

HOUSE OF ASSEMBLY

Wednesday 20 February 2013

The **SPEAKER (Hon. M.J. Atkinson)** took the chair at 11:00 and read prayers.

STATUTES AMENDMENT AND REPEAL (TAFE SA CONSEQUENTIAL PROVISIONS) BILL

The **Hon. L.W.K. BIGNELL (Mawson—Minister for Tourism, Minister for Recreation and Sport) (11:02)**: I move:

That the sitting of the house be continued during the conference with the Legislative Council on the bill.

Motion carried.

CHILDCARE SERVICES

Mr HAMILTON-SMITH (Waite) (11:02): I move:

That this house establish a select committee to inquire into and report upon the availability and affordability of childcare services in South Australia and, in particular—

- (a) the types of childcare services presently available across the state;
- (b) the current and future need for childcare services in South Australia;
- (c) federal, state and local government capital investment, concessions, rebates, subsidies, means testing arrangements and out of pocket costs to families;
- (d) the impact of regulation, accreditation and other quality control arrangements across each level of government upon the quality and costs of care;
- (e) the impact of workforce management and remuneration arrangements;
- (f) training requirements and capabilities;
- (g) competitive neutrality issues between private and non-private childcare providers including taxation issues, federal, state and local government charges and regulatory fairness; and
- (h) options within existing funding parameters for improving the choices available to families, reducing childcare costs and making more efficient use of taxpayer and private investment and funding.

It is hard enough for families at the moment to pay their power bills, it is hard enough for them to pay their water bills. The costs of living are going through the roof, but families with children needing child care are suffering in particular. They are suffering under the burden of massively increasing childcare costs, which is destroying family budgets and putting children and families in danger.

Not that long ago, the cost of child care for a day was \$30. It is now around \$80 across South Australia and, according to Mr Kerry Mahoney of Childcare SA, who represents the small family business sector of long day care, the cost is heading towards \$110 a day. Who can afford that? That is \$500 a week per child, \$1,000 for two children, \$52,000 per year after tax. Who can afford that?

The industry is being crushed by costly red tape and over-regulation. What is so wrong with the way in which we have been running our childcare centres over the past 30 or 40 years, not only in Adelaide but across regional South Australia, that it needs complete regulatory reinvention and the increased costs which accompany mountains of red tape. Child care is being made unaffordable by evermore demanding regulatory arrangements imposed by government, federal and state.

Everyone agrees that the early years of development are critical to a child's development. These are no-brainer propositions. What needs to be made clear is why these particular costly regulations and arrangements are essential to achieve those standards, given that they push the costs of care into the stratosphere, and budget-sensitive families are forced then to consider unregulated backyard care.

Quality is a fine goal—no-one would question the need for it—but do our gold-plated childcare centres need to become platinum plated? Where is the science and where is the objective research that demands the complex array of regulatory arrangements that Labor (federal and state) is now demanding of childcare centres? What has been so wrong about our childcare centres up to this point? Where are the damaged children? Where are the unhappy families?

Where is the cry for change coming from? It is not coming from families. It is coming from the bureaucracy and self-appointed experts. The cry for more and more regulation is particularly loud from those who do not have to pay the bill, either because they are not parents or they are looking for the federal or state taxpayer to pay that bill for them.

On our current trajectory, Labor (federal and state) will be putting the private long day care centre out of business within a few years or it will be further bankrupting federal budgets for extra demands for childcare funding, a budget which the current Prime Minister and Treasurer say is under the pump.

Members only need to look at today's *Australian* for contemporary information. Three states have now warned that they will need to raise fees across the board next year to meet national quality frameworks. Three surveys have been done, in New South Wales, Victoria and Western Australia. It is all in the paper today. The results are striking. PricewaterhouseCoopers have found that 26 per cent of respondents are unsure as to whether or not they will need to close their childcare centre in the years ahead as a result of the changes. The survey found each staff member spent an additional three to 10 hours complying with new regulations.

Only 50 per cent of the centres have recruited the required number of early childhood educators; 48 per cent did not have staff willing to undertake the extra training, and 34 per cent expected workers would retire or leave the industry. Since the introduction of the National Quality Framework, 97 per cent of respondents in New South Wales had increased their fees by up to 8 per cent and 89 per cent expected the NQF to increase costs, with 48 per cent planning to pass it on to parents. In Victoria, 92.5 per cent of respondents raised their fees last year. Just read the paper. It is a mess.

I can tell the house today, having spoken to the childcare industry this morning, that a similar survey is about to be underway in the next two weeks here in South Australia. We will see the facts here, and they will be just as destructive. Families are facing a crisis, and it is a crisis that was avoidable. Childcare providers are upset, families are upset, children are being forced into backyard unregulated care, and treasurers (both state and federal) are having trouble paying the childcare bill. Some unions, academics and bureaucrats—some—are trying to make the case for ever more costly industrial and regulatory arrangements for child care. All sorts of claims are being made—some based on science and some based on pure conjecture.

That is why I am asking the house to agree to this motion for a select committee. All of the voices need to be heard. Both government and opposition need to be informed through an intelligent interaction with the stakeholders across the state. Childcare costs are pivotal to the cost of living for families, and there can be nothing more important than caring for our children. This is a key issue facing South Australia, it will be a key issue at the September federal election and it will be a key issue at the next state election. We are failing. The system is broken. It needs fixing.

The motion calls for a look at the types of childcare services presently available. According to the Office for Early Childhood Education Child Care Update of August 2012, there are 305 long day care centres in South Australia, 40 family day care in-home networks, two occasional care networks and 830 outside-school-hour services. Thirty-one thousand families use long day care. The majority of those long day care services are privately owned, family, small businesses. They care for 38,600 children. In the federal seat of Adelaide—and note this—occupied by the commonwealth Minister for Childcare, Kate Ellis, there are 49 childcare centres reaching out to 12,000 voters. This is going to be a key issue in the seat of Adelaide. You better believe it. They are all unhappy—all of them.

The current and future need for childcare services in South Australia needs examination. South Australia's problem is Australia's problem. There are nearly 608,000 children in long day care across the country and another 300,000 in outside-school-hours care. Working mums and dads want long day care and that sector of care is being choked to death by government interference, overregulation and mismanagement. Most of it is driven by unions and well-intended but out of touch left wing decision-makers, who are paying for child care on the credit card, while at the same time making it so unaffordable for many families that children are being forced into unregulated backyard care.

Here is what treasurer Foley had to say about the genesis of these decisions in the *Sunday Mail* on 13 January, 'Support for the "nanny state" is a side of Labor that I detest with a passion.' When this issue was raised at COAG he said:

It didn't appear to be contentious until former Queensland Premier Anna Bligh questioned the cost impact on families. A major element of the Commonwealth reform was to increase the number of childcare workers (in ratio to children) in each centre.

He goes on and says this:

I can only assume the reform to add more staff to childcare centres was one made from a basis of naivety, or worse the result of internal pressure from the Miscellaneous Workers Union to grow its membership. Average mums and dads make a calculated decision as to whether they can afford childcare.

So he goes on. It is worth a read. Current commonwealth expenditure on child care is budgeted at \$4.86 billion for 2013—the childcare benefit, \$2.44 billion; the childcare rebate, nearly \$2 billion. This figure is expected to reach \$6 billion by 2015-16. It is a cost largely driven by the adoption of national quality frameworks, which set standards childcare centres must meet if families using the service are to be given those financial benefits. This NQF is overlaid standard set-out state regulations. To some extent, there has been duplication of regulatory arrangements in the federal NQF, state regulations and local government. Every level of government is coming at this sector.

The childcare benefit is means tested and it cuts out at \$142,000 for one child in care and \$148,000 for two children in care. If you are a police officer married to a nurse, earning between \$70,000 and \$80,000 a year each, you are out of it. You get nothing virtually. You get no benefit. You might get the rebate for out-of-pocket expenses, but mostly you are paying for this yourself. You are not rich. How do you find \$52,000 a year to put two kids in child care at \$1,000 a week after tax? You cannot afford it. The only people that can afford this are the wealthy and those who are able to access the maximum of the childcare benefit, those most in need. Middle Australia—the families in the middle—are the ones getting crushed.

By COAG agreement, it is the commonwealth's task to fund child care, yet year after year the state government has been taking up the tab. Back in 2008-09, the state budget for early years education was \$95.8 million; that had spiralled to \$145.4 million in the last financial year 2011-12. That is a 52 per cent increase. We seem to be quite happy to take responsibility for this off the commonwealth so they do not have to pay. We move money from primary schools and high school education into child care—money that is needed for the Gonski reforms. Who is going to pay? Why is the state government allowing the cost of child care to be shifted in this way?

The impact of regulation is phenomenal. Prior to 1972, the childcare sector in SA was largely unregulated. Creep by creep, step by step, it has now gotten out of control. The industry is alarmed about the cost impacts of the current set of arrangements. There needs to be an airing of these issues.

Training requirements and workforce management issues have also come up. Part of the problem is that both Labor's federal minister, Kate Ellis, and state Labor's Premier, on behalf of the union movement, have up-qualified childcare work to align it with the mainstream education system. We seem to be seeking ever-higher education. This is the nonsense of it: you can be a nurse; you can be 40 years old; you can have three children of your own; you go to a childcare centre and you cannot work as a qualified worker; they do not want you; you are paid as an unqualified worker; you are on the scrap heap.

You can be a high school teacher with three children, a woman at the age of 40 with all the experience in the world—you are an unqualified worker. However, if you are a 21 year old diploma graduate, not job ready yet in some instances, you fill the senior position. These are the people that the government wants. We are undervaluing the so-called unqualified workers who are actually the senior women with children and other academic qualifications who are in a position to make a fabulous contribution to child care, and we are saying they are worthless, that we do not want them. It is absolute nonsense. We need to review this and we need to sort it out. If it ain't broke, why fix it?

There are those who would have the commonwealth and the state taxpayer fully fund child care from zero to five, as it does the education system. There are those who dislike the private sector being involved in caring for and educating children. They do not like private schools, they do not like private childcare centres. If it is our goal for state and federal taxpayers to pick up the tab for all early children's services from nought to 18, let's have an open debate about it. At the moment, nought to five is not part of the mainstream education system, yet state and federal Labor governments are making it so.

They are taking us down the pathway of transforming child care into education. The ship has tilted too far towards the educational outcomes and moved away from the basis needs of

working mums and dads to have loving, safe, high-quality care for their kids. Is it about child care and working families and families under pressure, or is it about formal education outcomes? We have to get the balance right. We've got the balance wrong, because parents cannot afford to pay.

This is an extremely serious situation. The children of hardworking dual income families, as I mentioned earlier, are facing the difficult choice of having to go to unregulated backyard care as families face these extraordinary bills. There is a question that needs an answer. Should the childcare portfolio remain in the education portfolio or should it be considered to be part of Families and Communities, as is the case in some other states? Is child care about supporting families or is child care about formal educational outcomes for children? Have we got the balance right?

In regard to regulation, there are some fundamental and basic questions we need to ask. Should government regulatory arrangements set the minimum safe standard or should they pursue year after year an ever unachievable pursuit of quality that we will never reach? This select committee will enable all the stakeholders to hear the issues. Let's hear from the union, let's hear from academia, let's hear from government, let's hear from the private sector. It is a problem that needs an answer. I commend the motion to the house.

Mr PISONI (Unley) (11:18): I thank the member for Waite for the work that he has done on this motion here today. Having had that experience in another life, if you like, prior to being in politics, he has a very strong understanding of the childcare sector here in South Australia. I thank him for his advice and his support for the Liberal Party and for me as the shadow minister in this area of concern that South Australians are facing at the moment.

We know that ultimately the issue of rearing children is a family choice. The issue of responsibility for children and families is a family choice. It is something that we, as a government, never want to get involved in, and we believe on this side of the house that we should have as little impediment to that choice as possible. Parents should be encouraged to make those choices as to whether both parents work full-time, whether one parent works part-time, whether one parent works full-time or, as was the case in my situation, whether there is a full-time caregiver. People manage their own situations based on that.

The concern that we have seen now with the changes to the early child regulations, in particular as part of the so-called nationalisation or harmonisation of this bill and these regulations, is that there is no harmonisation between states. Every state has their own set of regulations that deal with ratios and time frames in particular as to when those ratios kick in.

We were concerned at the time. We had prepared on our side of the house some amendments for the bill for the upper house. That was before the former minister for education, the member for Hartley, had agreed to a meeting with Childcare South Australia (just for the *Hansard*, they represent the non-government early childhood education and care services here in South Australia), who expressed concerns about the speed at which the regulations saw increases in staff for the same number of students.

I would like to read an excerpt from the letter that was sent to the minister on 8 October 2012. It says, 'The Honourable Grace Portolesi MP', and for your benefit, Mr Speaker, that is the member for Hartley, Minister for Education and Child Development. There is a very polite introduction and then the letter goes onto say:

Regarding the two to three year old ratio change, we are seeking confirmation of the unqualified commitment that you made in your office to our members of our association on 4 November 2011.

So, this is almost 12 months later.

The commitment that you made was that, in SA, the ratio for two to three year olds would go from 1:8 in 2016 and then go from 1:5 in 2020. This unequivocal commitment was quoted in *The Advertiser* on 5 November 2011—

and they have attached a copy and they have extracted some quotes here in the letter. It says:

Child development minister Grace Portolesi said centres now have until 2020 to fully meet the requirement to halve the ratio of children aged 24 to 36 months...Centres will need to achieve a ratio of one staff member to eight children in that age bracket from 2016.

It went on to say:

The decision to offer an extra four years was made after a meeting between Ms Portolesi and representatives of the private childcare industry yesterday.

'I've met with them, listened to their concerns and we've come to an agreement on the most significant aspect of the new regulations,' Ms Portolesi said...'There are costs associated with this, so, in recognition of this, I am pushing out the timeframes.'

But that is not what has happened.

The minister then wrote to the organisation and said that she was not bound and that she could not honour that commitment that she made to Childcare SA, because it would need ratification at a federal level. But, of course, under no circumstances did she give that qualification when she made those promises back in November 2011. Consequently, because those promises were made by the former minister for education, the Liberal Party then were persuaded to not present their amendments in the upper house because we, as did Childcare SA, believed the word of the minister. We believed the word of the minister, the member for Hartley, that she would honour her commitment.

This is just one example as to why we on this side of the house are supporting this select committee be established. We know, through the events that have been exposed, if you like—and they have been happening for years within the education department in the way that they manage child protection issues—that changes to the way that this education department operates are well overdue. Because of the significant impact that these new regulations have made, because of the broken promise made by the former education minister, the member for Hartley, this has now put extra costs on families and extra costs on businesses in the childcare sector.

It is for that reason that I certainly support the establishment of this select committee and encourage all members in this house to put parents and children in the picture when considering the motion that is put to you today. It is an extremely important issue for families. We do not want to force a parent to become a full-time caregiver simply because it is too expensive to place their children in child care. We want families to have that choice; we do not want them to be forced into having that choice. The majority of caregivers are women and the high cost of child care is an impediment for women and their careers because it is often the female partner in a relationship who becomes the primary caregiver. In my experience, I have seen the majority of women in that role.

I encourage members of the House of Assembly to support the select committee. What harm can be done? It will give us all, as members of the South Australian parliament, a better understanding as to the impact of these changes. We may, in fact, at the end of this committee, come up with recommendations that will significantly improve the way that we can offer choice to parents and the way the childcare centres operate. It could significantly improve our access to federal funds that we may not be aware of or we are not exploiting as a state at the moment. If we can ensure that we are getting the full entitlement from the federal government for childcare centres here in South Australia, that should surely should be encouraged in a bipartisan manner, so I encourage members to support the motion.

Debate adjourned on motion of Mrs Geraghty.

PARLIAMENTARY COMMITTEE ON OCCUPATIONAL SAFETY, REHABILITATION AND COMPENSATION: VOCATIONAL REHABILITATION AND RETURN TO WORK PRACTICES

The Hon. S.W. KEY (Ashford) (11:27): I move:

That the 13th report of the committee, entitled Inquiry into Vocational Rehabilitation and Return to Work Practices for Injured Workers in South Australia, be noted.

One of the functions of the Parliamentary Committee on Occupational Safety, Rehabilitation and Compensation is to keep the administration and operation of legislation affecting occupational rehabilitation and compensation under constant review.

On 16 July 2010, on its own motion, the committee resolved to conduct an inquiry into vocational rehabilitation and return-to-work practices for injured workers under the Workers Rehabilitation and Compensation Act 1986. The committee established terms of reference which are outlined in the report, and I will not go into their detail today. The committee was interested to understand the impact of the 2008 amendments on the Workers Rehabilitation and Compensation Act 1986 which intended to increase return-to-work rates, reduce levy rates and reduce WorkCover's unfunded liability.

The committee used the inquiry as an opportunity to explore concerns expressed by a number of participants that South Australia's Workers Rehabilitation and Compensation Scheme is

not operating as effectively as it should be. I need to point out that, this afternoon, I will be tabling an erratum to this report correcting an error in a table and contribution on page 16 of the report.

The committee received 23 submissions from the parties involved in the workers compensation scheme and rehabilitation, and return to work. All but two gave oral evidence and some provided supplementary submissions in response to questions from the committee. A number of issues were raised by stakeholders and considered by the committee, including the manner of referral of injured workers to appropriate rehabilitation providers, whether or not the claims were managed in a timely and appropriate manner, and the operation of particular incentives to assist in the rehabilitation of injured workers.

The committee also considered the current statistics which measure return-to-work rates and the appropriateness of methods and definitions used. It may be of interest to you, Mr Speaker, that there is no accepted or agreed definition of return to work in Australia. My view is that it is important to return injured workers to meaningful employment, and as importantly, as safely as possible, following a work injury. This assists in reducing the human and financial cost of the injury or illness. The longer the worker is off work the greater the impact on the individual and his or her family. The ability to fit back into the workplace is usually dependent on a speedy return.

It is important that WorkCover operates as efficiently as possible and minimises its unfunded liability. In June 2012 that unfunded liability was \$1.389 billion. The amendments to the act in 2008 would, we were told, assist in improving the return to work rates. Mr Clayton (of the Clayton Walsh report 2007) claimed the reduction in weekly payments was necessary to improve the return-to-work rates performance for WorkCover. In my view, the only tangible result of this measure is that thousands of workers in South Australia had their compensation payments cut by as much as 20 per cent because they had a serious work-related injury or illness.

Another problem is that the rehabilitation system is driven by claims management imperatives rather than a system that genuinely assists workers and their employers. Evidence from EML encapsulated this conflict with regard to vocational rehabilitation and claims management. I quote from page 68 of our report:

I believe that the people we are using are giving the best returns back to the organisation. For example, there are some that are used and the spend is categorised as rehabilitation, but they are actually doing work in terms of looking at people for work capacity review, so it's a rehab spend but, when you say 'return to work', we are not looking to return to work, we are looking to make sure that we have everything in place if we need to exit them from the scheme. So they are not always return to work, but I believe that we are, to the best of our abilities, utilising the dollars for the right reasons.

At a practical level, the committee heard evidence that this can include terminating rehabilitation programs when they come up to the 130-week review.

We heard, and received many submissions saying, that spend on vocational rehabilitation had increased significantly over the past decade but improved outcomes for workers had not. The committee agreed that rehabilitation services needed to deliver value for money. It was clear to me and other committee members, from the evidence presented, that the vocational rehabilitation system needs substantial reform.

The committee also heard about the nature and structure of the rehabilitation industry. We were told that there are currently 41 operating rehabilitation providers contracted under the workers compensation scheme but stakeholders reported that the process of allocating referrals was not transparent. They also reported that the fee schedules are process focused rather than outcome focused, which contributes to the high cost of rehabilitation and poor performance. While the committee supports a review of the fee structure and a move to greater accountability, any changes should be closely monitored. There also needs to be careful design of any new system to ensure that one set of poor incentives is not replaced by another of the same.

We were told that although there is a high level of referral to rehabilitation providers in the South Australian scheme, information supplied by EML (Employers Mutual SA Ltd) revealed that in 2010-11 the average number of days from the date of injury to the first rehabilitation service was 79, and 29.5 per cent of claimants do not receive rehab services until after 90 days.

I say that WorkCover and its agents have failed to deliver. There is a stark contrast when one compares the performance of self-insurers in both the public and private sectors. They have achieved much higher and sustained return-to-work rates. In my view, reform needs to take place and an injured worker needs to be at the centre of the picture. This includes their informed right to choose their rehabilitation provider. Workers choose their doctor and medical support and may rely

on information about the best health professional for them, why not a rehabilitation provider? Workers need to be treated as people and not claims or claim numbers.

The committee is particularly concerned that there is no agreed method for measuring return to work in South Australia and recommends that the minister direct WorkCover to address this as a priority. We think this also needs to be taken up at a national ministerial level so that there is a national definition of return to work and you can actually make real comparisons.

I would like to take this opportunity to thank all of those who have contributed to this very long inquiry. I thank all those people who took the time and made the effort to prepare submissions to the committee and to provide oral evidence to the committee. I extend my thanks to committee members for their contribution and deliberations: the Hon. Rob Lucas, the Hon. John Gazzola, the Hon. Gerry Kandelaars, Mrs Leesa Vlahos, Mr Alan Sibbons, Mr Ivan Venning and the Hon. John Darley. I also extend my thanks to the staff: Mr Rick Crump, Ms Carren Walker, Ms Mia Ciccarello, Dr Leah Skrzypiec and Ms Sue Sedivy.

Motion carried.

PUBLIC WORKS COMMITTEE: QUEENSBURY WASTE WATER PUMP STATION UPGRADE

Mr ODENWALDER (Little Para) (11:37): I move:

That the 460th report of the committee, entitled Queensbury Waste Water Pump Station Upgrade, be noted.

SA Water will construct a new dry well/wet well pump station at Queensbury Wastewater Pump Station to replace the existing facility. It will provide SA Water with a long-term asset which is structurally sound and complies with current safety and operability standards. Further, the construction of an odour control plant at the site will address the existing odour issue. The project is expected to cost just over \$18 million.

The Queensbury facility was originally constructed in 1935 and was upgraded in 1966. It services 21,000 customer connections (which is a population of between 40,000 and 50,000 people) and approximately 3.7 billion litres of wastewater is transferred by this pump station every year to the Bolivar Wastewater Treatment Plant.

An assessment of corrosion damage and deterioration of concrete in the pump station wet well concluded that the structural function of the wet well roof slab had been unacceptably impaired and that the slab was entering its initial stage of failure. There is also a significant external odour problem associated with the pump station which has resulted in 38 odour complaints to SA Water in the last 10 years.

This project will be completed in December 2014. Given this, and pursuant to section 12C of the Parliamentary Committees Act 1991, the Public Works Committee reports to parliament that it recommends the proposed public works.

Mr PENGILLY (Finniss) (11:38): I have some very brief comments in supporting the report that was outlined by the Presiding Member, Mr Odenwalder. We have been trying to get these few reports through the house for some time, so I am very pleased we have finally got there this morning. The opposition recognises the necessity of having these upgrades and is in complete support.

Motion carried.

VISITORS

The SPEAKER: Earlier in debate, during the member for Waite's motion, we had a guest in the gallery, Dr Luc Malimbalimba, who is a member of parliament from the Democratic Republic of the Congo. We welcome him.

PUBLIC WORKS COMMITTEE: PARALOWIE, BOLIVAR ROAD, SALISBURY WASTEWATER TRUNK MAIN REHABILITATION

Mr ODENWALDER (Little Para) (11:40): I move:

That the 461st report of the committee, entitled Paralowie, Bolivar Road, Salisbury Wastewater Trunk Main Rehabilitation, be noted.

A recent CCTV investigation confirmed that the trunk main under Bolivar Road in Paralowie is at the end of its practical life. The only way to eliminate the risk of collapse and to maintain supply is to repair or replace the main. The Public Works Committee heard that SA Water's proposal is to

renew the existing ageing Bolivar Road wastewater trunk main. It is proposed to reline 6.19 kilometres of the existing reinforced concrete wastewater trunk main and refurbish 14 existing manholes.

The estimated cost of this project is \$12.65 million and will result in eliminating the risk of sewer collapse. The objectives of the project are: to maintain current supply to customers; to minimise the risk of type 1 and 2 environmental incidences; to minimise the risk of collapse and resultant repair work; and to have a reliable trunk main that can serve the wastewater needs for the future. This project will be complete by March 2013. Given this, and pursuant to the relevant section, I recommend that these proposed public works go ahead.

Mr PENGILLY (Finniss) (11:41): I could say ditto, but I will not. We support the report.

Motion carried.

ABORIGINAL LANDS PARLIAMENTARY STANDING COMMITTEE: ANNUAL REPORT 2011-12

The Hon. L.R. BREUER (Giles) (11:43): On behalf of the Minister for Aboriginal Affairs and Reconciliation in another place, I move:

That the annual report 2011-12 of the committee be noted.

This is the eighth annual report of the Aboriginal Lands Parliamentary Standing Committee. It provides a summary of the committee's activities for the financial year ending 30 June 2012. Over the last year, the committee has met with a wide range of Aboriginal people in their communities. These meetings have given the committee and the South Australian parliament a better understanding of the issues that are of importance to Aboriginal South Australians.

During the year, the committee visited the APY lands, Oak Valley and Maralinga, as well as Nepabunna, the Gerard Aboriginal community, Winkie Primary School, the Port Lincoln Aboriginal Corporation and other Aboriginal organisations and support organisations within Adelaide.

The committee also visited Western Australia to gain insight into the initiatives that are working well in the resources, private and public sectors to skill, employ and retain Aboriginal employees in the workplace.

With the burgeoning resources sector in South Australia seen as a potential growth area for employment, particularly for Aboriginal people, the committee perceived benefit in inquiring into and meeting with some of the key employers and service providers in the established resources sector in Western Australia. The committee would particularly like to thank Rio Tinto Australia for their generosity and their time in assisting the committee in their visit.

In June 2011, the Legislative Council referred the Stolen Generations Reparations Tribunal Bill 2010 to the committee for inquiry. The inquiry has received a number of submissions and heard evidence from 12 witnesses from eight Aboriginal support agencies. The inquiry is due to finish hearing evidence later this year. During the year the committee also heard evidence from witnesses from a number of state agencies and Aboriginal support organisations. I would like to thank the people who provided the information to the committee.

I am also thankful to all members of the committee, past and present, for their dedication and hard work. I would particularly like to thank the previous minister, the Hon. Paul Caica, other previous members—the member for Mitchell, the member for Norwood, the President of the other place, the member for Ramsay, the member for Port Adelaide, and the member Florey—for their contribution to the committee as well as acknowledge the current members of the committee for their ongoing efforts. Some of them, like me, are new to the committee. They are: the Hon. Russell Wortley MLC, the member for Kaurana, the Hon. Terry Stephens, the member for Morphett, and the Hon. Tammy Franks.

I am very pleased to be back on this committee, which I was on for many years, and I anticipate that we will do some good work in the next 12 months. We also would like to thank all the Aboriginal people that the committee has met with over the past year. We appreciate their willingness to discuss the issues and share their stories and their knowledge with the committee.

