HOUSE OF ASSEMBLY

Tuesday, 23 September 2014

The SPEAKER (Hon. M.J. Atkinson) took the chair at 11:02 and read prayers.

The SPEAKER: Honourable members, I respectfully acknowledge the traditional owners of this land upon which this parliament is assembled and the custodians of the sacred lands of our state.

Bills

RETURN TO WORK BILL

Second Reading

Adjourned debate on second reading.

(Continued from 6 August 2014.)

Mr MARSHALL (Dunstan—Leader of the Opposition) (11:03): I rise to talk on the Return to Work Bill and indicate that I will be the lead speaker for the opposition. There are other people who will be making contributions in the house today on behalf of the Liberal opposition, but I give my commitment to the Attorney-General and to the government that we will be working as cooperatively as we can to see this legislation go through this assembly in the time frame that has been allocated and agreed with the government. I envisage that this will be through this house by tomorrow night at the latest.

My clear message to the government on WorkCover reform is: get on with it. This is something that the government has been talking about for an extended period of time. They have been presiding over the worst system in its—

Members interjecting:

The SPEAKER: I call the members for Kaurna and Elder to order. The Leader of the Opposition will be heard in silence.

Mr MARSHALL: This government has presided over the worst WorkCover scheme in the country for an extended period of time, and it is now time to get on with it. Let me tell you about a conversation I had after the election.

I rang the Premier and wished him all the very best for this next session of parliament. I said to him that we faced significant challenges in this state. This state has ground to a halt. After 12 years of the Labor government's economic mismanagement in South Australia, we have ground to a halt. There are very few things that we agree on in terms of policies to get this state moving in the one direction, the right direction.

The one area we do agree upon is that the WorkCover scheme in South Australia is completely and utterly broken, and both sides of this parliament need to be working together to make sure that we address this issue. Make no mistake: we are operating in this situation because of 12 years of Labor's mismanagement of this scheme, mismanagement on a day-to-day basis and mismanagement in terms of its legislation. However, we are going to be partners, partners in fixing Labor's mess, and that is why we are here today.

Of course, I was disappointed when I spoke to the Premier and said that this was a priority. I have had numerous meetings with the Deputy Premier, who I know shares my concern that this is a broken system and much in need of repair. We attended all those meetings, and the government promised us that this legislation would be advanced as quickly as possible, and we said that we would not get in the way whatsoever.

The government promised that it was going to be introduced before the end of June. Did the government fulfil that obligation? No, it did not. It said it was going to introduce legislation by the first

sitting day after the winter break. That was some time ago now and, again, did it fulfil its obligation? The answer is no. The government said that it was going to be introduced today, and it has been introduced today, but I make this point: we received 13 pages of amendments to its own legislation on Friday night last week. We thought we had better get cracking on this, only to be left with a whole pile of additional amendments on Sunday night and, not to be outdone, more amendments on Monday night. I am not sure what these folders are, but—

Members interjecting:

The SPEAKER Order!

Mr MARSHALL: —they could be more amendments. We are not sure because just before I came down here the Deputy Premier was standing outside Mr Lucas' office like a boy going to see the headmaster. I do not know what he was going to talk about; maybe there are some more amendments that he is going to introduce. We are committed to doing everything we possibly can to improve this broken system in South Australia but, quite frankly, we remain sceptical, and we remain sceptical for a very good reason—because we have heard it all before.

This is a government which set about fixing the broken system back in 2008. It was going to have fantastic reforms and radical reforms to once and for all fix this broken system which Labor has presided over. Let me remind the house of some of the claims made by the Labor government at this time. Here is the first one:

> The Government's WorkCover reforms will help us deliver a workers compensation scheme that is fully funded, fair to workers and affordable.

That claim was made by the government in June 2008, but the scheme never became fully funded, it was not fair to workers and it certainly was anything but affordable. In 2008, the government went on to state:

> The Government is committed to maintaining the best and fairest worker's compensation scheme in the nation.

Let me tell you that it is the worst. It is the worst scheme in the nation, and it has been the worst scheme in the nation for an extended period of time, all the time being presided over by Labor. Another comment made by the minister at the time was, 'Central to this…will be to find the best way of getting workers back to work.' Again, did the government deliver on this commitment? No. Our scheme in South Australia has the worst return-to-work statistics and the worst return-to-work performance in the entire nation, and it has had that unenviable mantle for an extended period of time. The minister said:

> Changes to the WorkCover scheme are aimed specifically at improving the rehabilitation and the return to work rates of injured workers and making the scheme more affordable and efficient.

We have the worst return-to-work statistics, we have the highest costs in the entire nation—and that has been the legacy of the reforms that were introduced in 2008. At the time we were sceptical about elements of those reforms, but we worked with the government. Why? Because we wanted to take that handbrake off the productive component of our economy and get our state moving in the right direction.

Of course, 2008 was not the first attempt the government had to try to reform the WorkCover scheme. Let us look at some of their other failed attempts to reform this system in the past. One of my favourites is the government's decision back in 2006 when they tried to convince the parliament that moving to a monopoly claims agent would drive efficiency and reduce the costs of the scheme. In fact, they went further: they said that within two years this would result in a $100 million per year reduction in unfunded liabilities. It went in exactly the opposite direction!

In 2006 they also said that we were going to have a single legal service for the WorkCover scheme in South Australia. Of course, both of those decisions have been subsequently reviewed by the government. At the time, the Liberal opposition in South Australia cautioned the government regarding these so-called reforms. Did the government listen? No. We ultimately supported those because we wanted to see reform, but these other attempts in the past have not worked.

The government also had their failed attempt at almost eliminating the possibility of redemptions in South Australia—now they are talking about redemptions in South Australia. They have made it harder and harder each and every single year for firms to become self-insured by increasing the exit fees. We have been arguing for years and years that we need to remove hurdles. For people to get off this scheme and to become self-insured the government has taken exactly the opposite stance.

Let us take a look at what the government said with their radical reforms in 2008. They said that what they wanted to have was the earliest possible return to work for the scheme. At the time in 2008, of course, it was the worst in the nation. Fast forward to 2014 after these radical reforms have gone through supported by the parliament, and where do we sit now? I will tell you where we sit, Mr Speaker, in exactly the same position; the worst in the nation. After these radical reforms previously supported by the parliament, we have gone from the worst to the worst. We are still the worst—there is no change there.

The government importantly said they were going to reduce levy rates because at the time, in 2008, the average levy rate in South Australia was 3 per cent and the government, hand on heart, said, 'What we are going to do is reduce that down to 2.25 per cent.' Of course, the business community was ecstatic and said, 'Look, this is fantastic because we are already the highest in the nation and it's a real drain, a real handbrake on the productive component of the economy.' How did they go? Let me tell you how they went. Fast forward six years: our break-even levy rate in South Australia, as most recently reported by WorkCover, is 3.34 per cent. It has gone backwards from where it was since before the last level of reforms.

Of course, my favourite claim made last time by the government when we were reforming the system was that the scheme would become fully funded. At the time there was an unfunded liability of the scheme of $844 million. So, I ask the question: what is it down to after these radical reforms? They did not exactly deliver on the other two metrics, so how did they go with this one? Hold on, let me take a look. Oh no! It is three out of three. They have gone backwards in three out of three. In fact, the unfunded liability most recently reported in December 2013 went up from $844 million before the reforms to $1.23 billion after the reforms. It almost has you saying to the parliament, 'Please, no more reforms.' They seem to be getting worse every time this government tries to look at this scheme.

We now have a situation where we have the highest levy rate in the country, and that is shameful. We have the worst funding ratio in the country, the worst return-to-work rate of any state in the country and the highest number of disputes in the country. Our scheme takes the longest time to resolve those disputes in the country, and we are spending three times the proportional cost on rehabilitation than any other scheme in this country.

Labor's failure to reform WorkCover has been another unnecessary drag on our state's economy at a time when, quite frankly, we are going backwards. Our domestic economy in South Australia is going backwards. While the other reformist Liberal governments around the country are moving their economies forward, South Australia has been stuck dead in the water—absolutely dead in the water. One of the major reasons for this is, of course, the cost structure of operating a business in South Australia. We have to do everything we possibly can to take that handbrake off and WorkCover is certainly a good place to start.

When I look around at the rest of the country, I have to say it is a sobering set of statistics. Our average rate of 2.75 per cent, as I pointed out, only increases the unfunded liability each and every year because the break-even rate is actually 3.34 per cent, so we are just kidding ourselves at the moment. Let us have a look at what exists in other states of Australia. The best performing state in Australia most recently reported last financial year was Victoria and it had a rate of 1.298 per cent. Correct me if I am wrong, but that is less than half the rate that we have in South Australia. New South Wales, 1.55 per cent; Western Australia, 1.66 per cent; and Tasmania even beats us at 2.36 per cent.

I want to really focus a little bit on Queensland. Last financial year the average rate for Queensland was 1.46 per cent, significantly better than South Australia's position of 3.34 per cent break-even point, but guess what the Premier of Queensland, Campbell Newman, did at the most

recent budget? He lowered his WorkCover rate again. Their rate in Tasmania with a solid reformist Liberal government implementing solid reformist Liberal policies has delivered the lowest WorkCover rate in the nation—1.2 per cent. Our break-even rate in South Australia is 3.34 per cent. It is absolutely shameful.

What has Campbell Newman been able to achieve by focusing on providing incentives and improvements to the productive component of the economy? I will tell you what he has been able to do. He has been able to create last financial year 65,000 new jobs in his economy. We are going backwards in South Australia. We know where he is getting those employees from. They are coming from South Australia. They are going across the border just like our investment dollars are going across the border. They are going into these jurisdictions which have a focus on having the right policy settings to promote economic growth in their state.

I think it is also important when we do a comparison with other states of Australia to have a look at the funding ratios. This is how much of their scheme is funded, or in our situation in South Australia unfunded. It is interesting to take a look because our scheme is not fully funded. In fact, our funding ratio is just 60 per cent, so we have a massive and growing unfunded liability in South Australia, but let us look at the other states, maybe they are just subsidising their rates as well. Let us look at Queensland—no, Queensland is overfunded. They have a 132 per cent funding ratio, so they are actually making a profit out of their scheme each and every year; they are fully funded. In Victoria they are 116 per cent funded. New South Wales is 104 per cent funded. Western Australia is 126 per cent funded. Let us look at Tasmania because usually we are sort of battling it out with Tasmania—no, Tasmania is 111 per cent funded.

The rest of the nation is running fully funded WorkCover schemes, so we are the only state in Australia which has an unfunded scheme. We simultaneously have the worst performance statistics in terms of return to work, so it is not good for our employers, it is not good for our employees either and, of course, we have the highest rate in Australia. We are kidding ourselves. We are completely and utterly kidding ourselves because the real rate, as we know, should be 3.34 per cent.

We also need to somehow chew through this unfunded liability that the government has allowed to grow each and every year. It is not a good situation and, of course, that $1.23 billion unfunded liability does not include the public sector. If you look at the public sector you are talking about another $400 million black hole in South Australia.

What happened when Labor came to power? Where were they actually sitting? I took a look at those because I think it is always important to make comparisons with other states. I have just provided that to the house. I think that it is also important to make comparisons with the previous government. In the full financial year before they came to power, the unfunded liability in South Australia sat at just $56 million. There is a big difference, is there not, between $56 million and $1.23 billion, plus the public sector figures? It is a massive increase.

Pitcher Partners do a state tax review, which is often referenced by this government, and I want to go through what people would be paying if they had their businesses interstate. I am not encouraging people to do this, but here is the danger that, if we do not get these things right, people are going to be leaving with even greater velocity than they have been leaving in the past. Pitcher Partners breaks it down into some streams. With the first stream, if you have a wages bill of $1.178 million, in South Australia you would be paying a whopping $32,407 per year in WorkCover premiums, and if you were in Victoria, you would be paying just $15,000. That is less than half the rate if these firms—

Members interjecting:

The DEPUTY SPEAKER: Can I remind members that it is unparliamentary to interject. There seems to be some sort of echo behind you, leader. It would be good to hear you just speak on your own.

Mr MARSHALL: I think that the thing about this debate, Deputy Speaker, is that people are very concerned about WorkCover rates.

Honourable members: Hear, hear!

The DEPUTY SPEAKER: I ask members not to interject. I hope that you will agree with and support me in my asking for that, sir.

Mr MARSHALL: In the Pitcher Partners' survey of five states in Australia, we are ranked fifth in terms of cost for a firm with that remuneration. They have the next remuneration level up as $5.8 million per year (this would be a mid-sized firm), and we are still ranked fifth out of five states in their survey. In this situation, with a $5.8 million wages bill, that firm in South Australia would be paying $160,000 per year in WorkCover premiums and in Victoria just $75,00 per year. That is the order of magnitude: an $85,000 impost each and every single year because of the ineptitude of this government to fix its own mess after 12 years.

It is interesting that when Arnott's, which had been manufacturing biscuits in South Australia for generations, made a decision to reluctantly move their manufacturing capability interstate, they did it because of costs. They said that it would be far cheaper for them to be manufacturing those biscuits interstate. I know that the Deputy Speaker is very upset about this. I am sure that she is a big fan of the Monte Carlo, the Iced VoVo and of course—

The DEPUTY SPEAKER: I can honestly say that I have never eaten an Iced VoVo. Back to task.

Mr MARSHALL: You haven't lived. Anyway, I digress. I make the point that we are now seeing this flood of businesses, which, quite frankly, do not want to leave this state—they have had a very proud tradition of operating in this state, manufacturing, etc.—but they are leaving because they have to. The costs of operating after 12 years of the wrong policy settings, the wrong economic settings, by this government are hurting, and we are all suffering the consequences.

The government often says (and the Deputy Premier has made this point to me on many occasions) that the problem with the existing scheme is the legislation. I put it to you that it is a combination of two things: the management of the scheme and the need to constantly look at updating our legislation. Let's take a look at the management of the scheme which has been presided over by this government for 12½ years and, by way of comparison, I want to reference what the local government does in this area.

Back in 1986, the Local Government Association set up its own workers compensation scheme, and they immediately created an environment within that sector of improving safety and return-to-work outcomes for local government staff across this state. It is a very interesting tale of two outcomes. You have the state government scheme, and if those local governments were on the state government scheme, their rate would be double what it is on their scheme. They would be doubling the contribution and it would be a burden on every single council and ultimately every single ratepayer in South Australia. They made the decision to get out of the scheme; I wish we all could. They made the decision to get out of the scheme, and let's just see how much better off they are, on half the rate.

Their annual report from last year showed a surplus. They actually operated a surplus of $28.5 million last year, with a rate at half what it would be if they were on the scheme in South Australia. Not only that, they had a distribution back to their member councils of profit that year. It is an incredible situation that the local government sector, using exactly the same legislative framework, can have a rate which is half what it would be if they were on the scheme, return a surplus during that year and have a distribution to their member councils lowering councils' rates to people doing it tough in South Australia.

Let's have a look at their funding ratio. Maybe they have been doing what we have been doing; maybe they have been having a bit of a subsidy by an increase in unfunded liability. No; I took a look at what their unfunded liability was. It is actually a funding surplus, and they are fully funded to 244 per cent. It begs the question: why is it that the local government sector can run a scheme with the same legislation for their member councils that the government has no hope of getting anywhere near? As I said, the Deputy Premier has put it to me on many occasions that the problem with our scheme is the legislation. I put it to the Deputy Premier that it is a combination of the two.

I am grateful. I think it is time that we had some honesty in this debate. The government has acknowledged that it has not been run well for an extended period of time. In fact, they are out there

now saying that we can actually save the business community $180 million each and every year. We welcome that, but it begs the question: if they can save the $180 million a year going forward, they have had a $180 million a year handbrake on the productive component of the economy going backwards. If you logically extrapolate that for the term of this government, we are talking about more than $2 billion—a $2 billion burden on the 49,000 businesses in South Australia and consequently the more than 800,000 workers in South Australia that this government's mismanagement of the scheme has provided.

I will say to the government that we will be supporting the passage of this legislation through this house this week. We cannot arrive at a final position on a range of amendments, mainly due to the fact that many of them have only come through in recent days and there could be more today. We have no idea of what the government is actually going to provide us with. Many of the stakeholders that we have been dealing with have made it quite clear that they are supportive of trying to fix this broken system in South Australia. We are supportive of trying to fix this broken system in South Australia, but many of the stakeholders, like the opposition, have not been able to form their final opinion regarding some of the amendments that have been put forward, and so we will reserve our right in the other place to negotiate with the government on some of the amendments that they have been discussing.

I think it is fair to say that we would like—and I think the business sector shares this with the Liberal Party—to see this scheme start as early as possible and we would like ask the government to consider bringing the start date of this new scheme forward. If the government says that it can save $180 million by implementing these reforms, let's start it on 1 January. Let's save the business community $90 million as soon as possible. We have a business community in South Australia which needs some relief. It needs as much relief as it can possibly get at the moment, and we will work with the government, if the government believes that there is an opportunity, to start these reforms on 1 January, because we think it is so important to provide that relief to the business community.

We have some concerns, and some stakeholder groups have said that they have some concerns, regarding the removal of the industry cap at 7.5 per cent. Members may be aware that there is an upper limit of 7.5 per cent at the cap and there are some firms above that. I have received a position this morning from the AI Group which is looking for assurances that the changes relating to secondaries and the dilution of the industry classification caps will not have an immediate effect on any individual companies whereby their business operations are at risk, and I think that is a reasonable concern that the AI Group has.

If this guarantee cannot be given, there needs to be some consideration of a transition phase, and we look forward to discussing that with the government. I know that the government does not want to see harm to firms that find themselves in this situation. We have already had some preliminary discussions regarding this.

I think it is also fair to say that, when we first started negotiating the reforms, there were considerable concerns within the business community about the reintroduction of common law in South Australia. The government has negotiated with those industry groups and it is fair to say that they have been able to assure some of those stakeholder groups that their 30 per cent threshold will be acceptable. We are pleased that the stakeholder groups have been negotiating with the government, and the new threshold is acceptable to the employer groups.

I would also like to say that we are talking to employee groups and unions but, again, many of them have said, 'We are still negotiating with the government.' I met with one significant group yesterday that could not give us their final position because they are still negotiating with the government. I think, unfortunately, much of the debate on this bill—the two bills, in fact, that form part of this overall reform—will take place in another place where neither the Deputy Premier nor I can participate in those negotiations.

We are also considering the other piece of legislation which the government is putting forward at the moment, the South Australian Employment Tribunal Bill, and we would highlight to the government that we consider that it would be advantageous to move this tribunal to the new SACAT framework the government has established—with our support. It is long overdue, a bit like these WorkCover reforms. The SACAT reforms are extraordinarily long overdue and we would ask

the government to give some consideration to moving the tribunal that they are currently advocating for into the new SACAT arrangements.

At the moment, we have an extraordinary situation where the government is trying to get rid of government boards but, on the other hand, they are in this parliament introducing another one. It flies in the face of common sense to be getting rid of a whole pile of boards and creating them simultaneously. I think it is important that we place on the record in this debate that we would like to see the government give some consideration to using the new framework of the SACAT for the tribunal.

In summary, we are supportive of these reforms promoted by the government and we are committed to working with the Deputy Premier and the entire government to improve the outcomes in South Australia for both employers and employees. But, make no mistake: what we are doing in this parliament at the moment is fixing the mess that has been both presided over and reinforced by this government over 12½ years in office.

All previous attempts by this Labor government in South Australia have failed, and it is important to reflect on that. On many, we have stood in this place and raised concerns but the government has pushed ahead with them and, two years later, we found out it was not the panacea and the government has removed those reforms. We want these reforms to work. We need these reforms to work. There is no doubt that our state is falling further and further behind the other Liberal reformist governments in Australia, and I give my commitment that we will work as diligently as we can with the government to make sure this happens.

WorkCover reform is also no panacea for the problems that we have in South Australia. We need a government in South Australia that is going to get our WorkCover scheme right, but it needs to immediately turn its attention to getting tax reform into this state, and that needs to happen as a matter of urgency. At the moment, the government is out there increasing taxes, increasing the burden on the productive component of the economy. It wants to take a $180 million burden from the productive component of the economy in South Australia and it wants to jack up the taxes in each and every other area across the state. It is incredibly disappointing at the moment.

When the budget was handed down, when we already had the highest taxes in the nation, the highest business taxes in the nation, taxation revenue for this current financial year went up further, by another 10 per cent. That is the last thing businesses need. We need more than WorkCover reform: we need tax reform. Importantly, we also need regulatory reform.

If the government thinks that cutting a few boards is regulatory reform, it needs to think again. Nice try. It is not going to work. Cutting a couple of boards that hardly even met because of the government's ineptitude is not regulatory reform. We need a decent attempt at reducing the regulatory burden on each and every business here in South Australia and, of course, we need public sector renewal.

It is fair to say that our public sector is extraordinarily demotivated after 12½ years of Labor government mismanagement. It is the largest asset in this state. Any business person will tell you that the largest asset in a business is the people who work for it, and the biggest asset for this government is the public sector, and it is demoralised, completely and utterly demoralised. The government needs to hasten the public sector renewal program in South Australia to make sure that our biggest asset is working for the overall recalibration of our state.

We will be working diligently over the next two days. I am looking forward to the contribution of many people in my team who share my thoughts, and that is that we have got to work very hard to push through these reforms to provide much needed relief to businesses in South Australia.

Ms CHAPMAN (Bragg—Deputy Leader of the Opposition) (11:36): I speak on the Return to Work Bill 2014 introduced by the Attorney-General on 6 August 2014. First, I indicate my concern that we are back here again for all the reasons that the leader (our lead speaker) has outlined: the desperate circumstances of our workers compensation in South Australia because of the government's mismanagement of this area of responsibility. It has been repeated, it has consistently failed and reforms that the government proposed to introduce to remedy this are now on the chopping block for review again.

As indicated, we will continue to support anything that will help our desperate business sector in South Australia to ensure that we restore some productivity for this state and have a future for our children. However, it does concern me that, because of the government's ineptitude and failure to understand that it is their own failings that have left us in this position—and clearly they are not prepared to remedy that—the opposition is left in a situation where, if we are to provide any hope for the independent sector, which earns the money for our state, we have to accept the government's answer, and that is to blame someone else for their own incompetence.

To do that, to achieve what they now promise—that is, an average levy rate of 2 per cent, substantial savings, they claim, of some $180 million a year to employers and the like—they are effectively reducing both the access to and the amount of support and, indeed, the period during which support for someone who is injured in the workplace will have some benefit.

For the sector representing those in the workplace who sustain injury, who look to some support under this insurance scheme, the government has proposed a supplementary common-law arrangement. I will go into the detail of how these changes have some effect at the committee stage, but I will say at the outset that the government's proposal will essentially cut benefits to the injured and provide them with an opportunity for a common law claim that is so inaccessible to almost all those who are injured in the workplace that I think it will be relegated to being just a shallow promise that will give no real benefit to those who are injured.

To give an example of that, I recall from the briefings we had that the injured party would have to be very seriously injured to be able to even access the opportunity to have a common law claim, and, of course, in doing so they preclude themselves from other entitlements. There is a threat that if you go down the common law claim line you become disqualified from other benefits. To give members some understanding of the disability required, there would have to be multiple limbs lost, there would have to be paraplegic or quadriplegic or spinal injuries, there would have to be an acquired brain injury of a serious nature. These are very significant injuries for someone to even be able to have the right to consider making an application under common law.

Whilst there has been some debate, in the discussion on these reforms, as to how that may impact on the levy rate for employers—that is, introducing a common law relief—I have recently re-read the contributions made by the Hon. Trevor Griffin when he fought valiantly to protect against the abolition of common law claims in 1989. It does concern me that, whilst this is back on the table, it is really just a shallow and, I think, insincere proposal by the government in an attempt to placate those who are representing the injured. The capacity for only the few to have access to that is, obviously, very limited.

In the introduction of this bill the government announced that it had also reformed the board; indeed, by an announcement from the Premier in, I think, August last year that they would have a new, commercially-focused board. This is after 12 years of a government that has operated with various boards, all of which it has introduced and changed around over a period of time. It has clearly not adequately managed the performance and delivered on the performance of this board—increased debt, increased levy, etc.—for all the reasons set out by the leader.

What I find curious is that the Attorney stated, in his contribution on the announcement of this commercially-focused board, 'As a result, WorkCover's financial position improved by $96 million for the six months to 31 December 2013.' I found that rather curious, given that the new board announced by the government did not actually commence operation until 1 November 2013. Assuming that it did not work through Christmas Day, it would have had less than two months to be effective in the turnaround of the saving of $96 million.

The Attorney went on to say that the unfunded liability had dropped to $1.23 billion from $1.37 billion as at June 2013, providing a significant improvement. As has been pointed out by the leader, six months into this year we are now into a further deteriorated state. It does concern me. We are always promised this panacea of relief and reform which will produce results for the benefit of all, and they are evaporating.

I raise two matters I am concerned about. One is that the government has not, I suggest, been full and frank in its disclosure to the people of South Australia about what the modelling and calculations are in respect of the alleged financial benefit of this scheme. Why would the government

keep this secret? The obvious answer, of course, is that it does not want stakeholders to be aware of what the modelling is in case there is some criticism of it or there is some alternate work done. The way to keep people who are against a certain position silent is to keep them isolated from information so they cannot do their own work to challenge and/or confirm the material that has been provided.

The government asserts that this legislation will provide a saving of some $180 million a year. Not surprisingly that dazzles the business industry and the representatives of those industries, who would, of course, welcome those opportunities, whether they are self-funded or whether they are the Local Government Association (which is obviously performing very well in that category), or whether they are in the WorkCover fund arrangement, which is where most small and medium businesses are in South Australia. Obviously, their eyes light up at the prospect of having the saving, but the government says, 'Well, we will only give you some brief information about what is provided to us.'

On our understanding, on a confidential basis only, the cover sheet, the letter that goes with the information that is being prepared for the government, and this is by the actuarial firm Finity, has been disclosed. So, we are not even allowed to look at the information that asserts the alleged benefit to the industry. I am also not certain as to whether the $180 million is for everybody; that is, including the government as an employer that provides its own funding arrangements and that does not, of course, contribute; it has its own WorkCover scheme as such. It is a self-funded arrangement and so all of our police, nurses, teachers and so on rely on the government. But be under no illusion, the reforms in this legislation, which seek to diminish the entitlement and opportunity for injured workers to seek recovery and support, will of course apply to those in the Public Service, where there are over 100,000 people.

I did ask about what the situation would be for the government. I have received some information back from those who provided the briefing. It appears that, under his management, Mr McCarthy, the chief executive, who I think has now spent one year as the chief executive of WorkCover, has had some wins. He provided in a briefing to me and in subsequent information that the cost impact on the public sector, which is a government saving, is expected to be up to $219 million and that is to do with the potential saving to the public sector in income maintenance and medical liability by limiting the current number of claims continuing beyond two years.

The way I read that, it would wipe up to $219 million off the balance sheet for the government exposure and the liability for its workforce. There is no provision of information as to what the annual saving is expected to be for the government as a funder of compensation to its employees. Again, I think the denial of access to that information not only raises the pessimism that I have but I think all stakeholders have in not having access to this information.

The government provided information when it wanted to say to us, 'We can't afford the CFS insurance opportunities for cover for CFS officers in certain cancer categories,' and to reverse the onus of proof. They bundled out the material on that to try to convince us that this would be a financially oppressive outcome and that it could not be justified. When it suits them they give us the information, when it does not suit them they keep it concealed and it suffocates the opportunity of full and frank debate in relation to this matter, so I raise that as a concern.

The other matter I note in this bill, which has not had much attention, is the government's decision to make a provision in the bill for a refund of any surplus. Under the current act we have a scheme which provides for a bonus. Under this bill, essentially, it is proposed that there will be a scheme adjustment or review upon certain thresholds being achieved. So, on the basis that certain criteria are going to be met there will be a refund back to the industry, those who are paying into this scheme, either by a refund or a relaxation or reduction of rate in future years

It is a bit like the promises that the now Minister for Health made when there was going to be all the reforms in the Motor Accident Commission—that with all the government's proposed amendments there would be an opportunity to reduce the registration fees for motorists. We all know what happened with that, of course, and how motorists have been skun by that deal.

This new scheme seeks to provide that the corporation achieves a 'funding level of at least 100 per cent at a probability of sufficiency of 75 per cent', and certain other formulae apply, and the

government have provided information as to how they are to work. It essentially means that if for two years in a row the fund gets back into surplus, so to speak, there is an opportunity for a refund of those funds.

The proposal under this bill is to ensure that one half of those moneys is to be available back to those who make a contribution to the fund—that is, those who pay the levies—and one half of it is to go into a rehabilitation scheme, and that money is then paid to various parties to support the rehabilitation of workers. I do not have it at the moment, but I will refer to it during our debate in committee, but the proposal is that half of the levy will go back to those who pay into the fund and the other half of the fund, which currently exists and which receives other moneys, will be for employee education.

Looking at the government website on this issue, it appears that very significant moneys have been paid to universities. Money has been paid to SA Unions to provide reports, reviews, assessments and education, to assist in the education of a safer workplace and the like, for the benefit of people in the workplace. I am not here to criticise the merits of actually having some funding from government to ensure that they support the educative role in a better and safer workplace. I would like to see some of that funding that currently goes to SafeWork SA, which I think has some limitations, ensuring that this is an ongoing provision.

What I do not agree to, and what I am advised is unique in Australia, is that when and if this fund ever reaches a surplus (and that might be complete fantasyland) is this being imposed on those who contribute; that is, half their money is going to be sent off to some other party. If it ever does reach a surplus, then I consider that that scheme bonus arrangement should be fully refunded to those who make the contribution.

When I questioned this, it seems to be generally that 'the scheme is there for the benefit of the workers and the workplace and therefore this is a good idea'. If there is too much money paid into a fund, or it is not necessary for the purpose for which it was set up, quite frankly I think the government are being inconsistent and insincere if they do not agree to that being refunded.

Perhaps they have gone to the unions and said, 'I know we are taking a bit away from the workers under the amendments we propose with this new scheme, so we will give you a bundle of money at the other end.' I do not know the answer to that, but I do know that it may be unique in Australia but that, in my view, it is inconsistent with the government's mantra that they care about the productivity, viability and future of the business sector.

On assessment to date, I think this is a bill that is going to have a significant saving of cost to the government, and that in itself is not a bad thing, but they are completely unwilling to provide information on what their annual saving is going to be. It has been asked for plenty of times, but it has not been forthcoming. Secondly, in the embarrassing situation of this corporation haemorrhaging into complete dysfunction and further negative outcomes for South Australians, in their desperate attempt to turn this around and save their own face the government are not taking responsibility personally. They are blaming and making the cost of this rest with the injured and not giving credit back to those who make a contribution.

