apartment buildings, retail, commercial. They are all happening because we have property values on the move. The issue of the widow that the member for—

The Hon. I.F. Evans: You are budgeting for a zero growth in non-residential property values this year.

The Hon. K.O. FOLEY: I have just said 'the last six years'.

The Hon. I.F. Evans: Zero.

The Hon. K.O. FOLEY: I said, 'The last six years.' The member for Hammond talked about the tax office sending land tax bills to widowers. That is unfortunate. It is not deliberate. Any suggestion that we do it on purpose or we do it—

Mr Pederick: It's wrong.

The SPEAKER: Order!

The Hon. K.O. FOLEY: The reality is that errors occur when you are sending out—

Mr Pederick: It happens all the time.

The Hon. K.O. FOLEY: Why don't you have a talk to the tax commissioner quietly and privately about it?

The Hon. A. Koutsantonis: I will say a few things, too.

The Hon. K.O. FOLEY: Have you been getting some? Our state taxation office handles large volumes of transactions—

Mr Pederick: It is standard practice. Ask other members, it is standard practice.

The Hon. K.O. FOLEY: I think you are embellishing it.

Mr Pederick interjecting:

The SPEAKER: Order!

The Hon. K.O. FOLEY: That is a very difficult change of circumstances to pick up, but, as I said, instead of talking under privilege and firing bullets at the tax office, why do we not just sit down and talk about it. I know Mike Walker, he is a good officer, and he is the sort of person who would sit down and constructively have dialogue to see whether there are ways of fixing it.

I cannot conclude without reflecting on the comments of the member for Norwood. I do not know who was in the chamber at the time but he was almost sycophantic in his praise for the former leader, the member for Waite.

Ms Fox: There was a lot of love.

The Hon. K.O. FOLEY: A lot of love; a lot of man love between them in a non-sexual way.

Ms Fox: Obviously.

The Hon. K.O. FOLEY: He was gushing in his praise of the tax summit and the leadership shown by the member for Waite and how the member for Waite sat down with all the candidates, brought them on the journey with him. Of course, they hit the brick wall and crashed and he was replaced.

The Hon. A. Koutsantonis interjecting:

The Hon. K.O. FOLEY: He got the young ones.

Members interjecting:

The Hon. K.O. FOLEY: The Pynesses have a little bit of fire in their belly. The member for Norwood made no comment about or reflection on the leadership of the current Leader of the Opposition, but very praiseworthy of the former leader—and that is commendable. That having been said, I have to also comment on the former leader's speech which I thought was Churchillian, and I thought that Duntroon education was taxpayers' money well spent. His stature, his command of the subject matter and his—

Ms Fox: Dignity.

The Hon. K.O. FOLEY: —dignity and his ability to acknowledge greatness on this side—it was the speech of a leader. I am predicting that over the next few months we will see a few more cameos from the former leader. I think he will come in on matters for which he has a good grasp of detail—

Mr Marshall: Yes.

The Hon. K.O. FOLEY: Yes; we have acknowledgment from the fan, who is the member for Norwood—the cheer squad. The cheerleader for Martin has now been outed and identified as the member for Norwood, and I guess the other Pyne-ites are in there as well.

Members interjecting:

The SPEAKER: Order! Would members please note the time and get back to the question and the issues involved.

Mr Hamilton-Smith interjecting:

The Hon. K.O. FOLEY: There is only so much I can do to pump up your tyres, member for Waite. The member for Waite, in a piece of political trickery—but he has redeemed himself by moving an amendment, and we have worked together to get it up—this is the case where he sent me a letter that arrived in my letterbox at five past nine (I was in Canberra) and he was on radio at 10 past nine attacking me for not doing anything about it—

Mr Hamilton-Smith interjecting:

The Hon. K.O. FOLEY: That is very funny, actually. That was somewhat tora, tora, tora-esque.

An honourable member interjecting:

The Hon. K.O. FOLEY: Yes; who finally won?

An honourable member interjecting:

The Hon. K.O. FOLEY: Yamamoto over there: Colonel Yamamoto. I think we might just steer this back into economic discussion. We have already upset the Israelis; let us not upset the Japanese. We could be causing a diplomatic stir without realising it. We need to go into committee, so I will commend the bill to the house and thank members for their contributions.

Bill read a second time.

In committee.

Clause 1 passed.

Clause 2.