Dr McFETRIDGE (Morphett) (11:47): The Aboriginal Lands Parliamentary Standing Committee is one of those committees of parliament that has an unusual make-up, with the minister as the presiding member. Members in this place who know my history with the committee (having been on it right from the word go with a short break in between) know that I think this is an

arrangement that is not satisfactory. The committee does work exceptionally well as a committee deliberating on issues and inquiring into the concerns of Aboriginal groups right across Australia, but it is a bit peculiar when the minister has to write to him or herself about an issue and then write back to themselves as the presiding member of the committee. I have a private member's bill being drafted at the moment to change that arrangement. I understand the government is looking at a similar change, and I look forward to that if that is the case.

The way this committee is set up at the moment, it has not worked as efficiently as it could. Over all the years I have been involved with the committee, since my coming to parliament in 2002, it has examined a broad range of Aboriginal affairs. There is always the rider in the terms of reference for any committee: 'any other relevant matter'. While it is the Aboriginal Lands Parliamentary Standing Committee, we have looked at everything from education, health, housing, transport, the way that government bureaucrats work, and also the relationship with state and federal government bureaucrats. The sobering fact is that we spend \$1.3 billion a year on 30,000 Aboriginal people in this state. The federal and state budget is \$1.3 billion a year—\$50,000 per man, woman and child. I can say from firsthand witnessing that the plight of some of the Aboriginal people in South Australia is absolutely deplorable.

I am currently hosting in parliament—in fact I have just abandoned him in the members' lounge—Dr Luc Malimbalimba from the Democratic Republic of the Congo, where he is a young member of the parliament. He has been describing to me some of the issues they have with malaria, tetanus, with the 700,000 constituents in his own electorate of the 72½ million people in the Congo. They have some significant issues. It is a sad fact that you can travel to the north-west of South Australia and see people who have some significant health issues and living concerns. The tyranny of distance is very, very evident.

It is an interesting fact that, if you want to drive from Adelaide to Pipalyatjara, which is in the far north-west corner of South Australia, it is about the same distance as driving from Melbourne to Sydney. The sad part about that is that the last 600 kilometres are over very, very rough roads. If you go on to the APY executive website you will see there a warning about travelling on the roads in the APY lands. It is a deplorable situation up there where school buses, teachers, doctors, nurses and the people themselves have to travel over roads that shake their vehicles to pieces.

We need to make sure that the \$200 million we are spending in the APY lands each year is being put to the best use possible, and I am working with the committee to make sure we examine expenditure and can be assured that taxpayers' money (which is where that money is coming from) is being put to good use not only for the sake of taxpayers but also for the sake of the people to whom the money is being directed.

The Aboriginal Lands Parliamentary Standing Committee visits not only the APY lands but all the communities around Australia. We recently undertook a visit to Point Pearce on Yorke Peninsula, and it is great to see the changes going on over there, the progress that is being made, and the financial returns coming to the community to make the community more financially independent so they can further their own goals is great to see. The Ngarrindjeri groups at Camp Coorong we visited a few weeks ago, and they are also making great steps forward.

A lot of good things are happening in Aboriginal affairs, but the role of this committee is one which we need to make sure it is not in any way restricted by having the minister as the presiding member of the committee. I hope the government looks at the proposal. It is not the first time I have spoken about it in this place. This committee is one of the very few examples of truly multi-partisan policy-making or deliberation, and it is a vital committee for the Aboriginal and white people of South Australia.

The committee does need to change its structures and does need to make sure that the reports are being more widely circulated and that everybody in South Australia and not just the Aboriginal people understand what we are trying to achieve with the committee system in the parliament, particularly with this committee. I am delighted to say that all members on the committee all get on exceptionally well. The hardworking committee secretaries over the years have done an excellent job in organising us. It is worse than herding cats: it is like herding butterflies, getting members of parliament together for these trips.

Trying to go away to the APY lands for three or four days at a time is very difficult. But the hardworking secretaries have been able to do that and have been able to coordinate witnesses coming in to speak to us. Many of those witnesses have had to travel many kilometres to come and

visit us. It is a committee that I am pleased to be on. I hope to continue on this committee. I look forward to the continued cooperation between all members of the committee, particularly the government, in rearranging the make-up of that committee. I congratulate the current members of the committee on the work they are doing, and I look forward to continuing my time with them.

Motion carried.

PUBLIC WORKS COMMITTEE: RAIL REVITALISATION—ELECTRIFICATION OF SEAFORD AND TONSLEY LINES

Mr ODENWALDER (Little Para) (11:55): I move:

That the 462nd report of the Public Works Committee, entitled Rail Revitalisation—Electrification of Seaford and Tonsley Lines, be noted.

The proposal brought to the committee addressed remaining works for the rail revitalisation project costed at \$424 million. The project and its cost is an amalgam of the following components: the completion of the final stage of track upgrade works on the Seaford line between Oaklands Park and the city, and the Belair line between Goodwood and the city, including necessary work in the Adelaide yard; and the electrification of the Seaford line between Adelaide Railway Station and Seaford, including the Tonsley line comprising associated signalling and communication system works, the provision of a power supply facility at Lonsdale and associated power system infrastructure, and installation of the overhead wiring system and associated works.

It should be understood that the cost is not just for electrification but includes parts of the wider revitalisation process as well. The project involves multiple sites and activities to bring the total rail revitalisation project to fruition. These activities will include the works in the Adelaide rail yard, the full shutdown of the lines in question at various stages, construction of a feeder station at Lonsdale to supply power to the line, and the commissioning of equipment for use on the line. The expected completion date for the project is October 2013. Given this, and pursuant to section 12C of the act, the Public Works Committee reports to parliament that it recommends the proposed public works.

Mr PENGILLY (Finniss) (11:55): The opposition supported this project in the Public Works Committee meeting and is pleased to see it come to fruition—in direct contrast to the kerfuffle in the northern suburbs where they are not going to get it, and they are making a big song and dance, and puffing and blowing about the southern suburbs electrification, which smacks of hypocrisy, quite frankly, but that is another story. The fact is that people from as far south as my electorate and down in the Yankalilla, Victor Harbor, Goolwa area will all benefit from the rail electrification, and I am sure that they will use the service when it does come to fruition and find it most beneficial.

Anyone who has travelled on the electric train services in Western Australia knows only too well how good they are and how quiet, efficient, and well managed they are. Not only that, the trains over there do not impact on the roadways, they do not go anywhere near them, they do not have level crossings, they have stations overhead, and the cars continue to flow. I think we can take a lot from the way in which the rail service runs in and around Perth, quite frankly.

A few years ago, some of us were lucky enough to go on a Public Works tour to look at the desalination plant prior to the project in South Australia and also to travel on the train service, and I found it to be remarkably good. If the one in South Australia comes up to that standard, I think we will be doing particularly well. It is with a great deal of interest that we have watched the bridge over the river down south take place and, unfortunately, the people in my electorate in Sellicks Beach would like the train to continue right down there. However, it is going to be an advantage to the people of the south and the people of South Australia when this service comes into play. I am unsure whether anyone else wants to speak on this matter but I will conclude my remarks.

Debate adjourned on motion of Mr Gardner.

CONSTITUTION (RECOGNITION OF ABORIGINAL PEOPLES) AMENDMENT BILL

Adjourned debate on second reading.

(Continued from 19 February 2013.)

Mr GARDNER (Morialta) (12:01): It is with pleasure that I resume the comments that I commenced last night. Those of you who were watching would already know this, but for other members I was in the process of discussing the nature of the apology to the stolen generation that

took place some five years ago, sponsored by Kevin Rudd and Brendan Nelson, and I was expressing my disappointment that it was a matter that had not been undertaken by former prime minister Howard. Former prime minister Howard did have a very sincere commitment to our Indigenous communities in Australia, but preferred a policy of what he termed 'practical reconciliation', with a focus on health, education, justice and other initiatives.

There is a long way to go in all of those and they are important issues. As the member for Heysen pointed out last night, we must not take our eye off the ball on those issues just because we are now focusing on an important issue of symbolism, but I did disagree with the former prime minister at the time (as I think he was wrong now) in that symbols are important as well. The member for Kaurna last night talked about his pride in representing an electorate called Kaurna, and I can say for myself representing an area called Morialta, we have a symbol there of Kaurna heritage in the word 'Morialta', which comes from 'mori' meaning 'eastern' and 'yertala' meaning 'water' in the Kaurna language.

The symbols in and of themselves go towards reconciliation in that our community takes into account a deeper understanding of our first peoples and our first nations who had the ongoing spiritual and personal connection with the lands and waters of the country that we now all share. Walking forward together, the symbols that we can improve can help us in a very practical way, and indeed in a symbolic way, as we try to work to achieve reconciliation.

One would hope that our community will feel encouraged in developing better and new strategies and, as the member for Giles I think identified in her comments last night, in realising the importance of listening to the communities, because they are the experts in areas such as education, health and justice. They know more than anybody where the gaps are and through our symbols, as we recognise the importance of our Aboriginal peoples to our history, hopefully the whole community can walk forward together in addressing those issues.

In terms of the Liberal Party's position at a federal level—because I think it is impossible to separate the issues that we confront on reconciliation in South Australia from our national approach to reconciliation—I do want to place on the record some of the words of Tony Abbott on 13 February in addressing the Aboriginal and Torres Strait Islander Peoples Recognition Bill in the federal parliament, because I think it is a good summation of where the Liberal Party is and they are words that would not be walked away from by people on any side of the chamber. Tony Abbott said on 13 February:

Australia is a blessed country. Our climate, our land, our people, our institutions rightly make us the envy of the earth, except for one thing—we have never fully made peace with the First Australians. This is the stain on our soul that Prime Minister Keating so movingly evoked at Redfern 21 years ago. We have to acknowledge that pre-1788 this land was as Aboriginal then as it is Australian now. Until we have acknowledged that we will be an incomplete nation and a torn people.

Tony Abbott went on to say:

In short, we need to atone for the omissions and for the hardness of heart of our forebears to enable us all to embrace the future as a united people.

I think those words were very appropriate for that bill but also, in reflection, on the bill before the house today. The text of the bill identifies it particularly as a symbolic bill. In fact, the third clause of the bill specifically identifies that the bill will not have any legal force or effect.

I note that the Premier, in discussing this in his second reading contribution, said that it was necessary to avoid this important step of formally recognising Aboriginal peoples in the constitution from becoming subject to a series of technical legal debates and objections. The opposition is supporting the bill on that basis, as a symbolic document, that our constitution will recognise that the settlement of South Australia by British colonists, as is stated in the bill:

...occurred without proper and effective recognition, consultation or authorisation of Aboriginal peoples of South Australia.

- (2) Following the Apology given on 28 May 1997, the Parliament...—
 - (a) acknowledges and respects Aboriginal peoples as the State's first peoples and nations; and
 - (b) recognises Aboriginal peoples as traditional owners and occupants of land and waters in South Australia and that—
 - (i) their spiritual, social, cultural and economic practices come from their traditional lands and waters; and

- (ii) they maintain their cultural and heritage beliefs, languages and laws which are of ongoing importance; and
 - (iii) they have made and continue to make a unique and irreplaceable contribution to the State; and
- (c) acknowledges that the Aboriginal peoples have endured past injustice and dispossession of their traditional lands and waters.

I want to add to those of other speakers my thanks to the advisory committee that was so important in formulating that language: Professor Peter Buckskin, Ms Khatija Thomas, Ms Shirley Peisley, the Hon. John von Doussa and the Hon. Robyn Layton. As others have, I think they did a very good job of work on this matter and their consultation with a wide range of people was good.

I will not take any more of the house's time other than to commend the bill to the house. I am pleased to support this wholeheartedly as I said last night, and I look forward to what I think will be its unanimous support by both houses of the parliament.

The Hon. P. CAICA (Colton) (12:07): I very proudly stand today to speak briefly about, and in support of, this bill. What I would say is that it was quite clear in this state's founding documents that we had a responsibility at that time to ensure that the interests of Aboriginal people were safeguarded and history has shown that there have been many great wrongs since that time. I am pleased that the bill acknowledges that Aboriginal peoples have endured past injustice and dispossession of their traditional lands and waters. This bill is about righting a historical wrong by inserting into our constitution recognition of our first peoples and nations of this particular state.

One of the proudest jobs that I have had the honour of being provided with was to be this state's minister for aboriginal affairs and reconciliation. During that time, I would like to think that I developed a good working relationship with many Aboriginal people across this state, but it never ceases to amaze me that, since the founding of this state in 1836, we have seen some awful things that have occurred to Aboriginal people in this state. This is not going to remedy that but it is going to be another bridge towards reconciliation and recognition of our first peoples. To a certain extent, it seems to me to be very long overdue, if we consider when Dean Brown issued the apology in this parliament—in 1997, I am told—and it has taken so long to get to where we are today.

Interestingly, when I first became minister for Aboriginal affairs and reconciliation the Premier sent off a little letter to all the ministers stating, 'This is what I want you to pursue.' The letter I received was to progress constitutional recognition and, of course, you always do what the Premier tells you to do, but I very much embraced that and wanted to pursue it.

I am very pleased that cabinet acknowledged the establishment of the expert advisory panel. I thank those members for their role and contribution in providing to cabinet a document for its consideration that is now before us in this chamber. The panel did a very good job, and it was not by chance that those people were selected. Their names have been mentioned numerous times in other contributions so I will not repeat them, but I pass on my gratitude and thank them for the work they have undertaken.

I am also very pleased that this bill has bipartisan support, as it should, and also that we are doing something that is critically important to Aboriginal people. I think there was a contribution made by my friend the member for Kaurna last night talking about some people's view of symbolism. Of course, it is symbolic, but it also has meaning, and sometimes people do not distinguish the difference between something that they say is symbolic and the fact that it is important and has meaning for people.

Another colleague of mine once said, 'If we look at symbolism, look at the Aboriginal round they have in football each year—the Indigenous round—and how important that is to Aboriginal people.' Some people might say that is purely symbolism, but it means something not to only Aboriginal people but indeed to all Australian followers of football.

So, this is a very important bill; it is long overdue, and I am very pleased be standing before the house today in support of it. I would also say that through the consultation period there was a view expressed by some people—and my friends from down south, the Ngarrindjeri, believe that the letters patent ought to be resolved as a priority, as opposed to constitutional recognition. I am paraphrasing this now, but their level of support is not as high as it might be because of that outstanding issue. Of course, this was constructed in such a way (as the member for Morialta said) that it was not to bestow or take away any legal right. I had some discussions with my friends from down south to say, 'This will only affect your pursuit of letters patent if you let it. It has no bearing on that and they are two matters that can run parallel to each other.'

The point I want to make is that I think it is long overdue for the government to have a proper discussion with Aboriginal people about the letters patent. Certainly, I believe that letters patent can be pursued in such a way that it does not open the floodgates with respect to anyone's concern about what might be compensation, if you like. Those matters can be dealt with under native title and do not necessarily have to be achieved by or through letters patent. However, I think it is time for a mature debate with Aboriginal people about letters patent to deal with that issue. This debate may well be a stepping stone towards that in its own right.

I want to conclude by saying that many people focus on some of the difficulties and problems associated with Aboriginal communities and Aboriginal people within those communities. However, during my time as Aboriginal affairs minister I saw many positive things as well. Last week, I went to the academic assembly for St Michael's College in my electorate and saw some of the young people who achieved amazing TER scores in the exams at the end of last year. One of them was a young woman named Lakkari Rigney, who happens to be the daughter of Daryle Rigney. I think she scored a TER of 97.8 or thereabouts, with five As—five awards.

There are so many good things being undertaken and achievements being made by Aboriginal people that sometimes we focus on other things without necessarily focusing on the positive things that are happening. That is not to say that there is not a long way to go, and not a lot of work to be done, to address the disadvantages and injustices that have occurred in the past and are still occurring. But, at the same time, I think we are building a very strong cohort of articulate, intelligent Aboriginal people who, if they are not already, are going to be leaders in their own right for Aboriginal people and the path to ongoing reconciliation, and in addressing those disadvantages and hardships that we know exist.

We have a collective responsibility, not just as members of parliament here, but as representatives of our community and the broader community, to address those particular issues. I am very pleased to be able to talk to this bill today. I want to thank everyone for the contributions they have made. As I said, I think it is long overdue, but I am certainly pleased that we are here today to debate a bill that is going to get unanimous support in this house and, I expect, in the other place.

Debate adjourned on motion of Mr Gardner.

SECOND-HAND GOODS BILL

Adjourned debate on second reading.

(Continued from 15 November 2012.)

Mr VAN HOLST PELLEKAAN (Stuart) (12:16): I rise to speak on behalf of the opposition and indicate that I am the lead speaker on this bill. Firstly, I would like to thank the minister and former police minister for the briefings and information that were provided by them, their staff and the police. I would also particularly like to mention Sergeant Jeff Hack and Acting Sergeant Rob Malone and their colleagues for the huge amount of work that they have put into this over many years—no doubt it is not just them, but they certainly led the discussions and briefings that I had, and it is a pleasure to have them here.

I know that Consumer and Business Services has also put a lot of work into this bill, so I thank everybody who has contributed to this work over quite a long time. I also thank the large number of second-hand goods dealers and other businesspeople who have provided feedback on this bill to the opposition and to the government. I also thank the commissioner and deputy commissioner for small business, and also the Motor Trade Association for their valuable feedback on behalf of the people they represent. The opposition has taken all of this information into very serious consideration.

This bill is about giving police the information they require to help them intervene in the pattern of home and business burglaries, which are done in an effort to steal small, portable, high-value and easy-to-sell items. These items are then sold or pawned for cash, which is very often used to buy drugs. I am sure the cash is also used for other purposes, but the clearly illegal steal-sell-spend pattern here is the key.

It is very important to point out that while this illegal activity does occur, it is certainly the vast minority of transactions that take place in the second-hand goods industry. The majority of businesses operating in this industry have nothing to do with it, and those that are usually do so unwittingly. In fact, dealers want to stamp out the flow of illegal goods because they are a risk to them; any one of them can have those goods confiscated after they have paid for them.

This is not so much an 'us and them' issue. The majority of dealers do operate properly, and the majority of dealers are very much in favour of trying to slow the flow of illegal goods coming to them because, if they buy them, they are at risk of having them confiscated and losing the money they spent on them. Having said that, I am not so naive as to think that there are no businesses which take risks in this way.

I fully support the police in their search for a way to reduce break-ins and thefts and also the spending on drugs and other often illegal goods or activities. The police have very clear objectives and I support them in their effort to achieve them. However, like all of us, when we pursue our goals, we must be mindful that we are part of a broader society and that our goals and actions have impacts on others, and one of the roles of this parliament is to try to find an appropriate balance on behalf of South Australians when making or changing laws.

This is the third time that a very similar bill has come to parliament, and the first two times it was unsuccessful. I acknowledge that further work has been put into it and improvements have been made, however it is the view of the opposition that the bill, in its current form, cannot be accepted because the negative impacts upon businesses trading legally in this area outweigh the public benefit that would be achieved.

The opposition does not support the bill as it has been proposed. I, as the shadow minister for police, and the opposition as a whole, am extremely supportive of the police and their efforts to reduce crimes of all types, and certainly including this area, but we cannot do so if it would place an unfair burden upon existing legal business operations.

So, in this light, rather than consign the bill to failure once again I will move later that the bill be referred to a select committee of this house for further consideration. That way the parliament will have the opportunity to fully consider and report on the impacts of the bill and recommend amendments to the bill so that it may pass. I believe that this is a constructive way forward that supports the police in their work to reduce crime and also supports the business community which trades legally in this space.

I will seek support from the government to establish this select committee and, if that support is not forthcoming, then I expect the bill will be lost again for the third time. So, I urge the minister and the government to support the bill by supporting the select committee.

I will now take some time to go through some of the concerns that the opposition, based on responsible submissions and our own research, has with the bill. Firstly, I refer to the cost of licensing and registration and of having an approved person. I will just go through some figures here, and I will have them for Hansard if I do not speak quite clearly enough.

For a body corporate there is a \$495 application fee to become licensed and a \$540 annual renewal fee—so an up-front cost of \$1,035. For a sole trader to become licensed there is a \$310 application fee and a \$415 annual licence renewal fee—so a total of \$725 upfront cost. For a registrant, for a company to become registered or a business to become registered, there is a \$150 application fee and an annual registration renewal fee of \$100—so a \$250 upfront fee. For an approved person there is a \$310 application fee, followed by a \$150 annual renewal fee—so \$460 up-front for a person to become approved.

The approved person may very well be the business operator themselves, and in some cases it might just be that person and nobody else who runs their own business. But in a larger concern, or somewhere where a business owner has a manager in place, it may be somebody else or it may be more than one person who needs to be approved to oversee the acquisition of second-hand goods for resale from that business.

When comparing those fees to a very similar model, like liquor licensing, they seem exceptionally high, and certainly the up-front cost to businesses in this area of the second-hand goods legislation for a body corporate is \$1,035, compared to, in liquor licensing, \$558.50. For a responsible person or an approved person under the second-hand goods legislation it would be a \$460 upfront fee versus \$122.90 for the responsible service of alcohol person. They are significant differences.

I would suggest that generally these second-hand goods dealers and pawnbrokers are smaller businesses than hotels and restaurants and yet they have to have a higher fee. I also note that when it comes to a liquor licensing approved person, there is no annual renewal fee and yet under the second-hand goods legislation proposed there is a \$150 annual renewal fee. Certainly, the trading of second-hand goods is extremely serious and extremely important—there is no doubt

about that—but I do not think that there is any justification for having those sorts of fees so high when compared with the liquor licensing.

I would suggest that being a responsible person when it comes to the service of alcohol is a more demanding, more challenging and more difficult job, with far more transactions every day, than being a person responsible for the acquisition of second-hand goods for retail in a business, keeping in mind that, with this approved person in the second-hand goods legislation, the key to that really is all about the purchase of the second-hand goods by the business so that they can be sold later; whereas in the liquor licensing world, it is about every single transaction—every single beer, every cocktail, every other drink that might be sold.

So, I think that, on a daily basis, for that approved person, whether it be the business owner or whether it be the manager or just another staff member, the responsible service of alcohol is a greater burden, and I think that it is inappropriate for the government to flag fees that are so much higher in this area.

I would also like to compare the South Australian fees with fees interstate for a very similar business, that is, second-hand goods. As I said, there is an up-front fee of \$1,035 in South Australia compared with New South Wales, with a fee of \$448, and Queensland, with a fee of \$576.80. So, again, we are out of whack with other industries, and we are also out of whack with other states when it comes to the cost burden that would be placed on businesses that operate in this space if this bill were to get through.

I would also like to make a few comments on the government's broader cost recovery model. I accept that it is important that businesses pay their way, I accept that it is not the government's job to have to fund the operation of businesses. I have no problem there whatsoever, but I do have very serious concerns about the government's general shift towards a cost recovery model when they are trying to get businesses and the private sector to pay for things that historically the government has done and has done quite fairly.

I think there is a very important example here, totally separate from the debate as to whether or not the costs are too high, and certainly I think they are. But just putting that aside for one minute, the police, with existing legislation, already have the authority to check all the records, and there already is an expectation in the existing legislation that police would check the records of second-hand dealers and pawnbrokers operating in this business space.

The reality is, though, that that does not happen. The reality is that the feedback we have is that the police do not do it ever, or they do it very rarely, and that is a great shame. I also say that that is no reflection upon the police, because the police are not funded by the government to do this work. There is a legal expectation from the government that the police do this work, but the police do not have the funding and they do not have the resources to do this work. Given that the government does not give the resources to the police to do the job they are expected to do, the government would now like to charge the private industry so that it can do that work instead—the work that the government does not give the police the resources to be able to do.

This cost recovery model, as I said before, is certainly fair in that the government should not be expected to cover the cost of doing business, but when it does come to these sorts of regulatory sort of things, when it does come to situations where the legislation already has an expectation upon a government agency to do a certain job, to then tell the private sector, 'Well, now you're going to do the job, you're going to do the work, and we're going to charge you for the privilege,' is certainly not appropriate.

Another issue I would like to turn to is the fact that, under this legislation—and I am sure that members would be aware of this—dealers need to be licensed if they deal in any class 1 goods, they need to be registered if they deal in no class 1 goods at all. There is a very real issue for businesses which might deal occasionally in a very few class 1 goods. They would then have to be licensed, they would then have to have the higher cost burden and the higher operational regime placed upon them.

It has been brought to my attention that this can happen unwittingly, that dealers can actually buy class 1 goods as part of a lot. I am sure it is easy to say they should have considered this a little bit more carefully but, in the real world, they might buy a batch of goods all at once and they might find that there is a class 1 good in there that they were not aware of or were not expecting. Then, suddenly, they would be in breach of this legislation.

Should they then throw it off the bridge? Should they then go and give it to another colleague who is already licensed, perhaps for a bit of cash on the side? Should they then automatically go and get licensed just to cover themselves technically for that one item that they have acquired? No: I do not think they should be doing any of those things. That is certainly a problem with the bill as it is presented at the moment.

If dealers buy from and sell to each other, which is a very usual practice in this industry, then, although the good being bought or sold has already been entered into the Transaction Management System (TMS), has already been held for the required 14 days, the police have already had the opportunity to intervene if appropriate and it has been acquired from a licensed or registered dealer, the whole process must start all over again. So, if a licensed dealer buys a class 1 good from another licensed dealer, then the acquiring licensed dealer would have to hold it, technically, for another 14 days, as I understand it, under this legislation.

I think that is a silly impost. I think it is not something that the police would genuinely be looking for in their work. Although they have not said to this me, I am confident they would say, 'If we are happy with the system with the first 14 days, we would not expect the second dealer (the acquiring dealer) to hold onto the stuff for another 14 days. That just does not make sense.'

I would go so far as to say that, possibly, the need to hold goods for 14 days—the need to hold every single good acquired for 14 days—is actually unnecessary. After entry of a newly acquired second-hand good, the TMS should be able to detect a possible match with stolen goods within seconds. If the TMS is built and set up properly, it should be able to, within seconds of the information being entered into the TMS, do a match and then come back to the dealer and say, 'You have acquired this good some time today in the course of your business. We need to let you know that there is a potential match with one that has been reported stolen,' or even maybe quite a few descriptions of items reported to be stolen.

The TMS should then be able to, almost instantly, report back to the dealer and say, 'This one that you have acquired is potentially a problem.' There should not be the need for the dealer then to hold onto every other good that was acquired for which, at that point in time, there is no match with the list of stolen goods that the police has on their side of the TMS, and they should be able to sell those and maybe just hold onto them for two, three or four days instead of 14 days.

I raised this with the minister and he was good enough to look into it. The response I got back from his office was that we need the 14 days for all of the goods because there is often a lag in the reporting: there is often a lag in the time between when a good is stolen and it is reported missing to the police and the police can enter that into the TMS. I agree with that and that is true, but the problem is that sometimes the lag could be a month or six months or 12 months.

My house has been broken into and I suspect many other members of parliament have had their houses broken into, unfortunately, at some stage or another, and it is not at all unusual to realise that something was stolen that you did not know about until you went six months later to get it—whether it be a special keepsake or the pen you were given as a prize in high school, or something more important. That, certainly, does happen, but what that tells me is that the 14 days is actually relatively arbitrary, because I do not believe that the 14 days would coincide with all of the possible times in which people whose homes or businesses had been broken into would be reporting.