I conclude in this debate by saying that there are many cases already in workplace circumstances where there has not been, I think, adequate provision for those who are injured. I cite one case which to my knowledge has now been going on for nearly 10 years under the life of this government. It arose out of the tragic death of Jack Salvemini, who was a fisherman who was caught up in a net on a fishing boat. There was substantial prosecution of this matter against the fishing company, and it ended up in the Full Industrial Court.

There have been further inquiries by the government. There have been indications by the Premier and the Attorney-General that some provision would be made for the family in this regard, yet still, nearly 10 years later, we have no resolution of this matter. We have had endless reports. We have had promises that the Victims of Crime Fund would be looked at, but there is still not a dollar for this family from what was a dangerous workplace accident.

Time expired.

Mr KNOLL (Schubert) (11:57): I rise to say that we will be supporting this bill in the house, but for me this bill is a little bit personal. In a previous life, I have had a lot to do with WorkCover and it has, over my lifetime, become one of the banes of my existence, such is the impact of this scheme.

I have seen this scheme fail both employers and employees. I have seen a system that is more focused on the process than about achieving an outcome. I have seen a system where the financial incentives motivate people within the system to keep people on the system, as opposed to getting them back to work as quickly as possible.

I have seen a system where dispute resolution processes are drawn out to benefit lawyers, where justice is delayed for employees and higher cost is passed on to employers. I have seen a system that selectively interprets the current legislation with an eye based on the whims of management, as opposed to looking at the long-term viability of the scheme.

I have seen instances where the cost to business of the WorkCover scheme is seven times the cost of income maintenance and medical payments. I have seen instances where seven people from the WorkCover Corporation have come to one meeting about a business's premiums. Keeping in mind the fact that there is no negotiation on the premiums of a business, I have seen seven people sit in the room with one employer and discuss the forthcoming premiums of that business for a year.

I have seen an instance where an employee was able to make a claim 12 months after the injury was suspected to have happened, six months after that worker was no longer working for the business, and I have subsequently seen that claim take two years to go through a dispute resolution process. In the end, the process was engineered in order for there to be an outcome in which the employee was given a sum of money to go away. I have seen this system fail on so many different accounts, on both sides of the aisle—for employees and employers—that I see that these reforms are the most important that we will undertake in this parliament over the next four years.

I would also like to say that these reforms should help those industries that are doing it toughest, those industries that are in higher-risk areas, those industries that at the moment are suffering under a heavy burden of high tax from this government under uncompetitive regulation regimes and are suffering from drops in business confidence and consumer confidence around this state. These are the businesses that I hope will be able to see an improvement in their day-to-day circumstances out of these reforms.

This government has not elected to look at any area of reform in this term of parliament. We see nothing in the agenda about tax reform except to increase taxes, especially in regard to the ESL. This government has not been willing to look at any public sector reform except to increase the size and scope of the public sector but, at this point, on the WorkCover system, I applaud the government for bringing these reforms forward. Can I quietly congratulate the Deputy Premier, who in this term of parliament is turning out to be the quiet reformer, and this will be the jewel in his crown.

At my tender young age of 31, I should not be so cynical but unfortunately I am, and this is because we have heard this all before. Can I refer back to the Hon. Kevin Foley—the great Kevin Foley—who in his time wore the mantle of reformer that the Deputy Premier is now taking on. He said in 2008 of the reforms that were made at that time that the unfunded liability will be extinguished within a reasonable time. Unfortunately for Kevin, that is not the case.

What Kevin also said at that time was that this will bring our scheme into line with that of the other states, and I point out, as the Leader of the Opposition pointed out, that we have the highest average WorkCover rate in the country at 2.75 per cent. We are well above anywhere else. My figures may not be as up-to-date as the opposition leader's figures, but New South Wales and Queensland are sitting at about 1.4 or 1.5 per cent, Victoria is down to 1.27 and Queensland and Tasmania similarly are below South Australia. Unfortunately, that did not come true for Kevin. The other thing Kevin said of these reforms, and the Deputy Premier should again take note, is:

> I have never been more proud of the Labor Party than I have been today. [The Labor Party] has shown that it is the natural party of government because it is prepared to take the hard decisions.

We have heard this all before and we are hearing it again now, and those among us who are cynical are hoping beyond hope that these are the reforms that will help us to deliver the change. On those efforts, we are with the Deputy Premier all the way.

I would like to congratulate the current CEO of WorkCover, Greg McCarthy, and the work he has done to date. I look forward, as I know the members for Ashford and Reynell and others do, to him fronting the occupational safety, rehabilitation and compensation committee to discuss the work he has done to date, but I have seen for the first time a genuine willingness to engage in early intervention strategies. I have seen a genuine willingness to actually use the legislation for what it was intended for, especially when it comes to the automatic acceptance of stress claims.

We have seen a man who has been able to show the government, which has said it is the legislation's fault, that indeed it is not the legislation's fault. At a briefing a couple of weeks ago—correct me if I am wrong, Deputy Premier—Greg McCarthy did say that he would, over time, be able to bring the scheme back to the 2.75 per cent that it costs employers, that indeed we could get to a scheme that is 100 per cent funded. Having said that, in order to go that further distance, we need reform and we are here to support the government on that.

What I would like to do in my remaining time is to highlight some of the major changes to this bill. For those who are not intimately involved with WorkCover, a lot of the terms that come out in this can be quite complex and confusing. Indeed, I spent 15 years dealing with this system and there are things that even I still do not understand. I will also say that we have reserved our rights on any specific proposal within these bills.

I did note that we got more amendments this morning, although I think we got more amendments just as parliament opened. I think we went from five pages to seven pages, but we are diligently working through them. Can I say—and we will talk about this later—that I do not know what the Deputy Premier has against prescribed legislation, but it seems to be a dirty word in relation to the Return to Work Bill. That is something that we will find out in committee, I am sure.

The first major change in the bill is with regard to income maintenance. Previously there have been a number of step downs from zero to 13 weeks, after 13 weeks down to 90 per cent and after 26 weeks down to 80 per cent. We are now seeking to change a system that has 100 per cent of average weekly earnings paid to a worker for the first year, and then for the second year it is stepped down to 80 per cent. What I think that will change is that those who exist between the 13 to 52-week period will no longer be disadvantaged, and those who have genuine medium-term claims, where, for instance, they break a bone that takes over three months to heal or they have to have surgery on a shoulder or something that takes longer to heal, will have the ability to maintain 100 per cent of payments as opposed to taking the step down.

The negative side of that is that the incentive to get back to work is lessened. There are financial incentives based on schemes in other states with this step-down process that currently exists to encourage people to get back to work by way of a financial penalty. There are questions, though, around income maintenance. If I talk about the fact that after 104 weeks there ceases to be, unless you have over 30 per cent whole person impairment, any funding under this scheme, and people's income maintenance payments stop. Certainly, from what I read of this bill, WorkCover then absolves itself of responsibility in regard to income maintenance payments at 104 weeks.

What is a little unclear is whether or not that same absolution applies to employers, and there does seem to be confusion around whether or not the suitable alternative duty provisions, that an employer must provide to an employee who is injured, continue beyond 104 weeks. So, there is a loophole within the system, where this scheme is now designed to cut off people at 104 weeks, in that there may be continuing obligations on employers to continue beyond that, and that is something I would like to explore in committee.

The second major change I would like to highlight is the loss of provisional liability. Currently, if you lodge a claim, it is provisionally approved until it is unapproved. Even if people put in a vexatious or less meritorious claim, it is automatically approved and you have to go through a process of unapproval. In the draft legislation there is no provisional liability and instead the corporation has 10 days to make a determination, after which time interim benefits must be offered.

I am in two minds about this, but (not wishing to make comment) it will encourage employees to lodge their claims quickly and will encourage employers to lodge the claim quickly, because it becomes a very murky area, where employees will need to use up sick leave or annual leave before a determination is made.

The third area that I would like to highlight is the reintroduction of common law. Common law existed before the no-fault scheme, where if an employee was injured the ability existed to have a core process to attribute fault or blame with regard to the cause of an injury. When we put in the no-fault scheme, that ability was taken away and we now have a system where (and not wishing to labour a point) it is essentially an employer-fault scheme, where the employer takes on 100 per cent of the financial responsibility (the employee obviously has their return-to-work obligations), but essentially the cost is then borne by the employer.

We have a situation where we are returning to a level of common law for those who are judged to have a whole person impairment or a permanent injury according to the scale that exists beyond 30 per cent whole person impairment. It is quite odd, because in the lead-up to the tabling of this legislation I understood that we were looking at a different scheme. Essentially this means that, if you are judged to be injured more than the 30 per cent threshold, you have access to a common law process to seek damages, and you can elect to do that or elect to stay on the scheme even beyond the two-year process.

I would not pass judgement on that except to say that, in a room full of lawyers, I am not sure that the lawyers are necessarily in favour of this one and perhaps they would like greater access to common law. If they would like to argue that case, I would like to see a rationale beyond 'We want more work for lawyers.' The fourth change that I think is quite important in this legislation is the change to rehabilitation services. There have always been provisions within the current act to be able to institute early intervention, but unfortunately under previous management of this scheme that has not been the case.

What we have seen again from the new CEO, Greg McCarthy, is a greater emphasis on early intervention, and the current act allows for that, but what we are seeing in changes to this legislation is that that is being enshrined and probably given more emphasis so that, instead of return-to-work plans needing to be put in place at 13 weeks, they can be put in place at four weeks. I think that is a very positive step in trying to increase the return-to-work rates and in trying to actively manage claims so that people can get back to work. It is something that the self-insurance industry does very well, because there are financial incentives for them to do that, and it is good to see that this legislation is trying to emulate the same.

The next thing I would like to highlight is the removal of industry caps. This is something that I think is quite vexed and something that I think we are going to explore quite deeply. There is currently $1.6 billion worth of wages that are subject to this 7.5 per cent cap, so it is a significant figure. What happens is that, when this cap is removed, it is likely that those who are at the cap are going to see their industry premium rates increase. Having said that, that could be offset by the overall reduction in premiums and the changes to the experience rating system. It is a little bit up in the air at the moment, but there is uncertainty around that and there is genuine concern about what that means.

What I would like to do is to highlight the types of industries that would be affected by this, and they fall into four broad categories. The first is agriculture, forestry and fishing, so things like pig farming would be very important to South Australia—tobacco and cotton farming maybe not so important—as well as shearing services and petroleum exploration. The biggest area by far, though, that is impacted is manufacturing in the form of construction or earth-moving machinery, cutlery and hand tool manufacturing and metal container manufacturing through to food manufacturers such as sugar; tobacco product; starch gluten; starch sugars; livestock; bacon, ham and smallgoods manufacturing (maybe a little bit closer to my heart); and meat processing. There are a number of manufacturing industries that could be quite detrimentally impacted by the removal of industry caps.

The construction industry—carpentry services, roofing services and concreting services—all sit at the 7.5 per cent cap at the moment, and they could be negatively impacted. The fourth is transport and storage in road freight transport and in cold storage. They are four sectors of our local economy that are not doing well. As the Liberal leader pointed out earlier, we have seen job losses from Arnott's, we have seen proposed job losses at Huon Aquaculture, and we have seen the closure of the Aldinga Turkeys factory. There is a litany of food manufacturing business that have shed jobs.

We have also seen broader losses in the manufacturing industry around the automotive industry and other areas, and certainly in my local area I have seen job losses in the area of road transport. What I would say is that these reforms are designed to improve the financial viability of companies. What I would hate for these reforms to do is actually end up punishing those who need the help the most. I think that is something we need to reflect on and, again, if there is the ability to offset average premium rates then we may be able to avoid that, but I think that there is a significant risk in that part of the legislation.

The next point I would like to explore is the average premium rate. This legislation has set a commitment to reducing from 2.75 to 2 per cent or below the average industry premium rate or the average rate, although we have seen with the latest amendment a couple of little words, 'seek to', have been inserted before 'achieve'. I am not sure whether or not that is a watering down of the 2 per cent commitment, and I would hate for that to be the case. Again, this is something that we are going to explore, but what before was a very firm target within the legislation now seems to be a very firm aspirational target within the legislation. If we are going to undertake these reforms, then we need to do it properly, and we need to do it in a way that gives commitment to the industry and gives confidence to the industry so we can start to see the improvement in investment that we would like to see.

There is also, around premium rates, the loss of primary and secondary classifications. A primary injury is one where you are injured at work and you engage directly with your employer, and it is an accident that happened at an employer's premises and you go through the normal return-to-work procedure. What happens, for instance, if you leave that job and go to a second job and you either carry the existing injury or you have a reaggravation of that injury, is it gets classified as secondary and the cost is not borne by that subsequent employer.

We have seen that pulled back and taken away, and the rationale given in the briefing was that secondary classification injuries cost twice as much as primaries. I would like to explore further whether or not it is the nature of secondary injuries, that is, that they are longer or more serious injuries and that we are comparing apples with apples to say that it does cost twice as much.

I fear that this will disadvantage employees who have been seriously injured before and that this will discourage employers from taking on employees who have had significant prior injuries, and I would hate to see prior history vicariously or overtly used as a reason for not employing someone. I fear that this could be a negative consequence of this legislation, and I understand that taking that out would bring more cost to the scheme, but I am reluctant and hesitant about this measure because I fear that it could lead to unintended consequences.

Another change to this legislation is that we have gone from a situation where, in 2008 when people went through a dispute resolution process, if they were ultimately not awarded compensation, any compensation that they had received in excess they would have to pay back. That has now been pulled back to 'may be recovered'. This is a situation that existed prior to 2008 and WorkCover did not recover that money.

What happened post 2008 is that less meritorious claims did not come to dispute resolution, and that was a good thing. The last thing that I would like to highlight is that the annual leave provisions that existed in the current legislation and this proposed legislation still allow a worker to be able to receive income maintenance and take annual leave and be essentially paid twice over the same period of time.

The Hon. S.W. KEY (Ashford) (12:17): My contribution today is mainly based on the bill and my look at the first set of amendments which I believe were generated on Thursday and which were tabled at that time. I have not had an opportunity to look at the further amendments that have been circulating.

In an earlier contribution to workers compensation policy on 20 May 2014, I indicated that there was no doubt that the WorkCover scheme was in need of comprehensive reform. This assessment was based on my position as the chair of the Parliamentary Committee on Occupational Safety, Compensation and Rehabilitation, my past involvement as a workers compensation advocate, and my ongoing experience as a Labor member of parliament in providing assistance and support for constituents of Ashford and other electorates who have had the misfortune of being

caught up, often I believe, in antiworker bureaucratic machinations of WorkCover and its claims agents.

In the May 2014 contribution I also argued that injured workers and their families should not be penalised for the mismanagement of the scheme. After all, it has been poor management by WorkCover and its agents, along with the failure of a relatively small but significant proportion of employers which have failed to provide workers with suitable employment following their recovery from injury that have been the main reasons, in my view, for the scheme's poor performance.

Since then, I have not come across any evidence from any quarter that would suggest that this conclusion is not accurate. On the contrary, there have been numerous acknowledgements, including within the government, that the mismanagement by WorkCover and the claims agents have been chronic. These have also increased widespread recognition that the previous WorkCover boards have failed to provide the requisite oversight required for the scheme's successful operation.

The Attorney-General has been particularly frank and forthcoming in acknowledging these past shortcomings. However, the issue remains that, notwithstanding a number of positive provisions contained in this bill, its overall trajectory is based on reducing or slashing key entitlements for injured workers. This is especially evident from the inclusion in the bill of a number of provisions cherrypicked from the harsh antiworker legislation enacted in New South Wales by the Liberal/National government in 2012.

Whether they are building workers, nurses, assembly line workers, firefighters, cleaners, police officers, truck drivers, teachers, Correctional Services officers, aged-care workers—whoever—injured workers should not have to pay the price for the incompetence of those entrusted with the responsibility for and oversight of WorkCover. I believe that we need to adopt a more progressive and considered approach to the reform of workers compensation in South Australia, and in my view, certainly in the labour movement, we owe this to our supporters and we owe it to the community.

Labor has prided itself on providing a beacon of hope for the working people in the state. Historically, Labor's track record in workers compensation has been second to none. The accomplishment of the Walsh government in the 1960s, the role of the Dunstan government leading the nation on workers compensation reform in the 1970s, and the pivotal achievement of the Bannon government in establishing the WorkCover scheme in the mid-1980s, despite the tremendous opposition from vested interests, are all testimony to the record of delivering a better deal for South Australia's working men and women.

This tradition should be cherished, not thrown overboard, yet it is precisely what occurred, in my view, in 2008 when a Labor government—our Labor government, my Labor government—with the full backing of our political opponents passed arguably the most draconian piece of legislation in workers compensation that South Australia has ever seen. This created a great deal of angst amongst the ALP, the labour movement (that includes the trade union movement), and the broader community. Although the circumstances of the current bill differ significantly from some aspects of the 2008 bill, I believe the bottom line is similar. The bill, as was the case in 2008, is designed to reduce employer premiums at the expense of injured workers and their entitlements rather than to achieve genuine improvements in the scheme.

I turn now to the issues of the bill. In doing so, I would like to acknowledge the contributions of SA Unions, the Law Society of South Australia and JohnstonWithers in their submissions to the Attorney-General. The bill provides that there will be a new restriction of payment of medical expenses, including the cut-off, after a maximum of three years, with exceptions for some therapeutic goods and operations, using the wording 'reasonable' and 'necessary' and 'reasonably incurred' by the worker in consequence of having suffered a work injury.

The Law Society has suggested that the word 'necessary' be deleted, believing that disputes will increase as the bill does not include what necessary means. Although there have been some changes in this section since the first draft of the bill, it is not clear, for example, whether workers would be covered for ambulance services, medications associated with the treatment of their injuries, or personal care if required.

The corporation claims agents are still able to delay decisions until after the expiry date. Further operations and medical treatment offered after the expiry date are also up in the air. Rather than penalise the sick or injured worker, why does the bill not emphasise the need for administrators of the scheme to ensure services and support are provided more quickly and efficiently? There needs to be a real emphasis on return to work.

Clause 33(10) of the bill provides that the minister will publish a treatment protocol or framework for the provision of services. I am keen to see these protocols. They may be in circulation, but I have not personally seen them. I am also interested to hear the minister explain more fully clause 33 and outline injured or ill workers' entitlements. I am especially keen to find out how a worker's need for surgery and any medical, nursing or medical rehabilitation services will be handled and determined.

I note that the WorkCover Ombudsman's role has been deleted, and I have raised this with the minister. The minister's amendments, from what I can see, do enhance this right by allowing a complaint to be lodged with the state Ombudsman (part 3—Complaints about breaches of standards). I can only hope that this means that this amendment will extend and enlarge the powers for participants in the new system.

My reading of the bill points to a stricter qualifying criteria for compensation on an across-the-board basis. An injury other than a psychological injury must arise out of the course of employment and the employment must be a significant contributing cause of the injury. I have not been able to find a definition—and this may be my oversight—of what a 'significant contributing cause' means. There is no explanation in the amendments that I have seen from the minister either.

In the case of psychological/psychiatric injury, the injury must arise out of or in the course of employment and the employment must be a significant contributing cause of the injury. That will be an interesting way of determining that issue and, again, there is no definition of what a significant contributing cause is. I also looked at the minister's policy statement document to try to find out what this meant, and it is clear that the main point being made in that document is that access to workers compensation will have tighter eligibility criteria. I believe these tighter provisions will make it more difficult to access workers compensation resulting in more disputes and a lower return-to-work rate through delays and refusals. The current act provides that an injury must arise out of or in the course of employment.

One of the most significant changes in the bill is that a worker, unless seriously injured, will only be able to receive an income of weekly earnings within a period of 52 weeks. If the incapacity continues, the second cap of 52 weeks will be afforded to the worker at 80 per cent of the difference between the worker's notional weekly earnings and the designated weekly earnings. Although there is an amendment proposed by the minister to clause 39, the two-year cut-off seems to be based on cost saving as opposed to the needs of the individual injured or ill worker.

Another concerning measure in the bill is that the whole person impairment (WPI) rate is to be used to decide if a worker is seriously injured and eligible to have continued support after two years. The WPI rate proposed is 30 per cent. When we look at WorkCover statistics—and I am referring to those in 2011—they list that 1,070 workers had injuries that resulted in a permanent impairment and only 17 of those workers would have received a whole person impairment rate of 30 per cent or more.

On the 2011 figures, only 2 per cent of incapacitated workers would be considered eligible for ongoing weekly payments after two years. This, to me, is a harsh position for the government to take. If Viscount Admiral Lord Nelson had been a claimant in 2015, I wonder how he would fare. When he lost his right eye in a battle in 1794, one could argue he was working for England. He lost his right arm in 1797 and had a severe head wound in 1798. He got on with the job but it really makes you wonder how he would have fared under what I consider to be our draconian new legislation. Earlier in his career he contracted malaria, I have read, and frequently suffered from recurrent attacks of that disease. I guess it is lucky that he was a tactician, not a physical fighter in his later life, for the cause.

I note that clause 3 in the Return to Work Bill, which concerns the objects of the act, states in subclause (2)(a):

to ensure that workers who suffer injuries at work receive high-quality service, are treated with dignity, and are supported financially;

The provisions of subclauses (2)(d) and (e) are to support activities that are aimed at reducing the incidence of work injuries to the state and to the community. Both are admirable and important objectives that I totally support, but (f) states:

to reduce disputation when workers are injured at work by improving the quality of decision making and by reducing adversarial contests to the greatest possible extent.

On my reading of the bill and, as I said, the 81 amendments thus far, I do not think point to that being a successful objective in this scheme.

There are many other areas that I would like to have further information about but I will wait until we get to the committee stage and ask questions as we go through the varying amendments that we are going to have to deal with and seek further information at that time.

Dr McFETRIDGE (Morphett) (12:30): It is really good to follow the member for Ashford who is one of the members in this place who has the courage of her convictions and speaks out. To describe the legislation as harsh and draconian, I think, is very honest and very courageous for a member of the Labor Party.

I will remind the house of some of the things that were said in 2008 when I was the lead speaker then for the debate. I spoke for 3½ hours but I will not speak for anywhere near that long because I am restricted to 20 minutes today and I may not even take all of that. I want to remind the house that I have only been here for 13 years, a short time in the space of this house, and nothing like the former member for Stuart (nearly 40 years) and other members in other places. However, I have seen this sort of legislation come and go and be talked about and it goes around and around and where it stops nobody knows.

For the last 13 years this government has raised expectations and talked about aspirations but has been consistently inconsistent in delivering and giving South Australian taxpayers and South Australian workers what they should be getting under a so-called Labor government. This is another repair job, it is another patch up and I will be very surprised if it actually delivers on what we are being told it will do. We were told that last time; we were told in 2008. We have been told so many times before in this place what this legislation is: it is required, it is necessary, it is tough; and the government has to make tough decisions—but what happens in the end? We see taxpayers being slugged again, being tortured again by a government that has raised expectations but failed to deliver.

Having said that, South Australia has a long and proud history of workers compensation, way back to 1900. In fact, South Australia was the first Australian state to introduce workers compensation legislation back in 1900. Since that initial bill in 1900 there have been a number of changes, such as the Workmen's Compensation Act 1911, the Workmen's Compensation Act 1932, the Workmen's Compensation Act 1971 and the Workers Rehabilitation and Compensation Act 1986.

In 1978 the then Labor government established a tripartite committee. Wouldn't that be nice, to have a tripartite or bipartisan committee on WorkCover? This tripartite committee was commonly known as the Byrne Committee. The committee received over 60 submissions and submitted, in its report in 1980, recommendations that included a wideranging overhaul of the workers compensation scheme, a replacement of the predominantly lump-sum based system with one based on income support, introducing rehabilitation back to work and the removal of common law actions. These recommendations were not accepted by the government.

Once again we are seeing from the history of the recommendations that experts had been called in and recommendations made which were based on sound evidence (and which should have been considered more positively in my opinion) being rejected back then. It is interesting, though, that between 1980 and 1985, with costs continuing to rise and premiums increasing at an average of 22 per cent per annum, the government looked at it again. In 1984 the government established a joint committee on workers compensation comprising the United Trades & Labor Council, the Chamber of Commerce and Industry and the Metal Industries Association.

The committee was established to investigate those areas where employers and the unions were in agreement or disagreement with respect to changing the workers compensation scheme. In essence, the joint committee reviewed the Byrne Committee recommendations to determine which of them should be implemented. So they are revisiting the past and what could have been. They are raising expectations but not delivering.

In this case, though, we saw a joint agreement being reached which led to new legislation being introduced and considered by parliament in 1986 and the establishment of WorkCover in 1987. That is when we really get to the guts of things with WorkCover established in 1987.

Taking a leap forward to my time in this place: I was elected in 2002, and in June 2002 the then minister for industrial relations, Michael Wright, announced a review into the workers compensation occupational health and safety system, known as the Stanley report, as it was then. The house needs to be reminded, though, that at the time—if I have the figure quite right, and if I do not I will be corrected—when we lost government in 2001, and Labor came in 2002, the unfunded liability was about $50 million or $60 million, something like that. It was a very manageable amount. But just ask what it is now; I think it is still over $1 billion.

Ms Redmond: $1.23 billion.

Dr McFETRIDGE: $1.23 billion, the member for Heysen reminds me. That is a pretty good thing to do; to decimate WorkCover the way this government has in 13 years—from $60-odd million to $1.2 billion. It is not something I would be proud of, and that is why we see this government back here trying to fix up their mess again, and I will talk about fixing up messes in 2008 in a few moments.

In June 2002 we had the Stanley report and in May 2003 the SafeWork SA bill was first read in the House of Assembly, but parliament was prorogued. Then in September 2004 the SafeWork bill was reintroduced. The sad history was that the SafeWork bill was read for a third time and passed in the Legislative Council in 2005 to come down to this place in 2006 with some significant amendments, but it still did not fix the problem. That is the really sad part about this patch-up job that the government attempted in 2004.

Things were going from bad to worse—remember there was the $60 million in 2001-02 which increased to $1.23 billion. So, the next step that the government took back in 2007 was that minister Wright, the then minister for industrial relations, announced the Clayton Walsh review into WorkCover to again try to fix up their mess. In 2008 the Labor government tabled the Clayton report and the new bill was drafted and that is where I came into it back then.

Just to remind people what was happening with the bill back then in its initial form—and I do not know what it was thinking at the time—but under Mike Rann the government considered increasing the base industry WorkCover levy from 7.5 per cent to 15 per cent—15 per cent. Not 1.5 per cent, but 15 per cent. They were going to double it; the maximum industry levy could be 15 per cent. Employers would have to appoint a rehabilitation and return-to-work coordinator within the workplace. They could not contract it out; they had to put another employee in place. It was unbelievable how they could have been thinking like that.

The return-to-work inspectors were going to come in to workplaces and help oversee injured workers returning to work. The lump-sum redemption payments were going to be banned under exceptional circumstances, although we did see some of those continuing on. Certainly, redemptions were a serious issue as were exit fees. I have not looked at the current legislation that is before us now, but I will be interested to see how they are talking about redemptions and particularly exit fees so that people can become self-insured.

Back in 2008 the Rann Labor government's bill stated that, 'Income maintenance payments to injured workers will be cut from 100 per cent to 80 per cent after 13 weeks.' There was a lot of discussion about that, and we know the unions were very, very angry about that. Injured workers were also required to undertake a work capacity review after 130 weeks. The interesting part was at that stage there was no guarantee, with the way the government was going to change the legislation, that claims would be managed in any different way.

There was no guarantee the unfunded liability would be reduced or eliminated within six years, as they had talked about. There was certainly no guarantee that the state average

WorkCover premium was going to be reduced. There were lots of aspirations and a lot of expectations; some of them, to use the words of the member for Ashford, were 'absolutely harsh and draconian'.

How any business was supposed to exist paying a 15 per cent WorkCover levy is beyond me. We know that the WorkCover levies are a significant burden on small businesses in South Australia. South Australia is the small business state, but at the rate this government is imposing taxes, levies and charges on them, and increasing the red tape, we wonder how long those businesses will continue to suffer before they pack their bags and go interstate.

I do have some hope that there will be some sense talked into the government on that side by the former leader of the Liberal Party, Martin Hamilton-Smith, the member for Waite, who was the leader of the Liberal Party when I was the shadow minister for industrial relations back in 2008. Certainly at that stage, the member for Waite, now Minister for Defence Industries, was very concerned about the legislation that was being put in place. In fact, in a press release issued in April 2008, the then leader of the opposition, Martin Hamilton-Smith, said:

> Labor's Bill is so fundamentally flawed it is useless to attempt any substantial amendments to it…This is Labor's solution to Labor's mess.

His press release continued:

> It's essential that the voters and taxpayers of this State understand that this is Labor's problem and Labor's so-called solution…Labor should be held responsible for the economic and social disaster that it has delivered to South Australians.

I hope that the now minister is able to continue to have the courage of his convictions of those words back then because the mess is still there and the mess is bigger. On 23 June 2008, on Mix and Cruise radio the member for Waite said:

> Small businesses around the State will wake up this morning to find they're up for thousands more. They were told their WorkCover rates would drop. Before the ink was barely dry the Government's now announced a raft of increases…the government has misled small businesses owners about the impact that the changes to WorkCover would have...

The member for Waite continued:

> Some of these small businesses will be facing increases of between 20%…to 33%...This will push some small businesses to the wall.

On ABC radio, being interviewed by David Bevan, the member for Waite continued along those same lines. Let's hope that the member for Waite does have some influence in the cabinet and let's hope that he does have some contribution to the house on this bill. I look forward to his contribution—and I am not trying to embarrass him or belittle him, far from it—because he has business experience, he knows what it is like, and he knows how tough it is to run a business. Let's see the courage of his convictions. Let's see the courage of the convictions of other members of this place, as we have seen from the member for Ashford this morning.

Let's go back and see what some of the members of the Labor Party said in 2008. I do not follow the factions in the Labor Party that closely; in fact, I hardly follow them at all, but I think I could give you a bit of an idea of who is in the left, who is in the right and who has changed sides. The now President of the other place, the Hon. Russell Wortley—

Members interjecting:

The DEPUTY SPEAKER: Order! I would like you to return to the task, member for Morphett.

Dr McFETRIDGE: In May 2008, the Hon. Russell Wortley was being interviewed on the ABC about the changes in his support for WorkCover between 1995 and 2008. He explained that he was an official with the gas employees industrial union in 1995. David Bevan said:

> …how do you go from protesting against changes to WorkCover 15 years ago and now supporting those changes…some people say they are more draconian [than] changes [introduced] in State parliament's...

Mr Wortley said:

> Yes, it's not an easy transition. I have lost a lot of nights sleep over these amendments...