The Hon. K.O. FOLEY: I move:

Page 2, line 7 [clause 2(2)]—Delete 'Section 4' and substitute:

Section 4(1), (2) and (3)

I will not take credit for this because this is not my amendment. The member for Waite, as I said, indulged in a moment of political trickery but he then redeemed himself by coming up with a constructive amendment to the legislation to deal with the issue of the unfortunate family in Mitcham. I think, if we are being honest, we should say it is the Mitcham council's fault for taking an inordinate amount of time to approve this poor couple's house.

The Hon. I.F. Evans: Mitcham council do not rush in development applications.

The Hon. K.O. FOLEY: Apparently; and that gave rise to a situation where a family was hit with some land tax bills. We do not intend to pick these type of situations up where somebody has had a house burnt down—it was unfortunate. I undertook to fix it as soon as was practically possible, and I am here to support a refined amendment to pick up some concerns that my officers had about the application of it. I commend the member for Waite and I commend the government too for a constructive piece of bipartisanship. I guess it will be a race to see who gets on radio first tomorrow morning to claim greatness from it.

Mr HAMILTON-SMITH: We should do it together, Kevin. I need to get a few things on the record, because in speaking to the amendment in my name, I indicate that I will be withdrawing my amendment and, as the Treasurer has indicated, replacing it with an amendment from him that effects the same changes. Even though this has been subject to some media coverage, I need to tell the house that there is a weakness in the law that has resulted in this amendment being put.

It was brought to light by my constituents, Mr Rod and Deborah Westland of Mitcham, who found themselves in an awkward predicament with land tax after their house was destroyed in a devastating fire on 16 June 2008. After the fire, the family had to move to short-term rented accommodation provided by their insurance company until the claim was settled. In May/June 2009, the family then moved into a caravan on their property while rebuilding their home.

Due to planning issues with the City of Mitcham, this has been a protracted exercise and the rebuild had not commenced when they received a land tax assessment. The Westlands then wrote to RevenueSA disputing the land tax assessment on the basis that this place had remained their principal place of residence since the fire. A response was received from the Commissioner of State Taxation indicating that the criteria for a residential exemption from land tax was not satisfied.

The amount involved was significant. It was \$7,148, most of which was for the home that they regarded as their residence and that would have been each year, so it would have been \$14,000, and possibly as much as \$21,000. The family had been through an extremely stressful experience and I was most concerned that they had been required to pay this massive amount of tax while living in a caravan on the property. I went up and visited them and saw the conditions they were living under. It was a quite tragic situation, and it occurred to me (as, of course, it had to them), that this was a case of there needing to be a change to the law.

As a result, I wrote to the Treasurer and asked him if he would be kind enough to review the case. I commend the Treasurer publicly for the good grace that he showed in providing a waiver for the family. I can tell you that they were extraordinarily relieved. However, it did occur to me at the time that if, at some time in the future, we were not blessed with such a wonderful Treasurer and such a graceful and understanding human being as the current incumbent, a future Treasurer might be a bit more grisly and not be inclined to act in such a graceful way and provide an exemption. Indeed, it was necessary for the law to be changed.

Subsequently, I prepared this amendment and here we are. The substance of it is that, in the event that a house is destroyed by fire, flood, earthquake, an impact or some circumstance beyond the control of the owners, they should have a three-year period of grace during which to sort out the rebuilding of their home without being burdened by a land tax bill.

I do accept that there may be some implementation issues here. An issue raised on my side (and I thank my side of the house for its consideration and agreement with this) is whether the family needs to apply each year for the exemption or whether there is some process for it to be automatically granted. That is something that the department and RevenueSA may wish to consider, but I am sure that once this amendment is agreed to, they will come up with the right implementing arrangements.

I received correspondence from a serving police officer that is relevant to this matter that I think should be put on the public record. The sergeant's letter states:

Mr Hamilton-Smith,

I wish you luck in your efforts re the plight of the Westland family. The legislation as it currently stands is obviously unfair. I have considered other circumstances in which it may also have an impact on a far greater number of people. After the Black Saturday fires in Victoria, a number of residents decided to go straight back to their blocks and commence rebuilding. Many were living in temporary accommodation of caravans, sheds, even shipping containers on their blocks of land. This is an important part of their emotional recovery process—getting straight back into getting their lives moving forward again. I wonder what would have happened if South Australia had not been so lucky on February 7 2009 and we had major fires resulting in losses of houses and dwellings.