Certainly, the 14 days would cover the vast majority of them—I accept that entirely—but, again, I think it is an unfair imposition on businesses to have to hold it for that long. I know there is a holding period in place already. I would suggest that the existing holding period could be reduced as well and really give the legal dealers—the people who are doing their job properly, entering it properly, trading well and giving the police the information that they deserve to have in a responsible fashion. I think the 14 days is an unfair imposition on them. With minimal inconvenience to the police, the traders could benefit, if it was only the items that had a match within a few days that they had to hold on to. The only ones that would slip through the cracks would be the ones that were not reported stolen within a few days, and that could be six months, 12 months or even longer.

I certainly understand that charities and other community fundraising groups are excluded from the bill if goods are donated for resale, and that is sensible and I commend the government and the police for including that. That makes good sense. If goods are donated—so clearly they are not being acquired or purchased—there is no cash return to the person who puts them into the system, if you like.

I have been approached by people from the industry who say that there are occasions—it is the minority, but there are occasions—when a charity or community group (church, school, fetes, markets, op shops, whoever they are) will pay to acquire goods and sell them, and occasionally will have goods that they sell on consignment. It is all above board, charitable and not-for-profit stuff. They do it for all the right reasons that—and the minister I am sure would agree—they are excluded for donations.

However, if you acquire a good on consignment, even as a charitable organisation, then you are captured by this legislation and the fees, the holding period and the TMS. I think that would be a great shame for these charities that I am sure the minister would agree are doing the right thing and not trying to participate in any of this underhanded transfer of illegal second-hand goods. That is another issue that really needs more work in this legislation.

There is no provision for an approved person to transfer from one employer to another under this bill. As I said before, typically the approved person would even be the business owner or the operator, so it would not happen very often. Just like the responsible service of alcohol, people do have the right to change employers and they will often stay within the same industry. So, you might be an approved person under the Second-hand Goods Bill working for one second-hand goods dealer or pawnbroker and you might like to swap and start working for another one. You might manage one shop for somebody and you might like to go and manage another shop for somebody. There is nothing in this bill that says that they do not have to reapply. There is nothing in this bill that says that they do not have to pay another application fee.

I think it would be fair, just like with the responsible service of alcohol, that you can change employers. I stand to be corrected, but I think there is a \$13 fee or something like that if a person who works in a hotel, a restaurant or an establishment with a liquor licence wants to change employers. I think that would be a very important thing to address here.

There is no provision for how to deal with existing stock in the system if this legislation comes into effect. All of the second-hand dealers, pawnbrokers and others will be captured by this if this bill were to pass. If the legislation were to come into effect and become law then there would be a lot of this stock out there already. There is nothing I am aware of that deals with exactly how that stock would be dealt with.

I certainly would not want to contribute to creating a bit of a loophole where you know it is about to come in on 1 July or 1 January, or whenever the date might happen to be, so all of a sudden there is a mad rush to flush all these things out of the system, or get them in so that they are previously acquired. It might be that all existing stock and everything in place would then have to be entered into the TMS. How long would businesses be given to do that sort of thing? That is another issue that needs to be dealt with here.

In dealing with markets and stalls, I have to say that this is a very difficult area; I accept that. In my briefings with the police and others, they agreed that it was a very difficult area to deal with, but I have to say that the bill really does not deal with this area properly. I am sure that is because it is a hard area to deal with. The reality is that, as the legislation is proposed, the operator of the market—the Pooraka market, the Brickworks Markets or the Coles' car park undercover trash and treasure market in Port Augusta that happens once a month, for example—if it is a for-profit organisation dealing in goods that were not donated to it (so I am not talking about the school fete or the church bazaar or that sort of thing), the operator of the market has to be captured under this legislation.

The operator of the market has to declare whether all of the stallholders are dealing in class 1 or class 2 goods, any prescribed goods whatsoever. If we all picture the Pooraka market, whether or not we have actually been there but I am sure we have all driven past it on a busy market day, I cannot see how that is going to effectively stem the flow of illegal second-hand goods if those goods are pushed there towards those markets because other avenues are clamped down on. I am all in favour of clamping down on other avenues but not at the expense of making things difficult in other ways. I think that is a real flaw in the information that we have.

There are issues with regard to garage sales. It has been put to me by second-hand goods dealers who probably know this industry as well as anybody that they scan the papers and look at garage sales because that is the place they often go to acquire stock that they can sell. They say that you will see very regularly the same addresses, the same phone numbers and the same places having garage sales. In the real world a garage sale is something that any of us might have at home once every few years at most.

You might do it when you move house, you might do it when the kids move out and you have things that you do not need anymore that they did not want to take with them or you might realise that you are over 40 and you probably will never surf again, or whatever the occasion might be, and you sell your surfboard. We all understand that, but it should not be happening regularly. In the regular world of homes in South Australia, it should not be happening regularly, but dealers tell me that it does. Second-hand goods dealers tell me that it does happen regularly. There is no provision in this bill to deal with that.

I will also touch very briefly on the issue of second-hand CDs and DVDs. I think it would be very sensible to exclude them from prescribed goods. Certainly, 10 to 20 years ago there were lots of people breaking into houses because they were high value, portable and resellable items but technology has moved on. They are not necessarily any cheaper or less valuable but technology has moved on towards iPads, iPhones, iPods and all that sort of thing. There are second-hand goods dealers out there who specialise in books, CDs, records, DVDs and all that sort of thing, so I think that would be a sensible thing to exclude.

I will also touch on what I refer to as antiques. By antiques I do not necessarily mean antique furniture that people would typically think of but specifically old items that would be captured by this legislation. So, as to small highly portable valuable things like rings and jewellery and that sort of stuff, no problem there whatsoever. But there are other things like cameras, for example. People are not breaking into houses these days to steal 10 year old Pentax zoom cameras, as far as I am aware. They are really after the iPhones, iPods and all of that sort of stuff. I think that instead of the indication that has been given by the government that 50 years would be an appropriate age to exclude items from prescribed goods, maybe it should be more like 10 or 15 years and that something like that would be far more appropriate.

There are other issues with the bill. I will not take more of the house's time in this part of my contribution dealing with these things because, as I have already said, I think it would be very appropriate for a select committee to look into this. I value the work that the police have already done. I value the work that Consumer and Business Services has already done. I value the work that lots of people have done, but there is still more work to do before this bill could actually be said both to help the police in their work to crack down on crime and also not be an unfair burden on the vast majority of dealers in this space who are doing the right thing and are operating legally and not acquiring illegal goods for resale.

So, again, I strongly support the police in their effort to intervene in the cycle of the theft of small, portable, high-value items and then the quick selling of them for cash, but the imposition of an unfair cost burden, an unfair administration burden and more red tape in general upon businesses and small traders, the vast majority of which are already doing the right thing by trading legally and are not part of the problem, is what would result from this bill as it has been presented to us by the government.

Therefore, I urge the government to agree to the establishment of a House of Assembly select committee so that a bipartisan group of MPs from this house can work on it together and improve it together to try to find a way for the police to have the information they need and deserve, without an unfair burden being placed on the businesses and small traders who operate responsibly and legally, and to help the business operators reduce the risk of unknowingly acquiring illegal second-hand goods, which they are also very keen to do.

I fear that if the government does not agree to the select committee, then this bill will be lost for the third time in a row and the government will have again lost the opportunity for this parliament to responsibly give the police the support they deserve.

Mr GRIFFITHS (Goyder) (12:46): I rise to make a contribution toward the Second-hand Goods Bill and commend the member for Stuart for his presentation, which I did not time but presume went for 35 minutes or so. It certainly demonstrates the good knowledge he has with regard to this bill, which was emphasised to me in the Liberal Party room debates, which occurred earlier this week, within portfolio and joint party, where there was considerable discussion about the individual components of the bill. It is fair to say that there was a variety of opinions that existed, but the member for Stuart showed that he put the work into it. It is not just a matter of presenting four or five pages and think you know about it and a staff member doing it. The member for Stuart has actually demonstrated that he understands it.

As a contribution, though, I wish to raise some points that have been brought to my attention by an operator within my electorate who has contacted me on a very regular basis in the

last three years or so about the various iterations of this bill, which as I understand it certainly goes back to 2009. You, Mr Deputy Speaker, as then minister for police, introduced a bill which was not debated because of the proroguing of parliament. From that time onwards, my constituent, who operates in the Copper Coast community, has taken the opportunity to ring me several times and indeed put quite a few letters through to me where he raises, I think, some quite informed concerns.

He is not ranting and raving; he is just putting his points in a very rational way and wanting to ensure that there is some level of recognition about it. So, when I received the letters, I immediately forwarded them on to the responsible ministers at the time, trying to get some responses because he wanted to be on top of the game. I know the member for Stuart in his contribution reflects upon the discussions that he has had with people involved in the industry too, to try to get a better handle on it. If I can take some time just to read some of the contributions, one was a letter that I got in July 2009:

I am writing to you in reference to our phone conversation about proposed second-hand goods legislation overview.

He confirms that he also rang the SAPOL project team in late June 2009. He continues:

I can only relate to my business and friends of mine who are dealers. We do not deal in stolen goods.

I sell some items which are currently 'prescribed goods' but I am very particular who I buy from, and take all personal details.

I strongly believe the proposed changes are targeting the wrong people and are going to enforce a large time consuming and financial burden on mostly law abiding people.

I do not offer a pawn broker service and never will. This to me is a real grey area and most of the time the customers apparently are in serious financial trouble. It appears that eBay is too hard to regulate. What does that show you?

Garage sales are becoming big business—according to friends in the city a lot of new items are being sold through them—does this not concern you?

Markets—I would suggest that this is another huge grey area which doesn't appear to have been seriously addressed.

I am only a small business operating part-time as I am a carer for my sick wife. I offer fairly priced goods to middle to low financial clientele who appear to appreciate my business. As the changes are proposed I'll be forced to close down my business.

I would predict a lot of small dealers will do the same and would suggest that garage sales will continue to grow.

I would understand and believe that SAPOL is—

I am not sure what that means—

struggling for members—therefore no doubt it will be hard for them to visit garage sales.

We have talked in the chamber about police numbers and efforts to control crime. He continues:

I also fail to believe that dishonest people would log on to your website and give you details of something stolen.

SAPOL suggested I could continue in business by not selling prescribed goods (which you are also looking at changing).

My concern about that is:

I get called on to buy deceased estates quite often.

I would have to refuse a whole list of common items because they may come under 'prescribed goods'. Therefore I would lose the sale.

I hope that the SAPOL second-hand project team are serious about listening to concerns, because I believe they are unfairly targeting the honest.

I note, indeed, the words of the member for Stuart, where he acknowledges the fine effort made by the South Australian police force on this to try to get in place some legislation. So, that was from my constituent. He has further written to me, probably about 18 months down the track, where he raises some real concerns, too, which again I would like to put on the record. He states:

With reference to the proposed changes to Second-Hand Dealers—Pawnbrokers Act.

I have spoken to SAPOL about this issue and I am all for trying to stop the sale of stolen goods.

I run a small second-hand business from home from which I help a lot of medium to low income people with furniture and whitegoods (mainly). I do buy some prescribed goods at times mainly from deceased estates—i.e. power tools, shed tools, microwaves etc.

I strongly believe I have never been confronted with stolen goods.

To have to link to a central computer system on a daily basis to report goods purchased will be a challenge.

He points out that he is not good with computers; he does not have a modern computer and he may not be able to afford (and this is in May of 2011) an undisclosed licence fee, and we now know what that is. He poses a question about garage sales, and website markets like eBay and Gumtree, etc. He then states:

To think that sitting at a computer screen thinking that most stolen goods are going to show up I think is wishful thinking.

How many victims have had to try to report what was stolen from their house, i.e. what brand was the TV, what model number, what was the serial number etc.

Therefore, if you can't give a full description to the police, how are they going to trace it on our computer when we lodge a full description i.e. colour—brand—model—serial number etc.

I have said for a long time if everyone had to give a full description of prescribed goods to their insurance company, there would then be a good record to give to police.

Only then would they have enough details to make a match.

E.g. imagine if someone reports a Sanyo TV stolen. No other details available.

If 50 Sanyo TVs show up over the next month throughout SA, what manpower will it take to go to 50 sites and do a check?

I strongly believe there are a lot of garage sales people who buy in goods and onsell them—don't pay tax, don't have a licence, don't have any public liability insurance.

It seems that people who do the right thing, have a licence etc., get hit with fees and charges and are burdened with other work to try and catch the dishonest.

If these changes are to be involved I think garage sales will become more common.

Again he poses the question:

What manpower will it take to control the number of garage sales held by a person or persons?

In his closing sentence, he is actually quite fearful that it will be necessary for him to close down.

I know in my community there are very few of these operators. They do provide an important service to the lower income people that live in this community. This chap is an honest man and, indeed, he has emphasised that and I have taken that up with him when we have had telephone conversations about it.

I respect the fact that the bill is being introduced to try to correct a system. Regrettably, it occurs within our communities because there are the unscrupulous people out there who will sell for profit after stealing and breaking into people's homes, but we have to try to find a balance.

The member for Stuart has indeed suggested a select committee. I think it is a very sound suggestion, so I am disappointed that the minister has indicated, at this stage, that he is probably not going to support that move. If we can talk about this in a bipartisan way and come up with an agreed position and then put a bill before both chambers that has a level of support, then there will be the opportunity for improvement within the system. It is obvious to me that nothing is perfect, but this chap—to whom I have spoken regularly—is greatly concerned about the impact it is going to have on him and about the fee structure that will be in place. Indeed, from the notes provided by the member for Stuart, I note that the approved person is only required to be in the premises at the time of purchase of goods—

Mr van Holst Pellekaan interjecting:

Mr GRIFFITHS: To oversee the purchase of a second-hand good, but there is still a licensing requirement for other people who work within that. There is a cost structure involved here that the member for Stuart has outlined in the questions he posed. It is important that we have a debate about this bill because there are some people in the chamber who will have a very strong philosophical point that it should not proceed at all, and there are some people who probably want to see some discussion take place; that is where the member for Stuart has tried to be very fair about this and allow that debate to occur through a select committee. I support the endorsements

of the shadow minister and hope that there is a change of opinion and that a select committee can be established.

Mr WHETSTONE (Chaffey) (12:55): I too rise to oppose this bill in its current state. It has been brought to my attention—obviously through constituents who have contacted me many times with their concerns—that this will add an extra burden to those trying to remain in business; however, it is also the unfair targeting, I guess, of particular businesses and not other businesses, particularly the online big end of town, whether you are talking about eBay or Gumtree. They are emerging markets for goods, whether they be legitimate goods for sale or whether they have some criminal background in terms of how they were obtained or why they are being sold.

To my mind, the bill will not address the whole issue and is unfairly targeting some of the small businesses. In particular, I think the member for Goyder has a constituent who has pursued him over a considerable amount of time with concerns about how it will impact on his business. I too was approached, as a candidate before coming to this place, and then regularly as the newly elected member for Chaffey. This local business is an auto wrecker, and he has said to me that the auto dismantling industry has been tainted by a few operators who have brought the industry into question. I know the small business—it is a small family business in the Riverland—and they oppose the bill in its current form.

As I have said, auto dismantlers are already very heavily legislated and controlled in South Australia while other areas, such as eBay and Gumtree, have no controls at all. Both sites are an emerging industry and becoming huge businesses where people can sell goods. They are targeting a massive potential buying base out there, whereas a small business has a limited buying base; they are businesses that are controlled by their own destiny. They have continual burdens put on them, they have the costs of running those businesses becoming higher and higher; it is almost about putting someone else in a role who will chase up the paper trail, the administration and monitoring of goods that come into the business and goods that leave the business as a sold item.

Again, the auto wrecking industry says—and I think, in some instances, quite rightly so—that they are legislated against harshly, and no-one actually polices the laws. I seek leave to continue my remarks.

Leave granted; debate adjourned.

[Sitting suspended from 12:59 to 14:00]

CITY FRINGE DEVELOPMENT

Ms CHAPMAN (Bragg—Deputy Leader of the Opposition): Presented a petition signed by 77 residents of Dulwich, Rose Park and greater South Australia requesting the house to urge the government to consult with affected residents concerning mixed-use, medium-to-high density multi-storey buildings on Fullarton Road, Greenhill Road and Tudor Street.

COMMUNITY FOODIE PROGRAM

Mr VENNING (Schubert): Presented a petition signed by 309 community foodies, community foodie recipients and residents of South Australia requesting the house to urge the government to reject a recommendation in the 'Review of Non-Hospital based services' and continue to fund the Community Foodie Program.

FUTURE SUBMARINE PROJECT

The Hon. J.W. WEATHERILL (Cheltenham—Premier, Treasurer, Minister for State Development, Minister for the Public Sector, Minister for the Arts) (14:01): I seek leave to make a ministerial statement.

Leave granted.

The Hon. J.W. WEATHERILL: Today, I had the pleasure, together with the Prime Minister Julia Gillard, to tour the Techport facility at Osborne. It follows the announcement during the weekend that the federal government will provide commonwealth funding for a manufacturing precinct with a defence focus to be set up in Adelaide. This support reinforces the state government's commitment to building a sustainable defence industry in South Australia.

Generating revenue of \$1.8 billion and currently employing around 27,000 people directly and indirectly, defence remains a critical industry for this state and the foundation of our advanced

manufacturing. The South Australian government's commitment to building the defence industry was reflected in our investment of over \$300 million in the Techport facility, which was central to our state winning that bid for the \$8 billion air warfare destroyer contract.

Over the course of last year, the commonwealth government has made several announcements which have reinforced the importance of our state's maritime manufacturing capability, most recently with the decision to base the Future Submarine Systems Centre in Adelaide. In addition, the commonwealth government invested \$214 million in the last budget to commence planning for the project and to select which of the four broad design options to pursue. Some of these options are more favourable to the state's defence industry than others, but every option being considered still results in the assembly of the submarines in Adelaide.

There are two possible paths we can go down. Do we outsource the building of our submarines and, in doing so, gift an entire industry to a foreign country, or do we back Australian workers and manufacturing and commit to long-term investments in building a robust home-grown capability to deliver and sustain our Navy's future submarines?

Both the state and federal Labor governments support building submarines in South Australia. All of us in South Australia should support that proposition and we should do all we can to ensure that, at a federal level, it is supported by all political parties. The future of our defence industry is critical to the future of our state and deserves the full attention of our parliament.

Ms Chapman interjecting:

The SPEAKER: I call the member for Bragg to order.

PAPERS

The following papers were laid on the table:

By the Minister for Tourism (Hon. L.W.K. Bignell)—

Adelaide Entertainment Corporation—Charter 2012-13

Response by the Minister for Sustainability, Environment and Conservation—49th Report—
Natural Resources Committee—Review of Natural Resources Management Levy
Arrangements

LEGISLATIVE REVIEW COMMITTEE

Mr SIBBONS (Mitchell) (14:06): I bring up the 21st report of the committee, entitled Subordinate Legislation.

Report received.

PARLIAMENTARY COMMITTEE ON OCCUPATIONAL SAFETY, REHABILITATION AND COMPENSATION

The Hon. S.W. KEY (Ashford) (14:07): I bring up the 14th report of the committee, being the annual report for 2011-12, and erratum to the 13th report of the committee, entitled Inquiry into Vocational Rehabilitation and Return to Work Practices for Injured Workers in South Australia.

Reports received and ordered to be published.

QUESTION TIME

MANUFACTURING SECTOR

Mr MARSHALL (Norwood—Leader of the Opposition) (14:08): My question is to the Premier. Can the Premier advise the house how many manufacturing jobs have been lost in South Australia since the 2010 state election?

The Hon. J.W. WEATHERILL (Cheltenham—Premier, Treasurer, Minister for State Development, Minister for the Public Sector, Minister for the Arts) (14:08): No, cannot; I do not have that number with me. What I can say is that we are taking steps to meet the challenges that the global economy presents to us. We know that a high Australian dollar and relatively low productivity in our manufacturing sector is the thing which is threatening the future prosperity of those manufacturing businesses. That is why we are taking the steps that we are taking to invest in our manufacturing sector. It is still a 73,000 person-strong manufacturing sector in South Australia. It still has 10 per cent of our state's economy.

One of the reasons why specific statistics about this matter are difficult to provide is that the manufacturing sector has changed its character over recent decades. Instead of it being confined to just the manufacturing businesses themselves, many of those businesses are broken up now into ICT firms, into design firms; there is much more outsourcing of the particular arrangements for those firms than there ever was. This is—

Ms CHAPMAN: Point of order.

The SPEAKER: The deputy leader.

Ms CHAPMAN: The Premier announced in his opening remarks—

The SPEAKER: What is the point of order?

Ms CHAPMAN: —the answer to the question. He is now going on to an entirely different— and irrelevant to the question—

The SPEAKER: No—

Ms CHAPMAN: —which was how many jobs have been lost.

The SPEAKER: The member for Bragg will be seated. I warn the member for Bragg for the first time. That is a point of order that is not really a point of order. It is a form of obstructing the house. The member for Bragg did not cite any standing order as I heard her, and the Premier is offering reasons that such statistics are not kept, which seems to me to be germane to the substance of the question. Premier.

The Hon. J.W. WEATHERILL: Thank you, Mr Speaker. What I was seeking to do was to explain the changing nature of manufacturing and how many of the jobs that formally would have been contained within a manufacturing business itself—their logistics, their ICT, their design work, a number of those things—are now in separate categories and are described separately in employment categories that are published by the Australian Bureau of Statistics. So I do not think you can get a very fair analysis about the total effect of manufacturing and employment in South Australia by simply looking at the statistics concerning manufacturing and employment, because of the changing nature of the manufacturing workforce.

What we know is that we are taking steps to grow that employment and to sustain that employment. Down at Techport today we were celebrating the fact that we have a 2,200 strong production workforce down there—part of a 27,000 strong workforce in the defence sector. Just to explain to those members how this has grown, back in 2007 I think, all that was down there at Techport was basically sand and brown snakes. Now what we are seeing is an extraordinary, thriving defence sector which is growing advanced manufacturing jobs, which are ensuring that many families have a future for themselves and their children, and this is—

Members interjecting:

Mr Marshall: That's what he said, 'snakes'!

The Hon. J.W. WEATHERILL: That is precisely what the manager said down there a few hours ago, so take it up with him.

The Hon. A. Koutsantonis: Owning Ethelton and living in it are two different things.

The SPEAKER: I call the Minister for Transport to order. The member for Little Para.

GM HOLDEN

Mr ODENWALDER (Little Para) (14:12): Can the Premier advise the house about the costs and benefits of the government's co-investment in Holden to the future of car manufacturing in Adelaide?

The Hon. J.W. WEATHERILL (Cheltenham—Premier, Treasurer, Minister for State Development, Minister for the Public Sector, Minister for the Arts) (14:12): I thank the honourable member for his question and, obviously, his keen interest in the manufacturing plant at Holden's, an important source of employment for members of his electorate. Today I was at Techport, as I have just mentioned, with the Prime Minister, to discuss the importance of defence to our manufacturing sector. But another fundamental plan of our manufacturing sector is, of course, the automotive industry, and last Friday I was proud to join Holden workers at Elizabeth for the reveal of the VF Commodore. These South Australian workers will be making the most

technologically advanced car ever built in Australia. Alongside the Holden Cruze, the only small car currently built—

The SPEAKER: Premier, would you be seated. The member for Davenport has a point of order.

The Hon. I.F. EVANS: I draw your attention to standing order 128 which is repetition. This matter has been subject to a full debate by the Premier's own motion in the house and by standing order 128 it is out of order, I believe, sir.

The SPEAKER: I doubt whether that point of order applies to question time. It is about debate rather than question time, and so far I think it would be harsh to say of the Premier that he had engaged in tedious repetition. Accordingly, as the point of order has no merit, I call the member for Davenport to order. Premier.

The Hon. J.W. WEATHERILL: Thank you Mr Speaker. The future of the car industry in South Australia is a matter of vital interest for people on this side of the house. For South Australians, car making is in their blood. Many of the workers who built the Commodores and the Cruzes today were the sons and daughters of workers who built classic cars like the Kingswood and the Monaro. As I said when I was actually addressing the workers, it was something to say that you were a Holden's worker. It actually meant something in your family and it meant something in your community, and many of those workers are proud of it.

The automotive industry is vastly changed since those early days, but the importance of the industry to this state remains. Indeed, we were reminded of it down at Techport. So many of the workers who are there came from the Mitsubishi factory. It was a fantastic opportunity for them to continue to use their skills in the manufacturing sector. That is why the decision that was taken by this government last year to invest \$50 million as part of a \$275 million package with the commonwealth and Victorian governments to ensure that the VF Commodore would not be the last Holden model that rolls off the assembly line in Elizabeth was so crucial.

Some people at the time were questioning this investment and calling for a cost benefit analysis. An example of what the future looks like, Friday's announcement makes clear. The cost is \$50 million. The benefit we know from the work of Professor Barry Burgan at the Business School of the University of Adelaide was the potential loss of 16,000 jobs and the loss of \$1.5 billion to our gross state product, a benefit to the state that these workers—

Mr PISONI: Point of order.

The SPEAKER: The Premier will be seated. The member for Unley.

Mr PISONI: Yesterday, you asked me to address the Chair. I ask that you be consistent in your observations in the house.

The SPEAKER: The Chair is always consistent, member for Unley. Premier.

The Hon. J.W. WEATHERILL: —a benefit to the state that those workers who were attending that Friday launch of the two cars understood. They would have been there receiving the details of their redundancy packages but for this investment. A benefit to the state is that the automotive component manufacturers now have a more certain future and also an opportunity to become part of GMH's global supply chain.

If we want automotive suppliers to make the investments, they need to know that they have to continue to be competitive. We on this side of the house are very clear about our commitment to this plant. We have no hesitation in our support for Holden; federal Labor has no hesitation in its support for Holden.

Mr GARDNER: Point of order, sir.

The SPEAKER: The Premier will be seated. The member for Morialta.

Mr GARDNER: Even allowing for your adjudications, we are now up to four minutes and 30 seconds, so sessional orders would suggest that the time is up.

The SPEAKER: I call the member for Morialta to order. That is not a point of order. There is still 58 seconds on the clock. The clock was stopped because of previous obstructive points of order. Premier.

The Hon. J.W. WEATHERILL: Thank you, Mr Speaker. This is the future of our advanced manufacturing sector: to invest in those businesses that carve out a niche for themselves in the

world. We would be appreciative if the federal Coalition was similarly supportive of this industry rather than speculating about a \$500 million cut to this sector, and it would also be useful to know whether the Leader of the Opposition is still questioning the value of Holden's assistance.

The SPEAKER: Of course, the Premier is not responsible to the house for the Leader of the Opposition's position, mercifully. The leader.

MANUFACTURING SECTOR

Mr MARSHALL (Norwood—Leader of the Opposition) (14:18): Given the Premier's comments about the importance of the manufacturing sector to South Australia, why has Labor cancelled the small and medium enterprise industry development program, defunded the business enterprise centres, closed Innovate SA, cancelled the South Australian youth entrepreneur scheme, defunded the small business emergency helpline, cancelled small business month, reinstated charging payroll tax for trainees and apprentices, and closed the South Australian centre for manufacturing?