Mr Wortley went on to say:

> …this legislation is hard, it's very hard and I know that many members of the caucus have struggled with the whole concept of what we're doing…if we don't get it under control, there will be a lot more pain in the future…

Well, it did not get it under control, did it? It did not get it under control. There were other members on the other side who did show the courage of their convictions. I wonder how the current member for Giles is going to go. I am looking forward to his contribution on this because one of the members of the government who did show the courage of their convictions and who got up and spoke in this place was my good friend Lyn Breuer when she was the member for Giles. Lyn said in this place:

> It is certainly no secret that it has caused some division among us in the Labor Party, and it is no secret that it has caused a division within the unions.

The then member for Giles then said:

> I came into this place to represent my constituents in the seat of Giles…and many of them will be affected in one way or another by this bill, but I also came in as a member of the Labor Party and I would not be here without the party. Consequently, I signed an agreement to abide by caucus decisions, and I will continue to do so.

So, it was said with a heavy heart, as was the case for many members on that side of the chamber. I know what they were thinking, I know what they said in their second reading speech, and I know what they were saying privately, but then they had signed that agreement, they had locked their vote away. It was a shame that they could not do what they really wanted to do for South Australia, and I suspect that it would be a much better place had they done that. Not to embarrass you, Deputy Speaker, but you also made some similar comments to those made by the member for Giles. In fact, on—

The DEPUTY SPEAKER: It is such a big quote that he's lost it.

Dr McFETRIDGE: It is a big quote.

The DEPUTY SPEAKER: I'm devastated! Carry on.

Dr McFETRIDGE: I won't quote you, Deputy Speaker, but I can say that you were sincerely concerned for your constituents about the effect of the changes, as was the then ACTU president, Sharan Burrow, who added her voice to the opposition to proposed WorkCover changes, claiming that 'working women will be amongst the biggest losers'. So, even the ACTU was not happy at all.

The members on the other side need to realise that it is not the executive that runs this place; it is the parliament. Remember what the former governor said about the state of Australian governments: the executive ignores the parliament, there is no ministerial accountability, and the Public Service has been highly politicised. For a governor to say that is absolutely damning. I implore the backbenchers to gang up on the minister, gang up on the ministry. Tell them what you think. Tell them what your constituents want, what they deserve and what they need and what you have been elected for.

In conclusion, let me remind the house what my good friend Michael Wright, a good constituent of mine (he lives in Glenelg East) said as the minister. I know that he was torn, with his father, Jack Wright, having been one of the champions of workers compensation in this state. He was torn having to deliver this legislation in this place. In his third reading speech summing up, the then minister for industrial relations, minister for finance, minister for government enterprises, minister for recreation, sport and racing, Michael Wright, said:

> …this legislation does not have the support of the unions…We are not doing something here we want to do.

He said that the stark reality of the unfunded liability was that it was at $911 million, that the average levy rate was 3 per cent and that we were not good at getting people back to work. Minister Wright knew it then. To sum it up, at the very end of his speech minister Wright said:

> …the average levy rate and poor return-to-work rate in South Australia [reflects badly]…South Australia is way behind what is happening…[around]…Australia and the time to act is now.

Everybody in this place needs to make sure that this legislation is not going to just raise aspiration, raise expectations and promise a nirvana. We need to make sure that it is sound, that it is solid and that it is going to deliver long-term solutions for long-term problems, not the short-term solutions for

long-term problems that we have seen for many years in this place. With those words, I say that I hope that this house, that members of the government, do consider their principles and do vote with their principles.

Ms REDMOND (Heysen) (12:49): I was not actually going to speak on this bill originally, but the more I listened, the more I decided I had to make a contribution, particularly when I saw the Deputy Premier's disquiet at the idea that so many of us do want to speak on this very important piece of legislation.

Like the Deputy Leader of the Opposition and the member for Morphett, I have been here now for 12½ years, so this is by no means the first time we have dealt with significant changes to the WorkCover legislation. Unlike the member for Morphett, I did come into this place with a reasonably sound knowledge of WorkCover legislation, because I had spent some years working with the legislation. I would have to say that, at its heart, I think everybody would agree that the idea of having WorkCover is basically a good idea. Workers who are injured deserve to have that injury met, in terms of payment for their medical expenses, payment for their time off work and so on. I do not think it is a bad thing that we have until now, over a period of years, had a without-fault scheme, so that workers do not have to prove that someone was in the wrong for them to get that entitlement.

Indeed, I would say that over the period of time and the significant number of years that I was involved in a lot of WorkCover claims, my experience was largely that those who had an injury at work and who genuinely wanted to recover and get back to work, did so to the maximum extent which their injuries would allow. That was true both in the work I did at Duncan Hannan (as it then was) and in my own practice up in the Hills, when most of the other practitioners in the Hills used to refer their WorkCover work to me.

There are a couple of things to note. One is that on the one hand the system could be over-generous. For instance, I remember one involving a teacher who had a stress claim because at the end of the teaching year the headmaster had told her that next year she would be occupying a different room in the school. She went off on a stress claim. That was just preposterous. On the other hand, we had situations where my observation of how WorkCover was being managed in terms of its administration was that there was no doubt the cure was by far worse than the disease. We had a situation where people were caught up in a system that just ate them up and spat them out, and they actually ended up worse off than they would have been if there had been no WorkCover system in the first place.

As I mentioned, I have seen several tranches of reform, some of them said to be the most magnificent reforms that were going to fix the system. We know, as the leader said in his address, that management of the system has been the problem. How do we know that? We know that because, when we look at the experience interstate, when we look at the experience of the self-insureds and particularly incidences like local government, we can see that it is not the legislation that is the problem. Indeed, the legislation proposed in this chamber at the present time does not go any way to addressing how they are going to actually solve the problem.

The many speakers before me have already pointed out that in this state we have by far the highest WorkCover levies—2.75 per cent on average, by far the highest and more than double what applies in a number of other states, the progressive Liberal-run states. We have by far the worst return to work, we have by far the worst unfunded liability and we have the most expensive rehabilitation. It is about that that I want to make a few comments in particular.

In addition to other issues in terms of the management of WorkCover over a period of years, I think one of the blatant things that this government has failed to address has been conflict of interest. My experience of this Labor government is that it would not recognise a conflict of interest if it stood up and slapped it in the face. One of the conflicts of interest is that we had a member of the government—now a minister of the Crown—whose partner was appointed to the board of WorkCover. As if that is not a conflict of interest of itself, not only was Ms De Poi appointed to the board of WorkCover, but the more massive conflict of interest flowing on from that was that this person actually got most of the rehabilitation provider money. She is a big rehabilitation provider in this state.

I have always said of WorkCover that rehabilitation was the goose that laid the golden egg. As I said, and it started my remarks, those people who were injured at work who wanted to get better actually got better to the maximum extent that their injuries would allow. I know people who have had masses of plasterboard fall on them, half a tonne. They were lucky to survive. They could not go back to what they were doing in a very physical environment before and ended up, instead, going into training and other courses but actually maximising their opportunities to get back to work.

Rehabilitation has been one of the fundamental problems with WorkCover in this state. It has been the goose that laid the golden egg. It has spent massive amounts of money for very little return and we still have the lowest rate of return to work coupled with the highest levies and a very poor performance on return to work.

What do we have here? We have a member of the government's partner appointed to the board and not only is she appointed to the board but she gets most of the rehabilitation pie that is spent by WorkCover. If that is not a conflict of interest, I do not know what is, yet no-one in this government, over a period of years while that person was on the board, was prepared to do anything to address that particular issue.

This workers compensation scheme that we have had in this state now for a number of years is absolutely broke. That is the point that the Deputy Premier made when he brought this legislation to the attention of the parliament on its most recent tranche, but there is nothing in the bill that indicates to me how they are actually going to solve it. As the member for Schubert pointed out, they have gone from guaranteeing a reduction of their 2.75 per cent levy rate to seeking to achieve a better levy rate. Seeking to achieve—it is an aspirational target. This government throughout its 12½ years has been entirely focused on big statements about aspirations followed by very little in terms of actual results.

Madam Deputy Speaker, you may recall—I have no doubt you do because of the comments you made at the time—the discussion that was had in this parliament during the 2008 reforms. These reforms, which diminished the rights of the workers, being introduced by a Labor government, were spoken about unfavourably by a number of members on the other side who, nevertheless, did not have the courage of their convictions to come over to this side of the house and vote according to what they believed. They did not vote against it. No, they did not do that. They spoke about it but they voted in favour of it.

As a result of that, the member for Mitchell at the time (Mr Kris Hanna), who had left the Labor Party because he felt that it was going in the wrong direction, actually decided to vote against it. The Liberal Party had decided we were going to support the bill because we believed that, for the sake of business in this state, we needed to get some reform happening in WorkCover but one member (the member for MacKillop) voted over on this side.

He was much ridiculed for doing it but of course, the reasoning was that, if the member for Mitchell voted alone on the divisions, it would not be recorded but, if the member for MacKillop joined him, it would be recorded; and we thus have on the record all those people on the other side, all those Labor government members who spoke so strongly against this bill in 2008 yet voted in favour on every single amendment that was put. They voted in favour of going along with the government line.

The DEPUTY SPEAKER: The member may wish to seek leave to continue her remarks.

Ms REDMOND: I would love to seek leave to continue my remarks.

Leave granted; debate adjourned.

Sitting suspended from 12:58 to 14:00.

Parliamentary Procedure

ANSWERS TABLED

The SPEAKER: I direct that the written answers to questions be distributed and printed in *Hansard*.

Ministerial Statement

RENEWAL ENERGY TARGET

The Hon. J.W. WEATHERILL (Cheltenham—Premier) (14:03): I seek leave to make a ministerial statement.

Leave granted.

The Hon. J.W. WEATHERILL: Our government has led the way in tackling climate change. We took action at a local level, passing the nation's first dedicated climate change legislation, and we were the first state with a strategy to reduce greenhouse gas emissions. We also recognise the need to engage with jurisdictions around the world to exchange learnings and experiences to ensure we all deliver meaningful action on climate change.

I am proud of the role South Australia has played on an international level. I hold the role of Co-Chair of the Climate Group's States and Regions Alliance, a role first held by former premier Mike Rann. The Minister for Sustainability, Environment and Conservation is currently representing me at a meeting of the Climate Group and the United Nations Climate Summit hosted by UN Secretary-General Ban Ki-Moon in New York. While in New York, the minister joined more than 300,000 others in the People's Climate March, the largest climate rally in history, with events in over 150 countries.

In 2009, the South Australian government committed to a target for the state to achieve 33 per cent of electricity generated from renewable sources by 2020. Figures from 2013 indicate that 31.5 per cent of energy produced in South Australia was from renewable sources, but updated numbers from the Australian Energy Market Operator expected this month are likely to show that we have well exceeded the 33 per cent target.

This is a significant achievement, but we are not satisfied with simply resting on our achievements: we are committed to continuing to lead. We accept the scientific evidence on climate change, and we take our responsibility to act on those warnings very seriously. That is why, today, I announced that we are increasing our target for the amount of our state's energy that is generated from renewable sources.

It is now the goal of this government that 50 per cent of South Australia's total energy be generated from renewable sources by 2025, provided the federal renewable energy target remains in its current form. We have demonstrated in South Australia that, with the right policies and incentives, with clear goals and strong leadership, even highly ambitious targets can be achieved and surpassed.

One of the keys in reaching this new target will be investment in renewable energy industries. In October 2013, South Australia committed to an investment target of $10 billion in low-carbon generation by 2025. This target puts a focus on renewed economic development and provides further support for South Australia's ongoing push for increased renewable energy generation.

If South Australia is able to achieve this level of investment in our state, we will be able to achieve our new renewable energy target. I stress again, however, that both the 50 per cent renewable energy target and the $10 billion investment target are contingent on maintaining the current federal renewable energy target scheme arrangements. The commonwealth government is contemplating the reduction or even the abolition of this highly successful federal scheme. In South Australia alone, this prospect has seen the number of projects—

Members interjecting:

The Hon. J.W. WEATHERILL: These are projects that are being held up because of your federal colleagues.

Members interjecting:

The Hon. J.W. WEATHERILL: Raise your voice.

Members interjecting:

The Hon. J.W. WEATHERILL: Raise your voice for your state.

The SPEAKER: The Premier will be seated. The leader and deputy leader are called to order. Leave was granted. If you don't want to hear it, don't grant leave. Premier.

The Hon. J.W. WEATHERILL: Thank you, sir, In South Australia alone, this prospect has seen a number of projects placed on hold, putting many thousands of construction projects and ongoing jobs at risk. Along with industry, we call on the commonwealth and those opposite to continue supporting the federal renewable energy target and follow South Australia's lead.

Ms Chapman: Closed down a whole department.

The SPEAKER: The deputy leader is warned a first time.

Parliamentary Procedure

PAPERS

The following papers were laid on the table:

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

Rules made under the following Acts—
- District Court—
  - Civil—
    - Amendment No. 28
    - Supplementary
  - Criminal—
    - General
    - Supplementary
  - Fast Track Adoption
  - Fast Track Adoption Supplementary
  - Special Applications
  - Special Applications Supplementary

By the Minister for Planning (Hon. J.R. Rau)—

Regulations made under the following Acts—
- Development—Urban Renewal
- Urban Renewal—Establishment of precincts

By the Minister for Transport and Infrastructure (Hon. S.C. Mullighan)—

Regulations made under the following Acts—
- Harbors and Navigation—
  - Registration
  - Restricted Areas
- Rail Safety National Law (South Australia)—Drug and Alcohol Testing

Question Time

HOSPITAL BEDS

Mr MARSHALL (Dunstan—Leader of the Opposition) (14:09): My question is to the Minister for Health. Given the AMA estimate that 1,500 Australians die each year waiting for a hospital bed, why won't the minister now take action to alleviate SASMOA and community concerns about overcrowding?

The Hon. J.J. SNELLING (Playford—Minister for Health, Minister for Mental Health and Substance Abuse, Minister for the Arts, Minister for Health Industries) (14:09): We have been. We have done quite a bit. We have opened new mental health beds. We have created, or are in the process of creating, a direct entry facility at the Royal Adelaide Hospital for mental health patients so they don't have to go through the emergency department. We are in the process of creating a short-stay ward for mental health patients at the Flinders Medical Centre.

As of 22 August, we had an additional 153 inpatient beds in our public hospitals, consisting of 20 at the Flinders Medical Centre, four at Noarlunga Hospital, nine at the Repatriation General Hospital, 40 at the Royal Adelaide Hospital, 12 at The Queen Elizabeth Hospital, 31 at the Lyell McEwin Hospital, 22 at Modbury Hospital plus15 additional inpatient beds at ViTA down at Daw Park. We have consistently increased the capacity.

We also have additional clinical staff on and we have employed additional ambulance crews to get us through the current crisis. I should also point out, though, that cuts that the federal government have made—

Members interjecting:

The Hon. J.J. SNELLING: I know they don't like to hear it, but it is true—the cuts that the federal government have made are making it increasingly difficult for our state public hospitals. I pointed out to the house last week the number of elderly patients waiting in acute hospital beds that on average cost about $500,000 a year, elderly patients not in need of acute care who had been assessed by an ACAT team as eligible for care in a residential-care facility but unable to secure a residential-care facility bed.

This comes down to the whole nonsense from the commonwealth about 'sovereign in your own sphere' and this idea that the commonwealth could completely withdraw from public hospital funding. Public hospitals do not exist on their own. They are not Robinson Crusoe. They rely on relationships in all sorts of other areas, the aged-care sector being one of them and, of course, primary health care, in particular GPs, being another.

The simple fact is that when the commonwealth government retreats from these areas, when they do not provide enough aged-care beds, when they do not ensure that there is adequate access to general practitioners around our state, then that has massive flow-on effects to our public hospitals. If the opposition were really interested in health and really interested in what was going on in our public hospitals, they would be joining this government and all their interstate Liberal colleagues in condemning the federal government.

Ms REDMOND: Point of order, Mr Speaker. The minister has strayed into debate.

The SPEAKER: I uphold the point of order.

HOSPITAL BEDS

Mr MARSHALL (Dunstan—Leader of the Opposition) (14:12): Supplementary, sir. Can the minister confirm that, of the additional beds provided at the Royal Adelaide Hospital, some of these indeed include beds in the morgue viewing room, the TV room and hospital corridors?

The Hon. J.J. SNELLING (Playford—Minister for Health, Minister for Mental Health and Substance Abuse, Minister for the Arts, Minister for Health Industries) (14:12): I don't have the information, but they consist of both additional beds and the normal flex beds that we have the ability to flex up when the demand calls for it. I don't know their exact location, but they are proper hospital beds.

Members interjecting:

The Hon. J.J. SNELLING: Here we go again.

The SPEAKER: The member for Stuart and the member for Adelaide are called to order.

The Hon. J.J. SNELLING: Here we go again—the old hospital haters. It all comes out. They haven't got anything to say about health. They had nothing to say about health at the last election, and now they have the gall to try to lecture this side of the house about how to run a public hospital.

Mr GARDNER: Point of order, sir: standing order 98.

The SPEAKER: I uphold the point of order. Supplementary.

HOSPITAL BEDS

Mr MARSHALL (Dunstan—Leader of the Opposition) (14:13): Can the minister rule out that, to deal with overcrowding at the Royal Adelaide Hospital emergency department, his

government has annexed additional space in radiology, the endoscope suite, Ward S4B, the viewing room for the morgue, the TV room and corridors of the wards themselves?

The Hon. J.J. SNELLING (Playford—Minister for Health, Minister for Mental Health and Substance Abuse, Minister for the Arts, Minister for Health Industries) (14:13): I am not going to rule anything out. I have no doubt that, when you have a massive surge in presentations at our hospital, then the clinicians, the nurses and doctors and the people who run the hospital and have responsibility for the care of the patients, utilise every possible space. I have to say that the new Royal Adelaide Hospital, which the Liberal Party has consistently opposed for the last 10 years, will have a massive increase—

Mr Tarzia: Less beds

The Hon. J.J. SNELLING: —in space in the emergency department.

The SPEAKER: Minister, would you be seated. The member for Hartley began interjecting earlier today. He is continuing. Accordingly, he is warned a first time—and the interjection should be 'fewer beds', not 'less beds'.

The Hon. J.J. SNELLING: The new Royal Adelaide Hospital, which has been consistently opposed from the very beginning, has a massive increase in the size of the emergency department. It has more beds. It has a massively increased emergency department.

Members interjecting:

The Hon. J.J. SNELLING: You bunch of—I won't use the word. 'Whited sepulchres' has been used in reference before.

Mr GARDNER: Excuse me—

The SPEAKER: I'm going to deal with this, thank you. It is a conventional wisdom in this place, promoted by a former premier, that 'whited sepulchres' is a permitted parliamentary term: it is not. I call on the minister to withdraw it.

The Hon. J.J. SNELLING: I withdraw, sir. But I must say that the gall of those opposite, who have consistently opposed the new Royal Adelaide Hospital, with its massive increase in beds, with its much bigger emergency department, with its dispersed medical imaging, to now be complaining and whinging about the current Royal Adelaide Hospital is rather intriguing, to be honest.

Mr MARSHALL: Supplementary, sir?

The SPEAKER: No, a point of order for the member for Heysen. I was trying to find a pause there in order to recognise the member.

Ms REDMOND: The minister who was then debating the issue was the point of order, sir.

The SPEAKER: That's the point of order? I uphold it.

HOSPITAL BEDS

Mr MARSHALL (Dunstan—Leader of the Opposition) (14:16): Supplementary, sir: does the minister agree with recent statements by medical officers at the Royal Adelaide Hospital when they advise that the unsafe environment caused by overcrowding had not just happened overnight. Last year and the year before had also seen the Royal Adelaide Hospital emergency department experience extreme overcrowding of patients, creating a dangerous and unsafe environment for staff and patients.

The Hon. J.J. SNELLING (Playford—Minister for Health, Minister for Mental Health and Substance Abuse, Minister for the Arts, Minister for Health Industries) (14:16): That is exactly why eight years ago—

Mr Marshall: Do you agree with the doctors?

The SPEAKER: The leader is warned.

The Hon. J.J. SNELLING: That is exactly why eight years ago this government took the decision to build the new Royal Adelaide Hospital—because we saw the existing Royal Adelaide

Hospital was just not going to be able to keep up with demand. Those opposite argued against it. The South Australian public can see right through you lot.

Mr GARDNER: Point of order, sir. The minister keeps saying terrible things about you. I think it's time you dealt with him.

The SPEAKER: The member for Ashford.

OZASIA FESTIVAL

The Hon. S.W. KEY (Ashford) (14:17): My question is directed to the Premier. Can the Premier inform the house about how the 2014 OzAsia Festival has helped deepen South Australia's engagement with China?

The Hon. J.W. WEATHERILL (Cheltenham—Premier) (14:17): I thank the honourable member for her continued interest in South Australia's engagement with China. Our government takes its relationship with China incredibly seriously. In 2012, we released a strategy that was dedicated to the South Australian-Chinese relationship, and it has been noticed in China. They take very seriously our strategic documents; sometimes I wish our public servants took our strategic documents as seriously as the officials in China.

We made a specific reference to the province of Shandong, and we believe that our engagement with China, which has a particular investment in the social and, if you like, cultural elements of the relationship, has struck a chord with the Chinese authorities. They understand that deep economic relationships spring from those friendships, that they are at the heart of greater levels of understanding.

The economic benefit for South Australia is becoming apparent. South Australia's exports to China experienced an extraordinary 50 per cent growth in the year to July 2014. That is an increase of $1.114 billion from one country alone. It is an extraordinary achievement. We are opening our doors through political and cultural engagement that will help us to grow future trade and investment relationships.

The festival was an enormous success. Shandong was the theme for the 2014 OzAsia Festival. I understand it is the first time a province in China has been showcased anywhere in Australia. They responded with an extraordinary degree of generosity, bringing a troupe of over 140 artists, and at the highest level. The stature and success of the performances helped raise the level of awareness of OzAsia Festival in South Australia, nationally and also internationally. We also used OzAsia to further develop our political relationships. The visit of Chinese Ambassador to Australia, His Excellency Ma Zhaoxu, was planned to coincide with OzAsia.

On 3 September, I gave a keynote address to Ambassador Ma, which was extensively covered in the Chinese media, appearing prominently in both the print and online addition of the *People's Daily*, which has slightly broader reach than *The Advertiser*. The *People's Daily* is the largest daily newspaper and the Chinese language website claims 400 million hits a day. The story was subsequently syndicated across Australia—

Mr Marshall interjecting:

The Hon. J.W. WEATHERILL: I'm big in China—in a number of different print and online publications. During the OzAsia Festival, we also welcomed—

Mr Pisoni interjecting:

The SPEAKER: The member for Unley is called to order.

The Hon. J.W. WEATHERILL: During the OzAsia Festival, we also welcomed the Vice Governor of Shandong, Mr Ji Xiangqui, who addressed our cabinet meeting, which was held at the Royal Adelaide Show on 8 September. Vice Governor Ji witnessed the signing of the memorandum of understanding between the South Australian government and the Shandong government and the Adelaide Festival Centre Trust. The signing of the memorandum of understanding between the Shandong government and the Tourist Commission will help us develop another aspect of our sister state relationship.

I think all parties that have been involved in the OzAsia Festival deserve to be congratulated on this incredibly successful example of international engagement. We are seeking to engage with the Chinese government when Vice Governor Ji attends Australia during the course of the G20 summit to deepen the relationship between China and South Australia.

Parliamentary Procedure

VISITORS

The SPEAKER: I would like to welcome to parliament students from Concordia College, who are guests of the member for Unley. The leader.

Question Time

EMERGENCY DEPARTMENTS

Mr MARSHALL (Dunstan—Leader of the Opposition) (14:21): My question is to the Minister for Health. Given that SA Health's Acting Chief Executive Officer, Jenny Richter, said last week that more doctors and nurses have been rostered on in emergency departments, can the minister explain to the house how many more doctors, how many more nurses, when did they start, and from what other areas of the health system did they come?

Mr Goldsworthy: He wants to sack them.

The SPEAKER: The member for Kavel is called to order.

The Hon. J.J. SNELLING (Playford—Minister for Health, Minister for Mental Health and Substance Abuse, Minister for the Arts, Minister for Health Industries) (14:22): It's a question probably more suited to the estimates process, but I'll happily get a breakdown for the Leader of the Opposition about when staff commenced and when they didn't. There can be no doubt that we have employed additional staff to deal with the present surge in demand in our emergency departments. If you want a breakdown of the exact staff, how many there were and when they started, I would be happy to provide that to you.

AMBULANCE SERVICES

Mr MARSHALL (Dunstan—Leader of the Opposition) (14:22): Given that SA Health's Acting Chief Executive Officer Jenny Richter said last week that we've put more ambulance crews on the roads, how many more ambulance crews has the government employed, or is the government increasing the working hours for the existing ambulance crews?

The Hon. J.J. SNELLING (Playford—Minister for Health, Minister for Mental Health and Substance Abuse, Minister for the Arts, Minister for Health Industries) (14:23): My advice is we've employed additional crews, and my answer is the same for the previous question.

Mr Marshall: You'll provide an answer with a breakdown to the house?

The Hon. J.J. SNELLING: Yes.

HOSPITAL BEDS

Mr MARSHALL (Dunstan—Leader of the Opposition) (14:23): In the increased hospital bed measure that the minister announced on 6 September, why do health department documents suggest that there actually was a net decrease of one bed?

The Hon. J.J. SNELLING (Playford—Minister for Health, Minister for Mental Health and Substance Abuse, Minister for the Arts, Minister for Health Industries) (14:23): It's because of a misunderstanding about how many beds there would be in the new short-stay facility that would take the place of C3 ward. The misunderstanding was that that would consist of six beds, whereas it will consist, in fact, of seven. Once everything has played out, once all the pieces have been moved, there will be in Central Adelaide Local Health Network no increase or decrease; they'll balance each other out. There will be four additional mental health beds in the Northern Adelaide Local Health Network at the Lyell McEwin. There will be six short stay new mental health beds at the Flinders Medical Centre, and there are, I think, at the moment 12 new mental health beds at Berri and

Whyalla, and there will be another six mental health beds coming online next year at the Mount Gambier Hospital.

HOSPITAL BEDS

Mr MARSHALL (Dunstan—Leader of the Opposition) (14:24): Can the minister confirm that these beds that he announces are all a net increase and that there are no corresponding decreases in either general beds or mental health beds?

The Hon. J.J. SNELLING (Playford—Minister for Health, Minister for Mental Health and Substance Abuse, Minister for the Arts, Minister for Health Industries) (14:24): Certainly the Lyell McEwin Hospital was four additional beds. The country health mental health beds are all additional beds. The short-stay unit at the Flinders Medical Centre is the changing of an acute medical unit into a short-stay ward, but they are six new mental health beds; they were not previously mental health beds.

HOSPITAL BEDS

Mr MARSHALL (Dunstan—Leader of the Opposition) (14:25): Can the minister perhaps explain to the house how many hospital beds there are in metropolitan Adelaide at the moment and compare that with what the situation was 12 months ago?

The Hon. J.J. SNELLING (Playford—Minister for Health, Minister for Mental Health and Substance Abuse, Minister for the Arts, Minister for Health Industries) (14:25): Again, this is probably a question more suited to estimates, but there is no doubt that South Australia has more mental health beds per head of population than any other state, we also have more mental health clinicians per head of population than any other state and we spend more in mental health per head of population than any other state.

HOSPITAL BEDS

Mr MARSHALL (Dunstan—Leader of the Opposition) (14:25): A supplementary: is the minister happy to come back to the house with an answer to the question which was about how many hospital beds—the split between general and mental health—both now and 12 months ago?

The Hon. J.J. SNELLING (Playford—Minister for Health, Minister for Mental Health and Substance Abuse, Minister for the Arts, Minister for Health Industries) (14:26): I am happy to do that; however, I point out that the number of hospital beds we have is not a constant that never changes. We have capacity in our hospitals to flex up and down, so just picking a particular point of time does not necessarily provide, I think, the information that you are after because at any particular point in time the numbers will vary because—

Members interjecting:

The Hon. J.J. SNELLING: Well, I am happy to do it. I am just trying to explain to you. You don't need to get upset, Steven. I know you are not having a good week, but I am trying to be helpful here. I am just pointing out that the number of hospital beds we have is a fluid thing. Hospital beds flex up and down according to demand.

The SPEAKER: The Minister for Health is called to order for persistently not addressing the Chair.

OZASIA FESTIVAL

Mrs VLAHOS (Taylor) (14:27): My question is to the Minister for the Arts. Minister, can you advise of the success of this year's OzAsia Festival and will it continue next year?

An honourable member interjecting:

The Hon. J.J. SNELLING (Playford—Minister for Health, Minister for Mental Health and Substance Abuse, Minister for the Arts, Minister for Health Industries) (14:27): OzAsia.com. I thank the member for Taylor for her question. The OzAsia Festival took place earlier this month and has further cemented South Australia's position as the Festival State. The Adelaide Festival Centre's OzAsia Festival has delivered on many fronts. Not only has this great event engaged and thrilled

audiences but, as the Premier has mentioned, it has continued to promote cultural diversity and strengthen important bonds within Asia.

As previously mentioned in this place, this year the festival showcased the Shandong region and has been the largest cultural exchange between a Chinese province and an Australian state ever staged. This has allowed Adelaide audiences to step into this fascinating world of Chinese art and civilisation.

The partnership with Shandong has seen two of the biggest shows ever performed at the festival in *Red Sorghum* and *Dream of the Ghost Story*. This year's OzAsia Festival contained six world premieres, seven Australian premieres, eight South Australian premieres and 26 Adelaide exclusives. More than 250 artists and presenters from around the globe descended on Adelaide to be a part of this international event. Artists from Japan, India, Korea, the Philippines, Cambodia, Palestine, Bangladesh, Russia, Indonesia, Mongolia and, of course, Australia all formed part of this year's rich program.

I know that many would share my disappointment that the Moon Lantern Festival had to be cancelled for a second year owing to dangerous weather predicted that afternoon. I know it was a heartbreaking decision for the organisers, but I am assured that, weather allowing, it will be back again next year.

As the Premier stated, we were honoured to have the Vice Governor of Shandong in Adelaide to sign a memorandum of understanding between the Festival Centre, the University of South Australia and the Shandong government. I know this will lead to some amazing long-term cultural ties between our two regions and I look forward to seeing the fruits of the labours of all involved in this important cultural partnership. I assure honourable members that the government will continue to support this event so that it grows into the future. Next year's festival will have its focus on Indonesia.

HEALTH AND HOSPITAL CARE

Mr MARSHALL (Dunstan—Leader of the Opposition) (14:29): My question is to the Minister for Health. Has the government investigated reports by SASMOA that junior doctors are working 140-hour fortnights and being left unsupervised? What is he doing to address this situation?