As the legislation stands in SA, those people attempting to restart their lives by going back to their properties early and living in temporary accommodation on their blocks of land would receive hefty land tax bills. I am involved with emergency management and am concerned that this obstacle to the lengthy and difficult recovery process for disaster victims should be fixed. Good luck again.

He goes on to sign off by name. I think that does add some weight to the need for the amendment.

I thank the Treasurer and the staff of RevenueSA and also the Treasurer's Chief of Staff for their assistance with this. I note that the amendment that the Treasurer is putting forward is identical to my own with a couple of loopholes closed and I thank him for identifying those. I think this is a good case of bipartisan cooperation. Only a few people, hopefully, will ever be affected by this but, for them, it means the world. I thank the Treasurer for his agreement to the amendment which I hope will be agreed to by the house.

The Hon. K.O. FOLEY: Just for clarity, as somebody who makes a habit of being across the detail and across my brief, I can just say to the committee that we have to amend clause 2 to ensure that clause 4 is not retrospective—because the Liberal Party hates retrospectivity.

Amendment carried; clause as amended passed.

Clause 3 passed.

Clause 4.

Mr PISONI: This clause refers to exemptions and I wanted to use the opportunity, Treasurer, to get clarification on a situation that happened to a constituent of mine, whose arrangements, I believe, are quite common. She is a woman who married late in life. She was her husband's second wife, as the husband's first wife had unfortunately passed away. They were married for 12 years before the husband passed away and she had been living in the house for three years as a widow from age 83.

She received a land tax bill for that property for the very first time. The land tax assessment she received related to the property in which she was residing. I have a copy of the certificate of title, where she is registered on the title as holding freehold title for life or upon her remarriage, whatever comes first. So, until she passes away or remarries, she has the right to live there. She was quite distressed.

I take note of your comment earlier that the member for Waite wrote a letter, it arrived in your letterbox at five past nine and he was on the radio at nine o'clock. This lady had written to the land tax department in December last year expressing concerns about why it was that all of a sudden she had been charged land tax. She is an intelligent lady, and as she understood that, in South Australia, if it is your primary place of residence and you own it, you are entitled to live there with an exemption and not pay land tax. If you are a tenant, my understanding is that landlords are prohibited to charge tenants land tax or pass it on.

The widow contacted me quite distressed, even though it was not a large amount of money; it was \$895, based on a \$375,000 value. I rang RevenueSA to try to get clarification of the situation, asking how this could be so, and the reply was that the woman had to apply for exemption, stating her reasons. They said, 'We sent her the form, and we want her to fill it out and explain her reasons.' I found it quite difficult to understand how she fell into a category of having to pay land tax because, as far as I saw it, she has a right to reside at the property until she dies.

She lived at the property as her husband's wife for 12 years prior to that and, when she does die or when she does remarry—and I think she is more likely to pass away than remarry—the property will then go to the three daughters. As I said earlier, this is quite a common arrangement. I spoke to a constituent who acts in law in this area, who said that this type of thing happens a lot for asset protection, when children want to be included in the will. Generally, it happens in second marriages and, unfortunately, it is often women who miss out under these arrangements, but in this instance the three daughters would be entitled to the assets on the death of the widow.

Part of the agreement was that she was to maintain all upkeep and pay all rates and insurances and so forth on the property. My question is: do we have exemptions in the current law—and the exemptions we are seeing moved by amendments today—that would exempt somebody living in this situation from having to pay land tax or having to put a case forward as to why they should not pay land tax?

It was a story on ABC radio today. The Tax Commissioner rang in, and my constituent did get a call from RevenueSA the very same day, before midday, I believe, saying that she did not have to pay land tax. So, what I would like to do is use this committee as an opportunity to get clarification as to whether or not people living under those circumstances are in fact required to pay land tax. If they are not required to pay land tax, how is it that people are receiving land tax bills for the very first time even though they may have been in this situation for years.

The Hon. K.O. FOLEY: Yes, the woman in that instance and others in that type of case are exempt from land tax already. It was an error in the land services department and an error within RevenueSA. Given that on land tax alone there are at least 120,000 transactions a year, there were data import errors, and that was an unfortunate error.