The Hon. A. Koutsantonis: He asked this question last year. Are you that old?

The SPEAKER: I warn the Minister for Transport for the first time. Premier.

The Hon. J.W. WEATHERILL (Cheltenham—Premier, Treasurer, Minister for State Development, Minister for the Public Sector, Minister for the Arts) (14:18): I thank the honourable member for his question. Since I have assumed this role, and certainly it has been a long-term commitment during the life of the whole of this government, just in the recent years I can point to the significant changes that have been made to pursue the advanced manufacturing agenda. Probably the most significant change is to make it one of the seven priorities that we believe are at the heart of our future prosperity.

Mr Marshall interjecting:

The Hon. J.W. WEATHERILL: Well, we published our plans. I invite you to do so any time you like. We published our plans for the future of manufacturing in this state. We published an advanced manufacturing strategy which draws on the best knowledge that exists in this country and around the world to drive an advanced manufacturing agenda, so we have set out a blueprint for change. As soon as I assumed this role, I created a new portfolio which put manufacturing and innovation front and centre in the new role of the agency, and I appointed the Minister for Manufacturing to that role (the present member for West Torrens).

We have decided to ensure that the innovation agenda is not something strapped on by some statutory agency that somehow is an afterthought. It is central to everything we do in government. It drives all of our decision-making. So, our procurement is directed at the question of innovation. The way in which we regulate is directed at the question of innovation. All of our industry policy is directed at it. The public service is turning around its activities and directing itself to the question of innovation.

Members interjecting:

The Hon. J.W. WEATHERILL: And for those opposite who do not understand what the word 'innovation' means, it means doing new things, not raising your voice in opposition to those things that—

Mr VAN HOLST PELLEKAAN: Point of order.

The SPEAKER: The Premier will be seated. The member for Stuart, who, by the way, at the end of the Premier's answer, I was going to call to order for interjections—so, it is a happy circumstance that you have risen for a point of order.

Mr VAN HOLST PELLEKAAN: Mr Consistent Speaker, I ask you to implement standing order 104 because the Premier is clearly disobeying your previous instruction in not addressing comments through you.

The SPEAKER: Thank you. Would the Premier please address the Chair? Premier.

The Hon. J.W. WEATHERILL: I always address the Chair, Mr Speaker; all of my remarks are directed through you. Those opposite—

Members interjecting:

The Hon. J.W. WEATHERILL: But that is not the standing order. Those opposite raise their voice against every progressive change which is advanced by this government to take us into a bright future. What they stand for is the status quo—

Mr PENGILLY: Point of order.

The SPEAKER: Point of order, member for Finniss.

Mr PENGILLY: Standing order 98.

The SPEAKER: I will hear the Premier further. Premier.

The Hon. J.W. WEATHERILL: Just take some individual examples: in the South-East, undertaking a study with VTT Finland (essentially the CSIRO of Finland) to look at adding value to our fibre so that we have an advanced manufacturing future for the South-East; the investments that we have managed to leverage out of the commonwealth government in relation to the Riverland, so that there is an advanced manufacturing future for the Riverland; the commitments that we have now got from the commonwealth and ourselves to ensure that Nyrstar has a future—an advanced manufacturing future—for Port Pirie; the investments that are going on down at Techport to ensure that we have an advanced manufacturing future for Port Adelaide and, indeed, the state; the investments that we are making in Tonsley Park, to not take the backward-looking step of looking at a failed Mitsubishi plant, but look forward in imagining a bright, new future for manufacturing in this state. And every single time, at every turn, what we hear from those opposite is the comfortable voice of the status quo: let nothing change. They represent those that would have South Australia be cryogenically frozen—

Mr PISONI: Point of order, Mr Speaker.

The SPEAKER: I anticipate the point of order of the member for Unley.

Mr PISONI: Standing order 98: this is clearly debate. It is clearly debate.

The SPEAKER: I anticipate that point of order and, if I anticipate it correctly, I uphold it. The Premier has finished his reply.

MANUFACTURING SECTOR

Mr MARSHALL (Norwood—Leader of the Opposition) (14:23): Supplementary, Mr Speaker.

The SPEAKER: If indeed it is a supplementary.

Mr MARSHALL: I will let you be the judge of that, sir. Given the Premier's answer that manufacturing and innovation was a key priority from day one of his premiership, can the Premier tell the house why he has reduced the budget for the government's manufacturing and innovation program funding by 20 per cent since he became the Premier?

Members interjecting:

The SPEAKER: Yes, you don't need to justify the substance of the question; I am just trying to work out whether it is a supplementary, and I rule that it is. The Premier.

The Hon. J.W. WEATHERILL (Cheltenham—Premier, Treasurer, Minister for State Development, Minister for the Public Sector, Minister for the Arts) (14:24): Thank you, Mr Speaker, and I really do thank the Leader of the Opposition for giving me an opportunity to explain to him how every section of the government is now being turned towards this objective. Those opposite have the curious view that somehow, because there is one agency that might have a name that might include something to do with manufacturing or a program concerning manufacturing, that represents the whole of the effort that the government makes in that particular field. To actually demonstrate the absurdity of that proposition—

Mr Gardner: You pointed to the sub-program which you cut its funding.

Mrs Redmond interjecting:

The Hon. J.W. WEATHERILL: —one only needs to look at the investments that we're making in the defence sector.

The SPEAKER: Premier, would you be seated for a minute. I haven't had an opportunity to issue warnings, and I'll now take the opportunity to call the member for Heysen to order and to warn the member for Morialta for the first time. Premier.

The Hon. J.W. WEATHERILL: One example that demonstrates the lack of understanding of those opposite about the way in which government works in this space is the investment that the state government made in Rosebank Engineering in collaboration with BAE Systems down at Edinburgh Parks in a new titanium processing plant down there. Now, that was to permit them to participate in that important international global supply chain, the joint strike fighter, an incredibly important opportunity where we're part of a massive international effort to build the latest air warfare fifth generation plane that will assist in our defence.

Not only is it building capability in that sector but it gives us the capacity to move into other areas of advanced manufacturing that involve the capabilities that we develop in manufacturing and working with titanium. I think it's one of the only titanium plants in the southern hemisphere, and so that will not be described necessarily under the proposition that those advance as a particular manufacturing initiative, but of course it is. It builds not only capability in the defence sector, but also capability across a broader range of defence sector jobs.

If we look at the signals that we have been sending to manufacturers here in South Australia, just this morning I heard a fantastic story from SAGE Automation. SAGE Automation, which had principally been in the food industry, hadn't looked at mining and defence until this government laid out a clear strategic vision for mining and defence, and they decided to take the risk to invest in that particular sector.

Now, 15 per cent of their business comes from defence. They're not only just winning contracts down there at Techport, they're winning them from TALIS in Victoria and they have now got a new and growing segment of their business. That's the truth of what's happening in South Australia. It involves the government being assertive, it involves us upsetting the status quo, it involves us doing new things. I know that those sitting opposite are supporting established interests—

Members interjecting:

The Hon. J.W. WEATHERILL: —but we are interested in doing new things to get this state moving.

The SPEAKER: It would be helpful if the leader did not blaspheme in amongst his interjections. The member for Port Adelaide.

Mr MARSHALL: Mr Speaker, could you just clarify when I blasphemed?

The SPEAKER: I'm not going to repeat it. I'll speak to you privately if you come to the Chair. The member for Port Adelaide.

SMALL VENUE LEGISLATION

Dr CLOSE (Port Adelaide) (14:27): My question is to the Minister for Business Services and Consumers. Can the minister please update the house about the small venues legislation that has just passed both houses of parliament, and about what has been said of this initiative?

The SPEAKER: Before I call the Deputy Premier, it's not really in order for a minister, having got a bill through the parliament, to then tell the parliament about the bill during question time, because that information is readily available from the text of the bill and from *Hansard*. But, with that rider, I call the Deputy Premier.

The Hon. J.R. RAU (Enfield—Deputy Premier, Attorney-General, Minister for Planning, Minister for Industrial Relations, Minister for Business Services and Consumers) (14:28): I am grateful for that assistance, Mr Speaker. Perhaps by way of a refresher, can I say that the legislation as passed provides the flexibility and capacity limits that will allow small venues in South Australia to flourish. It won't be just bars—

Mr PISONI: Point of order, sir. I ask that you consider standing order 119 that clearly says a member may not reflect upon a vote of the house, except for the purpose of moving the vote to be rescinded. Is the minister moving for the vote to be rescinded?

The SPEAKER: Look, I'll listen carefully to what the Deputy Premier has to say, but in my view to date he hadn't reflected on the vote by way of criticising it or maligning it. Deputy Premier.

The Hon. J.R. RAU: Can I say, Mr Speaker, I was about to eventually say how delightful it was, so I am hardly reflecting badly on it. In any event, this won't just be bars that take up the small venue licences: it will include restaurants, art galleries, live music venues and other new and interesting spaces in the CBD. This licence is an important step in the evolution of Adelaide as a

vibrant city. It will change the way Adelaide is perceived by many young people and will help keep enterprises in our state. This is a positive step for changing the—

Mr WILLIAMS: Mr Speaker—

The SPEAKER: The Deputy Premier will be seated. The member for MacKillop.

Mr WILLIAMS: If I may, sir, I thought it would help the business of the house if the minister sought leave to insert what he is reading, without having read it, into *Hansard*.

The SPEAKER: That was a frivolous or vexatious point of order and accordingly I call the member for MacKillop to order. The Deputy Premier.

The Hon. J.R. RAU: Thank you very much. Mr Speaker, it is handy to have some written notes because I am being interrupted so often I might repeat myself, which would be terrible. In any event, we also note the possibility of expanding this licence category into new precincts possibly in the future. I am particularly pleased that this government initiative passed yesterday unopposed and unamended in another place.

The Hon. I.F. EVANS: Point of order, Mr Speaker. Standing order 120 states 'a member may not refer to any debate in the other house of parliament or any measure impending in that house'. The minister has just referred to the debate in the other chamber that has been completed and, therefore, I believe he is out of order under section 120.

The SPEAKER: If I hear the Deputy Premier referring to debate in another place I will, of course, sit him down. Deputy Premier.

The Hon. J.R. RAU: As I was about to say, this is yet again evidence that this is a can-do government getting things done. The government consulted with a wide range of interested parties to ensure we got this legislation right, particularly in finding a capacity for the licence category that will work in the market. I do note, however, that the deputy leader in this place said and I quote—

Members interjecting:

The SPEAKER: I anticipate the point of order. I am afraid I shall have to terminate the Deputy Premier's answer. The member for Davenport.

YOUTH UNEMPLOYMENT

The Hon. I.F. EVANS (Davenport) (14:32): My question is to the minister for employment. After 11 years of state Labor government, why has the youth unemployment rate in the northern suburbs risen to 43 per cent, up from 30 per cent just 12 months ago?

The Hon. G. PORTOLESI (Hartley—Minister for Employment, Higher Education and Skills, Minister for Science and Information Economy) (14:32): I thank the member for this important question. The first thing that needs to be done is to put these figures in an appropriate context because the opposition would have you believe that two out of five young people in Adelaide's north are unemployed.

What we, in fact, know is that most young people aren't looking for full-time employment. The figures don't refer to those young people who are either working full-time, studying full-time or participating in a combination of part-time work and part-time study. In fact, what is very heartening is that the vast majority of young people in northern Adelaide are, as we are very proud of, either learning or earning. In Adelaide's northern region, I am advised that only—

The Hon. J.J. Snelling interjecting:

The Hon. G. PORTOLESI: Yes, that's right.

The SPEAKER: I call the Minister for Health to order, and it's a pity that one has to do that to a former Speaker.

Mr PISONI: He's asked the question. I grew up there.

The SPEAKER: I call the member for Unley to order. That was not a point of order: it was an impromptu speech and an obstruction of the business of the house. Ministers do not ask questions, and if they do you don't answer them. The Minister for Employment.

The Hon. G. PORTOLESI: Thank you, Mr Speaker. In Adelaide's northern region, I am advised that only 6.3 per cent of young people are seeking full-time work and 8.2 per cent already

have full-time work. The other thing that is important to acknowledge is that these figures are extremely volatile, and that is—

Members interjecting:

The Hon. G. PORTOLESI: No, no. When we start looking at South Australian youth unemployment data, the survey sample size—everybody acknowledges—is very small. Nonetheless, what I am very pleased to report is that since this government came to power we have created more than 127,000 new jobs, compared to say the 53,000 that they created when they were in government—127,000 compared to the 53,000 that they created. We believe—

Mr PENGILLY: Point of order, sir.

The SPEAKER: The Minister for Employment will be seated. The member for Finniss.

Mr PENGILLY: Standing order 98: it is debating.

The SPEAKER: Minister, it would be helpful if you did not make contrasts with a former government that is lost in the mists of time. The minister.

The Hon. G. PORTOLESI: We are committed absolutely to creating the best future for our young South Australians. You do that by giving them a first-class education and training system. We are doing that. In education, we are very proud of what we are doing there. The Skills for All initiative is first class, and you invest in significant public sector infrastructure projects. We are very proud of our record.

YOUTH UNEMPLOYMENT

Dr McFETRIDGE (Morphett) (14:36): My question is to the Minister for Communities and Social Inclusion. What action has the government taken with issues raised by the Northern Adelaide Regional Collaboration last year which, after consultation with 30 businesses in northern Adelaide, found that 'they view South Australia as a high-cost state, often feel ignored by government, and are frustrated by our planning process', and what action has the government taken to address these issues that have contributed to the 43 per cent youth unemployment in the northern suburbs?

The Hon. P.F. CONLON: Point of order: I do believe that the member for Morphett added a comment on the end of his question, saying that these matters had led to the 43 per cent youth unemployment. It is plainly—

The SPEAKER: No. In fairness, I think the member for Morphett just offered what he claimed to be a fact and tried to make it germane to the question so, accordingly, I will have to call you to order.

Mr PISONI: Mr Speaker, you pulled up a member of the opposition for not quoting a number in a point of order and yet you have allowed a member of the government to do the same thing.

The SPEAKER: No.

Members interjecting:

The SPEAKER: You will both be seated. The member for Elder will be seated. The member for Unley is warned for the first time. The point of order was clear. I ruled against the member for Elder and I called him to order, which is exactly what I would have done had a member of the opposition taken a point of order which was not a point of order and was therefore obstructive. The Premier.

The Hon. J.W. WEATHERILL (Cheltenham—Premier, Treasurer, Minister for State Development, Minister for the Public Sector, Minister for the Arts) (14:38): Fundamentally, it goes to questions of economic development for the northern region and that is why I am taking this question. It also proceeds from the false premise that was the basis for the previous question to the Minister for Employment. Just to remind the house, 6.3 per cent of the 15 to 19 year olds in northern Adelaide were full-time unemployed between the 12 months to January 2013, so this nonsense that is being run around with of 43 per cent—it is an almost meaningless statistic when you look at the number of young people who are actually in education or in some other form of training, or in employment. So, it is a nonsense statistic to advance in the way it has been advanced to suggest that there is some crisis in this area.

One of the reasons it is a nonsense statistic is that we have school retention rates which have actually increased from 69 per cent to 89 per cent. That is one of the explanations—

Members interjecting:

The SPEAKER: I warn the member for Heysen for the first time, I warn the member for Morialta for the second and final time, and I warn the member for MacKillop for the first time. Premier.

The Hon. J.W. WEATHERILL: There were some other matters that were advanced in the question by the member for Morphett, that is, complaints that are said to have emerged from a particular industry group in the northern suburbs, and they went to the question of the business costs—the competitiveness of doing business in South Australia. What I want to refer to is the KPMG report, which was a report—

An honourable member interjecting:

The Hon. J.W. WEATHERILL: You might scoff at KPMG, but most people regard them as a respected institution. They carried out a report which found that Adelaide, of the capital cities that were surveyed, is the most cost-competitive place to do business in this nation.

The other matter that was advanced, I understand, by the question asked by the member for Morphett is our planning system. Our planning system, routinely, is regarded as one of the best planning systems in the nation. We have accepted the responsibility of continuing to stay ahead of the pack by reviewing it to make it even better. So the two so-called complaints about this do not stack up.

In terms of the north, let us look at what we are doing out there. You would have thought that the effect on jobs through the Holden's package and the absence of 16,000 people might have had some implications for youth unemployment in the north, so those opposite should maintain some consistency about that.

At Edinburgh Parks, I mentioned earlier BAE systems, and Futuris out there is a significant subcontractor. Then there is Technology Park and the Stretton Centre, which was recently unveiled together with the commonwealth government, which goes directly to this point. I was standing there with the Mayor of Playford who was supporting us in that decision to establish, along with Tony Burke, a centre which helps create local jobs—precisely the topic that is being advanced by those opposite.

Frankly, our attention to the northern suburbs has been significant, pervasive and over a long time. We do not simply pick up one statistic, which is meaningless in the context of the real effects of what is happening out in that suburb, and seek to make a political point about it.

CHILD PROTECTION

Mr PISONI (Unley) (14:43): My question is to the Minister for Education and Child Development. How did the government fail to identify an alleged child sex offender's prior conviction of public masturbation as a threat to schoolchildren, and when did the nature of the conviction become known to the department?

The Hon. J.M. RANKINE (Wright—Minister for Education and Child Development, Minister for Multicultural Affairs) (14:43): My knowledge of what was provided to the non-government organisation which employed this person, who we now know has been charged with sexual offences involving a young person in a program to re-engage with schools, was that the police record showed a charge for indecent behaviour which attracted a \$400 fine but no child protection notifications for that 15 year old offence had been recorded. This is an offence that was recorded 15 years ago and I cannot give the member for Unley any further advice than that.

CHILD PROTECTION

Mr PISONI (Unley) (14:44): I have a supplementary, if I may. When was the minister advised of the nature of the prior conviction?

The SPEAKER: That is a supplementary. Minister for Education.

The Hon. J.M. RANKINE (Wright—Minister for Education and Child Development, Minister for Multicultural Affairs) (14:44): I became minister on 21 January. I read and noted the file on 5 February but there were conversations during that period. Our agencies and the ministerial staff were working on this and making sure that all matters were being progressed—that supports

were in place for the young victim and all processes were in place to alert appropriate organisations, identify those students who may have had contact, and prepare correspondence for parents to be notified. There were discussions throughout that period around this circumstance.

DEFENCE INDUSTRY

Ms THOMPSON (Reynell) (14:45): My question is to the Minister for Defence Industries. Can the minister tell the house about the recent overseas mission to promote South Australia's defence industry?

The Hon. J.J. SNELLING (Playford—Minister for Health and Ageing, Minister for Mental Health and Substance Abuse, Minister for Defence Industries, Minister for Veterans' Affairs) (14:45): I would like to thank the member for Reynell for this very important question. Members on both sides of the house will be aware that defence is a critical industry for this state, helping to form the foundation of our advanced manufacturing future. Indeed, defence is a major part of our state's economic development plan.

Regular and continuing international engagement is crucial to continuing to build strong relationships between South Australia and the main players in the global defence industry, particularly in Washington, where most of the relevant government and business executives are based. That's why I recently travelled to the United States with chief executive officers of Defence SA and the Defence Teaming Centre—Andrew Fletcher and Chris Burns—to promote South Australian capabilities as supply chain partners to American firms bidding on major Australian defence projects and to progress discussions with companies seeking to establish or expand their presence in Australia.

I had the opportunity to meet with the newly appointed global chief executive of Lockheed Martin, Ms Marillyn Hewson. Lockheed Martin has more than 200 staff here in Adelaide and is heavily involved in Australian defence projects, including the joint strike fighter project, the Jindalee over-the-horizon radar network and the air warfare destroyer combat system. Lockheed Martin has established a centre for innovation in simulation and training in Virginia, known as the 'Lighthouse', which could be a potential model for use here in Adelaide.

I also attended a dinner hosted by the Australian ambassador to showcase South Australia's defence credentials to US-based defence electronics and naval executives and met with representatives from General Dynamics Corporation, Northrop Grumman and BAE Systems. BAE Systems Australia is Australia's largest defence and security company. The company's headquarters are here in South Australia. Locally, it employs roughly 1,400 staff—nearly 30 per cent of its entire Australian workforce.

The visit was particularly timely, given the suite of commonwealth announcements about upcoming activities in South Australia, including the establishment of the Future Submarine Systems Centre, the establishment of a submarine land-based test site and the announcement that Adelaide will host the 2014 Defence and Industry Conference.

This state has a solid reputation for delivering world-class defence projects, and we have invested to provide long-term, state-of-the-art infrastructure and the supply of appropriately skilled workers. This government continues with unwavering determination to promote our state's defence credentials to secure advanced manufacturing jobs for all South Australians.

DEFENCE INDUSTRY

Mr MARSHALL (Norwood—Leader of the Opposition) (14:47): Supplementary, Mr Speaker. Given the minister's answer that his government is working hard to secure defence jobs in South Australia, can the minister update the house on how many fewer people work in the defence sector now than when he became the defence industries minister in South Australia?

The SPEAKER: That is not a supplementary. Minister.

The Hon. J.J. SNELLING (Playford—Minister for Health and Ageing, Minister for Mental Health and Substance Abuse, Minister for Defence Industries, Minister for Veterans' Affairs) (14:47): Well, sir, I would like to thank the Leader of the Opposition for the question. There is no doubt that our local defence industry is undergoing some pressure at the moment on the back of decisions by the commonwealth government, because of their budget pressures, to defer a large number of defence procurements, but that is something I am working on very closely with our defence industries and with the Defence Teaming Centre to help them work through that particular issue.

It is an important issue not only for our state but, indeed, for the commonwealth government because, of course, if these industries lose workers, who leave the defence industries and seek employment in other sectors, it reduces the capacity of those defence companies to pick up defence procurement projects later on. So, it is not only important for our state, in terms of supplying jobs, for the defence companies to remain robust and to keep their workers, but, of course, it is important for the commonwealth government so that, in the future, when it has—

Mr MARSHALL: Point of order: relevance, sir.

The SPEAKER: No, I think the minister is being germane because the leader asked, serendipitously, how many fewer people work in defence industries.

Mr Marshall: He doesn't know, sir.

The SPEAKER: With respect, that's not the point. The quality of the answer, in your opinion, is not the point. The point is: is the minister being germane, is he offering information which is relevant to your surprise question? And I think he is. The Minister for Defence Industries.

The Hon. J.J. SNELLING: Just to wind up, the fact is that the defence industries are a critical component of our state's manufacturing sector. It is one I am working particularly hard with, and indeed the entire government is working particularly hard with, to help them through what, because of circumstances which are outside this government's control, is proving to be a difficult time, but we will continue to do that. We will continue to explore opportunities for them overseas, explore opportunities such as participation in the supply chain of the joint strike fighter, finding other applications for the products that they make to ensure that South Australian jobs are protected.

SOUTH AUSTRALIAN CERTIFICATE OF EDUCATION MERIT AWARDS

Ms BETTISON (Ramsay) (14:50): My question is to the Minister for Education and Child Development. Will the minister inform the house about the achievement of last year's year 12 students?

The Hon. J.M. RANKINE (Wright—Minister for Education and Child Development, Minister for Multicultural Affairs) (14:51): I thank the member for Ramsay for her question. I am delighted to be able to highlight the achievements of South Australian students who completed their SACE last year. Last week, I had the pleasure of participating in the SACE merit ceremony which recognises and celebrates the students who achieved excellence in the South Australia Certificate of Education results. Once again, His Excellency the Governor of South Australia and Mrs Scarce hosted the awards in the beautiful gardens of Government House.

With a record number of subject merits achieved last year—1,013 were achieved by 770 students—presenters were kept very busy awarding the certificates. The record number of merit awards is just one reason to be proud of last year's cohort of students. For a start, 13,404 students achieved their SACE. That is an additional 1,093 students on the previous year. Almost 86 per cent of these students achieved an Australian tertiary admission rank. I am pleased to note that the largest ever number of Aboriginal and Indigenous students gained their SACE, a great achievement for those students, and we will continue to work to further boost this number.

As part of the SACE ceremony, I had the honour of presenting the 2013 Tennyson Award to the most outstanding English studies student. This year, for only the third time in its 112-year history, there were two winners. Joanna Brookman from South Australia and Rachael McCullough from the North Territory shared equal place. It would have been a relief, I am sure, to both those students, that the rule of making joint winners sit another exam to determine one winner is no longer observed.

As members may be aware, the Northern Territory Certificate of Education and Training is based on our SACE, and a version of SACE is also offered at colleges in Malaysia and China. Our SACE certificate is of national and international standing. Being internationally recognised, it opens doors to exciting study and work opportunities for young South Australians. With an increase in the number of students achieving SACE, more young South Australians will be able to access these opportunities.

As we shine a light on the students, I would also like to recognise the dedicated teachers, parents, carers and families—all who have provided support and guidance throughout their schooling journey. I want to congratulate the merit winners again, and all those students who completed their SACE last year, and wish them all the very best in their futures.

CHILD PROTECTION

Mr PISONI (Unley) (14:54): My question is to Minister for Education and Child Development. Has the minister sought guarantees that there are no other instances where employment screening processes for education department staff have failed, allowing sex offenders to work with children?

The Hon. J.M. RANKINE (Wright—Minister for Education and Child Development, Minister for Multicultural Affairs) (14:54): As I understand it, once this particular situation came to the attention of the Department for Communities and Social Inclusion an audit was undertaken of the process. I understand there were no systemic issues that were identified as part of that audit. If the member for Unley is asking me can I guarantee that there will be no situations in the future with anyone working with children, working in this department or any other department, of course I cannot give that guarantee. What I can say is that we have a very rigorous screening process. Unfortunately, it appears on this occasion what could have been done, what perhaps should have been done, may not have been done.

POLICE STATIONS

Mr VAN HOLST PELLEKAAN (Stuart) (14:55): My question is to the Minister for Police. Minister, now that you have had 24 hours to check your media comments, can you now tell parliament which police stations are being considered for closure, given that you have been reported as having said that the closure of smaller shopfront stations, including Malvern and Firle, was among measures being discussed?

The Hon. M.F. O'BRIEN (Napier—Minister for Finance, Minister for Police, Minister for Correctional Services, Minister for Emergency Services, Minister for Road Safety) (14:55): I thank the member for Stuart for the question. If you could supply me with that because I have requested and have received confirmation that I did not make that remark.

POLICE STATIONS

Mr VAN HOLST PELLEKAAN (Stuart) (14:56): My supplementary question is exactly the same as the first, given that the information was sent from my office to the minister's office this morning.

The SPEAKER: There appears to be a difference of opinion. I am sure it will be resolved in due course.

RESCUE HELICOPTERS

Ms CHAPMAN (Bragg—Deputy Leader of the Opposition) (14:56): My question is to the Minister for Road Safety. Has the government initiated an investigation into an incident last Friday in which a MAC rescue helicopter almost crashed near Port Pirie, and is the minister satisfied that all of MAC's rescue helicopters are fit for service?

The Hon. J.J. SNELLING (Playford—Minister for Health and Ageing, Minister for Mental Health and Substance Abuse, Minister for Defence Industries, Minister for Veterans' Affairs) (14:57): It was actually my understanding that it was a medevac helicopter that encountered some issues. I think it might have been reported last Friday on one of the TV stations. As I understand it, the matter is being investigated, but as far as helicopters being made available for the health services to do medical evacuations, we have all the helicopters we need.