The Hon. J.J. SNELLING (Playford—Minister for Health, Minister for Mental Health and Substance Abuse, Minister for the Arts, Minister for Health Industries) (14:29): I had a meeting last week with Dr David Pope and Bernadette Mulholland from SASMOA and undertook to properly investigate all of the claims or the allegations they were making. I was particularly concerned about any claims that patient safety has in any way been compromised. They also, of course, claimed that staff are being asked to work excessive hours, and we are in the process of investigating those claims.

Mr MARSHALL: Supplementary, sir.

The SPEAKER: Supplementary.

HEALTH AND HOSPITAL CARE

Mr MARSHALL (Dunstan—Leader of the Opposition) (14:30): In the meeting that the minister had with SASMOA, can he update the house whether or not he discussed matters claimed by SASMOA regarding misdiagnosis and incorrect medication running at extraordinarily high rates?

The Hon. J.J. SNELLING (Playford—Minister for Health, Minister for Mental Health and Substance Abuse, Minister for the Arts, Minister for Health Industries) (14:30): I can answer that there was a particular claim that four resuscitation cubicles were occupied with high demand on staff. A patient was inadvertently given 50 units of medication instead of five. Staff quickly recognised the error and rectified it, and the patient did not come to any harm. The patient and family were given a detailed explanation as to what happened, and an apology was given and accepted shortly after the incident. That is one particular case that I am aware of, and that is the advice from my department.

The SPEAKER: Supplementary?

Mr MARSHALL: Yes.

HEALTH AND HOSPITAL CARE

Mr MARSHALL (Dunstan—Leader of the Opposition) (14:31): The claims made by SASMOA don't relate to one specific incident. They claim that there is a high rate of misdiagnosis and incorrect medication. Is the minister aware of these allegations, and what is the minister doing to investigate them?

The Hon. J.J. SNELLING (Playford—Minister for Health, Minister for Mental Health and Substance Abuse, Minister for the Arts, Minister for Health Industries) (14:31): I presumed that the member for Marshall—sorry, the Leader of the Opposition—

Members interjecting:

The Hon. J.J. SNELLING: Maybe one day, you never know—the longest-ever-serving Leader of the Opposition. But I presume the Leader of the Opposition was talking about a specific incident. Yes, of course, I am familiar with Dr Pope and his concerns or allegations that there is a high rate of misdiagnosis and errors being made when hospitals are very busy. We take all steps to keep that to an absolute minimum. Patient safety is an absolute priority for me, but I guess it really comes down to the reasons why this government made the decision some time ago that we needed to build the new Royal Adelaide Hospital.

We recognised that the existing Royal Adelaide Hospital was simply not going to cut it when it came to providing health care for South Australians in generations to come. We made the courageous decision that a new hospital needed to be built, and that is what we are doing. All the concerns that have been listed, of course, happen when you are operating in an environment which is just not suited to 21st century medicine. That is why we made the decision that we did.

HEALTH AND HOSPITAL CARE

Mr MARSHALL (Dunstan—Leader of the Opposition) (14:33): A supplementary question: does the department keep its own statistics regarding misdiagnoses and incorrect medication and, if so, how do these compare with those put forward by SASMOA?

The Hon. J.J. SNELLING (Playford—Minister for Health, Minister for Mental Health and Substance Abuse, Minister for the Arts, Minister for Health Industries) (14:33): There is a system that the department has whereby notifications can be made where an error or accident has happened. I don't have those with me, but I am happy to check.

NATURAL DISASTER RISK MANAGEMENT

The Hon. T.R. KENYON (Newland) (14:33): My question is to the Minister for Emergency Services. How is the state government assisting the community to manage natural disaster risks?

The Hon. A. PICCOLO (Light—Minister for Disabilities, Minister for Police, Minister for Correctional Services, Minister for Emergency Services, Minister for Road Safety) (14:34): I would like to thank the honourable member for his question and also his commitment to supporting local communities.

The duration, frequency and intensity of heatwaves have increased across large parts of Australia since 1950 with seven of the 10 warmest years on record having occurred since 1998. There has been an increase in extreme fire weather and a longer fire season right across large parts of Australia since the 1970s. Indeed, during our last fire danger season our state faced its busiest period of fire activity on record, followed by an extreme storm, flooding and several heatwaves. During these extreme events not one life was lost and property damage was minimised. This was because of the excellent efforts of our fire, emergency and rescue service workers, both paid and volunteer.

While we marvel at this beautiful country we live in, we acknowledge that natural hazards are a fact of life and that we must all play a part in managing and mitigating the natural disaster risks that exist around us. That is why today, in partnership with the commonwealth government, I am pleased to announce a contribution towards the $7 million in funding to assist communities across South Australia to build resilience to natural disasters. The South Australian government contribution is more than $1 million and the federal government has kindly contributed more than $2 million.

This multisector commitment aims to lessen the impact of natural disasters. Local communities will be in a better position to respond to emergencies and disasters, meaning lives and properties will be saved. Funding will go towards 37 projects including:

- $60,000 to support the communities of Eden Valley and Bangor which were impacted by the bushfires in January 2014;
- $134,640 for flood mapping on Kangaroo Island, and work with the local community to develop flood management strategies;
- $63,053 to provide community education on the importance of animal management in emergency plans;
- $504,500 to work with communities to identify bushfire risk and develop bushfire management area plans and local treatment plans; and
- $430,000 to increase community awareness of non-operational volunteering roles and to promote the benefits of employing Country Fire Service and State Emergency Service volunteers to larger employers and therefore boost our number of volunteers.

A full list of the successful projects can be accessed at the SAFECOM website later today.

ECARL

Ms SANDERSON (Adelaide) (14:36): My question is to the Minister for Education and Child Development. Can the minister advise why the eCARL system crashed over the weekend?

The Hon. J.M. RANKINE (Wright—Minister for Education and Child Development) (14:37): I thank the member for Adelaide for her question. My understanding of the operation of the eCARL system is that it is set up in such a way that should a failure occur an alert is automatically generated so that the department knows the system has gone down. The advice we have is that on the weekend a fault occurred that had never occurred previously; therefore, that alert was not raised. As soon as the department was aware of the failure it was rectified, and should any similar faults occur again an automatic alert will be raised.

ECARL

Ms SANDERSON (Adelaide) (14:37): A supplementary question: can the minister guarantee that no child abuse reports were lost during the time the system was offline?

The Hon. J.M. RANKINE (Wright—Minister for Education and Child Development) (14:37): I thank the member for Adelaide for her question. We are talking about the eCARL system, so that is people logging online using a computer. The phone system was operational throughout that time.

ECARL

Ms SANDERSON (Adelaide) (14:38): A supplementary: can the minister advise why the callback service on the CARL line that was to be implemented a year ago is still not up and running, and when it will be?

The Hon. J.M. RANKINE (Wright—Minister for Education and Child Development) (14:38): I again thank the member for Adelaide for her question. There are a number of components in relation to the new phone system that we have operating here. One of those was to initiate a callback feature and that is part of this phone system. That has not been activated as yet. What we have done is install the new system that has the ability to record and store all child protection notifications for future reference, so that is part of the phone system.

It has the ability to designate specific phone lines so that high risk cases from senior practitioners can go directly to a designated line. It also has the ability to advise people online where they are in the queue of callers. The callback feature has been initiated, I understand, in some other jurisdictions and we are waiting for a report back about the effectiveness of that particular facility.

ECARL

Ms SANDERSON (Adelaide) (14:39): What action is the government taking to ensure that the eCARL system is functional and does not continue to crash in the future?

The Hon. J.M. RANKINE (Wright—Minister for Education and Child Development) (14:39): I thank the member for her question. I guess you don't know what you don't know, but what we have is a system—

Members interjecting:

The Hon. J.M. RANKINE: Well, I don't know about you, but I'm not a technical expert so I can't identify every potential thing that could occur in relation to a computer system. Can you give me an assurance that your computer is not going to crash in your office? The fact is we have an alert system that is in place. Should the system break down there is an alert system that is activated to indicate that eCARL is no longer available, but the telephone system is continuously available 24 hours a day.

ECARL

Mr MARSHALL (Dunstan—Leader of the Opposition) (14:40): Supplementary: given the minister has outlined that the callback system was due a year ago, when will it actually be implemented? When is it going to be operational?

The Hon. J.M. RANKINE (Wright—Minister for Education and Child Development) (14:40): The phone system is installed and is operating. I think it is New South Wales that had a similar system put in place and we are awaiting an evaluation of that particular system because I think there have been some issues identified with that system, so we are just waiting for that to occur.

ECARL

Mr MARSHALL (Dunstan—Leader of the Opposition) (14:41): Just to clarify: is the minister saying that the system is in place, it's been in place for a year but hasn't been implemented?

The Hon. J.M. RANKINE (Wright—Minister for Education and Child Development) (14:41): No, I didn't say that at all. I outlined all of the features of the system and as soon as we get the information we need we will be able to activate the callback feature.

EXPERT PANEL ON PLANNING REFORM

Ms DIGANCE (Elder) (14:41): My question is to the Minister for Planning. Minister, can you update the house on progress by the independent Expert Panel on Planning Reform?

The Hon. J.R. RAU (Enfield—Deputy Premier, Attorney-General, Minister for Justice Reform, Minister for Planning, Minister for Housing and Urban Development, Minister for Industrial Relations) (14:42): I thank the honourable member for her question.

Members interjecting:

The Hon. J.R. RAU: Are we okay back there? Are we good?

Members interjecting:

The Hon. J.R. RAU: Alright, I am going to start talking. This one is hot off the presses so I bet he can't find it. Today, it was my pleasure, in fact at lunchtime, to host another briefing for members with Brian Hayes, QC, Chair of the Expert Panel on Planning Reform. Recently, the panel published their second report, Our Ideas for Reform. Consultation is well underway with formal submissions on the ideas open until this Friday 26 September. The panel, supported by staff from the Department of Planning, Transport and Infrastructure, have continued their extensive consultation schedule, meeting with groups and councils around the state.

Ms Chapman interjecting:

The Hon. J.R. RAU: The work will be done, member for Bragg. The work will be done and once it's done then their work is done. The expert panel published 27 ideas for reform and it is of great importance that these ideas are discussed far and wide to ensure we get as many perspectives

on the ideas as possible. The government has considered the ideas presented in quite some detail and there are many that are exciting, many that I would like to implement now and some that seem a little challenging, but that's government. That is what the government hoped we would get from the work of the panel: a willingness to tackle the more vexing issues in planning while not ignoring the more straightforward opportunities for reform.

I would like to encourage all South Australians to engage with these ideas for reform because their input will, no doubt, play an important part in influencing the panel's recommendations. In addition to the ideas for reform, the panel has also published a compendium of some 69 options aligned to the 27 ideas for reform. This demonstrates the volume of work available to members and the public with which to engage and consider. With planning reform there is, apparently, more than one way to skin a cat.

The Hon. T.R. Kenyon interjecting:

The Hon. J.R. RAU: Not my cat. I would like to thank members for their continued interest in these reforms and to the panel: Brian Hayes QC, Natalya Boujenko, Stephen Haines, Theo Maras and Simone Fogarty, for their continuing work. The government eagerly awaits the final report and recommendations of the panel, due before the end of this year. For further information, member for Schubert, please visit thinkdesigndeliver.sa.gov.au.

CHILD PROTECTION

Ms SANDERSON (Adelaide) (14:44): My question is to the Minister for Education and Child Development. What is the average response time for Families SA to investigate a report to the Child Abuse Report Line that is assessed as a tier 2, the average time?

The Hon. J.M. RANKINE (Wright—Minister for Education and Child Development) (14:45): I am happy to take that question on notice, but can I make the point that not all tier 2s are investigated. We have something like 55,000 calls to the Child Abuse Report Line each year. That results in something like 19,000 or 20,000 screened-in notifications. It is just impossible for any system to be able to investigate all those cases. They are assessed by trained social workers and prioritised.

CHILD PROTECTION

Ms SANDERSON (Adelaide) (14:45): Supplementary: what is the maximum response time for Families SA to investigate a tier 2 complaint?

The Hon. J.M. RANKINE (Wright—Minister for Education and Child Development) (14:46): I think I did answer that question just then, but can I say that we have invested enormously in child protection here in South Australia since we came to government: the massive increase in our budget, the massive increases in our staffing levels, and there have been large increases in the number of children in care. There were a little over 200, I think, social workers—

Ms Chapman: So what's the answer to the question?

The SPEAKER: The deputy leader is warned for the second and final time.

The Hon. J.M. RANKINE: There were 283 care and protection workers in Families SA when we came into government. The millions of dollars that we have invested in child protection since that time mean that we have over 630 care and protection workers in our state now. So, this is not something that we have taken lightly. We have invested heavily in it. We have more people reporting. We have different—

Mr Marshall: Nevertheless, the question was pretty specific. It wasn't a disrespectful question.

The Hon. J.M. RANKINE: I haven't answered it in a disrespectful way either.

Mr Marshall: You haven't answered it.

The Hon. J.M. RANKINE: Yes, I did. I answered it before: not all tier 2—

Mr Pisoni interjecting:

The SPEAKER: The member for Unley is warned.

The Hon. J.M. RANKINE: —notifications are investigated. In fact, there are many different responses that we have in relation to caring for children; it may be the engagement of a non-government organisation to go in and work with that family. So, there are many different ways that we engage with them—the Safe Babies program. They may be going in, working with them, working with their children, working in their homes, getting non-government organisations in there. They are not all subject to investigation.

CHILD PROTECTION

Ms SANDERSON (Adelaide) (14:48): Supplementary: what is the definition of a tier 2 report?

The Hon. J.M. RANKINE (Wright—Minister for Education and Child Development) (14:48): I have had a look at a range of documents, and they all seem to have a slightly different definition for tier 2. Tier 2 means that it is a serious notification and one that the department needs to think about what needs to happen. The simple fact of the matter is that we have more than doubled the care workforce. I think we have trebled the budget. We have had a massive increase in the number of calls to the Child Abuse Report Line. We have different ways of people notifying. What we need to do is what we are doing and focus our work on working with families in their home, rather than making these decisions to take children away, when it is at all possible.

CHILD PROTECTION

Ms SANDERSON (Adelaide) (14:49): Supplementary: what additional resources are needed at Families SA to ensure that all critical incidents reported through the Child Abuse Report Line are fully investigated in line with the department's own requirements?

The Hon. J.W. WEATHERILL (Cheltenham—Premier) (14:49): One of the things that has always, I suppose, staggered me in the 12 years I have been in this place, when the periodic catastrophe occurs in child protection, is the opportunism of those opposite to leap on board—

Mr GARDNER: Point of order: the minister has just said that serious concerns are not being investigated, and the minister is playing politics and debating.

The SPEAKER: I will listen carefully to what the Premier has to say.

The Hon. J.W. WEATHERILL: It's a very important observation in the context of this very sensitive debate because the truth is that legislation—

Members interjecting:

The Hon. J.W. WEATHERILL: If you listen carefully—I remember being in the deadlock conference with you where we discussed these very questions. We amended the legislation to break the relationship between the notification and the investigation of these matters, and we did that for good reason. The truth is one in every four children to the age of 18 has a child protection notification. Are we seriously suggesting—

Mr Gardner: We are talking about the tier 2 ones, Jay.

The Hon. J.W. WEATHERILL: —and many of them are tier 2. Are we seriously suggesting that the future for our child protection system is one of running the ruler over families for the purposes of finding sufficient evidence to remove that child from that family, or do we want a system that focuses on the support of those families to strengthen those families and allow those families to actually deal with the difficulties they may be facing so that they can be better parents and successfully deal with their parenting responsibilities?

One of the great advances that was made in the seventies, when we became, sadly, more aware of what was then described as 'battered baby syndrome', was the notion of needing to find out more about what was happening inside families, so all jurisdictions—many around the world, starting with the US—went for the mandatory notification paradigm. The problem with that paradigm is it led to an enormous shift of resources into the investigation phase, away from the helping phase.

The truth is that the more you run a ruler over a family and go in and investigate them, the more resistant they will be towards revealing their difficulties and sharing with the authorities the sorts of responsibilities they have, because if they think a child is going to be taken from them it's the very last thing they are going to do. They are going to avoid those authorities. They are not going to open up in a way which allows us to get close enough to those families to assist them.

These are not simple questions. Every time our child support workers go into these families and seek to support them, we know they are putting themselves in harm's way in many respects because often the last person who goes near these families and offers to help them is the first the finger of blame is pointed at by ill-informed criticism from people like those opposite. The sort of people who devote the whole of their lives to caring and protecting our children in our community are often at the forefront of ill-conceived criticism. The truth is that, as the finger of blame is pointed, many authorities have been associated with increasing the rate at which they notify child protection concerns. Police, for instance—

Mr Marshall: How about an answer to the question?

The Hon. J.W. WEATHERILL: I am answering the question. Police, for instance, notify routinely about domestic violence matters in every case. Many of them will be screened in as tier 2, yet everything conceivably has been done to ensure that child has been safe. The perpetrator may have been removed, the family may have been taken to a safe location; nevertheless, it will be a tier-2 investigation. Is it proper to investigate? No, because all has been done to ensure that child and that family are safe.

INTERNATIONAL MINING AND RESOURCES CONFERENCE

Mr HUGHES (Giles) (14:53): My question is to the Minister for Mineral Resources and Energy. Can the minister inform the house about the International Mining and Resources Conference currently underway in Melbourne, which has a focus on outbound Asian investment?

The Hon. A. KOUTSANTONIS (West Torrens—Treasurer, Minister for Finance, Minister for State Development, Minister for Mineral Resources and Energy, Minister for Small Business) (14:53): Yesterday, I was fortunate enough to travel to Melbourne to speak at the inaugural International Mining and Resources Conference (IMARC). The four-day event that started yesterday is being held at the Melbourne Convention and Exhibition Centre. The conference brings together more than 2,000 delegates from more than 30 countries along with some of the world's largest mining companies, including Rio Tinto, MMG and BHP.

The government's message was clear: we are open for business, and this government, unlike some sections of the community, supports unlocking the full potential of South Australia's resources, energy and renewable assets, wherever they are. The Asian region is the world's fastest growing regional economy—

Mr Whetstone interjecting:

The Hon. A. KOUTSANTONIS: Calm down, sweetheart—with 33 per cent of the world's gross domestic product. This government will continue to build the state's relationship with Asia by supporting and extending our mutually beneficial links through migration, trade, investment and tourism.

Over the last 10 years, our state's mining and oil and gas producers have more than quadrupled mineral and petroleum production from $1.6 billion to $7 billion achieving record exports now accounting for 39 per cent of South Australia's merchandise export.

Mr Tarzia interjecting:

The Hon. A. KOUTSANTONIS: Yes, that's right. I repeat this all the time. I say it over and over again and one day it might filter through to members opposite that the oil and gas industry—

Mr TARZIA: Point of order!

The Hon. A. KOUTSANTONIS: —in this state will benefit South Australians. It will actually grow our economy and it will help South Australians.

The SPEAKER: The minister will be seated. I will take the point of order from the member for Hartley who, from quite a distance, is trying to show me his computer screen.

Mr TARZIA: Point of order, sir. The minister seems to be reading from a press release put out on 22 September, but I could be wrong there, sir.

The SPEAKER: Minister, is this information readily available from another source?

The Hon. A. KOUTSANTONIS: Yes, sir, and I scream it from the rooftops so members know exactly how important our oil and gas sector is, sir. I mention these statistics in speeches, in press releases, in emails, on Twitter, on Facebook, everywhere to point out to members opposite and the Leader of the Opposition how important this industry is to South Australia.

Members interjecting:

The SPEAKER: The member for Hartley is warned a second and final time. The deputy leader.

Ms CHAPMAN: I'm not sure, Mr Speaker, whether I have to dance on the table here to get your attention.

The SPEAKER: Please, no. Please don't.

Ms CHAPMAN: For the last minute, while I have been trying to raise a point of order, the minister has not only made accusations across the chamber but has also been debating this matter.

The SPEAKER: I uphold the point of order. But wait, there's more.

The Hon. A. KOUTSANTONIS: The government's involvement in these international conferences, whether they be based in Adelaide, Melbourne or in the Asia-Pacific or anywhere in the world, is important to spread the word about our best regulatory practices that we have here in South Australia, about our regulatory practices that ensure safe—

Mr Marshall: Our high taxes.

The Hon. A. KOUTSANTONIS: It's interesting. Note that the Leader of the Opposition talks about high taxes. In terms of mining taxes, we have the lowest mining taxes—

Mr Marshall: You supported the carbon tax. You supported the mineral resources rent tax.

The Hon. A. KOUTSANTONIS: We supported the lowest mining taxes in the country. Indeed, those lowest mining taxes in the country are a great benefit towards South Australia in encouraging more investment. I do note that when the MRRT was brought in and affected iron ore mines and coalmines in Western Australia and Queensland, those governments increased royalties to about 12 per cent. Those Liberal governments increased those royalties in response to the MRRT to have a feedback to their state budgets. The MRRT has now been removed, but those royalties have not come down. The highest taxing states in the federation for the mining industry are Queensland and Western Australia—Liberal governments.

The SPEAKER: The member for Colton.

Mr Marshall: That's three in a row for the government.

INVESTMENT AND TRADE INITIATIVES

The Hon. P. CAICA (Colton) (14:58): Bad luck. My question is to the Minister for Manufacturing and Innovation.

The Hon. L.W.K. Bignell: He called you a hobo.

The Hon. P. CAICA: How is the state government assisting companies—who called me a hobo?

The Hon. L.W.K. Bignell: The member for Mitchell.

The Hon. P. CAICA: Sorry, I was distracted. How is the state government assisting companies to participate in private sector projects in South Australia and across Australia?

The SPEAKER: I'm afraid I missed that.

The Hon. P. CAICA: What was it you missed? The question?

The SPEAKER: What was the question?

The Hon. P. CAICA: The question was, again—but, sir, someone did call me a hobo and I was distracted. How is the state government assisting companies to participate in private sector projects in South Australia and across Australia?

The SPEAKER: Splendid. Minister.

The Hon. S.E. CLOSE (Port Adelaide—Minister for Manufacturing and Innovation, Minister for Automotive Transformation, Minister for the Public Sector) (14:59): I thank the member for his question. This government is committed to ensuring that local industry has the best possible opportunity to win work in major private investment projects. With a highly competitive environment created by a strong Australian dollar, and of course the federal government's economic rationalist attitude to industry support, it is more important than ever that we ensure our local businesses are able to position themselves to successfully bid for lucrative contracts. This government's aim is to support local firms and the South Australians they employ to win the largest share possible of the billions of dollars worth of major projects on the horizon in this state.

Not only do we want local businesses to participate in state government projects we also want them to win the biggest share they can in the many billions of dollars of private sector investment that continues to flow to this state. To achieve that objective, we have established the Industry Capability Network, which now sits as a unit within the Department of State Development. The Industry Capability Network (ICN) has focused its efforts on our key economic growth areas: oil and gas exploration, mineral resources, clean tech and defence-related projects. We want local businesses to understand how to bid for these contracts, what they need to do to win those contracts and then to be able to deliver.

I am pleased to report that, in the past financial year, $103 million worth of contracts awarded to South Australian-based companies were facilitated through the ICN. An additional $9 million of contracts from interstate offices were awarded to South Australian-based companies through using the ICN national network. ICN actively works with the South Australian manufacturing, resources and defence sectors to identify and encourage opportunities for local suppliers to participate in major projects.

In the defence sector, ICN is assisting companies to identify work with projects such as the ASC as part of the Collins Class sustainment project, BAE Systems on its Global Access Program, General Dynamics on the M113 battle-damaged vehicle program and assisting Defence SA with supply chain information for potential suppliers for the LAND 400 project.

In the minerals sector, ICN has been working with both Rex Minerals on the Hillside copper mine project located on Yorke Peninsula and Nyrstar on the Port Pirie smelter upgrade project to provide these companies with information on potential local suppliers. An ICN supply consultant is located within the Nyrstar project team to ensure it is aware of local industry capability. ICN has also supplied information to Santos, BP and Iron Road to assist local industry to participate in current and future resource and energy projects.

In the clean tech sector, ICN has worked with Sundrop Farms, an exciting project in the member for Stuart's electorate, on its greenhouse expansion. Sundrop Farms' greenhouses harness the sun's energy to desalinate sea water to produce fresh water for irrigation, generate electricity and provide energy to heat and cool the greenhouse.

This government is committed to ensuring that local industry has the best opportunity to win work on major projects. The ICN is delivering on this commitment $103 million in 2013-14 and many more millions of dollars in the future as this state continues to grow and become a place where people and business thrive.

FUTURE FUND

Mr MARSHALL (Dunstan—Leader of the Opposition) (15:02): My question is to the Treasurer. As today is the one-year anniversary of the future fund announcement by the Premier, why hasn't the government introduced legislation to establish this fund?

The Hon. A. KOUTSANTONIS (West Torrens—Treasurer, Minister for Finance, Minister for State Development, Minister for Mineral Resources and Energy, Minister for Small Business) (15:03): Ah, sir, the impatience of youth. It is all coming. It will all be here. Thanks to the efforts of the Leader of the Opposition, we have 3½ years left to implement our policies. I want to thank you for the opportunity—

The SPEAKER: No, don't thank me.

The Hon. A. KOUTSANTONIS: And also your hard work, sir, for making sure that the government was re-elected. Of course, there are many other stars in that campaign, no more notably than the Leader of the Opposition; he played a starring role. But of course I will report back to the house as soon as possible.

FUTURE FUND

Mr MARSHALL (Dunstan—Leader of the Opposition) (15:03): Given that this announcement was made when the Premier himself was the treasurer, can the current Treasurer explain to the house whether he agrees with the Premier on the establishment of the future fund or whether he agrees with his Under Treasurer, Brett Rowse, who said that the government should not set up a future fund but pay off existing debt first?

The Hon. A. KOUTSANTONIS (West Torrens—Treasurer, Minister for Finance, Minister for State Development, Minister for Mineral Resources and Energy, Minister for Small Business) (15:04): My God, what a shock: the Under Treasurer wants to pay down debt! I agree with the Premier on all things. I agree with him all the time. In fact, I can tell you I am agreeing with what he is thinking right now, that is, this government, united behind our leader, united behind our Premier, united in one common cause. I also want to point out that we are probably the last Labor government—the last Labor government in the world?

The Hon. J.J. Snelling: ACT.

The Hon. A. KOUTSANTONIS: In the ACT. There are Liberal victories occurring all across the country. We had one in New South Wales, we had Queensland, we had Western Australia fall, we had New Zealand—

Mr GARDNER: Point of order, sir.

The SPEAKER: What is the point of order?

Mr GARDNER: We are straying a long way from the reservation.

The SPEAKER: I will listen carefully to the Treasurer.

Mr Marshall interjecting:

The Hon. A. KOUTSANTONIS: No, no, I agree with the Premier. I think a future fund is a very good idea. I also agree with former prime minister John Howard and former treasurer Peter Costello that future funds—

Mr Marshall: They were in surplus; you've never seen surplus.

The Hon. A. KOUTSANTONIS: Yes, we have, Mr Speaker. I also note that the Leader of the Opposition in his budget reply said that we would never reach surplus. It is another example of a man who can't think more than one step ahead. This is a leader you're following over of the cliff, the same guy—

Mr PENGILLY: Point of order: I ask you to adjudicate on whether the Treasurer is actually debating the matter.

Members interjecting:

The SPEAKER: Yes; the Treasurer advises me I should uphold the point of order.

The Hon. A. KOUTSANTONIS: Of course I agree with the Premier, sir. I was in cabinet when we came up with the idea. I think it's an excellent idea, and I think future generations will thank us for it.

PORTOLESI, MS G.

Mr PISONI (Unley) (15:06): My question is to the Minister for Multicultural Affairs. Can the minister advise the house what role she had in the creation of the new advisory position within her department and the appointment of Grace Portolesi to that position?

The Hon. J.W. WEATHERILL (Cheltenham—Premier) (15:06): The position that is now occupied by Ms Grace Portolesi is precisely the same position that was created for the former chair of the Multicultural and Ethnic Affairs Commission, now the present Governor of South Australia. The salary and arrangements that have been put in place for that position, the salary and arrangements that have been put in place for the Chair of the South Australian Multicultural and Ethnic Affairs Commission, are exactly the same, but there is a nuance and a change to the role.

I have discussed with Ms Portolesi the way in which she should perform that role, and I've also discussed it with the minister, and that is that while there is an important role in maintaining and supporting communities, there is also a crucial role in reaching out to the world from South Australia and using the advantages we have with our wonderful multicultural communities to make the connections that allow us to invest and trade with the world.

That's the opportunity we've laid out for ourselves in our economic vision for South Australia, to use those connections, to take our wonderful multiculturalism, use the connections that those people have with their countries of origin to allow us to form the links necessary—

Ms Redmond interjecting:

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

The Hon. J.W. WEATHERILL: —to trade. We know that a very high proportion of our exporters are people who were born overseas. We know a very high proportion of our entrepreneurs were people born overseas. They represent a massive resource for South Australia at a time when we need to transform and modernise the South Australian economy.

PORTOLESI, MS G.

Mr PISONI (Unley) (15:08): Supplementary, sir: what is the length of her contract and what's the total value of her contract?

The Hon. Z.L. BETTISON (Ramsay—Minister for Communities and Social Inclusion, Minister for Social Housing, Minister for Multicultural Affairs, Minister for Ageing, Minister for Youth, Minister for Volunteers) (15:08): Ms Portolesi has a contract for six months—

Mr Pisoni interjecting:

The SPEAKER: The member for Unley is warned for the second and final time.

The Hon. Z.L. BETTISON: Ms Portolesi's terms are consistent with the previous chair, as outlined by the Premier: annual remuneration is $27,830, which is for the Chair, and $69,000 for the advisory position.

PORTOLESI, MS G.

Mr PISONI (Unley) (15:09): Supplementary: if the position is such an important position, why is it only for six months?

The Hon. J.W. WEATHERILL (Cheltenham—Premier) (15:09): For those—

An honourable member interjecting:

The Hon. J.W. WEATHERILL: Well, no. If members opposite had been following events, they would have noticed that a number of the most recent appointments that have been made by the government prior to the conclusion and tabling of the interim report on boards and committees were

made for short-term appointments. For instance, we just reappointed the Tourism Commission board members for six months—well, we are about to do that—on the basis that they were being reviewed—

Members interjecting:

The SPEAKER: Did I hear the member for Unley interject?

The Hon. J.W. WEATHERILL: —by the boards and committees interim report, and we had not made a concluded decision about what should happen with a range of those boards and committees. In each of those cases we have been advising the members of those boards and committees that—

The Hon. J.M. Rankine interjecting:

The SPEAKER: The Minister for Education is called to order.

The Hon. J.W. WEATHERILL: —there is a reform process that is underway and once that has concluded we will be able to confirm their appointments for potentially a longer period of time. This is consistent with the approach that we have been taking generally.

The SPEAKER: Did I hear the member for Unley interject, 'She can't get a job in the private sector'?