This is probably a naive call to members. The member went on public radio alleging that I had instructed the taxation commissioner to go through the files and try to find anyone possible we could ping with land tax, including, possibly, 84 year-old ladies. Let me just say, take a leaf out of the member for Waite's handling of his issue and how quickly we got rectified.

Mr Hamilton-Smith interjecting:

The Hon. K.O. FOLEY: Well, you did. You wanted to have a bit of a cheap shot on the way through. If you give my office a call on these anomalies, you get some of these from time to time right across my brief and I fix things for members behind the scenes all the time. I make that offer to members. I move:

Page 2—

After line 13—Insert:

- (a1) Section 5(10)—After paragraph (a) insert:
- (ab) land may be wholly exempted from land tax if—
 - (i) the land is owned by a natural person (whether or not he or she is the sole owner of the land); and
 - (ii) any buildings on the land of a predominantly residential character are uninhabitable; and
 - (iii) the Commissioner is satisfied—
 - (A) that the person has ceased to occupy any building on the land of a predominantly residential character because it has been destroyed or

- rendered uninhabitable by an occurrence for which the person is not responsible (whether directly or indirectly) or which resulted from an accident; and
- (B) that any such building constituted the person's principal place of residence immediately before the date on which the building was destroyed or rendered uninhabitable; and
 - (C) that the person intends to repair or rebuild the building within a period of 3 years from the date on which the building was destroyed or rendered uninhabitable; and
 - (D) that the buildings on the land will, after the completion of building work, have a predominantly residential character; and
 - (E) that the person intends to occupy the land as his or her principal place of residence after the completion of the building work; and
- (iv) the person is not receiving an exemption from land tax under another provision of this subsection in relation to other lands that constitutes the person's principal place of residence;

After line 21—Insert:

(1a) Section 5—after subsection (11) insert:

(11a) For the avoidance of doubt, land may not be exempted from tax under subsection (10)(ab) for a period that exceeds 3 years.

Amendments carried.

Mr HAMILTON-SMITH: I am wondering if the Treasurer would like to explain the loopholes that were dealt with by amendments numbers 3 and 4 in his proposed amendments that go beyond what I propose, just so that the committee is clear on what is to be achieved by amendments numbers 3 and 4.

The Hon. K.O. FOLEY: The tightening up of that amendment—as I said, it is a good amendment and practical amendment, and I congratulate the member for Waite for his foresight and the constructive way in which he has dealt with this. The two years there we have put a three-year limit on. What we have to be careful of is that we cannot have a situation where somebody may choose to take advantage of this for simply land banking and speculating property-wise and not getting a land tax bill. So we put a three year cap on it. And we also say that the person would not receive this benefit if they had received a benefit on an exemption from land tax in respect of the same land. You cannot get two exemptions at the same time.

Clause as amended passed.

New clause 4A.

The Hon. K.O. FOLEY: I move:

Page 3, after line 6—after clause 4 insert:

4A—Amendment of section 5A—Waiver or refund of land tax for residential land in certain cases

Section 5A—after subsection (6) insert:

- (6a) A person is not eligible for a waiver or refund of land tax under this section if the relevant land becomes the person's principal place of residence for a financial year that immediately follows a period of 3 financial years for which the person has had the benefit of an exemption from land tax under section 5(10)(ab) in respect of the same land.

New clause inserted.

Remaining clause (5) and long title passed.

Bill reported with amendment.

Bill read a third time and passed.

[Sitting extended beyond 18:00 on motion of the Hon. K.O. Foley]

HEALTH PRACTITIONER REGULATION NATIONAL LAW (SOUTH AUSTRALIA) BILL

In committee.

(Continued from 25 May 2010.)

Clause 4.

The Hon. J.D. HILL: Last night before we adjourned I was asked a question by the honourable member for Morphett in relation to the obligation to have criminal charges that were either made or where convictions were found to be available. The advice I have is that of course that information is available, but there will be a code of practice, I think, or guidelines established to assist those who have to consider those charges and convictions in how much weight they will be given.

So, for example, if a 21 year old nurse smoked a bit of marijuana and got a conviction and then at the age of 45 that was still on her record it would be given fairly low weight. However, if somebody was convicted of an offence which obviously related to sexual misbehaviour or fraud of some sort that would be given a heavier weighting. Equally, if somebody was charged with an offence on more than one occasion—particularly if it was a sexual offence—even if they were not convicted it is worth knowing that they might have been charged several times. We do not always get convictions in cases where people have done the wrong thing, and if there is a pattern of charges you would want to look very closely before you offered somebody, for example, registration in an area where they might come into contact with children or vulnerable women. That is really what it is about, I think.