My advice is that we have the ability to access helicopters from the police if they are needed. The actual provision of the helicopter is done out of the Attorney-General's Department in terms of the helicopter itself. The medical services, of course, are supplied under the auspices of SA Ambulance Service, I understand, but the matter is currently being investigated. In terms of the availability of helicopters to the health services for services to South Australians, I am advised that we have the access to the helicopters that we need.

GEOSCIENCE RESOURCES

The Hon. M.J. WRIGHT (Lee) (14:58): My question is to the Minister for Mineral Resources and Energy. Can the minister inform the house of the government's commitment to providing world-class pre-competitive data to the state's resources sector?

The Hon. A. KOUTSANTONIS (West Torrens—Minister for Transport and Infrastructure, Minister for Mineral Resources and Energy, Minister for Housing and Urban

Development) (14:58): I thank the member for Lee for his question and his keen interest in all things rocks.

Members interjecting:

The Hon. A. KOUTSANTONIS: Too soon? As we begin the new year, South Australia has a record 988 current mineral exploration licences. That is higher than the heights set before the global financial crisis. Since coming to office, this Labor government has worked to foster and develop a world-class resources sector, supported by a world-class regulatory environment and world-leading pre-competitive data. South Australia leads the way. Consistently ranking higher and higher in the annual Fraser Institute global mining survey as a mining-friendly province, South Australia also holds the title of having the best geological databases in the world, and remains rated the jurisdiction in Australia with the lowest regulatory risk for mining businesses, based on *RESOURCESTOCKS'* World Risk Survey. However, this government does not rest on its laurels; we recognise that we can always do more.

Last Friday, at the South Australian Chamber of Mines luncheon, I was pleased to launch the new additions to the South Australian Resources Information Geoserver (SARIG), which the member for Waite was kind enough to come along and listen to. Improvements to this online service further underpin this government's commitment to maintaining the hard-won reputation as being the world's best. Our state's online geoscience resource, SARIG 2020, has been a wonderful resource and is now getting better with the implementation of our status widget, allowing companies applying for exploration licences to track the progress of their applications in detail.

This development is yet another step forward to streamlining the process of moving from discovery to mine development. This new function means that companies applying for mineral exploration licences here in South Australia will be able to track the progress of their applications in detail. Having this information at your fingertips also improves transparency and assists companies to better understand the government's processes for assessing and issuing exploration licences. This exploration licence tracking application is part of a broader program that will eventually allow companies and investors to visually monitor the progress of all mining tenement applications.

The new tool is part of the South Australian government's PACE 2020 initiative which is leading the charge in stimulating new discoveries. Releasing targeted precompetitive data through SARIG reduces risk and boosts discovery opportunities while the government continues to support explorers through its updated geological surveys and drilling partnerships. The improvements in SARIG are yet another example of how this Labor government continues to foster development and investment across the state's rich resource sector. Mr Speaker, 30 seconds to go and I did not say a thing about how hopeless they are.

WATER ALLOCATION PLANS

Mr BROCK (Frome) (15:02): My question is to the minister representing the Minister for Water. Can the minister please advise how many of the state's regions' water allocation plans across the six natural resource management boards have been finalised and also how many have been implemented?

The Hon. L.W.K. BIGNELL (Mawson—Minister for Tourism, Minister for Recreation and Sport) (15:02): I thank the member for Frome for his question, and I know the great concern he has for his region and the water allocations there particularly around Clare where there have been issues over the years in terms of water allocation. I am sure everyone in this place appreciates the great Watervale, Clare and Polish Hill rieslings that come from there. As to the exact figures on the water allocation plans and how many have been implemented, I do not have that information with me, but I will take that to the minister in another place and endeavour to bring back a more precise answer for you.

BREAST SCREENING

Dr McFETRIDGE (Morphett) (15:03): My question is to the Minister for Health. Following the discovery of diagnostic errors in the breast screening process, is the minister aware of how many women have been diagnosed with breast cancer who were undiagnosed in their initial scans?

The Hon. J.J. SNELLING (Playford—Minister for Health and Ageing, Minister for Mental Health and Substance Abuse, Minister for Defence Industries, Minister for Veterans' Affairs) (15:03): I do not have those numbers to hand, but it was always the case—and the previous minister for health made it quite clear at the time—that when you are going back through

the 50,000-odd scans, it was always the case that it was expected that there would be women who would need to go back for further testing who had not been asked to go back for further testing before. My advice from the department is that the numbers of women who are having to be contacted to go back for further testing is consistent with what was expected at the beginning of this process.

ASH WEDNESDAY BUSHFIRES ANNIVERSARY

Ms BEDFORD (Florey) (15:04): My question is to the Minister for Emergency Services. Could the minister inform the house about the recent anniversary commemorations of the Ash Wednesday bushfires and how emergency services are working towards improving emergency alerts within the community?

The Hon. M.F. O'BRIEN (Napier—Minister for Finance, Minister for Police, Minister for Correctional Services, Minister for Emergency Services, Minister for Road Safety) (15:04): I thank the member for Florey for her question. On Saturday, the Country Fire Service Mount Lofty brigade held a commemoration service at Mount Lofty Summit which I attended, as did the members for Heysen, Flinders and Morphett. I believe the member for Morphett is actually a volunteer.

The service was held to mark 30 years since the devastating Ash Wednesday bushfires and to remember those firefighters who have sacrificed their lives in the service of others, and 16 February has been retained symbolically as the anniversary of the fires because on that day in 1983 an estimated 130,000 volunteer firefighters were called to duty across all of south-eastern Australia. This is more volunteers working together at the same time for the same disaster than ever before or ever since.

The anniversary of the terrible Ash Wednesday tragedy is an appropriate time for the government to update members about what is being done to minimise the risk of fatalities in the event of another catastrophic fire. Members will be aware that a hazard alert regime has been developed as part of the national system. Known in South Australia as the Alert SA Solution, it provides a centralised website with warning information for all emergency services. It also provides an automated answering service that caters for mass inbound public telephone calls by providing recorded information about emergency incidents or recovery efforts.

The South Australian government has provided a total of \$10.1 million to develop and operate Alert SA between 2009-10 and 2012-13. I think this would be of interest to all members: a recent enhancement to the system, known as the Location-based Solution, has enabled warning messages to be sent to thousands of at-risk individuals using SMS messages to mobile telephones in affected areas, in addition to voice recordings to fixed telephone lines and SMS to mobile phones via their billing addresses.

South Australia was the first state to employ the new location-based component of the emergency alert system, which has been used to provide highly targeted, relevant warnings to more than 36,000 individuals since its introduction in November 2012. There is an ongoing indexed commitment of more than \$2.5 million per year to ensure the continued operation of the system.

The interesting thing is that this service was provided by Telstra alone; they were the only ones who could actually send SMS messages to individuals in fire-affected areas rather than to the address of the telephone owner. From 31 October 2013, the other providers (Vodafone and Optus), will be able to provide this service so that all owners of mobile phones, irrespective of where they are in the state, but particularly those who are in fire areas, will receive an SMS message.

That is a great development from where we currently are with Vodafone and Optus subscribers, who would only receive a message to their billing address. For all members, but particularly for regional members, I think it is very reassuring that—

The SPEAKER: Alas, the member's time has expired.

COUNTRY FIRE SERVICE MEDIA

Mr PENGILLY (Finniss) (15:08): Supplementary, sir: given the minister's explanation of enhancements, can the minister explain then why the CFS media do not operate over the weekend between Friday night and Monday morning?

The SPEAKER: That is not a supplementary question. Minister for Emergency Services.

The Hon. M.F. O'BRIEN (Napier—Minister for Finance, Minister for Police, Minister for Correctional Services, Minister for Emergency Services, Minister for Road Safety) (15:08): It is basically an issue of rostering. All year, they are on call, and it is deemed that on low fire risk days they can actually have their weekend off. But, if there is a fire warning, if climatic conditions are such that it is deemed by the CE that it is appropriate that that particular service be operated, then they are called in.

GRIEVANCE DEBATE

OPERATION LIGHTNING

Ms CHAPMAN (Bragg—Deputy Leader of the Opposition) (15:09): I rise today to speak about Operation Lightning. This was launched by minister Fox in September last year—some five months ago. Well, members would not be surprised to hear that it has been an abject failure. Let me just explain what it is all about. Minister Fox had announced that she would have Operation Lightning—

The SPEAKER: The deputy leader will be seated. I had to deal with this vice with the member for Unley yesterday. Members are not to be referred to by their Christian name or their surname, and the reason that has long been in our standing orders is that to use their Christian names or surnames or something other than their ministerial title or electorate title has a propensity to encourage quarrels. Member.

Ms CHAPMAN: Thank you, Mr Speaker. The Minister for Transport Services launched Operation Lightning last year to deal with fare evasion across the train network system. Members will not be surprised to hear that not only was it in a desperate circumstance last year when she launched Operation Lightning but, not surprisingly, the situation has gotten worse in the last three or four months.

From my perspective, I think there is no question: we should be calling this Operation Optional, as to whether people would even pay fares on trains. Members would know that, of the train services that are operating in South Australia, we now have a situation where, of those who are using the service, one in five do not pay for the ticket. That is an appalling situation and a further deterioration since the latest action by the government in an attempt to address this matter.

We also had the farcical situation where, yesterday, the minister claimed with respect to how fare evasion during October, November and December could have increased, what could be at fault and what the problem was, she then blamed the free substitute services in January of this year. She said that because there have been some free substitute services, people have taken that as an opportunity to not pay on trains.

So, instead of going on the train and not paying, you are apparently catching a bus which is free in January, notwithstanding that the data, which confirms that this whole operation has been a complete shambles, was actually data that was taken in October, November and December of last year. The minister needs to appreciate that this is a very serious problem.

For any members who are regular users of the train service, and there are a number here—I know the member for Fisher is a regular train user—I want him to have a look at the train in the morning. When he is standing in the carriage tomorrow morning—any member who is standing in the carriage—look around, because in an early morning situation where you are coming to work, if you look around a full carriage there will be 20 people on average in that carriage who have not paid the fare—20 people.

We already have a highly subsidised transport system in South Australia. To have a situation where a minister, knowing that the situation is bad, introduces a program which is clearly hopeless and then comes along and tries to explain it by suggesting that people are using free buses that operate in January in a time period in which the measurement does not even apply, we know is utterly absurd. Clearly, under the minister's watch, the number of people who do the wrong thing is increasing.

Fare evasion, of course, does not affect any of the people in the southern districts because they do not even have a train service at the moment to use. Those services are all shut down, because the government insists on doing the electrification on both tracks operating in those circumstances. The government clearly has the resources to deal with these problems. This is totally a management issue. This is the Minister for Transport Services' problem. This is on her

plate, and it is not acceptable that she continues to fail South Australian public transport users and impose extra costs on the taxpayers of South Australia.

Under her watch, since the Premier has created this position, patronage is down, buses are late or do not run at all, complaints have gone through the roof, fare evasion on trains has gone up and the Noarlunga, Belair and Tonsley trains are not even operating. The situation is an absolute fiasco. It is a disgraceful circumstance where good people in South Australia who want to use the public transport system and who are committed to doing that are not only having to carry the bulk of the cost of people who are fare evading, but also the taxpayer is having to pick this up.

This is an unacceptable situation. The Minister for Transport Services has consistently failed in all subjects in her portfolio.

INTERNATIONAL WOMEN'S DAY

Ms BEDFORD (Florey) (15:14): Today I wanted to get an early start on the International Women's Day theme which will be celebrated this year on Friday 8 March. There will be the always well attended UNIFEM breakfast at the Adelaide Convention Centre on that Friday morning at the ungodly hour of 7am, but there is a great guest speaker, Anne Summers, so I commend that to everybody to try and get to, but I understand it has been sold out so unless you have a ticket you are going to be waiting at the door for a cancellation.

We also have South Australia's International Women's Day Committee hosting their lunch, again at the Adelaide Convention Centre; that will be on Thursday 7 March at noon. Part of their focus for the commemorations are the Gladys Elphick Awards and the Irene Krastev Awards, which recognises significant contributions of many South Australian women.

International Women's Day gives us the opportunity to reflect on women and their achievements and look at how the gender gap has fared over the past 12 months. I will start with sport and congratulate the Australian Women's XI on their recent achievements in winning the triple world crown. Our women cricketers have always held their own internationally and, while they appear to have enjoyed wider coverage this year, it is still a long way short of the coverage their male counterparts receive.

I would like to also mention a place where a lot of women's cricket is played, the South Australian Memorial Women's Playing Fields, and their annual commemoration of Bangka Day, which remembers the sacrifice of our nurses in World War II and in particular the survival of Sister Vivian Bullwinkel.

While on sport, it would be remiss of me not to mention calisthenics, one of the largest participation rate sports for South Australian women and girls. Last July, the ACF held the 24th national competition in Darwin and we saw a great four days of fantastic items with South Australia doing a marvellous job and producing a great result. Congratulations to all the participants, coaches, support teams, clubs and parents who provide this great opportunity for our girls to travel and experience national competition.

Our calisthenics girls often go on to use their skills and talents in other areas and we saw last year the Black Diamonds Drill Dance Team reach the finals of the *Australia's Got Talent* TV show. Their ages range from 50 to 15; a great example of how many women continue in healthy sports lifelong, especially sports like netball and calisthenics. Whether it is aerobics or marching, which was really strong in South Australia some years ago and sees teams travel to the Edinburgh Tattoo, or adding style to the grid at the Clipsal, women in sport play an important role and I would like to quote from an October 2012 article in *The Advertiser*, a paper we all now know I read forensically—

Dr Close: What page was that?

Ms BEDFORD: Page 22, but I wasn't looking—that came from Geneva and it talks about women closing the gender gap in health and education. They struggled to get jobs with top salaries, according to data from a study of 135 countries. The World Economic Forum or WEF said in its annual Global Gender Gap Report that:

...gaps in senior positions, wages and leadership levels still persist. The figures were released just hours after a European Union initiative to set a 40 per cent quota for women on the boards of listed companies stalled because of a lack of support. The report, which looks at health, education and politics, and covered more than 90 per cent of the world's population, looked at how nations distribute resources and opportunities between women and men. It found Nordic countries, headed by Iceland, Finland and Norway, had done the best job of closing the gap.

When we talk of politics, much is said of affirmative action and whether it is necessary, as merit should be the only criteria in pre-selection. I think affirmative action has and did and still does play a necessary role, not because women lack ability or the merit to serve in parliament or any of the roles in parliament—

An honourable member interjecting:

Ms BEDFORD: Hang on a sec—but because merit is not always, as we know in this unfair world, rewarded. As Joan Kirner, a mentor to many of us here, has said in the past, 'When parliament is full of mediocre women then we will know we really have equality.'

I would like to also mention another article, this time on the role of women in the Defence Force, and I quote from an article in *The Advertiser* by Ian McPhedran, where he talked about women being:

...warned to expect a backlash as the military establishes targets to get more females into senior jobs. Delivering her report into the treatment of women in the Defence Force, Sex Discrimination Commissioner Elizabeth Broderick yesterday said the best way to change the military's sexist culture was through affirmative action.

I would like to put on record a vote of thanks to my federal colleague Stephen Smith for his outstanding leadership around women in the Defence Force, as he has been courageous in highlighting deficiencies and championing change. These sorts of reforms could well be replicated in workplaces all over Australia, and I hope we will all reflect this International Women's Day on what we can do and how we can change unacceptable practices when we see them.

POLICE NUMBERS

Mr VAN HOLST PELLEKAAN (Stuart) (15:19): I rise today to share my grave concerns with this house about the challenges facing the police department in South Australia. What is very important is the fact that these challenges are actually coming from the government. The police have enough to deal with out on the streets. There are all sorts of issues they are trying to deal with in regard to community safety and reducing crime, and yet they are simultaneously being hamstrung by the government. How on earth can they get on and do the job they are meant to do when this government holds them back so dreadfully?

Of course, we have had these budget cuts. The government has dreadfully mismanaged the South Australian economy for the last 10 years, so they are getting to the point now where they have had to enforce a \$150 million budget cut on the police department. If that is not bad enough, the police minister and the Premier are now squabbling over how that is going to actually impact upon the police department.

We have had the Premier breaking promises. The government promised to provide 313 additional police officers in South Australia by 2014, but of course now the Premier says it will actually be 2016, and then more recently he has said, 'Well, actually it's a target. It's a target that we are going to aim for.' So, he is obviously just trying to walk away, walk away and now crawl away from that government commitment.

The latest incarnation of this is him trying to blame former premier Rann by saying, 'Well, it's not my fault. That was a former premier's promise. I shouldn't be held accountable.' As the member for Davenport has quite rightly pointed out, current Premier Weatherill is the one breaking the promise. Former premier Rann made it; current—

The DEPUTY SPEAKER: Can I just remind you that you do not use members' names.

Mr VAN HOLST PELLEKAAN: Yes, thank you; I apologise for that. The current Premier is the one breaking the promise, not the former premier. In line with that, we also have the discrepancy between the minister and the Premier in regard to how these budget cuts will impact upon the police department. I have already outlined the comments that have been made by the Premier and how the Premier is trying to sneak away from very clear and very firm promises made by this government.

Minister O'Brien, who in my opinion is certainly someone to be trusted, tells the truth and has been put in a very awkward situation. He has said, 'Look, we might have to try to get some more money in the budget for police,' and has also said, 'If we can't get it, I don't think we will be able to meet these employment promises we've made.' So, he is at odds with the Premier.

The person I trust more than anybody else on this issue is the police commissioner. He is the person who fronted up under oath in front of a parliamentary committee and said, 'We will cut

71 jobs from June last year to June this year. There is no way around it; it's just what is going to happen.' He is the one who fronted up and said how it is—and good on him for that. Importantly, he is the one who has not changed his comments at all. The things he has said in the media over the last week and a half since the Budget and Finance Committee have not changed at all, and that is in stark contrast to both the Premier and the minister.

Let me put this in context: we have had 17 shootings in South Australia so far this year since New Year's Eve. That is nearly six times as many as for the same period last year, when we only had three. Figures released by the ABS yesterday show that the number of victims physically assaulted is up 16½ per cent in this state, from the most recently reported year to the year before that. There were 5,200 more victims physically assaulted in South Australia than in the previously reported year.

The Australian Institute of Criminology figures released today say that for the last two periods measured, on a per capita basis South Australia has the second highest number of homicides of all states and territories. While this is going on, the police are doing the best they can to do the best work possible to keep South Australians safe. Every effort is being made by the police, and yet they are being hamstrung—absolutely hamstrung—by the government because the government has mismanaged the economy, the government is cutting their budget, and now the government is arguing about what the impact of those budget cuts will be. The police deserve better. The police need the support.

This is not the time for the government to be mismanaging budgets and also the police department. The police department deserves the full support and full cooperation of both the minister and the Premier in unison. More recently, the police minister today said that he is not aware of, cannot remember and does not know about comments he made several days ago, which were reported in the media, about police station closures.

MULTICULTURAL AWARDS

Mrs VLAHOS (Taylor) (15:24): I would like to speak today about the Governor's 5th Annual Multicultural Awards that happened yesterday at Government House (the Governor's house across the road). I had the pleasure of representing minister Rankine at that event. It was judged by a panel of nine people led by Mr Alan Tidswell, who is the Chief Executive Officer of the Mining, Energy and Engineering Academy, a person whom I have met through the Aboriginal lands standing committee and who does excellent work in his area. Assisting him was Ms Karen Ashford, Ms Cathy Chong, Mr Matt Deighton, Ms Stamatiki Kritas, Ms Sonya Feldhoff, Justice John Sulan, Mr Peter Ppiros and Judge Rauf Soulio. They determined the winners of this year's award ceremony. The 14 winners were really spectacular people and I will go on to speak about them later.

The whole reason for these awards is to recognise these individuals and organisations who do so much in our community to create a peaceful and harmonious state for us all. In Australia, we have a deep tradition of seeing immigration as an asset, as building our human capital, and as a positive addition to our economy and our society. Our community harmony is nothing but hard work, often, and it is not just something that happens with good luck. It exists for two very important reasons. First, we have provided the right conditions for diversity to exist and multiculturalism to thrive and, secondly, because of the extraordinary efforts of countless people (like the people we saw yesterday) with vision and leadership, and people who actively promote the ethos of multiculturalism and provide practical support to others around them.

Multiculturalism is not an end to itself but, rather, an appropriate policy in response to cultural and ethnic diversity in our population, making our nation inclusive, prosperous and harmonious. The extent and value we place on cultural diversity creates an environment where we feel valued and respected and we are all treated fairly. As a result, throughout our history, migrants have dedicated themselves to embracing opportunity in Australia—to advancing themselves and their families—and, ultimately, contributing their best to our nation.

Our diversity is one of our greatest assets, and our unique brand of multiculturalism is working exceptionally well and is the envy of other places around the world. This is an extraordinary story, considering the fact that over 25 per cent of the Australian population was born overseas, compared to 6 per cent in France, 9 per cent in Germany, 11 per cent in the United Kingdom, 13 per cent in the United States of America and 19 per cent in Canada.

We must never forget, though, that ensuring social harmony and inclusion will always be a work in progress. It is important that at every level of government and society we constantly

reaffirm our commitment to the value of fairness and inclusiveness in our society, and try to find ways to acknowledge those individuals who work at the grassroots level, often behind the scenes and without being asked, to strengthen our community and provide support to others. That is what the Governor's Multicultural Awards truly stand for.

I would like to congratulate the following people who received their awards yesterday or were nominated but will not be mentioned in this speech. I would particularly like to acknowledge the Outstanding Individual Achievement of Dr Joseph Masika from the African community; in the arts and culture section, Ms Danyon De Buell; for the Community Sector Award, joint winners Pastor Brad Chilcott and Mrs Aysha Maski; for the Community Sector Award—Organisation, the South Australian National Football League; for the Media Award—Organisation, joint winners Messenger Community News and Radio Adelaide; for the Private Sector Award, Mrs Miriam Silva; for the Public Sector Award, Naracoorte Lucindale Council; for the Volunteer Award, joint winners Margaret Lovell and Mrs Hue Linh Ly. Also, joint winners of the Youth Award were Mohammad Al-Khafaji and Ms Lucky Giirre. The Youth Award—Organisation went to the Multicultural Youth SA team.

All these people and organisations make valuable contributions to South Australia and to the communities we all live in, and I praise them and acknowledge them as they were yesterday but also praise the people who were nominated but unsuccessful at this time. I hope they succeed in their community endeavours in the near future.

WIND FARMS

Mr GRIFFITHS (Goyder) (15:29): I wish to talk about a local issue, if I may, taking up five minutes of the house's time. It is about the wind farm development proposed by REpower, entitled the 'series project', which is some 199 turbines, each being 150 metres high to the tip of the blade when fully extended, with a total value of \$1.3 billion. There are 36 different farming families who have agreed to host the turbines, but it is not universally supported, I suppose, is probably the easiest way to express it.

I convened a public meeting in the community at Minlaton last Sunday. Even with the extreme warm weather—and it was very hot in the hall—there were still 250 people there. I did so on the basis that I wanted to inform the community. The company behind the development had a series of three information days, which were controlled in such a way that 25 people were able to go in at a time. They listened to a presentation and the effort was then made to have small groups discussing things. I always thought that we were better off having a larger-scale meeting with an opportunity for everyone in attendance to hear every question posed and every answer given so that there was a level of understanding that was uniform amongst the group. So, not out of frustration but out of an effort to communicate to the people what the issues were, I convened this meeting.

It was really important to me that there were some key groups there. I had the CFS there and my appreciation goes to Mr Greg Nettleton, the Chief Officer of the Country Fire Service, for coming in at very short notice. It had been arranged that Mr David Pearce, the manager of aerial operations, would attend. Mr Pearce was on Kangaroo Island assisting with the operations there on the weekend with their woodchip fire. Greg rang me at 25 to 12 and said that he would be attending and asked what time I needed to leave. I said, 'Right now', to get there on time and he was good enough to be there within 15 minutes of the start of the meeting.

I always thought it important to have the Development Assessment Commission there also because it is a section 49 application under the Development Act, under the sponsorship of the Department of Planning, Transport and Infrastructure, and because it crosses two councils and the Department of Transport because there is a HVDC line that goes underneath the gulf back to the market point in Adelaide. Unfortunately, the Development Assessment Commission was not able to be there, but they gave me several letters that outlined the process from their point of view.

I also invited the Minister for Planning (the Hon. John Rau) to be there to outline the wind farm development plan amendment that he put into law in October of last year. The minister was unable to attend, which was not necessarily a surprise to me. My efforts then went into getting somebody from the Department of Planning to be there. It was not until Friday, two days before the meeting, that I found out that that was not an option.

So, it was a little bit frustrating in some ways, but we still had the CFS there and the Yorke Peninsula council was there to present the issues as they understood them to be and the concerns

that they might have. I had a local community group called Heartland Farmers also in attendance and they represent, as they tell me, some 200 farming families who are concerned about issues.

The clear intent is that there is a lot of concern about the positioning of the turbines as it relates to buffers between noninvolved homes and townships. There is a clear difference in policy between the wind farm DPA that the minister has in place and the opposition's policy on that. The wind farm DPA states one kilometre and two kilometres respectively to noninvolved homes and townships and for the opposition it is two kilometres and five kilometres.

I have always had concerns about adjoining properties and the impact of the positioning of the turbines on the management practices of those noninvolved farms. I will certainly take this up to the absolute end because it is important to me that these people be not affected by the turbines' location. By that I mean, if they still want to have an aerial spraying operation or an aerial baiting operation, they should be able to do so without the turbines' locations impacting on the ability of planes to actually operate in those areas.

I have always been concerned about firefighting too. There was a reasonably serious fire in the first week of December between Minlaton and Curramulka. The ground support was magnificent and aerial support made a real difference to the control of the front. I am concerned though that, after meeting with the CFS on 17 January, I was told that there is a CFS principle in place that no aerial support comes within 500 metres of the turbine. By my equation, that means that it takes out of support opportunities aerial support over 18,000 hectares—that is an enormously large parcel of land that will not have aerial support.

The issue was also raised about property valuation impacts. There is a Victorian ruling where up to 32 per cent dropped. I am respectful of the need to diversify the economy. I am pro-development in that regard, but there has to be a case where the development brings the community along with it and the development is deemed to be appropriate.

There are still enough issues here that need to be resolved. That means that there has to be a really serious look at this. The Development Assessment Commission has opened it up and they are inviting comments by 28 March. I hope that all impacted people put their thoughts in.

WIRREANDA HIGH SCHOOL

Ms THOMPSON (Reynell) (15:35): I rise this afternoon to congratulate Wirreanda High School on its achievements in the last 12 months. Under the leadership of Principal Tony Lunniss and Deputy Principal Zoe Christopher it has reached new grounds, grounds not reached for many years. I also want to commend all the students and staff, including support staff, who have worked in a united way to develop their professional credentials and understanding in order to produce some excellent results.