Members interjecting:

The SPEAKER: Right. The motion before the house is that the house note grievances.

Grievance Debate

CHILD PROTECTION SCREENING

Mr KNOLL (Schubert) (15:11): I rise today to talk about a constituent issue I have been dealing with over the past number of weeks. When you first come into this place with high-minded ideals and the idea that you can help people, I thought that I would help to make a positive contribution in people's lives, but alas I have spent quite a bit of time saving people from the very government that I wish one day to become a part of. No such example could be more stark than a woman called Jasmine Kerr who came to my office a number of weeks ago.

Jasmine works at the local Nuriootpa Community Children's Centre, and eight weeks before the expiration of her DCSI clearance she submitted paperwork on getting a renewed certificate. Those eight weeks came and went and she was without a certificate. As a consequence, she had to step down temporarily from her position working at the kindy and also working at the out-of-hours school care. At the same time she was furiously emailing the department to ask where her clearance was. The answer that she got back from the department was very bland. It was basically, 'We will get to it and you will know when we get to it.'

In sheer desperation as a young mum who does not have infinite means, she contacted my office to try to get some help. The staff at my office quickly wrote an email to the minister, and the subsequent investigation came back that she was merely missing the middle name on her application. What I find quite interesting is that it was not in those first eight weeks that they came back to her and said she would need to resubmit; it was something in the order of 14 to 15 weeks afterwards that the department got back to her, and it only did so after the urging of my office. I find that quite disgusting.

What happened after that was she very quickly resubmitted her application and a couple of weeks later was given her clearance. I put on the record for the house that here is a woman who waited 17 weeks to get her clearance, nine weeks of which she had to spend at home with no income because this government could not get its act together. I do not know of too many people who could survive for two months without a job. I know that in my situation I would struggle to survive for two months without a job (and in no way at this point am I casting aspersions on my wife's spending habits). This poor woman was sitting at home for nine weeks, stressing and fretting because she was not able to go to work.

Nuriootpa is not a town that has a surplus of workers in early education, and the kindergarten found it very difficult to find alternative arrangements, especially to fill her position for a short-term appointment. Here we have a situation where not only was she incredibly inconvenienced but the kindergarten itself was also inconvenienced by struggling to find staff to fill her position. Jasmine tells me that other people are in the same situation and have had to take long service leave to cover off the gap. Again, I find it disgraceful that those who say they stand up for the worker and workers' entitlements force workers to use those entitlements to cover government ineptitude, and it is simply not good enough.

Subsequent correspondence from the department suggests that people who wish to get a renewal of their clearance need to contact the department six months—six months—before the expiry of their current clearance, and that is simply not good enough. I would contend that there is a need for the level of staffing within that department to be increased to cover off the increased workload.

In phone calls made to the department, the department did indeed suggest that it was ready, willing and able to fill the shortfall and had people willing to work overtime. They wanted to have increased staffing to fill the positions and get through the backlog of work so that situations like Jasmine Kerr's did not exist. The answer from those up on high was that those decisions were not able to be made. I find it an absolutely disgusting shame that this government is disadvantaging the very people it says it champions, that we have a situation where people are not able to actively do the jobs and go about their daily lives, and that this government is interfering in them.

JUVENILE DIABETES

Ms WORTLEY (Torrens) (15:16): Over the years, in the different positions I have held, including my current role as the member for Torrens, I have met many children and families whose lives have been dramatically changed by type 1 diabetes, otherwise known as juvenile diabetes.

Type 1 diabetes does not have links to diet, blood pressure, weight, or physical activity. It is an incurable autoimmune disease that generally occurs in childhood and lasts across a person's lifetime, and it makes up approximately 10 to 15 per cent of all cases of diabetes. Around 2,000 Australians are diagnosed with type 1 diabetes each year, and it affects more than 120,000 people across the nation and millions around the world.

Type 1 diabetes stops the body from producing the vital hormone insulin. Without insulin, our bodies cannot digest food, and without insulin we can literally starve to death. People with type 1 diabetes must strictly control their blood glucose levels or risk becoming hypoglycaemic (low in blood sugar) or hyperglycaemic (high in blood sugar). Both conditions can, in fact, be deadly.

The list of potential complications from the disease makes sobering reading: heart attack or stroke, kidney failure, blindness, amputation, pregnancy complications, and depression. Naturally, living with type 1 diabetes can be a pretty stressful existence, requiring constant monitoring of blood levels via regular finger pricks, multiple insulin injections each day, or a constantly regulated supply through an insulin pump. Type 1 can be diagnosed at any age, but it occurs mostly in people under 30. For now, there is no way to prevent it. Environment and genetics are thought to be factors in type 1, but much more research is needed to fully understand its causes.

The Australian Type 1 Diabetes Clinical Research Network, which was committed to under the previous federal Gillard Labor government, is now funding 12 projects and 45 researchers across Australia. In South Australia, the project includes the Environmental Determinants of Islet Autoimmunity study, which is looking into which environmental factors contribute to the development of type 1 diabetes in early childhood.

The staff and supporters of the Juvenile Diabetes Research Foundation (JDRF) work tirelessly to improve the lives of those with type 1 through awareness, advocacy and research. The JDRF currently funds several research areas, with the aim of fulfilling its new slogan, 'Help turn Type One into Type None'. Fields with significant promise include exploration into:

- artificial pancreas systems;

- therapies to treat and even reverse some of the debilitating and life-threatening complications of type 1;
- smart insulin, which controls blood glucose with just one dose a day; and
- a vaccine that eliminates the risk of anyone developing type 1, although this is a long-term goal.

It is hoped that new treatments will appear along the way which help reduce and ultimately remove the onerous daily regime those with type 1 must undergo, as well as the side effects they endure and the complications they face. The foundation says its work is not just about a vision; it is also about a plan for a world in which:

- blood glucose levels can be controlled automatically;
- people with type 1 can sleep, eat, exercise and live as if type 1 diabetes is not in their lives;
- type 1 can be cured; and
- type 1 can be prevented and never threaten anyone again.

One of the JDRF's most important annual fundraisers is the Walk to Cure Diabetes, and I would like to encourage as many members as possible to sign up for this event. I know that people both in this parliament and at the federal level have previously done so.

The Adelaide event will be a five-kilometre walk, from Wigley Reserve at Glenelg to Somerton Surf Life Saving Club and back, and it will take place on Sunday 26 October. The walk is pram and wheelchair friendly, and dogs are permitted on a leash. Among other events around Australia there will also be walks in Whyalla on Sunday 2 November and in Mount Barker on Saturday 15 November. People wanting more information can go to www.jdrf.org.au/walk.

SA WATER

Mr PENGILLY (Finniss) (15:21): I raise the issue of SA Water in relation to BJ Jarrad Pty Ltd and Kangaroo Island contractors who have been left stranded by the company going into receivership. I quote from a letter that has been sent to minister Hunter:

> The financial and emotional impact of this event on the subcontractors cannot be understated and given the advice by the Administrators Ferrier Hodgson that there will be little if any money available for distribution to unsecured creditors, the immediate financial viability of these subcontractors is at best uncertain and certainly precarious.

This is an important issue and one which seems to have been swept under the table. I have had private discussions with minister Hunter over this, but I believe it needs putting on the record in this place.

> By way of background, when BJ Jarrad Pty Ltd was placed into voluntary administration in 2011, a shareholders agreement was executed giving Contura Mining 49.9 per cent of the shares of BJ Jarrad, while Barry James Jarrad holds the remaining 50.1 per cent of the shares. The advice of the Administrator is that the ASIC databases were not updated to reflect this shareholding change. The reason for this failure could be oversight but, given the current circumstances, one could well draw conclusions.

What is happening here is that around $250,000 is owing to a number of Kangaroo Island contractors, but those contractors include labourers who were not given the opportunity to be paid as wage earners and had to put in ABNs. I had contact last week from another contractor on the island who supplied sand to the company and who is owed $30,000, and one contractor is owed $80,000. A lot of these lads—and they were lads who were working for the company—have been left being owed $5,000, $8,000, $11,000, whatever. It is not good enough.

I believe, quite frankly, that SA Water has a responsibility and a duty of care to ensure that, prior to any contract being awarded to a contractor, they know the subcontractor who is being engaged and that the party who the contract is awarded to is financially sound. I seriously question whether SA Water have done due diligence on this. It seems to me that they have not, and it seems to me that the ones who are going to be held to account on this are getting away with a fair bit, that is, the principal, BJ Jarrad Pty Ltd.

My view is that SA Water did not do due diligence; I could not be in any way, shape or form convinced that they did. SA Water gave the company the tender. We do not know the details, and they need to come out. However, if they had done their homework they would have found out that this company had gone belly up a couple of years ago only to be reinvigorated and to get back into business.

There were phone calls made to SA Water, who assured subcontractors that payments would be made to Jarrads and assured that all payments would be made. Yes, I understand that, but if SA Water had one regular financial audit, which they are obliged to undertake, they would have known that subcontractors were not being paid. So, their assurances, under the circumstances, are, at best, a wilful disregard for their own obligation by arguably falling into the category of negligent misstatement.

It could be that the minister could argue that they are not responsible. Well, I think you are effectively responsible. The minister sits over a large organisation (SA Water) and he has a responsibility, in my view, to pull his SA Water staff in and say, 'Well, you've failed; you didn't do it.' Despite the protestations of Mr Ringham in the media, when I raised this issue about three or four weeks ago (whenever it was; it is probably more than that now) still nothing has happened and these people are still left without getting any money. I quote from the letter:

> The call is upon you the Minister for Water to request SA Water to do the right thing and compensate these sub-contractors for their losses associated with this contract…The amount owing is less than $250,000 which is an insignificant amount in the overall budget of SA Water, but on Kangaroo Island, the impact of this loss cannot be regarded as anything less than highly significant. SA Water's knowledge of the financial position of BJ Jarrad Pty Ltd, the ongoing audit obligations and their assurances in relation to the security of payment, among other factors all raise serious questions as to SA Water's liability.

I hope this is picked up by the minister and that he acts and does the right thing because I see no reason why good, ordinary South Australians should be left without getting paid and not being able to support their families.

Time expired.

BOYSTOWN

Mr ODENWALDER (Little Para) (15:26): Yesterday, I had the absolute pleasure of catching up again with the good people at BoysTown at Elizabeth. Over the last six years or so, I have watched this organisation go from strength to strength in the north. I was there, as I said, six or so years ago, as part of my previous employment, at the grand opening and spent a few hours yesterday with regional manager Stephen Wales having a good look at all of the work they are doing for disadvantaged and unemployed kids in the north.

For those of us not familiar with BoysTown, and most of us in the northern electorates would be, I think, as would the member for Frome and perhaps the member for Stuart, because they do some work in Port Pirie, BoysTown is a not-for-profit provider of employment services for disadvantaged kids in our community, but they really are so much more. BoysTown starts from the position that everyone has the right to a future, everyone, and so it strives to look after those who fall through the cracks in our society.

While predominantly focusing on young people and their work and education needs, BoysTown also helps families experiencing homelessness or domestic violence, parents looking for guidance, the long-term unemployed and others who, as I said, may have accidentally fallen through the cracks. According to their own figures, last year, BoysTown helped over 275,000 kids, young people and families: 2,150 kids received counselling, accommodation and/or support from their face-to-face services and a further 9,500 contacted the Kids Helpline, which is a 24-hour counselling service; and 8,800 young people were counselled and/or given training, education and employment opportunities from face-to-face services and a further 108,500 through the Kids Helpline.

On top of this, 14,500 parents were counselled, accommodated and/or received help with parenting. In addition, a further over 2,000 job seekers over the age of 25 years were provided with employment services and over 2,000 community members and others participated in the Parental and Community Engagement Program (PACE).

This year, BoysTown is celebrating its 20th year in South Australia. They help around 1,000 young people aged between 14 and 25 each year across northern Adelaide and Port Pirie in the Mid North. They deliver youth specialist employment services, flexible learning programs for young people disengaged from school, parenting programs for young parents and, importantly, paid transitional employment. This paid transitional employment takes the form of social enterprises that help build confidence, teamwork and employability skills in young people. I saw this firsthand yesterday.

Stephen Wales took me out to the Playford Alive redevelopment at Munno Para to see a house they are building using their young clients, under the supervision of qualified tradespeople and a youth worker, Sarah Searle, who provides non-vocational support to participants if and when it is needed. It is pretty inspiring stuff, I have to say.

While we were at the site, I spoke with Dean Gibson, who is a carpenter by trade, and is the construction supervisor who manages the social enterprises. Also on site were staff enterprise trainers and mentors Heath Clasohm, another carpenter, and Jacquie Wylie, a qualified painter. All three of them were clearly very passionate about the work they were doing and the difference that they are making in the lives of the young people who work with them. Indeed, many of the kids they take on end up leaving pretty quickly, which is kind of the point, but is also not the quickest way to get a house built. As Stephen told me, it is a nice problem to have.

While I was there, of course, I spoke with some of the participants, all local kids who were turning their lives around through this on-the-job training that BoysTown offers. I arrived at smoko, so I was able to have a pretty good chat with Josh, Ashleigh, Jarrod, and particularly to a young man named Joe Petrizza, about what the program meant to them and where they were heading next. Indeed, it was Joe's last day yesterday and today he started a full-time job with Pallet Co. He was clearly grateful for the leg up that BoysTown had given him. Another young worker who I did not meet, unfortunately, is Ben Lyas. I was told that he had recently found work with Fulton Hogan as part of their work with the NBN rollout.

BoysTown is still a fairly small outfit, at least in South Australia, but it is making a big difference to the lives of some of our most vulnerable kids. It is also worth mentioning BoysTown volunteers like Bob Wilhelm and Lynn Smith, who give their own time to support young people who need remedial literacy and numeracy support.

The house, which BoysTown hopes is the first of many, will be completed early next year. They are hoping to have a grand opening and invite the Premier along. I would encourage anyone with an interest in youth employment and services for vulnerable youth to take a trip out to Elizabeth or to Port Pirie and have a look at the work BoysTown is doing.

EMERGENCY SERVICES LEVY

Mr VAN HOLST PELLEKAAN (Stuart) (15:31): I take this opportunity, in the limited time I have available to me, to make some further comments about the government's increase in the emergency services levy. These comments are in addition to those I made here in parliament back in June and in August, but over recent several weeks and several weeks still to come real people in the real world are actually getting their bills. People who may not have really grasped what the government has been doing to them when the budget was announced are now starting to really fully understand.

I think it was a very sneaky process that the government went through to increase the emergency services levy to households and, in fact, to all property owners across the state. They did that by removing discounts that had been in place for many years, and they are doing it because the government is short of money. The government is using rhetoric, trying to blame it on the federal government budget, but that is clearly nonsense, because in the last financial year alone, our state government spent $1.2 billion over and above what it planned to spend—a $1.2 billion deficit in one year—and that is on top of the fact that the government has actually run deficits six out of the last seven budgets. Nobody believes this nonsense about having to do it because of any federal government budget. The state government is having to do it because of its own mismanagement: it overspent $1.2 billion in one year, the last financial year. That is the reason the government has to take these sorts of measures.

I am particularly concerned about the sneaky way that the emergency services levy has been rolled out by the government. Before the last election in March, the government said categorically that it would not introduce any form of land tax, but this is a form of land tax. This is a tax on property ownership. It is an increase in an existing tax, using the instrument of removing the discounts that previously existed. So if you own property, you are paying more tax. It is a broken promise by the government: it is a land tax.

Very unfortunately, this affects householders. As we know, the cost of living is rising rapidly. Government charges and taxes in this state are higher than anywhere else. The cost of water and the cost of electricity are all going up way more than CPI has over the last 12 months. At a time when householders can least afford it, the government is doing this to them.

It is also a tax on business. It is a tax on employment. Every single business in the state is being taxed more by this ESL. If it is a business that works from home, they get an extra emergency services levy hit. If it is a business that works from owned premises, it gets an extra emergency services levy hit. If it is a business that works from rented premises, it gets an extra emergency services levy hit, because in commercial tenancies the tenants will receive, through the outgoings, this emergency services levy directly from their landlord. It is inescapable for small business, so it is also a tax on small business and employment.

Worst of all, the increase in the emergency services levy contributes not one extra cent to the emergency services sector. Mums, dads, young people, old people going about their business, whatever they might do day to day, week to week or month to month, would get their bill, and they would be quite within their rights to see an increase in the emergency services levy—a gigantic increase from last year—and think, 'I guess it is going to the emergency services sector.' It is not. There is not one additional cent from the increase in the emergency services levy that goes to the emergency services sector.

If we just step away from the financial harm that this is doing to our society, this is actually doing dreadful harm to our emergency services sector, because people out there think that they are getting lots more money. If a household's bill goes up double, they are quite within their rights to assume that the emergency services sector is getting double the money that they had last time, and nothing could be further from the truth.

Emergency services workers are also having to face a community who now think that they are getting extra money and who think that they are well funded. This is a very sneaky way to introduce a land tax that does not help the sector whose name is on the levy.

CHILDHOOD CANCER AND HEARTKIDS

Mr PICTON (Kaurna) (15:36): I rise today to recognise two very important causes for children in our state that have been particularly highlighted by the hard work of families in my electorate and a very strong response from my local community. On Sunday 24 August, I had the pleasure of attending a fundraiser for HeartKids SA at Aldinga that was hosted by Kylie Baker and Natalie Jones.

Kylie is the mum of Abagail and Natalie is the mum of Ethan, both of whom are 'heart kids' who have undertaken numerous surgeries in their short life, the first within the first month of their life. They have often had to travel to Melbourne to see highly specialised paediatric surgeons at the Royal Children's Hospital. They are both, I am happy to say, doing much better, but have obviously gone through a tremendous amount of medical treatment over their short life.

Part of the fundraiser also helps to raise money for HeartKids baby Loni Blossom, who tragically recently passed away from the Aldinga community. Other local organisations have also banded together to raise money for HeartKids, like Home Grain Bakery and the Aldinga Beach Children's Centre. I would like to publicly commemorate and thank both Kylie and Natalie for the continuing use of their time to raise money for HeartKids to try to help other families who are going through the same plight they have gone through.

On 14 September, I was honoured to speak at an event to remember and commemorate the life of Erin Griffin—a remarkable young woman from Aldinga Beach who for years battled the rare type of brain cancer Diffuse Intrinsic Pontine Glioma (DIPG). Not only did Erin show tremendous

personal drive in fighting her own battle against cancer but she also fought a battle on behalf of all sufferers of childhood cancers to improve awareness and to increase research in this area.

Erin unfortunately passed away on 1 September—the first day of Childhood Cancer Awareness Month. Erin led a request to light up the Riverbank Bridge in Adelaide in gold to raise awareness during this important month, and that has now occurred. Thank you to the Premier and to the Minister for Infrastructure for agreeing to Erin's request.

Erin also launched a petition to the Australian Senate, calling upon more resources to be invested by the federal government into research into childhood cancers. This petition now has more than 6,000 signatures, and I was also happy to sign the petition. Erin's mum and brother Declan are now in Washington DC at CureFest—a large conference working towards a cure for childhood cancer—and, in front of the thousands of people there, they will be delivering a speech that Erin would have delivered had she still been alive today.

Erin's life has left a tremendous legacy of supporting other children who will benefit from her advocacy. She also left a huge impact on the community, with many people saddened by the news of her loss. There was a tremendous outpouring of emotion and support from the community on the recent day at Old Noarlunga to commemorate her life.

Both childhood cancers and childhood heart disease are leading causes of child mortality in Australia. While so many diseases are very horrible, there is something particularly depressing about childhood cancer and childhood heart disease because they strike so young. It is fantastic to see such a community response from my electorate to support families and children facing such difficult circumstances, and I am very happy to support those causes.

While we are lucky to have a universal healthcare system in Australia and South Australia that provides free hospital care in public hospitals, there are often large impacts on families in terms of travel, accommodation costs and loss of income, and it is really heartening to see the community coming together to support families in those times of need and also to support other future families down the track who might face similar circumstances. I commend the work of all those families and the community to the house.

Bills

RETURN TO WORK BILL

Second Reading

Adjourned debate on second reading (resumed on motion).

Ms REDMOND (Heysen) (15:40): Before the lunch break, I sought leave to continue my remarks and I thank you, Deputy Speaker, for the opportunity to complete them now. I think before lunch I was talking about the events in one of the earlier debates in 2008. Of course, back then, one of the pronounced aims of the change to WorkCover—and they were dramatic changes, significantly reducing workers' entitlements—was to reduce the unfunded liability burden.

I think I mentioned that, in fact, when we were in government, we had actually got the WorkCover unfunded liability burden down to some $56 million without adversely affecting workers' entitlements under the act, and yet a Labor government came in and a Labor government instituted changes which dramatically reduced workers' entitlements, backed by all the members on the Labor side. Yet, in spite of the promise that it was going to reduce the unfunded liability from $844 million, we have now seen that it has blown out by 50 per cent to $1.23 billion—$1,230 million. When you add on the public sector, it actually goes out to something like $1,600 million, so it has done nothing but go in the wrong direction ever since this government has been in power.

As I said, one of the things that I complain about loud and long with this piece of legislation is the money that is wasted on rehabilitation, because there simply are not the outcomes from rehabilitation to justify the amount of money spent. I want to refer to a report issued by John Walsh, who is the managing partner of DonaldsonWalsh Lawyers and, I admit, a friend of mine. He wrote an article not too long ago, responding to the media release issued by Deputy Premier John Rau on 9 August 2013 in which it was announced that there would be this massive overhaul of the WorkCover scheme.

Indeed, in that announcement, the government said they were going to overhaul it 'to place returning people to work sooner at the centre of the scheme's focus'. One would wonder what they were doing all the other years if, having been worded the workers' rehabilitation and compensation scheme, rehabilitation was to be the focus of this new scheme when it was first introduced, and yet here they are all those years later saying, 'We are now going to make it the focus of what we are going to be doing.'

They also said they wanted to again reduce the unfunded liability because, of course, we were already 'the worst of all the centrally-funded schemes by some margin'. I think the leader mentioned this morning the margins by which a number of the other schemes interstate are now funded—all over 100 per cent and we are languishing down at 59 per cent.

Most importantly, what I want to talk about in this DonaldsonWalsh special report on the WorkCover changes is what he had to say about this issue of the provision of rehabilitation. I quote from John Walsh's newsletter, in which he says:

> In a newsletter in October 2012, I suggested that it was reasonable to ask what 'value' WorkCover SA had received from providers of vocational rehabilitation who were together paid $26.25 million in the 2012 year. The PriceWaterhouseCoopers report found that our scheme was spending about $1,500 on vocational rehabilitation per totally incapacitated claim which was four times that of Victoria and nearly double that of New South Wales. WorkCover has recognised that:
>
> 'The current approach to the provision of these services has not historically delivered value for workers or employers with low return to work rates (77% compared to the national average of 84%) and very high rehabilitation costs compared to other Australian workers compensation jurisdictions.'

It is quite clear from those comments that I am not Robinson Crusoe in asserting that the cost of rehabilitation has been one of the major problems in the running of this whole WorkCover scheme. As I said earlier, it seems to have been such blatant ignoring of what is fundamentally a conflict of interest in having the partner of a government MP appointed to the board in the first place and then that partner not only being on the board but being the major recipient of the largest part of the moneys being paid for rehabilitation when in fact rehabilitation is not going to get people back to work. As I said at the beginning of my comments, rehabilitation tends to be something that people actually achieve regardless of the input of rehabilitation providers.

On the next issue, even if we accept that the government manages to reduce the levies to something like the national average, which would require them to be halved, we also note that they are going to reintroduce common law. If we reintroduce common law claims, as I read them, the effect of these sections, which start at about clause 70 of the bill (which will become section 70 of the act), is basically that where negligence can be found against an employer—and it does not matter whether you get it under a contract or any other provision—if you have more than 30 per cent total impairment, you can potentially go to the courts and claim at common law against the employer. My question is: how is the employer going to cover himself against that, particularly when the definition of 'employer' is broad because of the vicarious liability provisions, so people who are not necessarily directly involved in providing the system of work could potentially be held liable? How is an employer going to protect themselves against such a claim?

Obviously in the first instance they have to create a safe work environment, and that is fine, but let's say they have a safe work environment but nevertheless someone has an accident and they are forced into court to defend a claim against a common law action. It seems to me that employers are going to have to take out insurance to protect themselves against that eventuality. Others who have more experience of employing more people would know more about this, but it seems to me that no company with a number of employees could afford to take the risk of not having insurance if they are going to be employing people who potentially could sue them at common law for millions of dollars.

If they have to take out that insurance, I would suggest that anything they save by way of levy may well be eaten up and then some in the course of protecting themselves against a common law claim. Of course, the benefit of the common law claim ultimately flows back to WorkCover because the provisions of the act make it clear that, if someone has had payment from WorkCover and then successfully brings a claim at common law, they are going to have to pay back whatever

they have had from WorkCover. Ultimately, WorkCover will be the beneficiary of a large part of the common law claims.

Although we will be supporting it, I think this bill leaves much to be desired in terms of fixing anything that is wrong with the system. As has been pointed out by numerous speakers earlier, the reality is that there is nothing wrong with the legislation. That is amply demonstrated by the fact that not just local government but all the self-funded insurers in this state that have stepped out of the system nevertheless have to use the same piece of legislation, the same workers rehabilitation and compensation act. They manage not only to live within that act but to have premiums which are on average less than half than those the WorkCover system allows and to have much better return-to-work rates and much better outcomes for employers and employees all round.

There is nothing to suggest that it is the legislation which has been the problem in this particular area all along. It has, rather, been a problem of mismanagement. The mismanagement over a period of years has been so profound that we have gone from a relatively manageable unfunded liability of $56 million to now $1.23 billion, and that is in spite of at least two, if not three, tranches of massive amendments which have diminished workers' rights over a period of years with the engagement and participation of all those members opposite.

No matter who spoke out against the proposed amendments on numerous occasions, they nevertheless did not put their money where their mouth was. They actually stayed over on that side of the chamber and voted with the government to the point where, in fact, during the last tranche of amendments I was being approached on the steps of Parliament House by numerous labour lawyers, not least of which was the Premier's former partner Stephen Lieschke, to try to convince me that we had to do something about this dreadful legislation which was being brought in by the government.

I suggested to Mr Lieschke that he might wish to take that up with his former business partner, the now Premier. The fact was that these people in the labour law movement knew that what this government was doing was unconscionable because what they were doing did not save the system at all. The system has just gone from bad to worse over the whole time they have been in charge.

In closing, can I simply say that the likes of Sandra De Poi being allowed to take the money she took out of the system over the period of years while she was on the board—while she was on the board—

The Hon. S.C. Mullighan interjecting:

Ms REDMOND: And the minister across the chamber thinks it's pathetic. Well, the minister should answer: how come Sandra De Poi got to be on the board in the first place—

The DEPUTY SPEAKER: I remind the member for Heysen—

Members interjecting:

The DEPUTY SPEAKER: Order! I remind all members that it is unparliamentary to interject and even more unparliamentary to respond to them.

Ms REDMOND: I won't respond anymore, Madam Deputy Speaker.

The DEPUTY SPEAKER: I hope you will finish your last 30 seconds in good note.

Ms REDMOND: I will, Madam Deputy Speaker, by saying once again what a disgrace it was that Sandra De Poi was ever appointed to the board and that she stayed on the board whilst receiving millions of dollars for rehabilitation provision, which did nothing to help the workers of this state but which lined her pockets so comprehensively, and no-one in the government said, 'Gee, there's a conflict of interest there between the member and the board member,' or that there was a conflict of interest between—

The DEPUTY SPEAKER: Order!

Ms REDMOND: —being a member of the board—

The DEPUTY SPEAKER: Order!

Ms REDMOND: — and getting all that rehabilitation—

The DEPUTY SPEAKER: Order!

Ms REDMOND: —money.

The Hon. S.C. Mullighan: What a disgrace!

The DEPUTY SPEAKER: Order!

Members interjecting:

The DEPUTY SPEAKER: Order! We won't be continuing if everyone is going to be this silly. Member for Hammond.

Mr PEDERICK (Hammond) (15:53): I rise to speak to the Return to Work Bill 2014 and note that we will be supporting it. I also note that on the day we walk in here (and I know that some of these amendments were put in front of some of our people on Friday and then Sunday) there are 14 pages of amendments already before we have even started the debate, and they are government amendments. After all the hue and cry and Deputy Premier actually admitting in the house that WorkCover is buggered—

Ms Redmond: 'Stuffed,' I think he said.

Mr PEDERICK: No, I think he said 'buggered'.

An honourable member interjecting:

Mr PEDERICK: Yes, I stand corrected if anyone wants to correct me. He knows, he has acknowledged, that it is stuffed, to be a bit more polite.

Mr Williams interjecting:

Mr PEDERICK: Yes. It is a real problem for employers in this state. It is not just the impost of WorkCover levies. It is the payroll tax, it is the land taxes, and now it is the ever burgeoning emergency services levy impacting on people wanting to stay in this state and employ people. We have had it outlined time and time again by our people on this side of the house about the many companies, including Arnott's and others, that are getting out of South Australia because it just does not pay to stay here and run a business.

Before I get into the core debate, I want to discuss some of the issues with people from my electorate in regard to WorkCover. It was last year when I wrote to minister Rau about a fellow with a window cleaning business in my electorate. These window cleaners get off the ground very rarely because they have long poles to clean windows; for example, it might be less than 1 per cent of their work where they get to a second floor window physically up a ladder. This company has had no claims in 30 years, yet their industry premium rate was 7.5 per cent. This 7.5 per cent is the same rate as if they were hanging on a rope off a 100-storey building, if we had one in South Australia. It is just ridiculous to think that someone who has their feet nearly all the time planted firmly on the ground pays the same rate as someone swinging in a harness hundreds of metres in the air.

It is not just the premium rate, it is also the industry claims cost which is 1.0020 per cent (that was the initial) and then the industry claims cost hindsight rate which was added on as well was 1.1841 per cent, so the total rate that this person paid with his company has been 9.6861 per cent.

Mr Whetstone: Outrageous!

Mr PEDERICK: It is absolutely outrageous, the member for Chaffey. This is a bloke whose company goes around to several places in the electorate washing windows, and 10 per cent just goes in WorkCover costs when they have not had a claim in 30 years. This person would be very pleased if we actually come up with some real reform. Even though I wrote to the minister about this, we did not get a very successful outcome.

However, I will take my hat off to Greg McCarthy, the chief executive officer at WorkCover, because very recently I had an issue with another labour hire company in my electorate. They went to WorkCover just to verify how they are doing their payments schedule and that sort of thing and, in doing their auditing process, WorkCover said, 'Now you have come to us, we will come out and audit

your company.' That is fine, that is able to happen. They went out to audit the company and the next thing was that this bloke was a bit unhappy that he had actually contacted WorkCover because it was proposed that his rate, which was at 2.7 per cent, was going to be 7.5 per cent. Not only that, for the three years for the period of audit, it was going to be backdated.