Dr McFETRIDGE: In that same clause, I have a concern about how the criminal history of overseas-trained practitioners is going to be checked, because there is a huge area for fraud and deceit there.

The Hon. J.D. HILL: I guess it is probably no different from the arrangements we have now between various jurisdictions. My advice is that if somebody from overseas wants to come and practise in Australia there are a whole series of steps they have to go through, and criminal checks would be included amongst those. I guess immigration would do that in the first instance, and our registration process would take into account whatever was available from those jurisdictions. I guess the point the member is making is: how do we know whether other jurisdictions are giving us the information? We have to rely on those processes and, if we have doubts, I guess the registration authorities can exercise other means if they are available. I am not sure what else they can do, really.

Dr McFETRIDGE: My next question refers to the national law again. That is part 4, Australian health practitioner regulation agency, clause 25(g). This is setting up a register of students and, as I said yesterday, I declare an interest in this: my son is a medical student at Flinders University. I understand that, if the universities do not cooperate (and that is unlikely) with the national board or agencies, there are no penalties for this other than their name appearing on the website. I think we do need to strengthen that particular section of this national law. I am happy to hear anything from the minister about that.

For the sake of time, I will move straight to clause 26, health profession agreements, and the fees that will be set by the national agency. It provides that 'the national agency must enter into an agreement with the national board that makes provision for the following fees'. Does the ministerial council need to sign off on fees yet, and have fees been set for all the professions?

The Hon. J.D. HILL: No; the fees are really the determination of the agency and the boards. They come to ministerial council for noting only. Essentially, my understanding from the consultations and discussions I have had with the professions is that the professions, particularly the medical profession, are very keen that ministers have relatively little say in the professional aspects of the regulation process, and that would include the setting of fees.

In relation to student registration, I guess when you are dealing with universities you really expect them to do the right thing, so I am not sure we really need a penalty. If in two or three years' time after we reviewed it we found that there was a rogue university, I suppose it might be necessary to do that, but I would have thought the universities basically would do the right thing.

Dr McFETRIDGE: Thank you, minister. Yes, you would expect our universities to do the right thing because, in the past, they always have. I move to clause 30, 'Functions of Agency Management Committee'. I am sorry, I refer to part 5, 'National Boards', which deals with the setting up of national boards. Have people who are transferring to national boards from our state boards been given job descriptions? Do they know—

The Hon. J.D. Hill interjecting:

Dr McFETRIDGE: Yes.

The Hon. J.D. HILL: Yes. The transfer has not been automatic for all the people employed by the state boards. I think there was a guarantee that anyone on an income below \$120,000, from memory, had an automatic job or an offer of a job with the new registration boards, and those above that salary had to compete for available jobs that were created. Job descriptions have been established for those, particularly at the higher end. I understand—although I have no real knowledge of this—that job descriptions and roles have been established for those on lower salaries. Most of those people are administrative officers, clerical officers, finance officers, records clerks, and so on, and there will be plenty of jobs in the organisations for them.

I incidentally say that, even if they did not originally come from there, the employees of the boards had a right of return to the Public Service in South Australia and, over the course of the first two years, I think from memory, if they are declared excess to the requirements of the board, they have a right of return to the state Public Service. The employees, I think, have been pretty well looked after. I am absolutely sure that a professional approach has been established to create jobs for them which are appropriate.

Dr McFETRIDGE: Subdivision 3, clause 128 of the national law, 'Obligations of registered health practitioners and students' talks about continual professional development (CPD) which, as I said in my second reading contribution, is a very important part of any profession's requirement, desire and need to continue to develop and keep up with the latest trends. Clause 128(i) provides:

A registered health practitioner must undertake the continuing professional development required by an approved registration standard for the health profession in which the health practitioner is registered.

Subclause (2) provides that a contravention of subclause (1) is not an offence. You must do it, but it is not an offence. On top of that, who accredits the CPD courses?

The Hon. J.D. HILL: An accreditation body has been established for each of the professions. I think it is the existing one for the Australian Medical Council, which has been around for some time. That will continue and equivalent bodies are established. They are professional bodies. The medical one, for example, has representatives from most of the colleges, universities, and so on. They are professional bodies focused on education, training and all of those kinds of standards. They manage this part of the process.