Principal Tony Lunniss recognises that these results are just on the way to where they need to be, but the achievements made over the last few years are considerable. If we start with the SACE completion rate, in 2008, 56 per cent of eligible students completed their SACE; last year it was 88.57 per cent—a real turnaround. This figure compares with the state completion rate of 92.24. The school recognises that it still has more to achieve to reach that completion rate, but it is determined to do so.

Not only are the young people staying at school to give themselves the best opportunities for more choices and chances in life but their achievements are also improving. Between 2010 and 2012, the number of young students achieving 50 plus in their ATAR has increased nearly fourfold. That is another significant achievement, as is the achievement of the proportion of students who have attained As, rising from 5.4 per cent 2009 to 11.31 per cent in 2012.

There is still some distance to go to meet the state average, but once again the principal, like I and all the staff, knows that students who come from poorer areas can achieve, and they will achieve given the right support and by giving their teachers the professional development that allows them to do their jobs in a way that puts all students in this state on an equal footing.

Another achievement of Wirreanda is the Wirreanda Adaptive Vocational Education program led by Paul Sherman, the senior leader in the area. This program caters for young people who are not succeeding in the mainstream school. They often have serious mental health issues, a range of physical and intellectual disabilities, and a range of general social problems.

The stories are really quite gut wrenching when you think of young people who have been going through our school system for quite some time but become so reclusive that they cannot

make it to school and have to be visited by youth workers and supported in their home and gradually encouraged to attend school. The fact that our society can allow that situation to develop for more than one young person who cannot leave their house at age 15 or 16 is really quite tragic.

Wirreanda is addressing this creatively and in a determined manner, and last year was recognised as the regional winner in the Inspirational Teaching Awards for its work with the community. It is working now very closely with Re-engage Youth Services, another excellent program from the South and, partnering with them, they have just won a substantial grant of more than \$60,000 to refurbish a bus to be used as a mobile education centre. The partners are very pleased to have accepted this bus from the State Transport Authority and will refurbish it to become a mobile catering and entertainment service.

So, using this bus, with the supervision of teachers who understand the barriers that each child is facing, they will be able to undertake a range of studies in the VET area, including hospitality, retail, DJ and hip-hop music (which can be integrated learning for SACE stage 1), skateboarding (again, something that can be integrated into SACE stage 1), and general skills development with VET accreditation.

LIQUOR LICENSING (SMALL VENUE LICENCE) AMENDMENT BILL

The Legislative Council agreed to the bill without any amendment.

STATUTORY OFFICERS COMMITTEE

The Legislative Council informs the House of Assembly that it has appointed the Hon. S.G. Wade to the committee in place of the Hon. D.W. Ridgway (resigned).

SECOND-HAND GOODS BILL

Adjourned debate on second reading (resumed on motion).

Mr WHETSTONE (Chaffey) (15:40): In resuming my contribution to the Second-hand Goods Bill, I say that the burden that is put on small business in South Australia is great. Again, this cost recovery model, as I see it, will seriously affect those small businesses, particularly the small second-hand businesses that usually are marginal businesses. In today's world, they deal with an economic base that is not looking to be able to afford new parts or new items. They are looking to purchase second-hand because that is within their realm of affordability.

This bill, by my way of description, is half pregnant: it is dealing only with the businesses that are onselling second-hand goods. It is not dealing with the emerging businesses, such as online sales, or those huge businesses such as eBay, Gumtree and the like. Once upon a time, driving around the streets, you would see one or two garage sales, but nowadays they are a regular occurrence every day of the week. They are exempt, so why is it that this bill is addressing only half the issue? It is not dealing with the entire second-hand industry.

It is a burden on small business—it is a burden with cost, it is a burden with red tape—and it is really putting those small marginal businesses into a realm of whether they continue with the extra cost, the extra burden or regulation, and the extra burden of the paper trail that continues to rear its ugly head, particularly over the last 10 years with this later government. They continue to put pressure on free enterprise, and they continue to put regulations and it really does pose the question: will these small businesses continue? Will the bigger businesses continue here in South Australia? Will they move across the border to where we see less regulation and less red tape?

I have read into the record today the concerns of one of the small businesses here in the electorate of Chaffey. It is all about cost recovery, it is all about putting more burden on small business and, again, as everyone has heard in this place over and over again, small business is the backbone of South Australia's economy. It is not about putting more and more cost on those businesses. It is about supporting the police as well. It is about supporting the police to undertake their responsibility for law and order.

With what I am seeing with this bill, it is not about addressing the whole problem; it is about addressing half the problem and letting the big end of town, particularly the online sales, go on unencumbered. I would like to think that it is a step in the right direction but, as this bill sits, we as the Liberal Party oppose it.

Mrs REDMOND (Heysen) (15:44): It is my pleasure to rise to make a few comments on this bill. As has been indicated, the Liberal Party is opposing the bill and I must say that that was my view when we discussed it in the joint party room. I do so recognising in full the legitimate

desire of the police force to develop an appropriate method to enable them to better track or prevent the use of second-hand dealers to dispose of stolen goods in return for cash. The member for Chaffey just said that it is only addressing half the problem. I think in fact we would find that it is addressing an even smaller percentage as we move to a more and more internet-based society.

I have a feeling that we are actually in a situation where, to use the vernacular, we are using a sledgehammer to crack a walnut, because I do not think we have the evidence that the vast majority of second-hand dealers throughout this state—if you think of all the little towns around the state where you will find a second-hand dealer—have ever handled stolen goods in their lives.

They are merely providing a service to the community and making a very small profit for themselves by dealing in second-hand goods. As the member for Chaffey pointed out, that actually provides a valuable service for many people in the community who are simply never going to be in a position to go out and buy things new rather than second-hand, and it is a valuable service that I think we will put at risk if we proceed down the path of this particular piece of legislation.

I think there are a number of problems with the legislation and the first one is that I do not think there is evidence as to how many second-hand dealers currently operating in this state have ever been involved in this resale of second-hand goods that turn out to be stolen. Indeed, under the current law, I think that the provisions are probably adequate to address that, provided there are sufficient resources provided to our police to undertake the necessary measures to keep an eye on any of those organisations that are participating in that sort of activity.

Unfortunately, we have already heard from the police minister this week and indeed from the Premier that they are going to slash the police budget and at the same time they expect to increase police numbers. Methinks there is something of a dilemma there, given that the commissioner says that it cannot be done and that it will affect the number of police actually able to be employed, but I do not think there is evidence to show that our second-hand dealers are part of some great conglomerate of criminal activity; rather, these people are being imposed upon rather unnecessarily.

As was mentioned by various speakers before me including the member for Stuart in his comments, the internet actually is becoming more and more the place that people go, and I understand that the police already believe that they get sufficient information where sales take place over the internet to enable them to do the tracking that might be necessary. I just do not see that picking on the small second-hand dealers and making life even harder for them is going to actually do it. One of the other things that comes about, though, as was mentioned, is: what about the markets and the garage sales? In relation to markets in particular, as I understand the system that they are proposing, it will be not the individual stallholders in the markets but rather whoever is responsible for the market.

In my area of Stirling, for instance, my office is inaccessible to me one Sunday every month because the Stirling market occurs in Druid Avenue and there is a specific organisation which is set up to run the Stirling market. It is a not-for-profit incorporated association and it is there to run the Stirling market. To impose on that group of volunteers the obligation to be responsible for what is passing through all of the various stalls that may take place, and that vary from month to month, I think is an unreasonable imposition. It is a matter of great concern to me that this government seems intent upon making the lot of volunteers more difficult.

I have had concerns about this government's attitudes to volunteers in the whole time I have been in this parliament and, of course, the government has been the government except for the first 2½ hours of my stay in this parliament. They signed a pact with volunteers some years ago and I was concerned then because Janet Giles from Unions SA signed the pact. I thought, 'What on earth are the unions doing signing a pact?' but ultimately this government is very averse to the idea of volunteers and, like all good union people that they are, they actually want to get rid of volunteers and have a paid workforce instead. So their concern is scant for the impact that these things will have upon the community.

Volunteers are actually what make our communities tick, and as to imposing these sorts of obligations on the people who run markets such as the Stirling market, the Willunga market, or any other markets—I am sure that every member of this house has more than one market in their electorate on a regular basis—I would love to know what the people running those would like to say to them about this proposal to impose upon the organisers of such markets the obligations that are contemplated by this piece of legislation.

The biggest problem for me—in fact, there are two big problems, one is the registered charities. My notes tell me that they are exempt from fees but not from the actual obligation. So, if a registered charity is receiving goods on consignment, then they are to be exempt from the obligation. All registered charities, which are normally exempt from the act, if they are selling goods on consignment, they still have to obey the obligations of the act by they will not be charged the fees. That, to me, does not make any sense, because it still imposes an obligation.

The bigger problem about it is that most of the service organisations that are doing most of these second-hand trading things are not registered charities at all; they are service clubs and other such community organisations, but they are not registered charities. As a result, they can be caught by this legislation. I think that is a major, major impediment for this legislation going forward.

The other thing is simply the burden that this legislation places on small business. There are 142,000 small businesses in this state, and this government is doing everything it can to put them out of business. The Premier, in question time today, did not want to talk about how many manufacturing jobs have gone from this state since he came into office, but I believe it to be in the order of 12,000 manufacturing jobs.

Jobs are leaving this state at a rate of knots, not just because of the high taxes, of which we have the highest of any state in Australia, but because this government keeps imposing more and more burdens on businesses in this state. To impose this further burden on small businesses—there are a couple of exceptions, but second-hand goods dealers are inevitably small businesses for the most part, and what's more, they run on very small margins; they are already quite marginal, and what we are going to create is more empty shopping centres because people will simply not be able to continue to run their businesses because of the burden imposed by this.

I think the member for Stuart was actually very generous in his attitude to this bill; he was far less hardline than I am about it. Indeed, he was willing to say, 'Well, okay, we recognise that the police have a job to do and that they are in some ways constrained, and would like a better tool to do it; let's form a select committee, let's consider all of these problems, and let's see if we can come to a workable solution.'

My understanding is that this is the third time the government has attempted to get legislation through. This is the third time we have objected, so why not actually form a select committee to see if we can sort our way through the problems and come to some rational conclusions that allow the police these extra mechanical bits of help to do their job, but at the same time not crush the small businesses that are involved in second-hand goods that are already under a lot of pressure because of other things?

The government instead seems to be prepared to take the chance that they can force it through this house—and they certainly can, because they obviously have the numbers; that is why they are in government. But, it will go up to the Upper House, and unless they can persuade at least four of the seven minor parties and Independents up there, then the bill will again face loss.

It makes sense to me to at least seriously think about the proposal put by the member for Stuart that we actually form a select committee; it does not have to go for a long time, but it could hear from people such as those mentioned by the member for Chaffey and the member for Goyder, who have people in their electorate who have been contemplating these problems and writing to them about the problems they will create for their businesses. Let us see if we can work our way through it and come to some sensible decisions.

If the government is not prepared to do that, then obviously there is only one choice for the opposition, and that is to simply oppose the bill. That is the position at which we are at the moment, given the minister's indication that he is not prepared to accept the idea of having a select committee.

Mr PEGLER (Mount Gambier) (15:55): I certainly support the intention of this bill, but I have major reservations about the consultation process that was gone through in formulating it. Within my own electorate, I wrote an article in the local paper explaining what this bill would do; I have since had second-hand dealers speak to me about it, and they have major concerns with the implications of the bill.

At this stage, we do not have enough information on what the resource implications will be not only for those who administer the bill but also for those business who are acting in a legitimate way. Unfortunately, it is still not going to cover the people who are doing the wrong thing, but it is going to put major costs on those who are doing the right thing. So, at this stage, I will be voting

against the bill because I believe that it needs a lot more work done on it and that it needs a lot more consultation.

Mr SIBBONS (Mitchell) (15:56): I rise today to talk about the Second-hand Goods Bill 2012. This bill is set to replace the existing Second-hand Dealers and Pawnbrokers Act 1996. Many of us know what it is like to have our homes burgled, coming home to find a window smashed or doors forced open and having the reality hit that somebody has broken into your home and that precious, sentimental and often valuable items have been stolen.

It is shocking and downright distressing; it makes you feel violated, and it makes you angry. Often, it has been all too easy for thieves to sell the items they have callously stolen through second-hand dealers and pawnbrokers. That is what this legislation is designed to tackle. Its aim is to make it more difficult for thieves to profit from their criminal activity, whether they have taken your grandmother's irreplaceable jewellery or your vehicle.

This is a further example of the state government's effort to reduce the incidence of crime. Everyone has the right to feel safe in their homes and in their communities. While there has been plenty of objection and obstruction by those opposite, the Labor government will continue to work hard towards that goal. We have more than doubled the South Australian police operating budget since coming to government and victim-reported crime has fallen by 39 per cent since 2002.

We have increased penalties by introducing tough new anti-bikie legislation. New laws mean courts can strip law-breakers of criminal profits and assets, and we are cracking down on serious firearms offences. We have also restored the right of householders to use a level of force they genuinely believe necessary against intruders and home invaders. We have increased the penalties for hoon driving and those who tarnish our neighbourhoods with graffiti, though it took almost a year to get those opposite to agree on that last measure.

This is an area in which the state Labor government has a proud record and the results are very clear. Premier Jay Weatherill recently announced that crime rates in South Australia had fallen for the fifth consecutive year, with 83,000 fewer victim-reported crimes being committed each year compared with a decade ago. The incidence of murders, attempted murders, serious assaults and robberies have all fallen, while serious criminal trespass and motor vehicle theft offence numbers have been halved. More police and tougher penalties lead to less crime. These results certainly speak for themselves. SAPOL's annual report 2011-12, which was tabled in parliament in October of last year, listed robbery, aggravated and non-aggravated, as being down by 11 per cent, but we still need to do more to reduce the heartbreak of burglaries and home invasions.

The Second-hand Goods Bill is designed to better meet the current challenges of fighting property-related crime via the regulation of the second-hand dealer and pawnbroker industry. The bill's aims include: making it more difficult for thieves to steal stolen goods, delivering greater protections for those who sell second-hand goods and the consumers who buy them, providing SAPOL with a more efficient means of locating stolen goods and identifying offenders, and not placing an unnecessary burden of red tape on businesses which legitimately trade in second-hand goods. Extensive consultation has taken place with affected industry bodies, as well as interstate and overseas law enforcement agencies.

This bill has been amended from one put forward on this subject in 2009, with submissions and comments regarding this earlier proposed legislation being taken into consideration. It will not affect householders who do a clear-out and hold an occasional garage sale, nor will it capture charity shops or school fetes which receive donated items for sale. If these groups' activities ever fall within the provisions of the legislation, it is proposed there will be an opportunity to apply for an exemption.

The bill does not seek to have every second-hand item on sale across the state registered, instead focusing on the types of items regularly stolen. These prescribed goods are separated into class 1 and class 2 items. Class 1 includes portable items commonly stolen in house break-ins and retail theft, such as jewellery, electronic goods, tool sets, CDs and DVDs. Class 2 items include those which are regularly stolen, but not in great numbers and are not as portable as class 1 items. Class 2 items cover such items as motor vehicles and componentry, caravans, trailers, watercraft, bicycles and musical instruments.

The legislation will require the licensing of all pawnbrokers and those second-hand dealers who deal in class 1 goods. Second-hand dealers who deal only in class 2 goods, and market operators where prescribed goods are offered for sale, will need to register under the regime as under the existing act and regulations there will be a requirement to: record the details of anyone

from whom prescribed goods are purchased or received, along with all pawned goods; record an accurate description of the goods; retain the prescribed goods attained by a second-hand dealer for a minimum period; label the goods with a unique identifying code; advise police of any goods which the second-hand dealer or pawnbroker suspects are stolen; and not acquire goods from any person under the age of 16.

As under the current laws, police will be able to enter premises to inspect goods and examine records, as well as being able to place a hold on goods which are suspected of being stolen. As well as retaining the best of the existing framework, this bill ups the ante against property criminals.

New elements of the legislation before us today include that: sellers need to provide 100 points of identification to sell prescribed items; individuals and businesses trading in prescribed second-hand goods will need to electronically transfer the details of the seller and items to police; before sale, goods must be held by the licence holder for 14 days from the date details are sent to police—a rise of four days; businesses acquiring prescribed goods through trade-ins or ex-rentals will be excluded from the provisions of the act; and the Commissioner of Police will be able to apply to have repeat property crime offenders banned from selling to a second-hand dealer, offering second-hand goods for sale at an auction house or market or entering into a contract of a pawn. It is another outstanding example of Labor being tough on crime and makes the point to those involved with robbery and burglary that their crime will not pay. I commend the bill to the house.

Ms BETTISON (Ramsay) (16:05): I rise today to support the Second-hand Goods Bill 2012. Building safer communities is one of the seven priorities of the South Australian government and this bill is an outstanding example of Labor being tough on crime and tough on the causes of crime. As the previous speaker, the member for Mitchell, articulated, we are very proud that crime rates in South Australia have fallen for the fifth consecutive year and that South Australia leads the nation in the highest number of police per capita. Our record is solid on fighting crime and supporting law and order.

This bill is set to replace the existing Second-hand Dealers and Pawnbrokers Act of 1996. The intention of the bill is to prevent and reduce the incidence of property crime. The proposed new regulatory regime, together with requirements of enhanced record keeping and electronic transfer of transaction information to police, will achieve this outcome.

The key driver of property crime is the ease of converting stolen goods into cash. This regime provides a dual enforcement model through Consumer and Business Services and South Australia Police and is supported by the introduction of a web-based electronic transaction management scheme. The scheme will enable South Australia Police to compare and match dealer and pawnbroker transacted property items with their database of stolen goods.

Interstate and overseas experience suggests licensing, together with electronic transmission of transaction information, reduces the opportunity and the ability of property crime offenders to convert stolen property into cash. This is a positive effect of legislation. Regulating and updating the second-hand goods and pawnbroking industry will make it more difficult for thieves to sell stolen goods. It will also give greater protections for those who sell second-hand goods and the consumer who buy them.

Key aspects outlined in the bill are the fact that licences will be issued by Consumer and Business Services, taking into account whether the applicant is a fit and proper person. Licensees will need to be present to supervise transactions. Sellers will need to provide 100 points of identification to sell prescribed items. Before sale, goods received must be held by the licence holder for a period of 14 days from the date of details transfer to police.

The police and authorised officers will have the power to inspect records, goods and business premises. The Commissioner of Police can prohibit the employment of a person in a licensed business if the person is found guilty of an offence prescribed by the regulations and is also able to apply to the Magistrates Court for a barring order for a person identified as a prolific property crime offender. To strengthen this regime, it is important to tighten the interactions and regulations. As we heard, a person must not buy second-hand goods or enter into a pawn agreement with a person under the age of 16 or an intoxicated person.

As with all new legislation, the government seeks to balance the needs of protecting South Australians without undue compliance and costs on industry, government and the community. This is a balance that this government has reached time and time again in order to protect South Australians, support business, provide regulation, but to protect consumers as well.

During the consultation process of this bill, the government has listened to the needs of the community and ensured that it does not prevent individuals from holding legitimate garage sales or selling their goods at second-hand markets, including school fetes and charity fares.

May I make a comment. We have actually seen quite a revival in the market industry around the place, although the Willunga market and the Farmers Market concentrate on food. Not far from my electorate, we obviously have the Gepps Cross market that is very popular on a Sunday, and I think the member for Morialta talked about the Moonlight Markets that happen in his electorate. So it is really important that we note that this government has listened during this consultation process to the needs of the community and amended its legislation.

This bill proposes a tiered approach towards a licensing and regulatory regime, and this is a change made through consultation with the industry. We have identified two tiers—class 1, portable items which are commonly stolen such as jewellery, electronic goods and tools; and class 2, goods regularly stolen but not at the high volume prescribed in class 1, such as vehicles, caravans and motor vehicle components. I commend the bill to the house.

Mr ODENWALDER (Little Para) (16:11): I rise to make a very brief contribution. Obviously, I support this bill. I think most of the technical aspects have been gone through by now and I am sure the minister will reiterate those. While I disagree with the conclusions he draws, I commend the shadow minister on his contribution: it was very thoughtful and thought-provoking. But I do disagree: I think this is a good set of proposals. I think, when all is said and done, anything that makes it more difficult for crooks to onsell their goods has to be a good thing, particularly for those of us who represent working class areas where, indeed, most of the victims of this sort of crime live.

Ask any copper and they will tell you that it is this sort of crime—often petty and often of minimal real value—that not only upsets people but feeds the impression that crime is out of control and we have a massive problem that we need to deal with. It leads to a general feeling of unease in our communities and, as I said, particularly in working class communities. Sometimes, frustrated residents in these communities take things out on the hardworking coppers and it feeds this impression that the coppers aren't doing enough. I think anything that reduces this sort of crime has to be a good thing and has to be weighed up against some of the negatives that have been pointed out.

As has been pointed out in various ways by members of the opposition, this bill does put more of an onus on traders to provide information to SAPOL rather than the other way around and SAPOL using their resources to seek information. I speak to police all the time and they tell me that they always want less paperwork and more time to be proactively investigating crime, and I think that is one of the intentions of this bill, and what the public wants, too. I urge people to support it.

The Hon. M.F. O'BRIEN (Napier—Minister for Finance, Minister for Police, Minister for Correctional Services, Minister for Emergency Services, Minister for Road Safety) (16:13): Before us, we have a bill that seeks to further erode criminal activity and, over the last 10 years (the period for which we have been in government), we have managed to bring about a nearly 40 per cent reduction in crime and that, by anybody's measure, is very significant. As the member for Little Para has just commented (and he is a former police officer) and other speakers on our side of the house, we have more to do, and that is the intent of this piece of legislation.

There is nothing more distressing than having your home broken into. I think most people who have had a housebreak and come home to see the house ransacked and, in many instances, vandalised, find it a highly unsettling experience. They feel they have been personally violated. As the member for Little Para indicated, it also tends to convey an impression within the broader community that we, the government of South Australia and SAPOL, do not quite have a firm grip on what is happening in our community.

Additionally, we know that this petty theft can be accompanied by severe violence if the housebreaker is confronted. Further, these housebreakers, by and large, are drug addicts. What this bill seeks to do is not only protect the average citizen and their homes and person but also close down the drug trade by preventing these petty criminals from taking possessions from other people's homes, having them fenced, gaining money and then going and purchasing drugs; that, in turn, feeds into organised crime. We know that by and large the drug trade is organised by bikie gangs and other organised crime syndicates.

What this legislation seeks to do is, firstly, afford a higher degree of protection to individuals in their own home, to protect the contents of the home and to protect the individuals if

perchance they are confronted with a burglar. It intends to then clamp down on the trading of drugs and, finally, to deny organised crime the financial tool, if you like, to run their operation, which we also know is accompanied by the distribution of guns.

On the face of it, it is a bill that deals with second-hand goods and tries to put in place additional control over the activities surrounding the sale and the onselling of second-hand goods. Most importantly, however, if the legislation is ultimately enacted, it is our belief that it will be an invaluable tool in cracking down on the drug trade and organised crime. As I said, there has been a 38 per cent reduction over 10 years, and this is another tool in our armament to drive that 38 per cent even higher.

The obstacle, if you like, that has been proffered by numerous speakers on the opposition side is a number of objections from various individuals. The history of this legislation is that it was introduced in June 2007. In 2007, cabinet approved \$2.148 million for the development of a second-hand dealer and pawnbroker transaction management system, so that was the starting point. In October 2008, the minister for police announced that we would review the existing second-hand dealer and pawnbroker legislation with the intent of introducing new laws.

In June 2009, the government introduced to parliament the Second-hand Goods Bill 2009, which was never debated and never voted upon. The parliament was prorogued. But, as part of the process, there was a six-week consultation period in which a large number of submissions were received, so this inaccuracy that this legislation has been presented to the house on three separate occasions and voted down is erroneous. It has never been voted upon, but it has on two occasions been put out there for public consultation.

The first period I have just referred to was the six-week period and, as a result of that, the legislation was significantly changed. The bill was then reintroduced in December 2009 and there was a second consultation period which, I believe, ran for four weeks. So, we have 10 weeks of consultation on this particular proposition. After the first six weeks, substantial changes were made and, after the second four-week period, even further changes were made—10 weeks and significant changes to the legislation, which was reworked on two separate occasions.

The opposition wants this legislation to now be referred to a select committee. I believe that is a stalling tactic. They are obviously playing to a very, very small subset of the industry. The industry as a whole is highly supportive. The Motor Trade Association, which early in the piece had a whole range of concerns, is now firmly behind the legislation and has written to me today confirming its support. All of its concerns have been addressed and, similarly, the concerns of major players.

Dealing fairly rapidly with the various objections that have been raised in the second reading debate, in terms of the cost of licensing registration approval, as a result of the submissions and feedback received in 2009, the decision was made to delineate the goods into class 1 and class 2. In doing so, it significantly removed the reporting onus on traders. Analyses of comparable licensing and approving regimes interstate and overseas indicate that what we are proposing, by way of licence business registration, approved person application and annual renewal fees, is commensurate with similar regulatory regimes nationally and internationally.

In terms of the proposition that police have existing powers to check the records of second-hand dealers, as I said, we put in place an electronic recording system, and that has been in operation since the mid-1990s. The problem is that this system (called the Gamble system) has only resulted in around 5 per cent to 10 per cent of the transactions that are occurring in the marketplace with respect to these high-value, low-volume (in terms of their physical dimensions) goods being reported; so, it is not working.

Despite existing regulation and efforts of police, anecdotal evidence and operational intelligence suggests a significant proportion of stolen goods are disposed of through the second-hand industry, which is the major problem; so the current system is not working. We have to move on and we have to employ all of the opportunities that technology provides us, and that is the intent of the legislation.

The requirement to retain goods for 14 days is excessive, and that has been put to me on several occasions. What we have done in settling on the 14 days is to align ourselves with New South Wales and Western Australia. I think the broad consensus is that 14 days is sufficient time in which to allow somebody who has experienced a house break-in—they may have been away for a weekend or are having difficulty obtaining details of stolen goods, serial numbers, and all the rest of

that—to secure the information that is required to get across to SAPOL. We do not believe that the 14 days is in any way unreasonable.

In terms of eBay and Gumtree, the objection that has been raised by the opposition is that this is an increasingly popular way of people trading second-hand goods. The advice that has been tendered to me—and I think it is common-sense advice—is that a criminal who wants to basically be done with the goods as quickly as possible, so that they cannot be apprehended with the compromising stolen goods in their possession, and wants to realise the value of the goods to purchase drugs, is not going to be putting these on eBay.

They are not going to be photographing or offering a physical description of the goods and supplying contact details by way of bank accounts. It just does not make a great deal of sense. SAPOL regularly monitors these sites as part of their criminal intelligence activities. I think it would have to be a fairly stupid criminal—that is not to say that there are not stupid criminals out there in the community—and it would not be a preferred manner of disposing stolen goods.

With occasional sellers, the bill allows the minister to grant an extension, and the member for Stuart raised this in relation to charitable organisations. We think that we have that covered off. With clearance sales for deceased estates, we will, by way of regulation, deal with that particular issue as well and we are aware of it.