This person came to me very stressed out, to say the least. He just said to me in black and white, 'This is probably going to be the end of my business,' supplying valuable labour hire in my electorate, doing it all legally and doing it all as he was instructed to do and as he had done for many years, paying his premiums as he thought they were paid, as he was billed, and as he thought was appropriate in the time that he has owned this company. The issue was that he could have been up for $200,000 in back pay.

As I was saying before about Greg McCarthy at WorkCover, he met with this man, one of my staff and me and we got an outcome. I do not know what it is, and that is true and right that it was a confidential outcome between WorkCover and my constituent, but I understand he was a very happy man. I pass that on to WorkCover and it shows that sometimes sensibilities can exist, and I really thank them for getting an outcome for my constituent who quite frankly was at a stage in his life when it was going to be difficult to find other work. It was going to put him and many other people out of work.

With regard to the bill, the government has admitted in the speech by the Deputy Premier that the current act in the current scheme does not best serve workers, employers, or the state. Workers experience worst return-to-work outcomes than in other jurisdictions which we have already heard about today from this side of the chamber. For many, the services provided to them do not support early and effective recovery and return to work.

It is also admitted by the government that we have the highest average premium rate at about double the rate of other jurisdictions of 2.75 per cent for the 2014-15 financial year compared to 1.47 per cent in New South Wales, 1.272 per cent in Victoria and 1.2 per cent in Queensland. It is noted that, depending on which document you look at, the unfunded liability blew out to $1.37 billion or $1.39 billion (if you look at the WorkCover document) at the end of June 2013, but it has been pulled back to $1.23 billion.

As noted in previous contributions to the house, when we on this side of the chamber were last in power the unfunded liability was only $56 million. I note in the government's and the Deputy Premier's speech that this new scheme supposedly is designed, if everything is implemented, understood and decided as expected—I think there are enough riders in there—to have a break-even premium rate of less than 2 per cent. Let us hope that happens; we have had so many promises we have heard before. The former member for Port Adelaide, Kevin Foley, thought it was the proudest time in the house when he was trying to institute WorkCover reform, and it just went backwards from there.

I note that the emphasis of the new scheme is on capacity and not on incapacity, and medical certificates will need to explain what injured workers can or will be able to do rather than what they cannot do. I think that would be a proactive change into the future. It looks like the legislation wants to minimise the potential for disputes and, hopefully, there will be some improved evidence-based decision-making and active case management which will also minimise the potential for those disputes. It is currently acknowledged that in this state about 6 per cent of active claims are in dispute at any one time, and this is much more than what happens in New South Wales and Victoria.

From what we are told from the government's side modelling the potential impact of the changes for workers using the historical data indicates that about 94 per cent of people with a work injury will receive either improved or the same income-support benefits. My concern is: how do the other 6 per cent get on, and that might get fleshed out in committee.

I note that there will be an increased emphasis on early intervention, improved service delivery and support for retraining, and job seeking, where appropriate. Also, the new scheme will need an insurer that is expected and required to meet high-quality service standards focused on early intervention. It will need to be a scheme that is both a strong regulator and also service-focused. I understand that, if the bill becomes and act, the return to work corporation will take on these roles and will replace what is currently known as the WorkCover Corporation.

Obviously, there is much work to be done. One of the things that really has to be taken into consideration and is being taken into consideration with this legislation is the distinction between seriously injured workers and non-seriously injured workers, and workers assessed with a whole person impairment of 30 per cent or more will be treated as seriously injured. The scheme will provide income support for such workers until retirement age, lifetime care support and medical services. It is certainly people with less percentage rate of injury than that who will be on return-to-work schemes and have to work on getting back into the workplace.

It is noted that the ideal of this scheme is that redemptions will be used in exceptional circumstances only when all the recovery and return-to-work options have been fully exhausted. Careful control of redemptions will be essential and they will have to be enshrined in the new scheme. One would hope that, after all this time and the acknowledgment by the minister that it has not worked in the past, these changes will make it work.

There is a framework included in the legislation for the spreading of the benefits available from the scheme performing financially well between workers and employers. This means that, if there is a funding level of at least 100 per cent and achieving a profit from its insurance operations in two consecutive years, an actuarial confirmation, a scheme bonus, would be declared, so there are some bonuses if the right outcomes are found through the legislation.

I would like to comment on some of the issues brought by WorkCover themselves to the briefing one of my staff attended for me the other day with regard to the Return To Work Bill. It is no secret that the current scheme is a very high cost for employers. Annual claim costs as of 30 June 2013 were over $800 million and the collection at the moment is only around $660 million, and this is with people paying very high rates as I indicated earlier with a couple of my examples. We are still $140 million short for the annual claim costs, and so with the new scheme the target annual claim cost is no more than $480 million.

It is also well known that this is a high cost for employers and the current scheme contributes to poor health outcomes for workers. This year there was a national return-to-work survey which gave a national return-to-work rate of 87 per cent, yet this state only recorded a return-to-work rate of 82 per cent, and that is the second lowest amongst all jurisdictions. It is well known that a long-term work absence has a negative impact on health and wellbeing.

WorkCover have made some improvements. They have pulled the liability back a little bit and some of this has been through:

- active management of claims agents;
- an early intervention program with mobile return to work consultants;
- its approach to psychological claims;
- a return-to-work services strategy; and
- work capacity assessments.

But it does mean that far more work needs to be done with regard to WorkCover. I mentioned before that the government have been pretty keen to say that the average rate will be down below 2 per cent, but now they are using words like, 'that is our hope', 'that is our aim', 'that is our aspiration'. WorkCover is saying that the return-to-work scheme offers an average premium rate that is no more than 2 per cent by focusing on intensive and customised early intervention support for injured workers and their employers, including strict time limits on the financial and medical support to workers who are not seriously injured.

Quite frankly, I think if people can go back to work—and it may be in a modified capacity or in another role with some extra training—that is a very good item to have in there as far as time limits for people to be on support so that they do get motivated to get back to work. It is not just better for them, but it is better for the state and better for the whole economy.

Also one of the points is that the aim of the bill is to provide comprehensive support for seriously injured workers, including common law for economic loss, and improving the focus on service and regulation and strengthening the compensability definitions. What WorkCover told us the

new scheme will do is strengthen the return to work obligations for employers and workers, introduce a lump sum to recognise loss of future earning capacity for non-seriously injured workers, introduce a federal minimum wage safety net, update the retirement age to match the pension age (which is very sensible) and improve dispute resolution through the South Australian Employment Tribunal. This is a big claim, and I will see it to believe it. There have been a lot of claims made over many years about WorkCover.

Mr Goldsworthy interjecting:

Mr PEDERICK: If I see it; thank you, member for Kavel. The new return-to-work scheme virtually—that is an interesting word to have in here—eliminates the $1.39 billion unfunded liability (30 June 2013) through the transitional provisions for existing claims, which limits income support for up to two years for non-seriously injured workers, provides a maximum of a further 12 months of medical support for non-seriously injured workers, excludes access to economic loss lump sums for non-seriously injured workers and excludes access to common law for seriously injured workers, and ensuring non-existing claims become a new claim in the return-to-work scheme.

What WorkCover itself is saying about what it is basing the success of the new return to work scheme on is that it is dependent on the strong connection to employment, strong early intervention and return to work approach, clear time bands for income and medical support, consistent and objective thresholds, clear obligations for employers and workers and transitional arrangements for existing claims, which, as I said, claims there will be a virtual elimination of unfunded liability—that is a great aim to have but aims and reality are two different things—and annual claim costs at no more than 2 per cent average premium rate.

What we really need to see is action, if this legislation gets through the two houses of parliament and gets the Governor's assent. As I said, for many years WorkCover has been debated. I am sure it has been debated in the whole 12½ years the Labor government has been in power. We have seen the former member for Port Adelaide, Kevin Foley, stake his claim on it. He said that things were really going to change and it was the best day that he had had in the house. That has not happened, so the proof will be in the pudding. I know that employers in my electorate are screaming out for reform. They are screaming out—

The SPEAKER: The proof will be in the eating of the pudding.

Mr PEDERICK: The eating of the pudding. They are screaming for reform. They just want outcomes, they want real outcomes. They do not want to talk of what it will do, they want to see what it will actually do so that their businesses can thrive in this state, and so long as we can continue to have some businesses in this state that do thrive because at the current moment there are plenty of businesses leaving the state. We need to make sure that people stay so that this state can thrive.

Mr WILLIAMS (MacKillop) (16:13): Mr Speaker, it has been a long time coming that we now have a complete rewrite of the legislation under which our WorkCover scheme operates, and I have some concerns about that process as well, the complete rewrite, because I think that has inherent risks to South Australia. Let me go back a little to the mid-eighties. I can remember when, as an employer, we self-insured. Everybody self-insured and we did it in the private sector and there was competition out there in the marketplace for insurance premiums to provide for the situation where a worker became injured in the workplace.

The government of the day said, 'No; we've got to manage this. We've got to do it differently. We've got to'—just like the Labor Party always does—'centralise this and control this and allow the unions to have a big say in it,' and that is what we have at the moment. We have this scheme that was dreamt up by the Labor government in the 1980s. All the flaws in the scheme have been perpetuated by the Labor Party throughout the last 30-odd years. Every time a decent proposal was put forward by the Liberal Party, both in government and in opposition, the Labor Party have fought tooth and nail to resist those very worthwhile reforms.

Finally, we have got to a point where the scheme, as the minister has said, is buggered, after years and years of denial and proposals put up by this current Labor government, all of which have failed to deliver. One could be excused for being cynical about the proposal that has been put

forward. I have great hopes that it may indeed work. I have to say, it cannot be worse than the system we have had but, as I say, there are some risks.

Back in August of 1985 the Labor government of the day tabled a white paper, and it put down some principles. The first principle was the early and effective restoration of disabled workers to the fullest physical, mental, social, vocational and economic functioning of which they are capable. Other principles included the need for efficient administration in order to keep premiums low. They needed certainty and comprehensiveness in a no-fault scheme, incentives to drive a reduction in both the incidence and severity of injuries, along with speedy settlement of claims, rights of independent appeal and representation, and an avoidance of legal adversarial procedures.

They were some of the principles that underpinned the legislation that was passed through this parliament in 1986. They are fine principles and they are not dissimilar from the objects and the principles which the minister would have us believe are fundamental to the current legislation. What it gets down to is how the legislation is actually written in the minutiae and how it is managed, and the government has failed for well over 30 years on both counts to ensure that we have good legislation which is both comprehensive and easy to administer, that does not fall into the trap of creating and prolonging disputes, and that is not costly to manage. The government has failed to ensure that the legislation met those needs.

During the term of the previous Liberal government we endeavoured to make some worthwhile changes to the WorkCover scheme, changes which I believe would have delivered us over the ensuing period a much different outcome to what we have seen. I would suggest that, under the previous Labor administration in South Australia in the 1980s and the more recent one for the last 12 years, this is at least the biggest mess that Labor governments have made in this state. There have been lots of messes, but none have been any bigger than this. Some of them have been similarly bad, but this has created a huge mess.

The Leader of the Opposition quoted the minister as saying that the government was hoping to save $180 million from the premiums imposed on businesses per year. I think that is barely starting the job. The reality is, if the premium rate in South Australia was the average of what it is across Australia and New Zealand, we would indeed save the cost impost on businesses in this state of $300 million a year. That is what we should be aiming to do. That is what we need to do.

When we cast our eyes around and we see what is happening in South Australia with the closing down of manufacturing and the loss of jobs, the problems within WorkCover are as much responsible as any other single issue—probably more so. What has been allowed to happen is an absolute disgrace.

The member for Hammond talked about the average premium rate and the fact that there is a cap of 7.5 per cent and lots of businesses pay a lot more than the average rate that the WorkCover board sets at 2.75 per cent, notwithstanding that the actuaries advised them that the actual premium rate, just to cover their costs let alone to start to wind down the unfunded liability, should be over 3.3 per cent. But different rates apply in different industries, and I will give you some examples.

In plastic product manufacturing, the average rate is 5.5 per cent; iron and steel manufacturing, 5.6 per cent; steel casting, 7.3 per cent; pulp paper manufacturing, 6.5 per cent; cement manufacturing, 5.8 per cent; bread manufacturing—that is a really dangerous occupation!—7.4 per cent; and nursing homes, 7.4 per cent. If you are running a nursing home, on top of your salary and wages bill, you have another 7.4 per cent.

How many members of this house have had nursing home operators come to them and say, 'Why are we paying 7.4 per cent on the wages and salary of the people sitting in the office—a very low-risk occupation?' Because they are in a nursing home, they pay the same rate across all the employees—7.4 per cent on top of the wage and salary costs of running a nursing home to WorkCover. We wonder why businesses are leaving South Australia. It is an absolute disgrace.

I said a moment ago it is not just the legislation, it is the way it is managed. When we left government, the WorkCover funding ratio was some 97 per cent with about $50 million of unfunded liability. Notwithstanding that this Labor government, year after year, on a regular basis, have come out and announced some grandiose changes to WorkCover and how they were going to solve the

problem, nothing other than an increase in unfunded liability has occurred, with nothing other than more and more costs being imposed on employees.

I might go through some of the nonsense that this government has talked over the last 10 or 12 years. On first coming to government back in 2002, on 20 June, the then minister (minister Wright) ordered the Stanley review into WorkCover. Down came the Stanley report, and we hived off a large part of WorkCover and formed SafeWork SA—on a whim. I do not think it has delivered anything that was not being delivered before, but we now have two separate units with separate administrations, all at a cost. The then CEO of WorkCover, Keith Brown, stepped down as the CEO on 17 October 2002. By 25 February, the Stanley report that I just referred to was released, and on it goes.

On 7 August 2003, on announcing that a new board was going to be formed to manage the operation of WorkCover, then minister Wright said this was 'a key element of the Rann government's plan to improve the organisation's position'. That really worked! That was on 7 August.

On 24 September, minister Wright said, 'The government has also introduced the SafeWork SA Bill into the parliament to reduce workplace injuries, death and diseases—and workers compensation costs.' I would argue it has done the exact opposite. On 29 June 2005, the same minister claimed, on the final passage of that legislation, 'The best way to reduce the long-term costs of workplace injury and disease is to make South Australian workplaces safer—and this is what this legislation will do.'

On 6 November of the same year, he announced an advertising campaign highlighting the benefits of early return to work. In 2005—nine years ago—he was highlighting the benefits of early return to work and just now, in the spring session of the year 2014, we get a bill called the Return to Work Bill. We have had nothing but talking about return to work for year on year on year.

During this time, we had the revolving door attitude to redemptions—redemptions on, redemptions off; they are good, they are bad; and around we go again. We have even made them illegal but, for the six months before that legislation was assented to, out came the chequebook and they redeemed as many people as they could out of the scheme, all the time saying, 'We've got to stop this attitude of redemptions because it's bad for the scheme.' It has just been mismanaged and mismanaged.

The daddy of them all is the 2008 changes to the legislation, which resulted from the Clayton Walsh report. The government guaranteed, when they introduced those changes, that we would bring the levy rate down from 3 per cent to a range between 2.25 and 2.75. What has happened is that it has been artificially held at the very top of that rate, 2.75, but we all know. You only have to read the actuarial reports, and they are published. Read the reports and the actuaries say that is not within cooee of the actual cost, let alone eating away at the unfunded liability. The minister, way back then, when introducing the legislation, said:

> …what is obvious to everyone is that the sustainability of the scheme is dependent on an urgent reduction of the unfunded liability. The Government also recognizes that the continued economic competitiveness of the state requires change to the scheme to reduce costs to employers.

As the Leader of the Opposition said this morning, at that point the unfunded liability was about $800-odd million and today it is over $1.3 billion. This parliament was told that these changes in 2008 were going to solve our problems, but we have continued to go backwards. If anything, we have gone backwards at an ever-increasing rate. We had a change of minister. The member for Colton became the minister, and on 27 April 2009 the member for Colton said:

> Figures show that the longer an injured worker is away from work, the lower the probability that they will return to work at all. After three months on the scheme, there is a 25 per cent chance of an injured worker recovering and returning to work within another month. After six months that likelihood reduces to 12 per cent and after a year it is five per cent.

That was on 27 April 2009—6½ years ago. Six and a half years ago, the government knew that return to work was one of the keys, yet they continued to fail.

One of the keys to the 2008 changes was the introduction of medical panels, copied from the Victorian legislation, where it works very well. The Victorians have one of the best performing

WorkCover schemes in Australia. What happened? What happened to medical panels here in South Australia? Our Industrial Relations Tribunal brought down a ruling that medical panels are very good but nobody has to take any notice of them. What did the government do about that, after saying how important medical panels would be to fulfilling the objects it had already lauded in this place and out in public? The government did absolutely nothing about it—absolutely nothing. They allowed the scheme to bleed further.

Every problem we have with WorkCover is firmly at the feet of this government and their total incompetence. As I said earlier in my contribution, what we should be doing as a parliament is demanding that what we end up with at the end of this parliamentary process delivers to the employers and employees in this state a scheme that is at least on equal footing with those schemes in the other jurisdictions in Australia and New Zealand.

It will save the productive part of our economy $300 million a year. It will deliver a lot more than this government called on our federal colleagues to donate to the ailing motor industry in this state—a lot more. Whilst the Premier and his senior ministers have been bleating about the fact that Canberra stopped waving around an empty chequebook for South Australia, it has been within the ability of this Labor government in South Australia to deliver a greater benefit to the economy of South Australia by fixing up this mess, but it has gone on and on and on.

I have a reasonable amount of respect for this current minister, and I hope that what he is doing now will indeed deliver what he is claiming it will. But what I do know, as I said a minute ago, is that it cannot be worse than we have had. I have quite a deal of respect for Greg McCarthy, who is the manager of the WorkCover scheme, and with this legislation I hope that we will get a scheme that costs less than 2 per cent. I would like to think that we can get it down to 1½ per cent because that is what we have to do at least to be competitive with the other jurisdictions, the other states. That is what we have to do as the first thing to try to rebuild the economy of this state.

There are a number of things in the bill I am concerned about, and one the leader talked earlier about was common law. I have some concerns about that. I was delighted when I read the bill that there are significant restrictions on the application of common law, and I applaud that, if we have to have a common law part in the bill. I have some concerns about the removal of the levy cap. I just highlighted some of the problems we have with a levy in certain industries, particularly in the manufacturing industry, that sector of the economy that this state relied on so heavily for many years.

I can see that, notwithstanding that we call it an insurance scheme, the fundamental principle of levelling out the risk has been thrown away. I can certainly understand the principle where employers who do not do the right thing about ensuring that they have a safe workplace do wear the cost of doing that. I understand that principle. Notwithstanding that, a significant proportion of the businesses that are utilising our WorkCover scheme today are very small and medium enterprises, and they do not have the flexibility to do what in theory might work. For instance, if they have one accident, the numbers used by WorkCover to work out their premium just go through the roof. The member for Hammond talked about his window cleaner; I have a number of similar examples in my own electorate.

I see that I am going to run out of time; I could talk on this subject for much longer. I hope that the minister this time—because it will be the first time in at least 12 years, in my experience, that the minister has come in here and got it right—gets it right.

Mr GOLDSWORTHY (Kavel) (16:33): I am pleased to make some comments in relation to the legislation before the house, which is really looking to try to fix up the serious mess that WorkCover is currently in. I like to call it 'WorkCover recovery mark 3' because this is the third attempt to fix up what is a serious mess—

The DEPUTY SPEAKER: Mark after himself?

Mr GOLDSWORTHY: Not at all, Deputy Speaker. This is the third attempt the government has made to fix up the mess of WorkCover over my time in this place over the last 12½ years. The leader said, in what I thought was an outstanding contribution earlier today, that on this side of the house we are quite prepared to cooperate with the government, because we know as well as anybody that something has to change. There have to be some changes made to fix up the current mess that WorkCover is in as a result of 12 years of mismanagement under the Labor government.

As the leader pointed out, this is the worst scheme in the nation. I really think it is symptomatic of how this government has gone about its 12 years in office of managing responsibilities in a general sense—managing the economy, managing the finances of the state—to see us as the highest taxed state in the nation with the highest debt and deficit in the state's history. It really is another glaring example of how this Labor government has mismanaged things for South Australia right across the board.

As has been pointed out previously, several reforms and changes have been made in the life of this government, but the blame for the mess that the scheme is in really lies fairly and squarely at the feet of this government. As has been pointed out, in 2006 some significant changes were made. We have seen an example of the socialist model that this government has continued where we have seen the scheme monopolised into one claims manager and that obviously failed.

Then, again in 2008, a bill came before the house. Some extreme controversy ensued, particularly in the Labor ranks, when, if my memory serves me correctly, there was some union protests at the ALP conference that year. The then deputy premier and other Labor members were jostled as they entered the ALP conference. A number of ALP members had serious concerns. I remember some speeches being made by government members opposing the changes; however, as has been pointed out, they all voted in favour of it.

The only member who has had the courage of her convictions so far is the member for Ashford. The member for Ashford made a speech a number of months ago and she spoke again today highlighting some of her concerns with the current bill. There were very ugly scenes at the ALP conference. There were some union heavies jostling members of the ALP caucus as they went into the conference. We have also heard some interesting allegations and evidence about union activity in the current federal inquiry. There is some interesting information coming to the fore about union activity, particularly in interstate jurisdictions. I look forward to hearing more evidence of what seems to be unseemly activity by union officials in that federal inquiry.

The DEPUTY SPEAKER: Could the member just explain to the Chair how this is relevant to the bill we are discussing?

Mr GOLDSWORTHY: I will come back to the substance of the bill, Madam Deputy Speaker. Well, I will explain what the relevance to the bill is. The last time WorkCover was before the house, that is what actually took place. If my memory serves me correctly—and if it is wrong I will come back and correct the record—the union officials were jostling members of the ALP caucus, particularly the then deputy premier, as they entered their annual state ALP—

The DEPUTY SPEAKER: You will have to check that because my memory is slightly different to that.

Mr GOLDSWORTHY: Okay.

The DEPUTY SPEAKER: There was a protest that day, but it is more generally your point around union corruption. I do not see that has anything to do with this bill.

Mr GOLDSWORTHY: I didn't use the word 'corruption', Madam Deputy Speaker.

The DEPUTY SPEAKER: It is what you were getting to.

Mr GOLDSWORTHY: I just used union activity in relation to it being highlighted in this federal inquiry that is currently being undertaken. However, we will move back to the substance of the bill if that is your direction, Madam Deputy Speaker. What is really concerning about this whole WorkCover mismanagement is where we have seen the liability blowout. It has been highlighted before and I am going to highlight it again because, as I said before, it really gives a glaring example of how this government has mismanaged things right across the board, particularly economically and financially.

In 2002, when the government came to office, the unfunded liability was $56 million. As the leader pointed out, the figures from last year (2013) show that it has blown out to a staggering $1.23 billion. It is an enormous amount of money and, as I said, it is just a staggering example of how this government has mismanaged things right across the board. As was pointed out earlier, it is the highest rate in the nation, the worst return-to-work statistics in the nation, and all the

measurements that you can put on WorkCover highlight the fact that it is the worst performing scheme in the nation.

What I want to talk about, and other members have done this, is a real life example from my electorate concerning WorkCover. At the time—and this dates back to 2011 and 2012—it related to the no redemption policy that was strictly enforced by the board. I had a constituent—and I will not name any one because I want to maintain this constituent's confidentiality—who, through a work-incurred injury, developed quite a serious mental illness to the point where a psychiatrist was treating this person's medical condition.

The constituent came to see me, very concerned that the no redemption policy was actually exacerbating the person's condition. I wrote to the minister at the time, the member for Playford. Minister for Workers Rehabilitation was his title at the time. I got quite a long letter back and I want to quote from it as follows:

> …the WorkCover Board has a policy of no redemptions as it is their view that they undermine a focus on rehabilitation and remaining at or returning to work.

It goes on:

> Entitlements are paid to support the worker so that they can focus on their rehabilitation and return to work. In the limited instances where a worker's injury is so serious that it prevents a return to work, then it is the Scheme's role to ensure ongoing entitlements such as income maintenance and medical costs are paid.

In this instance, that was the worst thing that could have happened because the psychiatrist was saying, 'So long as my patient is on WorkCover they are going to experience this continuing medical condition. The only way that my patient is going to improve is if they actually receive a redemption and finish with WorkCover.' That was explained to the minister at the time. I wrote again and received another response saying that—

The Hon. P. Caica: Spit it out!

Mr GOLDSWORTHY: No, I am just—

The Hon. P. Caica: Put your glasses on then.

The DEPUTY SPEAKER: Order!

Mr GOLDSWORTHY: No, I do not want to identify the constituent's name—

The DEPUTY SPEAKER: You haven't got anything against your name today yet, member for Colton.

Mr GOLDSWORTHY: The response stated, 'There is no current capacity for work, and her eligibility for weekly payments of income maintenance continues.' This person was stuck on the scheme; she could not exit it, she could not receive any redemption, and her psychiatric condition was worsened by this.

That was the policy of the then minister responsible for workers rehabilitation, the member for Playford—and we cannot refer to that person by their name under the current rulings—but we did see some light when the member for Enfield assumed the responsibility for WorkCover. Although I cannot recall whether the Attorney-General and Deputy Premier said it here in the house or in a media interview, I heard him say, and I paraphrase, 'I think the best way forward is a mix of both—obviously, a return-to-work policy and rehabilitation, which is a good thing. Also, we should look to relax the no redemption policy.' I am glad for my constituent that they have received a redemption and is out of the system. Even though she requires ongoing medical care, she has left the system and hopefully her health will improve.

That just goes to show how poorly the previous legislation was dealt with. I know it was in the act and, as the letter says, the WorkCover board has a policy of no redemptions. This is a real-life example of how this sort of inflexible policy was having a real-life impact on that person's health. However, as I said, I think this person has benefited from receiving a redemption, they are out of the scheme, and they are getting better.

As the leader highlighted earlier, it is about the way the government has gone about managing the scheme within the current legislative framework, because the local government sector

has had to operate under this legislative framework and it has shown how successful a scheme can be if it is properly managed. Local government is the shining example of a properly managed workers compensation and rehabilitation scheme. It is in surplus by $28.5 million, its rate is half of the state government levy at the moment, and it is a fully-funded scheme. Whilst the government's management of WorkCover is a glaring example of how not to handle matters, the local government sector is a shining example of how to deal with the WorkCover scheme.

All in all, we are here again dealing with 'WorkCover recovery mark 3', as we have been over the last 12½ years that I have been in this place. As other speakers have said, we have quite a number of amendments to deal with, and they will be assessed between the houses. As the leader said earlier we are looking to cooperate with the government so that we can actually effect some meaningful changes that will get this scheme, which is in an absolute mess, back onto some solid footing.

Mr WHETSTONE (Chaffey) (16:50): I too rise to speak on this bill and highlight the need to overhaul this system. I would not call it a pathetic WorkCover system here in South Australia, but it is a system that has put a handbrake not only on businesses but the economy. It has also put a handbrake on people's thinking, the mentality of the people who employ and the people who are employed. It is a sad indictment of South Australia that the WorkCover system has put our economy at questionable risk. In a lot of instances employers look for reasons not to employ people and I think the WorkCover levy is one of those reasons.

Over the years, as the member for Kavel said, there have been a number of reviews, and I know that the reforms of WorkCover over the last 12 years have been unsuccessful. Today we are paying the price; every employer in South Australia is paying the price. I do not think they have been unsuccessful reviews. Rather, there has been a lack of will to change the system, a lack of will to address something that is almost systemic within the system, within the mindset of the people who administer WorkCover, and the government that own WorkCover in South Australia, and I think it is a sad indictment. It is a 12-year era of pain that employers have had to put up with.

In October 2013 minister Rau said that he accepts that his model is the worst in Australia, the worst of the 11 workers compensation systems. I think it has probably gone down in history now that he claimed that the system is a failure, and famously he said that the system was buggered. I would say that that is probably the platform for the minister or the Deputy Premier to come out and put another reform package on the table, because he famously said that the system is buggered and now he has to do something about it.

The DEPUTY SPEAKER: Order! We have had some discussion about the use of that word today, and while I understand you are quoting someone, I do have a quote from the deputy leader who says that that is unparliamentary, so perhaps we should refrain from using it.

Mr WHETSTONE: I think it depends on the context of how it is said, and I am quoting.

Mr GARDNER: I want to identify that when a member is quoting, particularly in relation to the Deputy Premier, as the member for Chaffey was, I understand that the—

The DEPUTY SPEAKER: That may be so, but his transgression is being compounded. As the table has just advised me, quoting an unparliamentary term does not make it parliamentary, and I should have pulled up an earlier speaker today, but I have only just got the information on it.

Mr GARDNER: Can I say for the record, I think the member for Chaffey was not meaning to obstruct the house; he was chiding, I suspect, the Deputy Premier.

The DEPUTY SPEAKER: No, I know, but I am hoping we will not have to use it again in any context.

The Hon. I.F. Evans: It is a quote from the deputy leader, is it?

The DEPUTY SPEAKER: Well, it is here. I have been advised; I am just helping you all.

The Hon. I.F. Evans: The deputy leader saying what?

The DEPUTY SPEAKER: That the word 'buggered' in any context is unparliamentary.

The Hon. I.F. Evans: Did the Speaker rule that?

The DEPUTY SPEAKER: We will ask the Speaker to come in later, shall we? I am sure he will.

Members interjecting:

The DEPUTY SPEAKER: I cannot hear three people at once. I have not given you the call.

The Hon. I.F. EVANS: Has the Speaker ruled that it is unparliamentary or has the deputy leader simply taken a point and the Speaker not ruled?

The DEPUTY SPEAKER: I am just trying to save you a bit of time—

The Hon. I.F. EVANS: Because if the Speaker has not ruled, then it is not unparliamentary one would assume?

The DEPUTY SPEAKER: —but we will ask the Speaker to give a ruling if you wish, member for Davenport.

The Hon. I.F. EVANS: I am not asking that. I am just saying that I do not see how it can be ruled unparliamentary until the Speaker or the Chair has ruled it as unparliamentary.

The DEPUTY SPEAKER: I am just quoting the deputy leader's own words. It is unparliamentary.

Mr WHETSTONE: As the Deputy Premier has famously said that the system is a failure and it is b-u-g-g-e-r-e-d, it would mean that the system is not in good shape. As I have said, WorkCover administers the workers compensation for more than 430,000 employees of almost 50,000 businesses and it is paid by 100 per cent of businesses. Anybody who employs labour pays a WorkCover levy.

If you put it into numbers, last year it managed 16,774 claims, collected about $667 million but paid out $809 million in claims. That is a recipe for disaster. It is plain mathematics that it is not adding up. The way it has been administered, the way it is put into legislation means that it is not a working model. The government has stood by and watched this program fail over and over again, for many, many years. They have had 12 years to fix it and they have not lifted a finger.