Getting back to my point earlier, the professions very much wanted to run their own professional life, and this is the mechanism by which that will happen. The honourable member would probably be more familiar with the process, but members are to be of good standing. They need to be fellows of their colleges if they are in a senior position. To maintain your fellowship you must undertake certain programs and certain processes; if you do not, you could lose your fellowship or not gain a fellowship, which means you would lack professional standing.

Dr McFETRIDGE: I move now to part 8, clause 140, dealing with mandatory notifications. I am not a lawyer but I have seen on the TV that a wife cannot give evidence against a husband and vice versa—

The Hon. J.D. HILL: That is old law.

Dr McFETRIDGE: That is old law. An issue has been raised with me that, under mandatory notification, if two health professionals are married or in a relationship, the spouse would have to do in the partner. That seems to be a fairly draconian obligation, according to many people. If the practitioner is undergoing some medical treatment, then the treating medico or health practitioner would have to do in the patient in that case. Will the minister advise whether that is the case?

The Hon. J.D. HILL: I will make a general point. The law about spouses not being able to testify is an old-fashioned notion. It gets to the notion of the relationship between a man and his wife where a wife was originally considered to be a chattel, and the essential legal point was that your property cannot do you in. I do not think that is the law any more, but I do not have a legal adviser here to tell me; I think that is the case.

If we are talking about two professionals in a working relationship with each other or who know about each other in a professional way, the fact they are married is secondary. If you have a pair of doctors or a pair of pharmacists or a pair of nurses who are aware of each other and one of them is seriously unwell and likely to cause injury to a third party, surely there is a moral responsibility to do something about it. There is a legal responsibility, too, but the level for

mandatory reporting is about substance. It is substantially below the standard reasonably expected. I think there is room for reasonableness here.

This happens quite frequently. Various medical practitioners might have mental health issues which are being managed by proper medication. I can think of a particular doctor in Adelaide who periodically becomes very vocal, but I am aware that he has some mental health problems. From time to time that person may not be properly taking their medication. If they were treating patients without properly being medicated, their spouse knew that and did nothing about it, and something happened to a patient they would have to be liable. You cannot just say, 'He's my husband, I will not report him' or 'She's my wife, I will not report her.' They have a professional duty which is different from their marital duty, if you like. That is the consequence of being a professional.

Dr McFETRIDGE: I quite agree that the obligations of any person acting as a professional and the Hippocratic Oath of 'do no harm'. With some degree of hesitancy and reticence, they are all my questions on clause 4, which is the clause that has caused the opposition, many people on this side and the minor parties some angst.

Clause passed.

Clauses 5 to 18 passed.

Clause 19.

The ACTING CHAIR (Mr Kenyon): Clause 19 refers to the powers of the tribunal. As this is a new tribunal—and we also have national boards—what precedents will the tribunal act upon? Will they be those that were in the District Court? I do not have any understanding of how this system works and I do not want to experience it.

The Hon. J.D. HILL: This is a tribunal that is not operating as a court so it will be up to the tribunal itself to determine how it should behave, but it would have available to it all the findings of other tribunals, courts or bodies that operate or have operated both within and outside South Australia and over time they will develop their own precedents. I am not sure that, in a tribunal, the notion of precedence operates in the same way as it would in a court. It is more of an informal kind of thing, in the same way, I suppose, in this place, we have precedents for doing things, but there is nothing to stop us changing our minds. Whereas in a court, if there was a precedent, you would have to demonstrate through another legal process that you could break away from the precedent of common law.

The common law is a set of precedents which bind current behaviour and to change that you have to find a way of distinguishing one case from all the cases that previously occurred, whereas a tribunal has a looser way of dealing with things. It would certainly take into account what had been decided before, but in the interest of fairness and justice and good public policy, they will find as they see fit on a particular set of circumstances. I think that is right.

Clause passed.

Clauses 20 to 29 passed.

Clause 30.

Dr McFETRIDGE: This clause involves the transfer of assets and liabilities from the state-based boards and agencies to the national agency or the minister. This does involve the case to which I referred yesterday; that is, the Medical Board of Western Australia and \$2 million. I understand there are similar amounts involved in some of the boards in South Australia. The total amount is probably getting around the \$10 million, I would estimate. It is a significant amount.