In relation to garage sales, they are recognised as a vast source of second-hand goods and it has been brought to my attention by the member for Stuart that some individuals have four, six, eight garage sales a year. SAPOL are actually aware of those sales and monitor them. If we ascertain that an individual is repeatedly using a garage for these sales, they will be picked up by the legislation and they will be compelled to comply with all of the stipulations of the legislation that apply to pawnbrokers and the like.

For market operators, currently under the Second-hand Dealers and Pawnbrokers Act, market operators are required to be registered and obtain details of persons who are selling prescribed goods. The continued requirement to record seller's details and the addition of electronically transferring these details to SAPOL will remain in place, and will assist in identifying unlicensed dealers and property offenders. Again, SAPOL visit these markets, keep an eye out for those individuals who are regularly selling—or selling even on one occasion—goods that are contained within the act and are of concern.

I see absolutely no reason whatsoever for referring this to a select committee. I believe that the member for Stuart would like that to be done. We have had 10 weeks of consultation. The legislation has been around for a number of years. Virtually everybody who has a concern has put that in front of the government and the SAPOL team, and I have provided a copy of the South Australian Police Consultation Report on the Second-hand Goods Bill 2011 to the member for Stuart. It goes into immense detail of the process that was undertaken, and the people who were spoken to, their concerns, and the way in which those concerns were dealt with.

I know it is the view of the South Australian government, and I believe it would be the view of the South Australian community, that we want to get this legislation implemented as rapidly as possible so that we can deal with the drug trade, and we can deal with the consequences of the drug trade which are breaking and entering, and we can start to financially starve organised crime and bkie gangs, because we will not have individuals breaking into the homes of our citizens and stealing items which, in many instances, have great emotional value so that they can fuel their drug habit.

It has been three years or thereabouts, 10 weeks of consultation, very thoroughly done, and I think we have to move on. As I said, there has been a 38 per cent reduction in crime over 10 years and I would like to see another considerable number of percentage points added to that; I think that the legislation will assist us in doing that.

Bill read a second time.

Mr VAN HOLST PELLEKAAN (Stuart) (16:30): I move:

That standing orders be so far suspended as to enable me to move a motion without notice to refer the bill to a select committee.

The DEPUTY SPEAKER: An absolute majority not being present, ring the bells:

An absolute majority of the whole number of members being present:

The house divided on the motion:

AYES (19)

Brock, G.G.	Chapman, V.A.	Evans, I.F.
Gardner, J.A.W.	Goldsworthy, M.R.	Griffiths, S.P.
Hamilton-Smith, M.L.J.	Marshall, S.S.	McFetridge, D.
Pederick, A.S.	Pegler, D.W.	Pengilly, M.
Redmond, I.M.	Sanderson, R.	Treloar, P.A.
van Holst Pellekaan, D.C. (teller)	Venning, I.H.	Whetstone, T.J.
Williams, M.R.		

NOES (25)

Bedford, F.E.	Bettison, Z.L.	Bignell, L.W.K.
Breuer, L.R.	Close, S.E.	Conlon, P.F.
Fox, C.C.	Geraghty, R.K.	Hill, J.D.
Kenyon, T.R.	Key, S.W.	Koutsantonis, A.
O'Brien, M.F. (teller)	Odenwalder, L.K.	Piccolo, A.
Portolesi, G.	Rankine, J.M.	Rau, J.R.
Sibbons, A.J.	Snelling, J.J.	Such, R.B.
Thompson, M.G.	Vlahos, L.A.	Weatherill, J.W.
Wright, M.J.		

PAIRS (2)

Pisoni, D.G.

Caica, P.

Majority of 6 for the noes.

Motion thus negatived.

In committee.

Clauses 1 to 5 passed.

Clause 6.

Mr VAN HOLST PELLEKAAN: I will just take a minute or two at the beginning of this committee stage to make a few points briefly about the reason that I wanted to go into committee and the reason I thought that was a sensible suggestion. I was certainly not stalling, as the minister said—nothing to do with that whatsoever.

The minister said in his closing remarks that there is only a small subset of the industry that has concerns about this, and I have a very different view. I think it is interesting that the minister used as a very good example the fact that the MTA has given him some assurances that he supports the bill based on some agreements that they have made together. I respect those agreements and I respect the important of the MTA's opinion.

But I think if the roles were reversed, and I think if the opposition had said 'The MTA and we are in agreement so this is the way we are going,' the government would have very quickly accused us of just pandering to business interests and pandering to a major lobbying group. So, it is interesting that the government feels differently when the MTA agrees with them.

The last comments I would like to make on that topic are just to indicate, so that it is on the record, exactly what the terms of reference I would have provided for the select committee would have been. I would have asked that the select committee:

- (a) consider and report on the benefits of the bill to the police in their efforts to reduce burglary, theft and other illegal activities;
- (b) consider and report on the costs to and other impacts upon existing businesses such as second-hand dealers and pawn-brokers;
- (c) consider and report on unintended consequences of the bill;

- (d) consider and recommend possible amendments to the bill; and
- (e) any other relevant matters.

So, there was nothing sneaky, nothing difficult, nothing below the belt there. I thought and still feel that that would have been a very responsible way to proceed, so thank you for letting me make those few comments.

I will get into my questions about the bill itself. With regard to clause 6, it says that the commissioner is responsible for the bill, and that is the Commissioner for Consumer Affairs. I am just seeking a bit of guidance or a bit of understanding, really, as to why this is a police bill put forward by the police minister essentially to support police activities. I understand that the business services area, if you like, is the one that is overseeing a lot of it, but why wasn't this put forward by the Minister for Consumer and Business Services rather than police if it is going to be that department that oversees the operation of the bill?

The Hon. M.F. O'BRIEN: This was basically a decision that was made in the context of administrative responsibility. The commissioner is responsible for the licensing of dealers and ultimately setting the fees and collecting the fees, and that is one of the major interfaces between dealers and government. The interface between SAPOL and the dealers is to a large extent just the relaying, in some instances on a daily basis, of electronic records, in other instances probably very infrequently these electronic records, but I suppose the significant administrative interface does not reside with SAPOL.

Clause passed.

Clause 7 passed.

Clause 8.

Mr VAN HOLST PELLEKAAN: My question about clause 8 refers to subclause (2), that is, subclause (1) does not apply to a second-hand dealer where the goods are essentially received as a trade-in; I just want to delve into that for a minute. I think I understand the logic, but I want to know in a bit more detail the concept of a trade-in and exactly how that might work. I am imagining the obvious one, where somebody brings in a second-hand good that is clearly a second-hand good to a dealer who regularly deals in new goods, and it has really nothing to do with what anybody is trying to achieve here, and I accept that.

What about things that are perhaps not new from the showroom but are still in the box? We have all come across and heard of situations where things are being sold out of the back of a truck somewhere. It is not being sold by an authentic retailer, but for all intents and purposes the good is still brand-new. How is that dealt with in this clause?

The Hon. M.F. O'BRIEN: Member for Stuart, I think we have talked about red tape associated with the legislation and onus requirements; this was a very practical realisation. A lot of people, for argument's sake, are camera enthusiasts. They have a camera for 18 months, they may well be known to the camera store, and they want to do an upgrade. It is very low risk in that there is no receipt of cash.

We are actually trying to deal with people who are wanting cash to purchase drugs. It is very rare that somebody would break in and steal something and then want to trade it in on a better model. There may be exceptions, but by and large, the majority of people who trade in are low risk so they should not be picked up in the regulatory regime. That is the intention.

Mr VAN HOLST PELLEKAAN: What about the circumstance where somebody comes to trade in something that is actually still in the box, which does happen? It might be a class 1 good, in effect, but it is not technically second-hand because it is brand-new and in the box. It may have been acquired unlawfully. How can we stop that sort of thing under this bill?

The Hon. M.F. O'BRIEN: That would be treated as a second-hand good, even though it is still in the box and probably has never been used. The intent of the legislation is to treat that as a second-hand good that is being traded, if you like, after hopefully first purchase or theft.

Mr VAN HOLST PELLEKAAN: In that context, how would officers overseeing compliance really tell the difference? If they walk into a shop, which can happen, there might be three kettles in boxes, three Matchbox racing cars in boxes and three Makita power drills in boxes. The dealer might say, 'Well, I bought those myself to put those ones in the shop, because in my business I have mixed trade. I am not only second-hand, I am actually entitled to acquire things and purchase

brand new things retail myself and sell them again through the shop,' versus the ones that may well be dodgy goods that were stolen that the person acquired as well. How will this legislation help differentiate between the range of things that are on the shelf in a second-hand dealer's business?

The Hon. M.F. O'BRIEN: I think this will probably clarify it: the interpretation of second-hand goods in the bill:

second-hand goods means goods...that have come into a person's possession other than as a manufacturer, or wholesale seller, of the goods or a retailer who has purchased the goods by wholesale,

So, they have to have come into their possession through the normal distribution channels of a retailer taking it from a wholesaler, a wholesaler taking it from a manufacturer, or a manufacturer taking the item in a semiprocessed state and completing the manufacture of the item. Basically, it is a realisation, if you like, of the normal manner in which legitimate trade is conducted.

Mr VAN HOLST PELLEKAAN: I agree with that and I accept that, but this bill is not here to impact the legitimate traders. If all of the second-hand dealers out there were legitimate we would not even be talking about this. You are quite right: I am sure that would cover the legitimate ones very well, but they are not really what we are talking about. This is about trying to clamp down on the illegitimate ones. So, how will this legislation clamp down on the illegitimate ones doing exactly as I described in the example that I just used, who of course will not comply in the way that you have just said?

The Hon. M.F. O'BRIEN: The exemption only applies in the case of a trade-in. If somebody was to come in with a camera that had been boxed and it was obvious that the box had never been opened, they would have to comply. It is only when they bring the box in and say they want to trade it in and they proffer the probably legitimate argument that it was bought for them as a gift, it has been sitting around at home for a couple of months, it is not really what they wanted and they want to upgrade to a different kind of camera. However, if they want cash for it then they would be captured.

Mr VAN HOLST PELLEKAAN: I understand, but how about the example of somebody who works in a hardware store and, unbeknown to their employer, or perhaps known to their employer but they did not catch them, they stole three kettles or three drills, or something like that, took it down to the second-hand dealer and said, 'I would like to trade this in on that television you have got,' or that iPad, or whatever it might happen to be. 'It was a gift. I was given it, so I would like to trade that in.' That would be technically outside this legislation, as I understand it. Given that we are all here to try to catch the dodgy dealers and the crooks and not impose any more than we need to on those who are doing things properly, how would this capture the people doing the wrong thing in that way?

The Hon. M.F. O'BRIEN: The requirement would still apply. There would be no exemption. The second-hand dealer would be required to enter those particular details if it was a good that was in the particular category where notification was—

Mr VAN HOLST PELLEKAAN: Even if it was a trade-in?

The Hon. M.F. O'BRIEN: Except for a trade-in.

Mr VAN HOLST PELLEKAAN: That is what I am saying. Somebody pinches one from their employer, it is in the box, and they go to the second-hand dealer and say, 'I got it for Christmas but I'll never use the Makita hammer drill. It's just not my thing. It's really mine. I've had it for six months. I want to trade it in on something you have in your shop that I really do want.' I do not think that would be captured.

The Hon. M.F. O'BRIEN: A second-hand dealer would have to record the transaction. It may occur but it would be extremely rare for somebody to go to a second-hand dealer and trade in an item wanting an upgrade. It is only second-hand goods that are being dealt with. But the fact remains that if they are a second-hand dealer then they have to comply.

Clause passed.

Clause 9.

Mr VAN HOLST PELLEKAAN: Clause 9 is obviously pretty short and straightforward—requirement to be approved. Can I ask: is the approved person meant to be on site the whole time the business is operating, or coming and going, or on call? How does that actually work?

The Hon. M.F. O'BRIEN: If class 1 goods are involved, then the licensed or approved individual has to be present to conduct the transaction or supervise it.

Mr VAN HOLST PELLEKAAN: When you say 'the transaction', what is 'the transaction'? Does that mean the transaction where the second-hand good is acquired for resale or does it mean the subsequent sale of the second-hand good? Does the person have to be there all the time waiting for that or, if somebody wants to come in and sell a good and they are not there, does whoever else is working say, 'Sorry, the approved person is not here; you have to come back'? How does that work?

The Hon. M.F. O'BRIEN: It occurs on the initial acquisition of the good—the purchase by the business—and the individual who is licensed has to be on the premises. They do not have to conduct the transaction, but they have to be in the vicinity to proffer a degree of supervision of the transaction.

Mr VAN HOLST PELLEKAAN: So, much in the same vein as somebody who is a licensed responsible person for a pokie outlet, they do not have to oversee the transaction, but they have to be there on site, essentially, or very close. Thank you, minister.

Mr GRIFFITHS: In the days of modern technology—and I am a bit of a dinosaur—and everyone being available on a mobile phone very quickly, I am trying to take into account small businesses that have one approved person only and there is a need sometimes to be away. I am fearful that the business might have to be closed or will not be able to conduct a transaction if that approved person cannot be available. Is it good enough for a call to be made to the approved person to explain the potential of the transaction, what the details of the goods are and to see if you can get over the phone an authorisation to conduct it?

The Hon. M.F. O'BRIEN: Fair point. Having been a small business operator myself in retail, and knowing that it is well-nigh impossible to be there through the full trading period over the course of the year, it is something that we will consider and deal with by way of regulation. I think it is a fair point and something that ought to be considered.

Mr VAN HOLST PELLEKAAN: Minister, I have a few other questions on this too but, just on that, are you saying that you would consider it acceptable for an approved person, who is off site and not physically able to get to the site, to relay their advice and information over the phone or via emails or Skype or from the cruise ship on the other side of the world? You must have some guidelines in mind as to how far you might allow this to stretch.

The Hon. M.F. O'BRIEN: I think it is only an issue for the smaller operator. The larger ones would want to have the backup. That would be at a cost of \$400, so they would have at least one other individual, probably an assistant manager, with the requisite authorisation under the act. As for the very small operator, I think we are going to have to deal with that, and it is going to have to be fairly rigorous.

It could well be that the suggestion of using Skype or a mobile phone to take a photograph of the item and emailing it to the owner may be one way of dealing with it. People do go on holidays. If you are a small business operator operating out of a country town and you want to get away for three or four weeks, I do not think it would be practicable, and I think it would be unfair for that business not to deal in that band of goods.

So, we will deal with it and we will deal with it sensibly. Having said that, I would say it is highly unlikely that on Yorke Peninsula, for argument's sake, an individual is going to be put under that kind of stress, but we will deal with it.

Mr VAN HOLST PELLEKAAN: Just for clarification then, you are saying that your intention—and you have declared that you need to work through this—in coming to a resolution here is that the approved person could be away from the site for up to two or three weeks, and maybe more, and that would still qualify them to be the acceptable approved person for that business.

The Hon. M.F. O'BRIEN: We will have to work through that but, yes, that is the intention. People do go on holidays. People go away for a couple of weeks at a time, and businesses have to operate. Businesses operate generally because somebody is born in or works in a company that has the requisite level of experience and self-confidence to run the business.

I would be of the view that if you are giving over the running of your business to a subordinate, an employee, to do the banking and everything else that is associated with running a

business on a day-to-day basis, I do not think it would be a stretch to allow that individual to contact the owner with the details of the transaction, to have approval for the transaction to occur, and then to ensure that those details are relayed to SAPOL.

I think the act of gaining that formal approval—and we would have to work that through—would probably garner the relevant details that are required by SAPOL. I think the process of acquiring the authority with a photograph or a physical description of the goods, any serial numbers, and the identity of the person selling the goods, would be the information that SAPOL would ultimately be provided with, so I would see it as the beginning of that process.

I think the only time where we would have to draw the line is where the owner is uncontactable. If they were going on an around-the-world cruise and they were on a vessel that did not have satellite linkage, then you would have to say no. I think that would have to be the assurance, but we will work that through and I will come back to you when we work out the regulations.

Mr VAN HOLST PELLEKAAN: I am sure it would be a very successful second-hand business if the owners were off on too many around the world cruises. Good luck to them!

The Hon. M.F. O'Brien interjecting:

Mr VAN HOLST PELLEKAAN: Yes, exactly right. Following on from that, would it be possible for one business operator, whether it is a proprietary limited company, a sole trader, or whatever, to have different business establishments in different locations and one approved person who would oversee all of them? Given that they can be away from their business to be on holidays, surely they would be allowed to be away from their business to be working in another similar business.

The Hon. M.F. O'BRIEN: I think we would have to draw the line there, but this would be the commencement of the slippery slope. The same regime that would apply to the licensee of a hotel would apply to this arrangement. If you own three or four hotels, the licensee has to basically devote all their time to the running of that particular hotel, so you would have to have a number of individuals. It is a similar principle. I would like to get as much flexibility in there to address the issues that you have identified and, as a small business operator, I am fully cognisant of those pressures, but I think once you get to the stage of having a chain of stores you have the financial wherewithal to ensure that you have an individual at each of the stores who can do the work.

Mr VAN HOLST PELLEKAAN: I guess that clarifies that it is actually very different from responsible service of alcohol and overseeing a gambling operation in a pub, where you actually have to be on site. You are allowed to be in your flat at the back of the pub, or you are allowed to be out the front having a cigarette or something—you do not have to be technically in the licensed area—but you have to be very close to within earshot. So this is clearly different and I appreciate that flexibility.

Given that sort of flexibility, would it be possible for an approved person to work for more than one business? You have said that it will not be possible for one person with several businesses to run all of them simultaneously in different locations without having approved people there. They can be on the other side of the world on holidays so long as they can be contacted, but they cannot be in another suburb in a different shop. I have to say that I find that incongruous but I accept your comments and intentions there. Would it be possible for one approved person to work for more than one business?

The Hon. M.F. O'BRIEN: An approved person is not linked to any particular licensee or premises, and an approved person may work for any licensee or stall with no additional application or fee required, so they can move around.

Mr VAN HOLST PELLEKAAN: So, somebody could make themselves quite a valuable employee in that sense to a few different businesses, and they could work simultaneously for different places and do quite well for themselves, and that then, presumably, would mean that they would only be linked technically to one licensed premises or one registered premises? How would it be clear as to where they actually worked?

The Hon. M.F. O'BRIEN: There is no linkage, so, as you say, I suppose if you were fairly entrepreneurial, you could make sure that you are the right individual and then let it be known to a couple of pawnbrokers in a particular area that your services are available. And, if they like, they could say, for argument's sake, that they are only going to deal with transactions relating to jewellery between the hours of nine and 10 on Tuesdays, Thursdays and Fridays—that is not to

say that they would operate in that way—and the individual could then service a number of businesses. There is nothing to preclude them from doing that.

Mr VAN HOLST PELLEKAAN: It sounds a bit like WorkCover patients doctor shopping: you can hunt around until you find the person who will do the business the way you want it to be done. So, I think there is room for concern in that regard given that we are only trying to capture the dodgy businesses. Unfortunately, we are imposing on the good businesses but that is not actually the impact of this. What training requirement is there for a person to become an approved person?

The Hon. M.F. O'BRIEN: There is no training but there is a character check done to determine whether they have a criminal record, whether they associate with members of known criminal gangs—bikie gangs, if you like—and generally whether they are individuals of good repute, and that, I believe, will be done fairly methodically. So, that is the basis.

Mr VAN HOLST PELLEKAAN: Again, just harking back to the example of service of alcohol and the requirement there, there are expectations with regard to training. I accept that it is the other end of the spectrum. With the situation of second-hand goods, you would try to have an approved person who can vouch for and oversee the acquisition of the good whereas in the hospitality industry you are actually dealing with the serving of the good and not serving to intoxicated people, not serving to minors and those sorts of things.

However, it does seem to me that it must require some skill and it must require some ability over and above just good character to try to assess an item, a prescribed good, and to try to assess potentially the character of the person who is trying to sell it to you to get some cash so they can get out of there as quickly as they possibly can to do whatever they want to do with the cash.

I am certainly not trying to impose extra costs or extra obligations or extra red tape, or even extra training, on these small businesses because as you know from my previous comments I think we are too far down that path anyway, but it seems to me quite out of whack that a person only requires good character which is essentially no criminal record or anything like that and all of a sudden they are allowed to make assessments about whether this is potentially an illegally-gained second-hand good that is trying to be sold into this business.

The Hon. M.F. O'BRIEN: Member for Stuart, there is an educational component but it is not training per se. They will get run through what is required of them in terms of basically logging in a description of the goods and the like and transmitting that information to SAPOL. They will not be left to their own devices with absolutely no points of reference, so that will be addressed.

Mr VAN HOLST PELLEKAAN: Minister, if I understand you correctly, what that means is that, while this business operator or an employee of the business does not need to be approved to do the banking—the example you used—does not need to be approved to turn the security on and off, does not need to be approved to go through the myriad of important skills required in retail business, does not need to be approved for any of these other things, they do need to be approved to essentially type the information into the computer system. Is that really what it comes down to? And they have to pay a fee for that privilege.

The Hon. M.F. O'BRIEN: Member for Stuart, I suppose the way I could describe this is that they will receive training in terms of screening the individual trying to sell the good. They will receive training in terms of how they log that information in and transmit it to SAPOL. They will be given training in respect of their obligations under the act, but it is not going to be training that is in any way equivalent to obtaining a cert. II or III. It is training, but we would prefer to describe it as education, because today, I think, if you say somebody is undertaking a training course, it really is in the context of a cert. I, cert. II or cert. III within the training framework as such, and that is not what we will be doing.

Mr VAN HOLST PELLEKAAN: Who will provide this training/education?

The Hon. M.F. O'BRIEN: CBS will provide that education.

Mr VAN HOLST PELLEKAAN: Can you tell the committee what additional resources have been given to CBS so that they can get around to these 1,500-odd businesses throughout the state to provide this training?

The Hon. M.F. O'BRIEN: There will be one FTE, and \$84,000 has been allocated in the first year to develop what we are describing as the communication strategy and the education

campaign. Then, to maintain the production of education material, there is around \$7,000 and then \$8,000 per year thereafter.

So, there is one individual, a considerable amount of money to work up the education package, and then \$8,000 ongoing to ensure that the material is updated and that individuals, as they enter the industry, are informed of their responsibility under the act and the other duties I outlined in a previous response.

Mr VAN HOLST PELLEKAAN: If it were to take that person approximately an hour to train each approved person, and if each business just had one approved person—so, 40 were trained per week, if I have my maths right—and if there were absolutely no travel time between any of these businesses and they trained one for an hour, another for an hour and another for an hour, and they trained them non-stop, with 40 of these businesses under this new regime, every week, how long do you think it would take for the entire state to be trained?

The Hon. M.F. O'BRIEN: The intention is either to mail out or dispatch electronically the education package. Large pawnbrokers that would like to avail themselves of a one-on-one opportunity, I think they would come in as a group. So, it would be receiving the education package either in the mail or electronically by way of an email attachment, and it might even be that we have a dedicated website (in fact, that is probably highly likely).

For some organisations' employees—the individuals who are selected from the organisation to do this work—it may well be that there will be an opportunity for face-to-face. As for each and every individual in South Australia having to spend an hour with this one FTE, I think that is highly unlikely and unnecessary.

Mr VAN HOLST PELLEKAAN: Essentially, they will get a pack mailed out to them and, if the business operator chooses, they can pursue more support (which I am sure would be very good support). But, basically, they will just get some stuff sent in the mail, which to me means that they are just going to do whatever their employer wants them to do because it will either be the employer, business operator or business owner, doing whatever they choose to do, or it will be an employee and they will be told, 'Look, here's the pack; have a quick look, but basically this is what I want you to do when you work in your business.'

That may or may not be a good thing—it depends on the employer, and it depends on the instructions that they get—but I am struggling to see the value of the approval, since this person is allowed to do absolutely everything else in the business but they are not allowed to buy these goods on behalf of the business without this training, which I think really is just without this approval, which I think really is just without this cost.

The Hon. M.F. O'BRIEN: If I could rely on my own experience running a particular business. We had a number of bakeries and it was determined that we wanted to use a program. The name temporarily escapes me, but it had been developed by NASA. It was designed to ensure that people going up in a space shuttle did not all come down with diarrhoea, which would be a terrible outcome, particularly in a weightless environment.

I thought, 'Well, this is probably a bit of overkill.' People generally going into a bakery are not going to hop in a space shuttle in the next few hours, but it was very rigorous. It had a whole range of hygiene steps, if you like, in the production of a loaf of bread: measuring temperature and recording it, filling out forms to indicate that benches had been cleaned down on at least three or four occasions during the course of the evening—these guys started at 12 or one o'clock in the morning and they were working through the morning—and the number of times they cleaned the floor.

It was a very rigorous set of obligations that they had to comply with to give surety that the food product met the highest possible hygiene standards. We did not run them through a detailed training course. This was done in-house by the bakery manager, and it was done on the basis of material wall charts that were supplied. It was a more rigorous regime than what we are talking about. I do not think it is required that people have to spend a morning in a classroom with this particular proposition. I think it is a lot more straightforward than that.

Mr VAN HOLST PELLEKAAN: Certainly, minister, and I am not suggesting they do, by the way. I am just trying to figure out exactly what these businesses are going to get. There is a requirement they have an approved person, there is a requirement they pay for that approval, and I would like to know what they are going to get for it. I suspect there are small businesses all around the state that will look at this *Hansard* and consider very seriously your example of waste matter

splattering everywhere when they look at what is going on here, because there really are people who are very uncomfortable with what is here.

I am trying to figure out what value is in it for them. I accept and understand and have experienced myself in my own businesses the sorts of operational policies that you are talking about putting into place. I will leave it here, Chair. I do not see that there is really a great deal of value. If all they are going to get is an operational manual that tells them, 'This is how you go about acquiring goods and this is how you go about entering the details into the computer system,' except that gathering the details is vitally important, I am not really sure what the business is paying for.

The Hon. M.F. O'BRIEN: If I could briefly deal with that, I think we are unduly focusing on whether the fee structure reflects the inherent value of the training course. Well, no, it does not. I was trying to make reference to the fact that there seemed to be some assertion that this was not sufficiently rigorous, or it ought to be more rigorous, that people ought to be spending a morning or a day or several days with this one FTE being trained.

The fees attached to this particular exercise cover the probity checks and they go some way to also funding, if you like, the cost of reconciling the reports that SAPOL receive in terms of breaking and entering and the goods stolen with what comes through by the electronic lodgement. So to get bogged down in terms of, 'Well, they are spending X hundred dollars and all they are doing is having a pack sent out to them,' I think misses the point, and you made the reference to people reading *Hansard* and my references to the rigorous application of hygiene standards and the fact that this was done, not through people having to go and spend a week being run through this, that it was sufficiently self-evident on reading for them to get to grips with it. That was just an example.

Mr VAN HOLST PELLEKAAN: I accept that, minister, in a world of user-pays, where we are transitioning from the police already having the existing responsibility to go and check records. If this legislation is successful we will move to a world of user-pays, and I think interrogation of what the user gets for what they pay is very fair.

Clause passed.

Clauses 10 to 12 passed.

Clause 13.

Mr VAN HOLST PELLEKAAN: Clause 13—Entitlement to be licensed or approved, and I am just looking at (b) here, 'a natural person is entitled to be licensed or approved if the person—has not been convicted of an offence of a class prescribed by the regulations for the purposes of this section.' Now, as you know, one of the difficulties for us in opposition is we have not seen the regulations. Can you give some insight please into what those offences might be?