One would ask the question: why? Why has the system not been fixed after an extended period of time? For the 12½ years of the current government, it has sat back without any real will to change it. The WorkCover scheme has, as many speakers on this side of the house have said, the highest levy rate in the country, sadly. It has an unfunded liability approaching $1.4 million, sadly. It has a funding ratio of just 64 per cent; that is half of the national average. That is sad. It has the worst return rate in the country.

I will speak briefly on that later, but the return-to-work rate is probably one of the biggest issues with WorkCover, particularly with businesses that I have run: the way we get our labour back into the workforce, get them rehabilitated and get their minds back on the job, not their minds back on, 'How am I going to rort the system?' or, 'How am I not going to want to come back?' Not every injured employee fits that category but many do.

We have the highest number of disputes in the country, sadly, and it takes the longest to resolve disputes. It spends three times the proportional cost on rehabilitation than any other scheme in the country. Why? Why is that so in South Australia? Every employer is burdened by the lack of will of this government to reform what this broken institution has.

The state Liberals support the reform of the WorkCover scheme, with an emphasis on improving return-to-work rates for workers and reducing costs to South Australian businesses. I think that is probably as important as anything, is to get this system fixed and to take the burden away from South Australian businesses because they are bearing the burden of what this broken system offers, and that is every business in South Australia.

On a local aspect, in Chaffey there are about 4,000 small businesses on a number of scales and employers have been crying out for reform. My office would receive at least one to two inquiries or issues on WorkCover per week, every week, week in week out. They are telling me that the cost

of doing business is far too high, particularly now with the addition of the ESL; that is just another burden.

We know that South Australia has the highest taxes and we know the budget measures handed down to every South Australian are stymieing the economy in South Australia, but how can we do something about this WorkCover levy? Some of the issues I have are that there is a culture following within WorkCover. Sadly, it is in the workplace. It has been in the workplace for many years and it is a part of a system, as I have said, that is broken. The prolonged disputes, the shoulder shrugging when employers contact WorkCover and when employers are looking at ways they can defend their business and defend the premiums they are about to embark on they are being told that is how it works, and that is a really sad indictment.

At a local level, I have service station owners or cafe owners who have people who are almost institutionalised when rehabilitation comes around. They have a network of doctors they visit, and they have a network of people who back them up with their health issues. In many cases, they are injured workers, they do have problems and they are eligible for the claim, but in many cases that is not the case. In many cases, it is about, 'How can we re-engage into the system? How can we be part of the rorting of WorkCover?'

The labour force, particularly in horticulture and farming, has significant issues. Let's face it, hard labour in farming and horticulture is hard on the body and does create issues when it comes to injuries or health issues. I recall that on my properties I used to go out of my way, and I would not allow my employees to go home, go to the doctor and fill out a WorkCover claim. I would make sure that I sent them to the doctor—if anything, I would take them to the doctor—and then I would follow their progress. I would engage with them in their effort to be rehabilitated, and then I would bring them back to my property and put them on lighter duties.

I went out of my way for more than 20 years with safe practices, having the best available equipment for harvesting and having the best available trees for those people to pick and harvest. All my equipment was made safe, always regularly checked and always regularly audited. They were the things I went out of my way to do to make sure that I was not a burden on the system and that I was not a part of the WorkCover claims issue. It was a culture I had within my properties that they were seen as 'farm safe' properties.

The employees used to talk amongst themselves and went out of their way to make sure that they were not a part of a workforce that was continually looking for an avenue to claim injury or sickness. I would engage them to be part of a healthy workforce, and that message spread. It was not just about my businesses. They would work on other farms, and they would talk to the operators and the other labourers there. They would say, 'This is what we do there,' and we would have regular catch-ups to talk about any issues that were happening on farm, any issues that were happening during harvest and how we could better prepare the property, the equipment or the trees.

In many cases, we would have trees that were too tall, ladders that were not appropriate or trees that had a lot of deadwood in them. We did something about that—to the benefit of the WorkCover system because I was not sending my staff down to the WorkCover office to claim. We were doing it in house, and I think there are many, many horticulture and farming practices that are doing that and helping the system. Just imagine if people had the mindset of 'send them off to the WorkCover office, send them off to the doctor and just let it go'. The premiums would be way above what they are now and it would be about the impact on that system.

We also need to acknowledge those people who are genuine recipients of workplace injuries. They suffer, some short term and some long term, but it is about getting rid of that mentality of getting into that system and onto that train, being a part of the extended corruption of being part of the false claim when it comes to WorkCover. That is where the mentality needs to change.

More importantly, the mentality needs to be about government having the will to make a change to make the workplace friendlier and less unfriendly to WorkCover claims and to make our businesses more viable, because the higher WorkCover claims means higher costs to the business. Let's face it, when businesses interstate have a cheaper framework around doing business, they have a better recovery of money when they send their produce to market. There is more cream, if you like, after they get their cheques from fruit payments.

Again, I commend the leader this morning for his contribution. I think he put in quite elegant terms the way the government is not addressing these issues. The opposition will support this bill, even though many amendments have already been put forward. I look forward to the member for Davenport's contribution.

The Hon. I.F. EVANS (Davenport) (17:05): I want to make a few comments on the Return to Work Bill, which essentially deals with WorkCover reform. The views I am about to express are those of the member for Davenport, not of the Liberal Party. I guess that when you are leaving this place you can be a bit freer with your thoughts.

The government's proposal to yet again try to fix WorkCover really is an admission of 12 years of failure of policy reform in this area, and I would argue that it is an admission of failure of a centralised WorkCover scheme introduced back in the late-eighties, I think, from memory. I remember holding a public meeting in Blackwood as a small business owner at the time when WorkCover was first introduced and arguing that it would be a disaster for business and for the worker—and it has been a disaster for both.

For those opposite who argue that they represent the workers and that they are here for the best interests of the workers, they should pick up John von Doussa's comments when a centralised and government-run workers compensation scheme was first introduced. He said that it would be a disaster for employers and employees, and the last 30 years have shown that Mr von Doussa, who might have been head of the Law Society at the time, was absolutely right in his assessment of the workers compensation scheme.

The reason I argue this is very simple. If you look at who has been hurt by the various workers compensation reforms, there are essentially two groups: it is either the employees or the employers, and in this case the WorkCover reform has hurt both over the years. How have the employees been hurt? The employees have been hurt because, firstly, there is no competition in the marketplace. At the workplace level, there is no competition in who can provide entitlements or, indeed, safer working conditions for the various employees through workers compensation.

You could actually have competition in the marketplace, where one employer says, 'I can actually offer you better rehabilitation, better medical service, better workers compensation facilities and return-to-work services than the other bloke.' That does not happen now because we have a centralised scheme everywhere. The employer simply says, 'There is a centralised scheme. I am getting charged the highest levy in Australia. You get whatever the scheme delivers.' The employees have been hurt, firstly, because of lack of competition and, secondly, because workers compensation has become a political issue within the process of the parliament.

The reason it has become a political issue in the process of the parliament is that we now have a government-run scheme and a minister responsible for it. As soon as you have a minister responsible for something, guess what? Her Majesty's Loyal Opposition is going to go around, investigate it thoroughly and start asking questions and holding that minister accountable for it, and so then the government has to react. This government has reacted three, four, five times—I cannot remember. WorkCover under this government has had more reviews than Dame Nellie Melba; I cannot remember the exact number. The government then has a review and tries to make changes to reconstruct the scheme.

Let us walk through the problems. The unfunded liability has blown out to $1.3 billion. That is unfunded liability based on a government-run scheme. We do not sit here and talk about the unfunded liability of life insurance policies or superannuation policies or any other type of insurance policy. Why is that? The reason is that that is held by the private sector. Whatever that liability is—if there is a liability, and I suspect there is not—is not held by the government, so you do not have to ask the minister about it. It is not political, so the minister does not have to answer that.

We do not come in here and ask questions of the minister about life insurance costs or disability insurance costs or, indeed, private superannuation costs. We do not do that. Why is that? That is run by the private sector: the market ultimately sets the rate. We do not come in here saying: why is it that so many people do not take up disability and life insurance? We do not talk about the rate of insurance. The reason, again, is that it is not government-run. What we have done over 30 years is we have said, 'No, no, no. We will make this government-run.' Then a minister becomes

responsible. The minister is asked questions and then they have to try to redesign the scheme to solve those questions.

When Mr Von Doussa criticised the formation of WorkCover, he said that the only people who will lose out of this is the worker and the worker will lose out of this because what will happen is that the minister of the day, Labor or Liberal, will ultimately have to cut the cost of the scheme, because it will be badly run, and they will cut the cost of the scheme by cutting workers' entitlements. I think the member for Ashford and others have made some comments on that. This time, the unions, for whatever reason, have been deathly silent in their criticism of the bill but, make no mistake, the workers' entitlements are getting cut in this bill as they have in previous bills.

We remember the disingenuous leaking out of cabinet when Kevin Foley was treasurer and other people wanted to be premier. There was leaking out of the cabinet about the WorkCover reforms last time. There were protests in the streets last time, all about cuts to workers' entitlements. For those opposite, who come in here and argue that they are here for the workers' interests, I invite you to go back and do a comparison as to what the workers were getting in entitlements under the privately-run scheme before it became a publicly-run scheme in the 1980s. You might be surprised that that terribly-run private scheme was actually providing a better entitlement to the injured worker than the current publicly-run scheme or what is about to become the publicly-run scheme.

How has this scheme helped the worker, I ask? It has the worst return-to-work rate in Australia. The scheme designed to help the worker has the worst return-to-work rate in Australia. How is this scheme helping the worker? Rubbish! It is not. This is a debacle. I moved a vote of no confidence in this scheme the week I was leader in 2007 and brought to the attention of the house how bad this scheme was, and the government essentially sat on its hands and fiddled with the scheme for another seven years.

How many injured workers have paid a higher price as a result of the government's largesse in relation to this particular scheme, I hate to think. What would be a better outcome for the worker? A better outcome for the worker would be if the workers compensation entitlements were legislated like industrial relations entitlements, with minimum wages and all those sorts of things, and then you simply let various insurers offer the service and the service they have to offer is the workers comp legislated standards as a minimum.

Then what would happen is, private enterprise could say, 'Look, the minimum might be three weeks injured but, if you get injured, we actually have a scheme that will give you four, five or six weeks or a higher entitlement or better rehabilitation.' The private sector would offer a better market outcome for the worker, but they are not going to do it with a government-run scheme.

If you look at the two areas where the scheme is run well, it is in the big end of town. The self-insureds and local government run the scheme well. It is well managed. The guy who is getting done over in this scheme as far as the business community is concerned is the little bloke because he does not have 35 human resource people in his department. He does not have 100 people in their division to look after it. He or she has two, three, four, five or six people. They simply do not have the resources. So, there are two classes of people who get done over: the worker it is meant to help and the small business community it is meant to help.

There are 146,000 small businesses in this state and 95 per cent of them employ less than 20 people. All of the big end of town are either self-insured or in the local government sector. They are out of it; they are laughing. I speak to a lot of small businesses, and there are a number of them that say to their worker when they are injured, 'For goodness sake, go to the doctor and get yourself fixed—I will just pay it. Whatever the fee is, I will pay it out of the business. Don't report it to WorkCover, because I will get a huge penalty. I get all these rehabilitation providers come and take up my time and I simply can't afford that. It is cheaper for me to write out $2,000, $3,000 or $4,000 for the doctor or the hospital and just get the problem fixed.'

This scheme is a debacle. It will remain a debacle, in my view, while it is government-run. As I said right at the start of this contribution, this is my view, not the Liberal Party's view. The reality is, because it has become a political issue, it is going to be asked across the chamber about whether the minister is going to be held accountable for the performance of the scheme. Ultimately, it is going to be a poor scheme for workers and a poor scheme for businesses.

Let me get to the reform. Apparently we are meant to be excited by these reforms because, having had the worst performing scheme in Australia by the government's own admission, having had the worst return-to-work rate by the government's own admission, having the highest rates in Australia by the government's own admission, we are going to cut the workers off now after two years by the government's own admission, and guess what we get after that? We still get the highest levy rate in Australia. Well, aren't we lucky? We still get the highest WorkCover rate in Australia.

My view is that the scheme would be far better as it is in other states—they have different models, and I think they would be better. The government says this will save $180 million a year. If you multiply that by 12 years, that is about $2.2 billion extra that the business community have paid into a scheme that they never needed to if it was properly organised, properly legislated and properly managed.

Let's go to the next step. I think the member for MacKillop raised the point that if we could get to the levy rates of the Australian average, it would save the business community $300 million a year. That is actually $3.6 billion that the business community have paid that they never had to. Let's put this into a mental picture so people understand what I am really saying. If you could get the levy rate down to the Australian average and save the business community $300 million a year, the land tax collected from the privately-owned land in South Australia is $352 million a year. The WorkCover scheme is so bad it is virtually collecting an amount that is like doubling the land tax amount in South Australia. That is how bad this scheme is.

After the government's reforms, the levy rate is going to come down to around 2 per cent. The Australian average is about 1.6 per cent. My understanding is we will still end up with the highest WorkCover levy in Australia. I just simply ask the question: why? Why are we designing a scheme so we still end up with the highest WorkCover levy in Australia? Why are we doing that? I can only assume the government do not want to go any further than they already are in relation to workers' entitlements, management reform, or whatever the issue is.

I will just come back to the point that von Doussa made when this scheme was originally set up, and I agree with him entirely: the people who are going to pay the penalty with this scheme are the people who have paid the penalty over the last 30 years, and, that is, the worker who has had their entitlements cut by various governments of various colours. I can remember massive protests in the streets, when Graham Ingerson was the minister, about the issue of workers' entitlements and workers compensation. This, I think, actually goes further. I think there are fewer entitlements under this proposal than there were then. The response of the union movement, for whatever the reason (I think we all know why), has essentially been stony silence; so the deal has been done.

I will just make the point that this particular scheme is the worst performing scheme in Australia by a long way. My view is the government should have its head; that is, if the government want to make these changes, you go right ahead and make them—go right ahead and make them. If this is your solution, go right ahead and make these changes. The actuarial advice was all done within six days; the cabinet leaks showed that. What will happen is simply this: the unfunded liability will drop off the perch after two years. Virtually as soon as the legislation is passed, the unfunded liability will reduce significantly, because the scheme essentially says that there is a whole range of workers who used to be on this long tail forever, and they are going to get cut off after two years, and because there is legislative certainty about getting cut off after two years, essentially that cuts your unfunded liability.

My view is the government will be able to fly the flag and say they have cut the unfunded liability. So that all the Labor members who are voting for this know exactly what they are voting for, what they are doing is cutting the workers off after two years. If my side of politics had tried that, there would have been blood in the street over it. This government wants to do it, and my view is go right ahead and do it if you think that is going to fix the scheme. I think this will only partly fix the scheme. I think a lot more reform needs to be done with this scheme.

I have had an interest in the workers compensation scheme for 30 years, and I will finish on this story. I remember when it first came in. I was at home on Australia Day and I got a phone call from a hospital. My bobcat driver had been injured at work and broken his leg in three places. I said, 'Well, that's interesting because my bobcat driver is not working on Australia Day; we are not working.' This guy had taken the bobcat. He was doing a cashie for a mate on Australia Day. After

having a few stubbies at the barbecue, he slipped and fell out of the bobcat when getting off it. He slipped and snapped his leg in three places—bang, bang, bang. He got his foot caught between the bucket and the body of the machine. He had a compound fracture in three places.

That claim was ultimately accepted by WorkCover. He took the machine with that equipment, was under the influence of alcohol, doing a cash job, unauthorised, and it was accepted. From that point on I have had a real interest in WorkCover and how it operates.

I think the worker would be far better off under a different scheme. I think the scheme should be legislated like industrial relations. Legislate the minimum, and then let the employers compete on offering more than the minimum, and many of them would, particularly in industries that have a high injury rate, because workers are conscious of that and they would go to the safer environments and the better outcomes. I think the worker would be far better off. What it also will do, through the market mechanism, is clean out the rogue employers who are running unsafe or shoddy practices. They will get cleaned out the same way. Ultimately, these reforms are not going to go there.

These are not the Liberal Party's views; they are my views. There are other models around Australia that I think provide better outcomes than the current scheme does or, indeed, what this scheme is going to provide. I think the parliament will be back here straight after the next election, regardless of government, Labor or Liberal, and they will be debating WorkCover reform again. These reforms will fix part of the problem, but I think we will find that we still have the highest WorkCover levy in Australia. Why we would design a system to have the highest WorkCover levy rates in Australia I do not understand. Let's just fix it once and for all, and do it properly, Deputy Speaker.

Mr TARZIA (Hartley) (17:25): I rise today to support the Return to Work Bill. I thank the member for Davenport for his extremely valuable contribution. As we have heard today, we will cooperate with the government in regard to this bill and support its passage through this place. As we have heard, there are some things that governments do well and there are other things that governments do not do well, and this is something that this government has not done particularly well whatsoever.

It has presided over a mismanaged system, the worst system in all of Australia. I have to express my absolute disgust at the fact that we have received amendments to this bill as recently as this week. You would think that after 12 years there would be a bit more professionalism, a bit more pride in what the government is doing in regard to this. I think that this example is a microcosm of the overall negligence that the government has displayed in this area. For amendments to be handed to us on the back of an envelope on the eve of debate is just not acceptable.

As I said, we have the worst return-to-work system in all of Australia, the worst costs and, as our leader alluded to today, if we were in government we would look at removing hurdles from companies to get off the scheme, which has been a failed scheme. I speak particularly for the many hundreds of small businesses in Hartley—over 1,000 in total—as well as the workers of Hartley. I think they would be much better off if some of them were able to have some choice in this regard.

Our leader also spoke about the Liberal reformist economies going forward across Australia, unlike this government which continues to stifle growth, hinder employment and just does not understand the basics of supply and demand and what it takes for the cost base of a company to be reduced to allow some level of confidence to improve.

The current mess in WorkCover is a result of 12 years of mismanagement under this government and, as we have heard before, there have been many reviews and reforms in regard to this. Notably, this is the third one. Three is obviously a lucky number in Hartley with Norwood taking out their third premiership at the weekend but it has not been a good number for this government.

In January 2014 the government announced their intention to reform the workers compensation scheme again with a commitment, as we have heard, to reduce average premiums to 2 per cent or less and to virtually remove all the unfunded liability. This scheme has been nothing more than a running sore for the state. It is by far and away the worst functioning scheme in Australia. What an absolute shambles it has been!

WorkCover SA has been one of our largest government owned companies. It is not a company that I would have bought shares in. It has $1.2 billion in unfunded liability, as we have heard. It has the highest costs in the nation and it is the only WorkCover scheme in the nation that is completely unfunded. I will talk a little bit more about that.

I would like firstly to draw upon some comparisons with other schemes in Australia and on a report that was released by SafeWork SA. As at 2011-12 South Australia had 727,400 employees who were covered for workers compensation. Of that total, the number of serious claims with one week or more with incapacity was 9,110. Serious claims per 1,000 employees was 12.5. The standardised average premium rate as a percentage of payroll in 2011-12 was the worst in Australia at 2.51. When you look at the standardised funding ratio percentage, it was the lowest in Australia at 60 per cent.

This government seems to want to cripple access to common law, and shame on the government for that. It has many issues and I will talk a little bit about them and what other associations have had to say about that. When you look at the scheme's funding position as at 30 June, South Australia had $2.398 million in assets. In liabilities, it had $3.764 million, with a funding ratio of $63.7 per cent, which is worse than New South Wales, Victoria, Queensland, and Western Australia, from what I can see. It is a massive issue.

Industries in my electorate tell me that they are hurting. In regard to the meat-processing industry, if you look at selected industry premium rates as a percentage of payroll it is about 7.5 per cent, which is absolutely enormous. It is clear to me from talking to my constituents and businesses in Hartley that this is a massive issue this government has ignored, and it is unacceptable.

It is clear that the government has mismanaged this scheme for 12 years, and they have no-one to blame but themselves. We heard the member for Davenport in the esteemed presentation he gave; he has been around for a long time, he saw this coming, he put the government on notice that this was coming, and what have they done about it? They have ignored this massive issue that is WorkCover. Members will recall the last major reforms of WorkCover in 2008, and what do we have in this latest instalment? We have the Enfield enlightenment, and it is nice to see that all members of the government have finally worked out that there is a problem with the current WorkCover arrangements. It is good to see that they have taken this issue seriously.

I remind the Deputy Speaker of comments the Deputy Premier made to *InDaily* before the last election. In regard to WorkCover SA, he eloquently said the b-word that ends in 'd' (I will not repeat it) and that the scheme has been poorly administered, as the member for Chaffey also alluded to. He made comments along the lines that he would decommission the scheme and start again. He said, 'It's been amended, patched over and fiddled with for years and in the process has become so disliked, the only thing to do is to rub it out and start again.'

It is a shame that the member for Enfield in all his power did not rub it out and start again many years ago because South Australians are worse off because he has not rubbed it out and started again, workers are worse off because he has not rubbed it out and started again, and employers are worse off because he has not rubbed it out and started again. It is clear what the Deputy Premier thinks of the Weatherill and Rann governments' performance on WorkCover. He is a courageous man and, for a younger member who wants to be as idealistic as he can and think for the longer term and work with both sides to achieve a fantastic outcome for the state, it is refreshing to see some sincerity and some honesty from him on this extremely important issue.

I am sure this will no doubt be one of the lasting reforms in the 'reformation' which he causes, 'the Enfield enlightenment', and that he will be drawing on every ounce of his charisma to keep the unions at bay on this issue, to keep all the factions at bay on this issue, and I hope that he takes that charisma onto the bench when he may eventually move on to that stage in his career.

A number of concerns have been expressed by key stakeholder groups, particularly the Australian Lawyers Alliance and also the Law Society. I also have a couple of areas of concern; however, I will be supporting the bill. I take it that some of these areas of concern may be fleshed out in the other place, and I look forward to looking at that debate with keen interest, particularly in regard to compensability, medical expenses, the assessment of permanent impairment, the

threshold for seriously injured workers (what that is and how that is found), the entitlement to weekly payments, lump sum and economic loss and, in particular, access to common law.

The Australian Lawyers Alliance makes some comment in their submission to the Deputy Premier in regard to this. They consider the threshold, that there should be no damages unless the whole person impairment is at least 30 per cent, and they speak about section 72. They make comment that this restriction may be such that only 1 or 2 per cent of injured workers will be eligible to claim for common law damages and, in their words they call it a 'token acknowledgement of common law rights'. It is something that perhaps might be taken up in the other place. In regard to that comment, I notice that the Law Society has also chipped in its five cents' worth in relation to the same issue. While I do understand that it represents a number of lawyers, one has to ask how there can be a meaningful entitlement to damages when the threshold is so high at common law. I think that is a sensible question, and a question that should be fleshed out in the other place.

I will be supporting this bill. As I have tried to do today, I have highlighted that the current mess in WorkCover has been nothing short of the result of 12 years of neglect and 12 years of financial mismanagement by the current Labor government, and a number of failed attempts to reform the system. I will certainly support the bill, but we will reserve our position on amendments in the other place until debate has taken place. I commend the bill to the house.

Mr WINGARD (Mitchell) (17:35): I rise today to speak on the Return to Work Bill. In the spirit of goodwill I do support the bill; however, I have some reservations. I do not have reservations about the need for reform but I do have reservations about the government's lack of haste in acting on the spectre that has been hanging over this state's head for the last 12 years. Unfortunately, this is a burden the state has come to bear after 12 years of Labor's economic mismanagement.

Labor has overseen a scheme that is broken, and its efforts in the past to fix this have been totally unacceptable. It also worries me how slowly this has been brought to the house. The government has had numerous opportunities since the election to introduce the bill, but it has waited until the end of September to table it. It is also very surprising that we were given the bill last week, with the intention of introducing it today, and then 13 pages of amendments were sent through on Friday night with further amendments on Sunday night and more again on Monday. I hope this is not just reform on the fly from the Labor Party again.

I have had a number of key stakeholders contact me who have not even been consulted. They are keen to have an input and they will be having an input, so it worries me that the consultative process is not complete. I want everyone to understand, with this work, how important it is for business in this state. You may have sensed an element of scepticism my voice but, looking back through history on the issue and the state Labor government's track record of dealing with this matter, I feel I have a lot of reason to be concerned.

You see, I have heard this before from Labor. Back in 2008 it promised to fix this broken system of WorkCover; it wanted a fully funded system that is fair to all workers and affordable, a scheme that was efficient and effective. Nothing happened. It was another brilliant Labor promise that was not delivered. More Labor mismanagement. Labor tried a few changes to fix it back in 2006 as well, but again it was botched and nothing happened. In fact, Labor's promised changes back then made it worse—more state Labor mismanagement.

When you break it down the numbers are embarrassing for this government. In 2008 the Labor government proposed to reduce the levy rate from 3 per cent to 2.5 per cent. How did that go? Not great; in fact, rather than go down it has gone up under Labor, and the levy rate is now 3.34 per cent. Labor wanted it to go down and instead it has gone up; it cannot seem to make this system work. Labor's failure to reform WorkCover, its mismanagement of the scheme, has placed a handbrake on South Australia. It has prevented growth and hurt business right across our great state. I see it with businesses I talk to in and around Mitchell, in the Lonsdale region. A lot of manufacturers down there are struggling, and this is one of the key things they talk to me about—WorkCover. It is not working in South Australia and is a big handbrake on this state.

I know that the AFL season is over for both South Australian teams. Port did well to finish third on the ladder, and I would like to take this opportunity to congratulate Ken Hinkley and his Power team on a wonderful effort. Their achievements have been highly documented this season, and it

has been amazing to see what can happen when you take the handbrake off some talented people, give them an opportunity to perform without encumbrances, instil them with belief, and empower them to take on the opposition. That is something this government must do.

The Hon. S.W. Key: A sporting analogy.

Mr WINGARD: There is nothing wrong with that. Sporting analogies have a very good fit with life and this is a great way to align what is going on. South Australia has been tied down, restricted and shackled for too long by this government. They have provided no opportunity for growth and the numbers show it. Port may have finished third in the AFL premiership, but where does South Australia sit on the national premiership table when it comes to levy rates on WorkCover schemes? Let us keep it nice and easy for people to understand. If you look at a premiership table people understand.

Let us have a look at the premiership table for levy rates on the WorkCover scheme. Queensland has come out on top with a 1.2 per cent rate thanks to some great work by the Newman LNP government up there; Victoria is second with a rate of 1.298 per cent; New South Wales is third best with 1.55 per cent; WA is fourth with 1.66 per cent; Tasmania is fifth with 2.36 per cent; and—you know it is a sporting analogy—under Premier Weatherill's Labor government his team has given the wooden spoon to South Australia with 3.34 per cent.

This rate has a significant impact on the productive component of our economy. Those opposite may scoff at the sporting analogy, but South Australians do not like sitting on the bottom of the table, nor should they when you have a look at the numbers here. There is no reason other than what has been delivered by the state Labor government under Premier Weatherill; that is why we sit on the bottom of the table.

Sadly it is not just with the levy where we sit in the cellar, but there is also the funding rate of this scheme, which does not paint a very good picture for SA either. $1.23 billion of South Australia's WorkCover scheme is unfunded and that does not take into account the unfunded element of the public sector for WorkCover as well. Again, more Labor financial mismanagement and South Australia's scheme is a mess.

Let us look at the table now and see how we compare on this side of things. Queensland is top again. Well done to Campbell Newman and his conservative team. Their funding ratio was 132 per cent, so they had more money than they need to fund their scheme; WA in second place, 126 per cent; Victoria in third place, 116 per cent; Tasmania in fourth place, 111 per cent; New South Wales fifth, 105 per cent; and here we go, South Australia bottom of the ladder again at 60 per cent. Surely no South Australian likes coming last, and I note that the government should be ashamed. This Weatherill Labor government has again put us on the bottom of the table.

Having the worst rate for WorkCover and the worst funding ratio in the nation adds to the cost of doing business in South Australia. It is dragging us down. Businesses looking to set up or consolidate their operations see South Australia on the bottom of the ladder, they take on board the mismanagement of this state Labor government over the past 12 years, and they head the other way.

The leader, the member for Dunstan, mentioned earlier in his debate that Arnott's biscuits is one example of a company that stated how much cheaper it is to do business outside of South Australia. I speak to businesses in and around my electorate of Mitchell and they tell me the same thing. There are too many encumbrances on businesses here in South Australia and if they have to make a decision there are too many factors swinging them away from South Australia, and the WorkCover scheme is another one of those.

It is very disappointing, because South Australia does not need to be sitting at the bottom of the table again. We need to be moving up and we need to be creating more opportunities for young people here in this state, and, for that matter, everyone in this state.

I have another school friend who is heading to Queensland because his company cannot afford to keep him here. He is in the mining game and there are no opportunities here in South Australia. The cost of operating here is too high, and there are too many restrictions impeding growth.

This government has to move. I know they have tried before and I wish them all the success to do it again to amend the WorkCover scheme to get us off the bottom of the table.

So, after a number of failed attempts to fix the WorkCover situation this Labor government now needs to get it right, and it is possible. The LGA has run its own scheme and their rate is half what the government's is and they are fully funded to 244 per cent. That's right, 244 per cent, so why can't the government do it if the LGA can?

After 12 years of mismanagement I am pleased the government is having another go at fixing the system, the one they have badly broken. I know they tried in 2006, I know they tried in 2008 and it did not quite work, but let us hope this is the time. I trust they have heavily consulted before bringing the bill before the house and I hope we can—or for Port fans I hope we 'Ken'—get WorkCover right and lift us from the bottom of the table.

It really has dragged on too long, it has been too tough for too many people for too long. With WorkCover, we can see from the tables I have outlined, South Australia is sitting on the bottom of the ladder, and we do not want to be there any more. South Australia has to hit back.

I have said in this house before that I remember when we used to be competitive against Victoria, New South Wales and Queensland, and now, thanks to the Weatherill Labor government, we are being outdone by Tasmania, in so many areas, and the numbers clearly show that WorkCover is one of these areas where South Australia is languishing behind the other states, at the bottom of the table.

Mr BELL (Mount Gambier) (17:45): I rise to make some comments on the Return to Work Bill. With 14 pages of amendments before we begin, it is obviously a work in progress.

Mr Knoll: I think we are up to 27.

Mr BELL: Twenty-seven? Thank you, member for Schubert. I acknowledge the member for Davenport's contribution. He brings a different perspective to this house, and he will be sorely missed when he goes. Before I begin I will start with a quote from a prominent lawyer in Mount Gambier, Bill DeGaris. We were at a function the other day for small business and Bill stood up and said that, for anybody who encourages their child into small business in this state, it should be deemed a form of child abuse. He went on to make some very valid points; the points he was talking about were how tough it is to do business in South Australia, and of course the WorkCover levy just adds to that burden for businesses.