There is concern that the money has been accumulated not only to cover some of the running costs of the boards but also, more particularly, to pay for any litigation in which they have been involved. Probably most important to board members now and also the registrants (whose money it is) is that that money is not going to be transferred across to a national bureaucracy and that some will be retained here. I understand there is a formula, although I do not know what that formula is. I know that yesterday the nursing and midwifery federation said that some residual money would be left over. Can the minister tell us how that will work because I think that is something the registrants would like to know?

The Hon. J.D. HILL: It is an issue which has been of some moment for the boards and those being registered by the boards in South Australia. Essentially, a number of the boards in

South Australia hold assets which they have collected over time from their members through registration fees and successful investments. As the member said, in some cases there is a reasonable sum of money. A formula was established—and I would not try to explain it to the member but I am happy to send him a note about it; and we will do that so that he can understand the formula—which applied across Australia and money is transferred across the national process.

As I pointed out to the registration boards and their members who came to see me about this, that is money that is going to look after their profession nationally. It is not going to the government: it is going to their profession. Money that was raised through registration processes in all the states will be used collectively in the best interests of that profession. It continues in that way.

As for the residual that stays within South Australia, a discretion is given to me as the minister as to how that money should be acquitted. It is just a technical device that allows the process to be put in place. I am required to consult with the professions about how to use it. I have had preliminary discussions with a number of them and, for example, the professions want the money to be used for scholarships, health services for their profession or research and the like.

I will take advice from the main bodies that represent the professions—the Dentists' Association, the Medical Association, the Nurses Federation and so on—and the boards themselves as to what they want to spend any residual on. The medical board, for example has propositions. It would like to see money, if there is sufficient left over, to provide medical services to doctors. I think the nurses have an interest in having scholarships. We will just do whatever is required. I am happy to table in the parliament, at some future date, details of how that money has been expended, if there is money, in fact, to be expended.

Dr McFETRIDGE: The house will be pleased to know that this really is my last question. It concerns an allegation, and the minister does not have to answer today if he does not know, but perhaps he could get back to me about it. It was alleged that a senior officer of the Department of Health had asked the registrars to transfer up to 30 per cent of the funds that were held by the boards to the Department of Health as of now.

It was put to me that this meeting was a few weeks ago. As far I am aware, there are no minutes of this meeting, but the meeting was held. I am trying to get the date of the meeting so that I can let the minister know about this. The person who told me about this said they thought this was something that was not only unconventional but also, they would have thought, bordering on being illegal. If the minister could check that for me, I would appreciate that.

The Hon. J.D. HILL: I am happy to ask but, presumably, if somebody were doing something illegal, they would not tell me. However, if you have any evidence that supports that, please let me know. There may be some confusion about what was being requested. There was a request that a certain percentage of the annual fees for the registrants be transferred at a particular date to the federal office to allow this establishment fee, and that was 30 per cent. There was a request for 30 per cent of the assets to be transferred to the national scheme to allow it to set itself up. However, no transfers would happen until after this legislation had gone through.

They may have misunderstood what was being requested, or it may have been put in a way that was ambiguous. Even if an officer of the department said, 'Give us 30 per cent of your assets,' there is no way that the department could receive such assets. We are not able to do that, as I understand it. It would obviously have to show up in any audit, anyway, so I assure the honourable member that there would not be an improper process. However, if he has evidence of it, I am happy to look at that.

Clause passed.

Remaining clauses (31 to 83), schedule and title passed.

Bill reported without amendment.

The Hon. J.D. HILL (Kaurua—Minister for Health, Minister for Mental Health and Substance Abuse, Minister for the Southern Suburbs, Minister Assisting the Premier in the Arts) (18:26): I move:

That this bill be now read a third time.

I thank the member for Morphett for his speedy finalisation of these issues in relation to this bill. This is an important piece of legislation. It has been something that has been worked on now at every possible level in Australia over the last four or five years. As I said in my preliminary remarks,

it was started when John Howard was prime minister. It was part of the COAG reform processes to streamline decision-making processes in Australia. I am not sure whether, had he realised how much process was involved in getting to this point, he would have proceeded with it; nonetheless, we are getting there.

Largely, there should be bipartisanship about this. It will create big advantages in the longer term for health consumers in Australia, who can be assured that one common, high standard will apply to all health professionals. It will give a much greater focus to the training, assessment and registration of those professionals across Australia. In the future, other groups will be included in the legislation by the registration process, and that will just expand the level of protection that exists.