The Hon. M.F. O'BRIEN: We are currently looking at theft indictable only; robbery, receiving; fraud; and possession or producing a controlled drug for sale. The parameter is that only convictions within the five years preceding the application, so convictions within the five years preceding the application—*theft (indictable only); robbery; receiving; fraud; and possession or producing a controlled drug for sale.*

Mr VAN HOLST PELLEKAAN: Minister, what if the person had been in prison for five years for one of those offences and came straight out, would they then fit the bill?

The Hon. M.F. O'BRIEN: In addition, there is the overall probity check which would take into consideration whether they had served a prison sentence.

Clause passed.

Clauses 14 to 16 passed.

Clause 17.

Mr VAN HOLST PELLEKAAN: Clause 17—Power of commissioner to require photograph and information. Just checking here, I think I know what the answer will be, but I would just like to have it on the record. 'The commissioner may, by notice in writing, require a licensee or an approved person' etc. Is that really a 'may'? Is that really an option or is that in the real world practice, a 'will'?

The Hon. M.F. O'BRIEN: There is an expectation that people would have a photograph captured at a Service SA centre, but, if they are in a remote location, that they would supply the photograph; that is the intention. But a photograph must be supplied by every applicant.

Clause passed.

Clause 18.

Mr VAN HOLST PELLEKAAN: My question about clause 18 also has links to other clauses. I am sorry that I cannot tell you all of them, but when I ask the question it will make sense and I do not want to waste all our time doing it over and over again. I am thinking particularly of the penalties (the \$1,250 and the \$160), and there are quite a few clauses that have different dollar amounts for penalties. In this situation and others similar—and I have noticed plenty of examples where it is really clear that it is the business—who would get this fine, the business or the approved person?

The Hon. M.F. O'BRIEN: It would be the individual licensee or the approved person, but I assume that the company in certain instances would pay on their behalf.

Mr VAN HOLST PELLEKAAN: This is obviously important because it is important to know who is guilty, who is responsible and who should pay the fine. It is also important because it might sometimes be hard to tell the difference and because there are other clauses in the bill where, if a person is in contravention, then it flows on to other penalties over and above just the fine. How will you go about determining all of that?

You can imagine where the licensee and the approved person are not the same person and they are both saying, 'Well, it wasn't me, it was the other one,' or a situation where the licensee and the approved person are the same person and the licensee may well be in a strong position to make a case and say, 'No, it was not me as a licensee who made this breach: it was me as an approved person, so I will keep my business, I will keep my licence and I will just get another approved person.' How would the legislation deal with that sort of situation?

The Hon. M.F. O'BRIEN: It has been explained to me that you would not have that situation, that you would not have a licensee and an approved person in conflict as the same person.

Mr VAN HOLST PELLEKAAN: I think it would be good if that was not the case. I am not trying to create problems, but I can imagine situations where they could be in conflict. Any time that there is a contravention of the legislation that an approved person (if they were two different people) could make, then if they were the same person the licensee could say, 'It wasn't me as the licensee: it was me as the approved person.' If it is possible for two different people to do it, then it is possible for the one person to do it. What I am thinking about here is trying to help get the dodgy dealer and not have a loophole whereby the dodgy dealer can say, 'Yes, you're right. You got me. I just won't be the approved person now. I'll call in another one.'

The Hon. M.F. O'BRIEN: A licensee can perform the functions of an approved person but they cannot be both, so we are not going to have this conflict where the licensee is the approved person because the licensee can perform those particular functions. The bill says in relation to class 1 and 2 transactions, 'supervised by a natural person, being a licensee or an approved person', not and/or.

Clause passed.

Clause 19 passed.

Clause 20.

Mr VAN HOLST PELLEKAAN: In relation to annual fee and return, will Consumer and Business Services send out reminders, renewals or invoices, or will it be the responsibility of the business or the approved person, licensee or registrant?

The Hon. M.F. O'BRIEN: CBS will send out the renewals, and the renewal can be done online.

Mr VAN HOLST PELLEKAAN: So, there is no chance, like vehicle registrations, that it will transfer to a system whereby it is the licensee's or approved person's responsibility to keep in mind when their 12-month anniversary comes up? There is a guarantee that the reminders will be sent to the businesses?

The Hon. M.F. O'BRIEN: It is something that can be considered, because we are actually doing that. In relation to reminders for motor vehicle registration, we announced, I think, two weeks ago, you have the option of having an SMS reminder, which can go to two mobile phones, and you can have up to three reminders on both phones, and also two email addresses, in addition to receiving the reminder by post. We believe that will cover individuals who are reasonably mobile and change address.

It could well be that a business relocates and fails to notify CBS of their change and it could well be that we will actually look at an email address so that we can do a double-up. We do the mail but we also send out a reminder saying, 'Have you received your renewal notice in the mail? If not, contact us.'

Mr VAN HOLST PELLEKAAN: In the instance where the licensee and the approved person are different people, will the approved person's reminder go to the business or to the approved person, or to whoever the approved person nominates? How does that work?

The Hon. M.F. O'BRIEN: Whoever the approved person nominates.

Mr VAN HOLST PELLEKAAN: Given that we are talking about annual renewals, would it be possible for a business—and now I am thinking of larger ones—to have a common expiry for their approved people, again, a bit like motor vehicles, just to make it easy for the business to comply? I understand it is the approved person's actual responsibility but, in the real world, businesses try to streamline things and try to help and you may well find that the renewal fee is paid by the business. You might have a very generous business operator who just makes that decision. Would common expiry be an option?

The Hon. M.F. O'BRIEN: It is something that is offered for other licence types; it can be offered for this. I am advised that the take-up rate has been quite low, but it will be a service that is provided in relation to this as well as for other licences, so it is a fair point.

Clause passed.

Clauses 21 to 25 passed.

Clause 26.

Mr VAN HOLST PELLEKAAN: Minister, again, we have obviously not seen the regulations, and I did not pick it up in the bill, so forgive me if it is there, but how long after a second-hand good is acquired for resale must the information be entered into the TMS?

The Hon. M.F. O'BRIEN: After consultation, we came to the conclusion that it was unreasonable to expect the transmission of this information on the close of business. We have generally fallen into line with other jurisdictions that give three days' latitude and I think that is becoming the national norm.

Mr VAN HOLST PELLEKAAN: Does the same three days apply to the police entering the details of stolen goods? Do they do it immediately or do they have a week? Obviously, this timing is a really critical part of the whole thing for it to work. For the system to work, you want it in as quickly as possible because it is not until both sides of the ledger are entered that the TMS can do its work. There is a maximum of three days after the good is acquired for the dealer, pawnbroker or whoever to enter it. What are the guidelines and operational policies for the police to enter the details of the stolen good after a police report is made?

The Hon. M.F. O'BRIEN: It has to be entered by the close of business on the day on which the report is received.

Mr VAN HOLST PELLEKAAN: Thank you, that is terrific. What is the situation when robberies, or thefts, are not reported immediately, as we all understand does happen? It takes a while to get the details, it takes a while to even notice that something is missing and, as you mentioned, a person might even be away for a weekend or a week. What is the situation when the 14 days runs out, really, through no-one's fault? The dealer may have unknowingly acquired an item that was stolen and put it in within the three days, then, two weeks later, the police get the information and put it in on the same day. Let us say it happens on the 13th day. How does that all work to make the system robust and give the ability to actually identify it quickly?

The Hon. M.F. O'BRIEN: If on day 13 they are notified by SAPOL that there is a match, then they are required to hold the goods. If they do not receive a notification but a match occurs after 14 days they are free to basically sell the good.

Mr VAN HOLST PELLEKAAN: And if the match occurs after the 14 days and it is clear that it was stolen, and through no fault of the dealer, it just happened, it has been sold on—what happens then?

The Hon. M.F. O'BRIEN: If the match occurs after 14 days and the good has been sold, I think that is the end of the issue. The business is not required to record the name of the purchaser; so if somebody walks in off the street and purchases a piece of jewellery, that is the end of the story. It is just unfortunate that the matching did not occur within the requisite 14 days.

Mr PEGLER: While we are on this, can I give an example: somebody has gone and bought from a shop, say, three items at \$100 each, or whatever, and has paid for them with a cheque. The shop has then, a few days later, gone to bank the cheque. In the meantime, the person has taken that gear around to three different second-hand dealers, and he has shown the receipts that he has received, and then the cheque bounces—this has actually happened. How is the system going to work and how quickly is it going to be picked up? If the second-hand dealer still has those things in his possession do they then go back to the original person who accepted the dodgy cheque, or—where are we? Do you understand what I am saying?

The Hon. M.F. O'BRIEN: Not really, member for Mount Gambier. If you could just give me another explanation. I am not really sure. Who proffered the bad cheque? Who was responsible for the issuing of the bad cheque? Was it the store owner?

Mr PEGLER: Joe Bloggs has gone to the store, bought the three items, paid for them with a cheque. The store owner has given him receipts, the cheque bounces a few days later. In the meantime, that person has made an excuse that his wife has run off and left him and taken all the money. He has no money, so he has brought in these brand-new goods, which he has not even taken out of the box, to resell so that he has got some money. There are two possibilities: the second-hand dealer may still have those things in his possession or he may have on sold them. Are we going to pick it up quickly enough?

The Hon. M.F. O'BRIEN: I thank the member for Mount Gambier for raising that issue because I think we ought to include that particular scenario in our education pack because it could be picked up within the system, as it is actually a theft. It differs in that a window was not broken or a door forced, but the individual has possession of those goods illegally through an act of fraud and the system could be used. If I understand it, the second-hand dealer could notify that those goods have entered his possession, and SAPOL would be alerted to the fact that an illegal transaction has occurred and the match is done. If I have correctly understood the scenario that you have outlined, I think we can cover it.

Progress reported; committee to sit again.

CO-OPERATIVES NATIONAL LAW (SOUTH AUSTRALIA) BILL

The Hon. M.F. O'BRIEN (Napier—Minister for Finance, Minister for Police, Minister for Correctional Services, Minister for Emergency Services, Minister for Road Safety) (17:55): Obtained leave and introduced a bill for an act to make provision for a national legislative scheme relating to the formation, registration and management of co-operatives; to repeal the Co-operatives Act 1997; and for related purposes. Read a first time.

The Hon. M.F. O'BRIEN (Napier—Minister for Finance, Minister for Police, Minister for Correctional Services, Minister for Emergency Services, Minister for Road Safety) (17:55): 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.

This Bill will give effect to an intergovernmental agreement under which all States and Territories have committed to replace their existing legislation regulating co-operatives with a new national law, the Co-operatives National Law.

Currently, all States and Territories in Australia have legislation which enables a co-operative to register and to become incorporated as a legal entity. It is an alternative form of incorporation to that under the Corporations Act and other legislation, tailored to the distinct attributes of co-operatives.

Existing co-operatives legislation is similar, but not uniform, across jurisdictions and is based on a set of standard provisions developed in 1996 by the Standing Committee of Attorneys-General.

The co-operatives legislation in most jurisdictions has not been comprehensively reviewed since the mid 1990s. A recent review of the existing legislation has identified impediments to the operation of co-operatives that potentially place them at a competitive disadvantage to other types of incorporated body.

The new Co-operatives National Law to be implemented by this Bill will provide a more level playing field for co-operatives by:

- ensuring that legislative measures for the oversight of co-operatives are no less favourable than measures in place for other forms of corporate body, including companies registered under the *Corporations Act 2001*; and
- ensuring that a registered co-operative can operate on a national basis, equivalent to the manner in which a company can operate on a national basis.

History of co-operatives

Co-operatives have existed in Australia since the mid nineteenth century. Producer co-operatives became a common form of organisation in the dairying and wheat industries in the late 19th Century. This extended to the sugar, cotton and rice industries in the mid part of the 20th Century. Consumer co-operatives became more numerous in the years between the First and Second World Wars—and in some rural communities became the principal source of consumer goods. Other forms of mutual organisation have also played an important role in Australian society. Friendly societies which provided medical services and income support were common in the early part of the twentieth century. Credit unions and building societies became a feature of Australian society from the 1950s.

In current day Australia, the number of co-operatives has declined. This reflects changes such as the restructuring of rural industries and markets, the concentration of retail markets around national enterprises such as supermarkets as well as changes in medical insurance and the financing of health care.

There are now around 1,700 co-operatives registered across Australia. About three quarters of these co-operatives are established as non-profit entities and have rules which prevent them from distributing any surplus to their members. The remaining quarter distribute surpluses to their members and are known as distributing co-operatives or trading co-operatives. Co-operatives tend to be concentrated in the eastern states, with between around 600 to 700 co-operatives each in NSW and Victoria, respectively but less than 60 in South Australia.

Most co-operatives in Australia are small organisations in terms of turnover and assets. Approximately 98 per cent of co-operatives have annual revenue of less than \$25 million and 99 per cent have assets of less than \$12.5 million. There are a very small number of co-operatives that have assets in excess of \$100 million.

Distinguishing features of co-operatives

Co-operatives are organisations that are owned, controlled and used by their members. A co-operative's main purpose is to benefit its members. Rather than maximise profits, co-operatives aim to offer their members better prices and lower costs. Co-operatives are also distinguished from other business enterprises and organisational structures because they operate according to internationally agreed co-operative principles developed by the International Co-operative Alliance.

Existing co-operatives legislation

States and Territories regulate general co-operatives. The Commonwealth regulates financial co-operatives such as building societies, credit unions and friendly societies under the *Corporations Act 2001*. Co-operatives incorporated under State and Territory co-operatives legislation are excluded from the operation of the *Corporations Act*, although many *Corporations Act* provisions are applied or mirrored in the co-operatives legislation.

In South Australia, the *Co-operatives Act 1997* currently provides for the formation, registration and management of co-operatives. Consumer and Business Services (CBS) is responsible for administering the Act.

Reasons for replacing the existing scheme with the National Law

Existing co-operatives legislation in most jurisdictions has not been comprehensively reviewed since the mid 1990s. A recent review of the existing legislation has identified impediments to the operation of co-operatives that potentially place them at a competitive disadvantage to other types of incorporated body. Examples of these barriers include approvals that must be obtained to carry on business in another State or Territory, limited means of external fundraising and financial reporting requirements for small co-operatives that are more extensive than those in place for small companies.

In light of this, the COAG Legislative and Governance Forum on Consumer Affairs (formerly Ministerial Council on Consumer Affairs), agreed to replace the existing State and Territory legislation with a new Co-operatives National Law.

To address identified deficiencies in the existing legislation, the new National Law will:

- remove the requirement for co-operatives operating across borders to register in more than one jurisdiction and reduce costs to co-operatives operating in multiple jurisdictions from complying with inconsistent State and Territory legislation;

- adopt a more risk sensitive financial reporting regime for co-operatives that will reduce financial reporting and auditing requirements for small co-operatives in line with similar relief provided to small proprietary companies under the Corporations Act. Under this regime, small co-operatives whose activities pose comparatively little risk to consumers will not need to lodge audited financial reports with regulators, although there will be obligations to report to members, who generally have the greatest stake in small co-operatives;
- update directors' and officers' duties to reflect modern standards of corporate governance integrated with co-operative principles and reduce director and officer liability for corporate fault matters in accordance with the mandated COAG principles and guidelines;
- update and standardise interactions between co-operatives legislation and the Corporations Act (noting that the co-operatives legislation applies many Corporations Act provisions, modifying them to suit co-operatives);
- provide nationally for a new co-operative-specific form of security, a 'Co-operative Capital Unit', to improve access to capital by co-operatives; and
- introduce cost effective supervisory tools for regulators such as civil penalty provisions and enforceable undertakings.

Otherwise, the new National Law is substantially similar to the existing SA Co-operatives Act 1997.

The proposed Co-operatives National Law will have a positive economic impact in that it will reduce financial reporting and auditing requirements and costs for small co-operatives as well as registration and compliance costs to co-operatives that operate in multiple jurisdictions. As at January 2013, eight of the 57 co-operatives registered in SA were based interstate.

Consultation

There has been both extensive consultation at the national level on the template National Law as well as a brief period of consultation on the South Australian Bill with local co-operatives and the professions that advise them. The co-operatives sector around Australia, including in South Australia, is supportive of the Co-operatives National Law.

The draft Co-operatives National Law and national Consultation Regulatory Impact Statement (RIS) were released by the Ministerial Council on Consumer Affairs for public consultation from 4 December 2009 to 26 February 2010.

24 written submissions, including submissions from the national co-operatives representative body and five state based co-operative federations (including the Co-operative Federation of SA) were received. That national consultation process resulted in changes to the exposure draft of the Law, in particular to:

- clarify definitions and terminology;•clarify disclosure requirements;
- ensure consistency with the Corporations Act;
- outline specific voting requirements; and
- establish minimum standards of reporting to members by small co-operatives in the wake of the proposed relaxation of the requirement to report to registration authorities.

The draft South Australian Bill was released for a short period of consultation with local interested parties between 25 October and 9 November 2012. This was limited to a brief period because of the previous extensive consultation on the National Law at a national level, bearing in mind that the South Australian Bill essentially reproduces the National Law, with additional supporting provisions to ensure the Law will operate properly in this State.

The Government wrote to all South Australian co-operatives, plus the Law Society and SA Joint Legislative Review Committee of the three accounting bodies in their capacities as advisors to co-operatives, offering them an opportunity to comment.

The one concern raised by the SA Joint Legislative Review Committee of accountants would be appropriately considered for the national regulations currently under development and has been referred to the relevant officer managing that process.

No comments on the South Australian Bill were received from co-operatives. The Co-operative Federation of SA, representing a number of SA co-operatives, had made submissions during the national consultation and changes were made to the draft National Law in response to their concerns.

South Australia's implementation of the Co-operatives National Law

By entering into an intergovernmental agreement via the Legislative and Governance Forum on Consumer Affairs, States and Territories committed to implementing the Co-operatives National Law, either by enacting application of laws legislation to apply the New South Wales law as amended from time to time as a law of their State or Territory or by enacting alternative consistent legislation.

Under this Bill, the NSW Act will not automatically be applied in South Australia from time to time as amended, rather amendments could be adopted by the making of a South Australian regulation, which will be subject to disallowance by Parliament in the usual way. This model is favoured as it maximises the ongoing

consistency of the law of South Australia with the other jurisdictions, thus delivering the benefits of the Co-operatives National Law, while maintaining South Australian Parliamentary sovereignty.

I commend the Bill to Members.

Explanation of Clauses

Part 1—Preliminary

1—Name of Act

This clause sets out the short title of the measure.

2—Commencement

The measure will be brought into operation by proclamation.

3—Definitions

This clause sets out various definitions that are relevant to the operation of the measure. It will also be the case that terms used in the measure and also in the National Law text have the same meanings in the measure as they have in the text.

Part 2—Application of National Law and Co-operatives National Regulations

4—Application of Co-operatives National Law

This clause applies the *Co-operatives National Law*, as set out in the Schedule to the measure, as a law of the State.

5—Amendments to Schedule to maintain national consistency

This will allow the Governor, by regulation, to amend the Co-operatives National Law, as set out from time to time in the Schedule to the Act under the scheme established by this measure, for the purposes of the law of the State if the Governor is satisfied that the amendment corresponds, or substantially corresponds, to an amendment made by the Parliament of New South Wales to the national law.

6—Application of Co-operatives National Regulations

The National Regulations under the Co-operatives National Law are to apply for the purposes of the *Co-operatives National Law (South Australia)*, subject to any modifications that may be made by the Governor for the purposes of the legislation as it applies in South Australia. The Minister will be required to ensure that any regulations made under the national law are tabled in both Houses of Parliament and these regulations will be subject to disallowance in the same way, and within the same period, as regulations made under an Act of this jurisdiction.

7—Meaning of certain terms in Co-operatives National Law for purposes of this jurisdiction

This clause defines certain words and expressions used in the *Co-operatives National Law (South Australia)*.

8—Exclusion of legislation of this jurisdiction

This clause excludes the operation of the *Acts Interpretation Act 1915* from applying to the *Co-operatives National Law (South Australia)*, the *Co-operatives National Regulations (South Australia)*, the *Co-operatives National Regulations* or other instruments made under that Law. The clause makes it clear that it does not affect local regulations made under the proposed Act.

Part 3—Some matters referred to in *Co-operatives National Law (South Australia)*

9—Designated authority, designated instrument and designated tribunal (Co-operatives National Law section 4)

This clause specifies for this jurisdiction the meaning of certain terms used in the *Co-operatives National Law (South Australia)*. These terms are *designated authority*, *designated instrument*, and *designated tribunal*.

10—Disposal of consideration for shares compulsorily acquired (Co-operatives National Law section 436)

These provisions will allow for the continuation of certain accounts and arrangements relating to money held in South Australia.

11—Deregistration (Co-operatives National Law section 453)

This clause results in certain property of a deregistered co-operative vesting in the State of South Australia. This clause achieves this by providing that the specified entity referred to in section 453(d) of the *Co-operatives National Law (South Australia)* is the State of South Australia. By way of explanation, section 453 of the national law applies provisions of the Corporations Act that refer to the Commonwealth, and clause 11(1) has the effect of substituting the State of South Australia for this purpose. Clause 11(2) replaces references to a Special Account under the Commonwealth legislation with references to an account established or approved by the Treasurer.

12—Costs of inquiry (Co-operatives National Law section 530)

This clause provides that the costs of an inquiry required to be paid under section 530(3) of the national law must be paid to the Corporate Affairs Commission.

13—Secrecy (Co-operatives National Law section 537)

This clause provides that information obtained in the course of administering the *Co-operatives National Law (South Australia)* or the *Co-operatives Act 1997* may be divulged to certain specified persons.

14—Pecuniary penalty orders (Co-operatives National Law section 556)

This clause provides that a pecuniary penalty ordered to be paid in the State is a civil debt payable to the Corporate Affairs Commission on behalf of the State, and is recoverable accordingly.

15—Stamp duty (Co-operatives National Law section 620)

This clause provides that stamp duty is not payable on certain instruments associated with co-operatives, and stamp duty already paid is to be taken into account in respect of certain other instruments associated with co-operatives.

16—Registration fees (Co-operatives National Law section 620)

This clause provides that registration fees are not chargeable under any Act in respect of certain instruments associated with co-operatives.

Part 4—Regulations

17—Local regulations

This clause authorises the Governor to make regulations (*local regulations*) for the purposes of the proposed Act or as contemplated by the Co-operatives National Law as applying in this jurisdiction.

Part 5—Miscellaneous

18—Non-application of Co-operatives National Law to housing co-operatives and other bodies

This clause provides that the *Co-operatives National Law (South Australia)* does not apply to certain co-operative housing bodies.

19—Orders and other instruments published in Gazette

This clause contains evidentiary provisions relating to the making of orders, notices, exemptions and other instruments published in the Gazette.

20—Proceedings for offences

This clause provides for the procedure for the prosecution of offences under the proposed Act and the *Co-operatives National Law (South Australia)*.

21—Proceedings for recovery of fines or penalties under co-operative's rules

This clause provides for the recovery of fines and penalties imposed by the rules of a co-operative.

22—Particular officials protected from liability

This clause gives protection from civil liability to certain persons.

23—Registrar of Co-operatives

The Corporate Affairs Commission is to constitute the Registrar of Co-operatives under the legislative scheme.

24—Repeal

The *Co-operatives Act 1997* is to be repealed.

Part 6—Savings and transitional provisions

25—Definition

26—Local regulations for savings or transitional matters

27—General savings

28—Registration of co-operatives

29—Entitlements of former members of trading co-operatives (Co-operatives National Law Schedule 3, clause 1)

30—Entitlement to distribution from business or reserves of co-operative

31—Minimum paid up amount of shares (Co-operatives National Law section 78(4))

32—Personal property security interests

These clauses contain some specific transitional provisions.

Schedule 1—Co-operatives National Law

This Schedule sets out the Co-operatives National Law. It is divided into Chapters and Schedules, which are briefly summarised as follows.

Chapter 1 Preliminary

This Chapter sets out the principles used by a co-operative organisation. The principles are those agreed by the International Co-operative Alliance and incorporated into Recommendation 193 of the International Labour Organization. The Chapter contains interpretation provisions and also sets out the relationship between the Co-operatives National Law and the Corporations Act. The provisions of the Corporations Act that are applied throughout the Co-operatives National Law are collected in a note and cross-referenced in tabular form along with relevant modifications for ease of reference.

Chapter 2 Formation, powers and constitution of co-operatives

This Chapter provides the mechanism for incorporating a co-operative and specifies the legal powers of the incorporated body as well as the legal assumptions that underpin a co-operative's dealings with third parties. It identifies the matters that must be included in the rules of a co-operative and authorises the Registrar of Co-operatives to publish model rules that a co-operative can adopt. The Chapter also sets out the nature of share capital of a co-operative and establishes the legal notions of membership and active membership. Member rights and obligations as well as the circumstances in which membership is cancelled and any rights accompanying cancellation are dealt with in the Chapter.

Chapter 3 Management and operation of co-operatives

This Chapter deals with corporate governance of a co-operative. Matters such as the board as the managing organ, directors and their duties and meetings are included. Matters relating to financial reporting and auditing are contained in the Chapter along with provisions governing fundraising from members and the public.

Chapter 4 Structural and other events for co-operatives

This Chapter deals with corporate structural events such as external administration, mergers, schemes of arrangement and transfers of incorporation. Relevant provisions of the Corporations Act are applied and modified to achieve consistency of treatment in most external administration processes. Special provisions for caretaker-type administration and administrative powers of the Registrar of Co-operatives leading to a winding up are also located here.

Chapter 5 Participating co-operatives

This Chapter replaces the existing system of multiple registration to enable cross-border trade by co-operatives with a mutual recognition scheme for co-operatives from jurisdictions that participate in the Co-operatives National Law scheme.

Chapter 6 Supervision and protection of co-operatives

This Chapter establishes the powers of the Registrar of Co-operatives, inspectors and special investigators and the procedures that must be used when conducting an investigation. The Co-operatives National Law will introduce consistent powers and procedures across jurisdictions. If necessary, however, a particular jurisdiction will be able to modify provisions in this Chapter to account for local circumstances.

Chapter 7 Legal proceedings and other matters

This Chapter establishes nationally consistent provisions for offences, civil penalty provisions, appeals against administrative decisions, and the use of evidence in proceedings.

Chapter 8 General

This Chapter deals with administrative and other miscellaneous matters such as those relating to the office of Registrar of Co-operatives, the service and filing of documents, and the making of National Regulations.

Schedules

Schedule 1 sets out the matters that must be addressed in the rules of a co-operative.

Schedule 2 defines terms used in provisions that regulate interests and control in shares of a co-operative.

Schedule 3 contains savings and transitional provisions.

Schedule 4 sets out interpretation provisions that are nationally consistent and are used in place of the interpretation legislation in each jurisdiction.

Debate adjourned on motion of Mr van Holst Pellekaan.

SUBORDINATE LEGISLATION (MISCELLANEOUS) AMENDMENT BILL

Received from the Legislative Council and read a first time.

At 17:59 the house adjourned until Thursday 21 February 2013 at 10:30.