There are big benefits in this for the practitioners as well. If you are registered it means that you can be assured that you are of a high standard, but it also means that you can practise anywhere in Australia with the one fee. That will help with mobility; it will help those practitioners who do move across state boundaries. For places around the borders—Mount Gambier, up in the APY lands, or any of the other borders that we share with the other states—it will mean that it will make it easier for practitioners to move across borders to do things, and I think that is obviously very sensible.

In cases of emergency it allows practitioners to move across borders to provide services where they are required. I think that the public and the professions will all benefit greatly. The one issue of contention, which the opposition raised, was the methodology to bring this legislation into place in South Australia. As I indicated yesterday, there is plenty of precedent for using mechanisms similar to that, including legislation which was passed when the Liberal Party was in power, which adopted legislation from Queensland in exactly the same way. It is a sensible way of doing it.

There are issues and principles and so on, which one can point to and say state sovereignty and the like, but the reality is that, if you want to have a practical system which ensures a standard of registration in Australia which does not break down over time, you need to have a mechanism such as this. If we were to have a separate piece of legislation, even if it is identical at the beginning, over time it would be corrupted by regulations not changing promptly enough, and individuals would become confused about what the rights and wrongs were. There may well be parliaments where they have decided that certain things should not be passed—who knows?—and it would corrupt the process, and that is a great risk.

There is nothing that takes away from the sovereignty of this parliament. If at any stage in the future it chooses not to embrace any of the regulatory changes that are proposed or it wants to walk away from the legislation, it can do that and set up its own registration scheme. There is no giving up of any power by any authority.

I thank the opposition for its support in principle and, as I say again, for the speedy passage through the committee stage. I look forward to the bill eventually passing through this parliament by the end of this financial year so the scheme can come into place on a national basis. Once again, I thank the officers who have assisted me.

Dr McFETRIDGE: I will not speak for as long as I did last night, but I would like to reiterate a couple of points. The opposition supports the intent of this legislation. We know that if it were delayed there would be some difficulties, and I think some of them might be quite severe difficulties. I was told that if this legislation was not passed by this parliament within this sitting week South Australia, Western Australia and Tasmania would not be included in the national scheme until October. I should have asked the minister about that in committee. I had not heard that before; it was something that was put to me but, once again, when you are talking to other stakeholders there are a lot of variations on the theme.

The amendment put up by the AMA relating to changes to the Queensland national law that are passed through the Queensland parliament not automatically being accepted by this parliament is a good amendment and would give this house reassurance. We have previously passed similar legislation under Liberal governments, but I think we were the lead legislators in the majority of those cases and, as I said yesterday, we would not be having this discussion if we were the lead legislator here, because we would have control of our destiny.

The Hon. J.D. Hill interjecting:

Dr McFETRIDGE: Not everyone can, but I think we can be parochial in this case. It was a great opportunity, and we would have loved to be the lead legislator. There are issues with Queensland being used as the lead legislator when it has only a unicameral system, and we may have been a bit more comforted had it been any of the other parliaments.

The opposition will consider its position between the houses in terms of what we do with the AMA amendments which are, I think, good amendments. We will have discussions with the minister and his staff and hopefully make sure that this legislation, which is well intended, will produce the results that the stakeholders and those who have been involved over the many years and months want to achieve. We hope that actually happens, and I look forward to seeing it happen in a way that does not increase levels of bureaucracy, does not slow down the efficiencies of boards operating at the state level and does not create extra costs that will then be passed back onto practitioners. I hope that it actually fulfils all the objects of the legislation, primarily protecting the public of Australia but, in our case—and more importantly for us here in this parliament—protecting the people of South Australia.

I thank the minister for his cooperation on this matter. I enjoy the relationship between the Minister for Health much more, unfortunately, than I did the relationship with the Minister for Transport. That is not to say that the Minister for Health and I agree on everything; we disagree on a lot of things, and there will be lots of things that we continue to disagree on in the future—priorities and methods, and things like that. I also thank the ministerial staff and advisers who have put in a lot of work with this legislation over a long time. Unfortunately for them it is not over yet, because it has to go through the other place, and I wish them well in coping with that. With those comments I conclude my remarks.

Bill read a third time and passed.

At 18:35 the house adjourned until Thursday 27 May 2010 at 10:30.