It was Kevin Foley who commented that the unfunded liability would be extinguished in 'a reasonable amount of time'. I do not know what Mr Foley was talking about at that time, but the time has certainly continued on and the unfunded liability is still here.

I believe that most Australians, particularly in business, just want a fair go. To be fair and reasonable is all that most people ask, yet the current WorkCover system is anything but fair or reasonable, from both an employer's viewpoint and also from an employee's point of view.

I have had countless examples brought to me, as the sitting member and also in my time in business, of a no-fault WorkCover system. I listened with interest to the member for Davenport's example of a bobcat driver who, on Australia Day, was taking the bobcat, drinking alcohol and broke his leg, and it was still deemed claimable under WorkCover. I have had the example of a footballer carried off the ground on a Saturday, turn up for work on a Sunday and, guess what, 'done his shoulder at work' and claimed through WorkCover.

Unfortunately, many businesses that begin a workplace appraisal or performance appraisal quickly find that the employee is out on stress or a stress-related injury before that process can continue. In fact, most principals know, and certainly the ones that I have worked with have told me, that any serious performance management issues are likely to end in a WorkCover claim, and I have seen that time and again.

In fact, at a recent meeting of ForestrySA down in Mount Gambier, where the Minister for Forestry was in attendance, I was astonished to learn that, with 20 of the 60 voluntary separation packages on offer, those 20 people were on a WorkCover claim. People may or may not know that, if you are on a WorkCover claim, you cannot take part in a voluntary separation package. Due to the

short time line of the voluntary separation packages, I think a bit over a couple of weeks to meet the 1 July deadline, guess what happened to all 20 of those on WorkCover? All 20, within a two-week period, were signed off and got off WorkCover so that they could take a voluntary separation package. I find that astonishing and it raises some very real concerns about not only the system but also those people who got off perhaps a genuine WorkCover claim and yet will still need ongoing support. So, for a short-term gain, they may have inadvertently done themselves a disservice going forward.

When I was thinking about what I was going to talk about, there was an incident at our local hotel, when I was campaigning actually. A group of lawyers were sitting around talking and I was part of that group. Upon asking what they did, they openly talked about their work in going around deliberately delaying WorkCover claims and return-to-work because it was good for business.

I agree with minister Rau that the current system is a failure—and I will not use any other unparliamentary words that have been said before—and that South Australia's model is the worst in Australia. In fact, workers experience a worse return-to-work outcome than any other state. It falls back on employers, who are now paying much more than any other jurisdiction on average—as has been quoted before, 2.75 per cent compared with 1.47 per cent in New South Wales, 1.27 per cent in Victoria and 1.2 per cent in Queensland. We have a serious problem on our hands and we on this side, certainly myself, will be supporting the bill.

My electorate is very close to the Victorian border, and this poses a real issue. It concerns me as the local member that companies are seriously contemplating relocating across the border. It is only about 33 kilometres across the border. In some instances I have timber industries and transport companies paying 7.5 per cent and, for some, it costs many hundreds of thousands of dollars. In discussions with those people, it is not actually workers and WorkCover premiums that are the real issue: it is that the premium for the industry extends across all workers within their business. For example, ancillary staff (receptionists, front-of-house staff) are charged 7.5 per cent as well. As some employers say to me, the most likely work-related injury they may experience could be a paper cut, yet they are paying 7.5 per cent, the same as a timber miller facing an open-cut saw or a truck driver in a transport company. So there is a level of frustration that all workers are put under that industry cap.

With all this extra revenue coming in, of course, we have the highest premium, on average 2.75 per cent, but many are much higher than that. I was staggered to hear today that even window cleaning is at the higher rate of 7.5 per cent. That, quite honestly, astonished me. You would expect that we would be in surplus, but no, no surplus; we have $1.23 billion in unfunded liability. My concern going forward with these reforms is how long that levy is going to stay at an elevated rate just to pay off the unfunded liability.

I must commend the government for the appointment of CEO Greg McCarthy. I have not met Mr McCarthy personally but I have had many employers report to me that they find him a good person to work with. They praise him quite highly. If Mr McCarthy and the Deputy Premier can achieve their goal, there is no doubt that employers will be better off. Whilst we had the announcement, 'It is about shifting the fundamental focus on return-to-work outcomes,' I have to ponder: what has the focus been on for the last 12 years if it has not been on returning to work?

A key change of this bill going forward will be the dissolving of the current board and the appointment of a commercial board. Whilst I agree with this, I also believe that the minister must not have total control of who is appointed to that board. I mean, can you imagine the line-up of ex-Labor MPs who would put their hand up for it? Maybe Kevin Foley? Mike Rann, when he has finished overseas? Are there any others who have retired or lost their seat at the last election who have not been given board positions? Maybe Don Farrell? I do not know; I am just posing these questions. It needs to be—

The Hon. J.M. Rankine interjecting:

Mr BELL: Thank you, Minister for Education, I appreciate your interjection.

The DEPUTY SPEAKER: Order! You see, member for Mount Gambier, this is what happens when you are provocative. Back to task.

Mr BELL: My point is that the minister should not have executive control of who is appointed to that board. We just do not know who we are going to end up with. I am also interested in the new 'return-to-work services strategy, designed to improve your return-to-work outcomes through more efficient rehabilitation'. It is interesting to note that an independent review was carried out by PricewaterhouseCoopers. They reported there were 'too many rehabilitation providers in SA' and claims were overserviced without matching outcomes. I take the member for Heysen's point that the current government is always interested in inputs: how much more money? How much more have we put in? It is very rarely concerned with outputs in terms of: what are we getting for our dollar?

In 2012, providers of vocational rehabilitation were paid a combined $26.25 million. The report also pointed out that SA was spending at least four times that of Victoria and double that of New South Wales on rehabilitation services per totally incapacitated claims. In fact, in country areas I assume these costs are even higher. I have personally written to the minister seeking clarification of why local providers have been overlooked in the South-East, yet Gallagher Bassett will fly people down to carry out rehabilitation work that could have been undertaken by local providers.

There are many aspects of this reform that need further scrutiny. I think the ambition is a good one; however, history has shown that in the last 12 years rarely has WorkCover performed in accordance with this government's lofty ambitions.

Sitting suspended from 17:58 to 19:30.

The Hon. J.R. RAU (Enfield—Deputy Premier, Attorney-General, Minister for Justice Reform, Minister for Planning, Minister for Housing and Urban Development, Minister for Industrial Relations) (19:30): First of all can I thank everybody who has made a contribution to the debate so far. I think it has been by and large very constructive, and can I put on the record my appreciation thus far, because you never count your chickens but thus far, to the Leader of the Opposition for the very cooperative way that he has engaged with the government about this matter, and I think it has been very constructive anyway.

The Leader of the Opposition and I have been talking about this matter for some time, and he has been saying to me on various occasions, 'Get on with it.' I have been trying to get on with it, and here we are; we are getting on with it. I can only say to the Leader of the Opposition: if you can encourage your troops to focus on 'getting on with it', so to speak, we might be able to finish very quickly tonight and then if your troops in the other place 'get on with it' we are all going to be kicking goals.

Mr Marshall: If you got on with it, we could get on with it!

The Hon. J.R. RAU: I just wanted to get into the 'getting on with it' bit, because I liked the meter and the sense of urgency and that is good. Anyway, I sincerely do thank the Leader of the Opposition, because he has reserved his right to be difficult but thus far, he has not been difficult and I thank him for that very much.

There were some comments made by the Leader of the Opposition about being slightly sceptical about these proposals and, can I say to the Leader of the Opposition: that that is a fair comment. You said that you were a bit sceptical and that there had been many false dawns and all that sort of stuff, and I think that history shows that your comments in that respect were entirely fair and reasonable, but this is different. This time we are going to make a difference and we need to make a difference, and I am totally committed to making a difference and so is the government, and we will get on with it; I promise you that.

Can I tell you this: I have said to Mr McCarthy—who I must say again on the public record, I have found to be an excellent chief executive, a man who has worked very hard and assembled around him a very good team—'Look, Mr McCarthy' (occasionally I call him Greg in private, and you would understand that, but because we are in *Hansard* I will call him Mr McCarthy). I have said, 'Mr McCarthy, if the parliament does pass this bill, the wood is on you, sunshine. You and your team have got to do what no previous management team in WorkCover has done: you have to bring home the bacon.'

Can I say, Mr McCarthy said to me, 'You are absolutely right. It does put the onus on us. We are going to have to do better than we have done before, and I believe we can do it and we will do

it.' I am actually comforted by the fact that Mr McCarthy says those things, because so far he has shown me that he is a fellow who can get on with it and get things done, so that is very good. I just wanted to mention that those of you who went through the history lesson, yes; we all know the history. The Big Bang occurred about 4.6 billion years ago. In 1971, the Workers Compensation Act was enacted, and in 1986—

Mr Gardner: We had a nice discussion about how long you wanted to go tonight.

The Hon. J.R. RAU: Sorry, I am trying to concertina it a bit. We all know that stuff, so we do not need to go down that track too much. Yes, I am nearly there.

The DEPUTY SPEAKER: Time.

The Hon. J.R. RAU: Have I run out of time?

The DEPUTY SPEAKER: No.

The Hon. J.R. RAU: The other point is, again, the Leader of the Opposition made some comments about how in the past things having been trumpeted as being the reform of the decade or century or whatever and they have fallen short. Again, I say in all sincerity that everyone here who has been looking at this thing would have to say that that again was a fair comment by the Leader of the Opposition but can I say this: I am not into overpromising, and this government is not into overpromising and—

Mr Marshall: Don't start him.

The Hon. J.R. RAU: No, hang on. We have said that we are confident, based on actuarial evidence, that this scheme, even poorly administered—which it will not be, I am confident—will be a 2 per cent or less than 2 per cent scheme, and that is all I am promising. If we do better than that, I would like some members of the opposition—they can do it in private, without doing it here—to send me a little note saying, 'Gee whiz, you did better than you promised. That was good.'

The member for Davenport raised questions about private insurers. He made the point that this was his own personal point of view, it is not the Liberal Party's policy, and I accept all of that. Can I make this point: part of the reason the 1986 legislation came in is that the 1971 legislation, which was entirely dependent upon private insurers, found the market decided, 'You know what, we don't want to insure you blokes.' There is one thing worse than a government monopoly, and that is no government involvement and a market failure—that is worse. That is what we have now, for instance, in the insurance market for home indemnity insurance. Nobody is selling that product, so the government has had to step into that space.

Mr Marshall: Because the risk is so high in this state.

The Hon. J.R. RAU: I have been saying nice things about the Leader of the Opposition; I am talking about the member for Davenport, who said some slightly silly things. The other thing he said, as many did, is that this is the highest levy in Australia and this is not good. I totally agree. To be fair, I hope people have noticed that for the last 18 months, or at least 12 months, I have been using terms that apparently are unparliamentary in my description of the current scheme.

The DEPUTY SPEAKER: And you are never going to do it again, are you?

The Hon. J.R. RAU: I am not going to do it, because it would be inappropriate for me to be cautioned in the middle of this important contribution.

Members interjecting:

The DEPUTY SPEAKER: Order! Back to task.

The Hon. J.R. RAU: I could give you a bit of a history on that, but I won't.

The DEPUTY SPEAKER: No, you won't.

The Hon. J.R. RAU: The point I wanted to make is basically this: first, I acknowledge and the government has acknowledged all along that we have to do something about this scheme. We are not trying to run away. We are not pretending there is nothing wrong, and we have been absolutely clear about that. Secondly, the scheme that we are putting in place is a radical change

from where we are now but, in terms of the delivery of outcomes for people with injuries, I am confident, looking at all the material I have seen, that between 94 and 96 per cent of people who receive an injury in the workplace in South Australia will be better off under the new arrangements than they are under the present arrangements, and that is a very big step forward.

The other thing is, to those in the opposition—one or two of them, not most of them—who have made comments about us aiming too low, '2 per cent is not good enough' and giving no credit to Mr McCarthy and his team of excellent people on doing any better than that, I say that we have to build a consensus here in a context where there are a lot of competing views, and many of them completely diametrically opposed. There may be things in here which one group would say, 'That's appalling, I hate it,' but there's another piece in there where they say, 'Actually, that's important.' That works on both sides of the ledger.

There are people in the employer groups who do not like bits of this, and I can assure members who are a part of employee organisations that they find elements of this challenging as well. The fact that everybody, up until now, has worked in a constructive way to talk about this, and we have got to this point, I think is a credit to all of them. I thank all of them for their input and their consultations—and that is employee organisations, employer organisations, WorkCover itself, people from the legal profession who have made contributions. To all of them, I say thank you very much, because everything has been taken into account, considered and balanced in that important exercise of making sure that there is something for everyone and yet it is not a case where some particular group is exploiting things for their own benefit.

I do not often do this, but I will quote Morry Bailes, the President of the Law Society, who was at a meeting the other day and said words to this effect: 'If you are negotiating a settlement as a lawyer'—and the member for Bragg knows about this because she is a lawyer—'and you get to the point in the settlement where the parties, having settled, walk away and they are all a bit disgruntled—no-one is absolutely crazy off their head and nobody is doing the Toyota jump in the air thing; everyone is a bit disgruntled—that generally means you have probably got it about right.'

The comment Mr Bailes made was that this scheme, probably, judged by that test, gets it about right. He has since then, of course, gone on in media, radio and so on to criticise the scheme, but I try to pick his high points rather than his lower points.

Ms Chapman: Selective hearing, it's called.

The Hon. J.R. RAU: Yes. Anyway, I look forward to going into—

Mr Gardner: Tell us more about your disgruntled clients.

The Hon. J.R. RAU: It is about a settlement, you see. I am not going to be distracted. I will not be distracted, Madam Deputy Speaker. The member for Morialta is attempting to tempt me, and I will not be tempted by him.

The DEPUTY SPEAKER: No dobbing; he is not going to do it again.

The Hon. J.R. RAU: Alright. I want to talk about what lies ahead of this, just so people understand. There is a large number of government amendments. Most of them are relatively benign or insignificant or in the nature of a tidy up.

We could go through the very formal way of proceeding where we go to committee, and then we take clause 1, clause 2, clause 3. That might be a reasonable way to start, but I obviously do not want to try to stop members asking whatever questions they want to as we go along. I will do my best to answer the questions.

The only request I would have of members is, given the number of amendments, we could easily get sidetracked on things and give them inappropriate attention. I would just ask members if perhaps we could keep a reasonable clip going, but I am not trying to hold to the three questions. With those few words—hopefully, words of encouragement—I think that is all I really have to say, and we should go into committee.

Bill read a second time.

Committee Stage

In committee.

Clause 1 passed.

Clause 2.

Mr MARSHALL: With regard to clause 2—Commencement, earlier today, I asked whether the government would consider an earlier start. Has the government had any advice as to whether or not this act can come into force in time for a commencement earlier than 1 July 2015?

The Hon. J.R. RAU: I thank the Leader of the Opposition for his question. Since he raised the matter this morning, I have sought further advice. I have to say to everybody here that this has always been stated publicly, so that everybody interested in this matter would have been expecting 1 July next year. If we brought it forward, were it possible, that would have been without notice to everybody who was expecting it to happen on 1 July next year, but I have made further inquiries.

I am advised the corporation requires at least six months lead time with a known bill—which we do not yet have, of course—to ensure its systems and people are ready to administer the return-to-work scheme as it is described in legislation. If I can just sort of segue at that point to talk about everyone having said—and I agree—that one of the major failings of the existing scheme is poor management, the last thing we would want to do is accelerate the introduction of this thing in the face of a clear statement by the management that they could not manage it properly if it was accelerated. In addition, subordinate regulations and various gazetted determinations need to be prepared and made, based on the bill as finally passed, which, of course, we do not presently yet have.

Implementation is not a small task. I am aware that WorkCover has already commenced planning for changes that are proposed in the bill, and even then it is going to be a lot of hard work in a tight time frame, I am advised, to ensure that it is ready for a 1 July commencement next year. Some features of this bill can and will commence earlier, such as the early intervention programs.

Importantly, if this legislation is passed this year, the board, when it undertakes its annual process of setting the average premium rate, will be able to take into consideration the potential annual cost of the new scheme and to set an average premium rate appropriately. In other words, early passage of the bill should enable, subject to the board's determination, an early flow through of relief from the premium position that presently applies.

If this legislation is passed this year, the board will consider any premium reduction in the 2015-16 financial year, a reduction that could reflect—and I emphasise 'could' because it is up to the board not me—an average premium rate of a maximum of 2 per cent, depending upon actuarial advice at the time. In other words, they will not be ready short of the time frame, given that we do not even have a settled bill yet.

Mr MARSHALL: Is the minister suggesting that, if the bill were passed this side of Christmas, the average premium rate, which is usually set for the beginning of the new financial year, could be brought forward and savings offered to employers prior to 1 July?

The Hon. J.R. RAU: That is not what I am seeing in that advice. The advice is telling me that, if the bill is passed soon and therefore the law becomes a known quantity, it is still a matter of a known unknown—

The Hon. S.W. Key: A known known.

The Hon. J.R. RAU: A known known, as opposed to an known unknown, they would expect to be in a position to deliver that premium relief commencing July next year but not before.

The Hon. S.W. KEY: Just on that clause, I am wondering, Attorney, whether you could set out in this chamber your understanding of what will happen to people who are already on the scheme who would be deemed to be long-term WorkCover people and presumably in the whole person impairment rating of over 30 per cent. In a number of meetings, we have had this discussion with you. I wonder whether you can make clear now what you would consider the transitional arrangements to be.

The Hon. J.R. RAU: The member for Ashford makes a very good point. Let's assume that the bill passes more or less in its present form. Between now and 30 June, there will be an opportunity for the scheme to basically interrogate its group of long-term claimant files and work out whether some resolution of those matters can be achieved; it may well be that with good management a number of those people will no longer be on the scheme come 30 June next year.

Of those who remain on the scheme as at 30 June next year, they will effectively fall into two categories. A relatively small number of them will be people who have a whole person impairment in excess of 30 per cent. That group of people, it is envisaged, will transition immediately into the whole of care support arrangements which are being implemented by this bill. They will basically sail on and be better off than they are now because the notion of their having to go through interminable so-called rehab or their having to visit doctors endlessly to prove that they are not well anymore and all that sort of stuff will finish. They will have a determination that they are an incapacitated person. They will have income support to age of retirement, and they will have the wrap-around support similar to the people who are the CTP catastrophically injured people.

The second group of people (that is, the residual group of people who have not already exited the scheme by 30 June and who are less than a 30 per cent WPI assessment) will, as of 1 July 2015, effectively be treated as if their injury occurred on 1 July 2015. The clock for their income support, should they continue to require it, would begin at that date. They would be entitled to all of the return-to-work services and training services and every other service that a person would be entitled to if they were injured on 2 July. They get all of those services.

Mr Marshall: You could start it tomorrow.

The Hon. J.R. RAU: Basically, as I said in my earlier statement, the corporation is presently gearing up and putting in place early intervention things in preparation for where we are going, but I am trying to answer the member for Ashford's point about this.

Those people—and I do not expect it to be very many people, to be quite honest—are going to have at worst-case scenario a two-year income support window and, at the end of that window, because they are effectively treated as having been injured on 1 July, if they are left with a permanent disability and it is stable, they would be entitled to a section 43 entitlement, as we would call it under the present legislation, because their premiums would have already been paid at an earlier time.

That is what would happen to those people. Can I emphasise again that I do not expect there to be a great many of those people because I think that, once the scheme has a clear signal from the parliament about what the future holds, the scheme will be able to engage more actively with those people about what their future might hold for them.

Ms CHAPMAN: On that point, Attorney, of those who are in this transition period, if I can call it that, how many do you estimate will still be on the books as at 30 June next year who will then go into those two streams—either catastrophically injured or up to two years' entitlement of support? Is it intended that those who are currently on the scheme will be receiving some sort of redemption?

The Hon. J.R. RAU: There are two elements to the question the member for Bragg has asked; the first one is about the seriously injured people and, paradoxically, that is easier to answer than the other question. I am advised that something in the order of 330 people are existing claimants. These are obviously not exact numbers, but there are roughly 330 who might be potentially moving into that seriously injured category on the new scheme who are making a transition from the old scheme.

As to how many of the ones below that number would still be in a position where they were long-term claimants who had not had their matters resolved by 30 June next year, I think on the basis of what I have seen I would only be giving a guess, and it would not be a particularly calculated one. It depends on how the management of those claims goes. I can tell you that, for example, at 30 June 2014 there were about 13,000 active claims, but some of those claims might be active for a week, some of them might be active for two weeks, some of them five weeks.

We know that as the period goes up the number goes down, and the number of claims that are resolved within a year would be 80-plus per cent of claims, so they are clearly not people we are going to be worried about. Exactly how many are in that residual pool is difficult to say, but all I can

say is that, if this thing goes through more or less in its present form, we would anticipate that there would be an active engagement with the corporation between now and 30 June to see whether those people could be adequately reconciled.

Ms CHAPMAN: Of those who might transfer as a serious injury category to lifetime support, as a catastrophically injured party, will they be transferred to the lifetime support scheme currently established under the Motor Accident Commission or will they be remaining under the supervision of WorkCover?

The Hon. J.R. RAU: Again, that is a good question. Initially, they would be under the supervision of WorkCover. I know I always get into trouble when I provide information, but I will have a crack at this.

The CHAIR: Hang on. The deputy is on her feet again.

Ms CHAPMAN: On the basis that it is anticipated that they will commence with WorkCover, my understanding is that the lifetime support scheme expects to have 20 or 30 people a year come onto it as a result of motor accident. The definitions are somewhat similar, so I just want to know: is it the intention of the government ultimately that those who come through the system and obviously need that lifetime support are going to be amalgamated in the same supervision, or is it going to remain a role of WorkCover?

The Hon. J.R. RAU: All I can give you is my opinion about that because that is something that at the moment is entirely hypothetical until this is passed. My opinion of the matter is that it would be quite silly to have two stand-alone more or less similar schemes running in tandem. It would be intelligent to combine the two of them and have them managed through a single management tool. That is something I am looking at but, because this legislation has not been passed, I have not spent a great deal of time looking at the detail of that because I do not want to put the cart before the horse. In terms of whether it makes sense, yes, it does.

Mr KNOLL: You have talked about those who have been on the scheme for more than 104 weeks. What about those who are in that 13 to 26-week or 26 to 52-week period as at 30 June next year? What will happen to them in terms of transitional arrangements?

The Hon. J.R. RAU: They will just roll through. I guess some of them might even get a surprise in their pay packet—no, they keep the same. The step-down changes do not affect those people. If they return to work fairly shortly, that is an end to their period of incapacity and they go on with things; if they remain incapacitated, again the transitional arrangements would mean that the effective deemed date of injury for the new scheme purposes would be 1 July.

The CHAIR: The leader has brought me to heel about commencement. Are you happy for me to let the questions go?

Mr MARSHALL: Yes.

The CHAIR: That is what I was happy to do. Member for MacKillop.

Mr WILLIAMS: My question is also about the transition, but it is a different aspect of the transition. I have had some concerns about a new act because there are a lot of legal precedents sitting around the existing act. As I have been reading through the act, I have discovered that big chunks of it are actually identical to the act that will be repealed, the Workers Rehabilitation and Compensation Act. Something like 203 clauses will form the principal act if it is passed in the current form. Are you able to give us an indication, as a percentage, of how many of those clauses are directly cut and pasted out of the existing act?

The Hon. J.R. RAU: I am not sure I can answer that as a percentage. The member for MacKillop makes a very important point. That point is this: when we were drafting this legislation, we were very keen not to turn it into a complete shambles, where the law had to be recreated out of nothing. Where there were things which are uncontroversial and well-understood elements of the existing scheme—which are more like definitions than the active bits, if you follow what I mean; for example, the definition of average weekly earnings or the definition of part-time work or whatever the case might be, something which has a known meaning already—we made a very conscious decision

early on not to confuse everybody to the point of distraction by reinventing something that everyone gets already.

We picked up those bits which people understood, and the courts have already defined, and replicated them in there, not necessarily because they are absolutely perfect but because we know that means we will not have to start again in interpreting those things. There are bits and pieces, but you will find that those things are by and large in the definitional-type elements of the bill. The fundamental architecture of the bill is completely different, but there are obviously—calculation of average weekly earnings is a classic example. It is something that has been litigated up hill and down dale forever. Why change the definition and then create a whole bunch of litigation about something that is already settled?

Clause passed.

Clause 3 passed.

Clause 4.

The Hon. J.R. RAU: I move:

Amendment No 1 [IndustRel–1]—

Page 15, line 37—Delete subparagraph (ix)

Amendment No 2 [IndustRel–1]—

Page 15, after line 38—Insert:

(ab) a speech pathologist who is registered by *The Speech Pathology Association of Australia Limited*; or

Can I just say a few words about these amendments. There are a number of them, but you will discover that many of them are exactly the same, or repetitious, and so for those ones I will explain the first few as and when they come up and after that hopefully I can just say, 'As I said before,' because a lot of it is actually taking out regulation-making powers because they are not necessary, basically. That is a summary of it, but that is not where we are up to presently.

As to amendment No. 1, this is because of a curiosity apparently about speech pathologists. Speech pathologists do not register under the Health Practitioner Regulation National Law apparently, as other health practitioners do. They register with Speech Pathology Australia. This technical amendment relates to amendment No. 2 to correct the reference to speech pathologists by removing them from the list of health practitioners that register under the Health Practitioner Regulation National Law and separately listing them as being registered by Speech Pathology Australia.

Amendments carried; clause as amended passed.

Clause 5.

Amendment No 1 [IndustRel–1]—

Page 25, line 4—Delete 'and applying any principle prescribed by the regulations'

The Hon. S.W. KEY: I wanted to ask a question but I think I might have missed the boat on interpretation with regard to the definition of 'return to work'. As the Attorney would probably know, the Occupational Safety, Rehabilitation and Compensation Committee spent a couple of years looking at return-to-work issues in South Australia and there were two things that worried us. One of them was that WorkCover said a number of times when we spoke to them that they were working on what the definition of 'return to work' was and, secondly, when you looked at the information that was available across Australia and New Zealand, there was not actually a definition of 'return to work'. I looked at part 9 of the bill, because I thought there might be some more information there, but I do not notice a definition. I might have just missed it. Secondly, WorkCover still has not come back with their inquiry—I think it is probably three years old now—on return to work and what the definition actually is.

The Hon. J.R. RAU: Simple bit first: there is no definition of 'return to work' here. The second thing is that that is basically in common with the existing legislation. The courts have over many years

expressed opinions about what is meant by 'return to work'. In effect, we are not wishing to disturb that case law by going into some definitional attempt here. Return to work is a complex thing; it sounds simple, but it is not. By not attempting to define what in many respects is almost undefinable, strangely enough, we are basically looking back on the existing case law and saying, 'If you want guidance as to what "return to work" is, look to that.'

The Hon. S.W. KEY: I understand what the Attorney is saying but my understanding of what 'return to work' actually means in South Australia in WorkCover terms is that people are off the scheme. It might mean they are dead, it might mean that they have given up and gone off the scheme or it might mean that they have returned to work as in what I think most of us understand is return to work, that they have gone back to either their old job or another job that is suitable for them.

I do not want to be difficult but, particularly when the bill that we are looking at is called Return to Work Bill, it might have been useful to have that definition sorted out once and for all. I am a little bit disappointed not only in WorkCover but also in this legislation that we do not have the definition.

The Hon. J.R. RAU: All I can say is that I understand the point that is being made by the member for Ashford. 'Return to work' is a concept that somebody teaching me at university said had the elephant test about it, and I said, 'Well, what's the elephant test?' and they said, 'Well, they're very hard to describe but you know one when you see one.' 'Return to work' is a little bit like that.

Obviously, if you go back to your pre-injury job, that is a return to work but you might also decide, 'I don't really want to continue doing that, either because I don't feel comfortable doing it or because I have moved on,' or whatever the case might be, and you get another job, in a settled sense. That is a return to work as well. Whilst I understand the point, the actual number of individuals, relatively speaking, in respect of whom the question, 'Has there been a return to work?' is actually a live question is very small.

Ms CHAPMAN: Earlier, Attorney, you said that in the course of developing this bill you used the example of average weekly earnings, which comes to clause 5 in your proposed bill, which sets out a three-page definition consistent with what has developed in a common law sense. Given the member for Ashford's question and, in particular, that part 9 does talk about return to work SA premium orders, I am not quite sure why there is no definition like 'average weekly earnings'.

I appreciate there is a lot of case law on it and I do not know most of it. I accept for the moment it is complex. Because there are obligations for premium orders to be made using the return to work phrase, perhaps you could clarify if there has been any attempt to have a definition included in it and you could not come up with an agreed position. What is the situation there?

The Hon. J.R. RAU: To be perfectly frank with everybody, this is one of those issues that, in the evolution of this bill, we tossed around. At some point in time we did talk about defining a return to work and we did talk about how that might operate. One of the things people need to understand is that this legislation is quite complex and there are certain recurrent themes which are like a light motif that goes throughout the whole thing and they pop up here and there.

Return to work is one of those things where, on balance, my judgement, and that of those who advised me, was it was best to rely on what, in effect, the jurisprudence of South Australia has already developed, which is known to those people who practise in the field, about what is a return to work and allow that to be the answer to that question for the time being, because to go further would be, in effect, to disturb the status quo.

Mr KNOLL: I have a number of questions on clause 5. Subclause (2)(b) talks about where the worker at the time of injury is employed by two or more employers. Can the minister tell me whether or not that exists in the current provisions?

The Hon. J.R. RAU: I believe it does.

Mr KNOLL: How is that going to work? I understand that currently you have a primary and a secondary. Obviously the injury took place at an employer's and that employer accepts primary responsibility, but in the case where there is now no secondary I am keen to understand how this works in terms of whether the primary employer has to take on the return-to-work obligations of the second employer. Are there any obligations for the second employer, given that their primary or secondary has gone? I am keen to understand how that process works.

The Hon. J.R. RAU: The first point is that is another example of where nothing has changed from the existing regime. Point number two is yes, the responsibility falls primarily upon the primary employer, but I emphasise that is something with which employers and the marketplace in this space have become very familiar over nearly 30 years, so this is not introducing a new element. This is a completely familiar provision from the existing legislation being replicated here.

Mr MARSHALL: Just on that, I am not quite sure what you mean because in the existing legislation there is certainly a category of secondary injuries. This current legislation does not provide for that whatsoever. We have some concerns.

The Hon. J.R. RAU: With respect to everybody, you are confusing two things. Just so that I can explain them very briefly, the primary and secondary employer goes something like this—and correct me please, you folks, if I am getting this wrong. Say I have a daytime job where I work at an office but of a night time I work in a pizza bar, therefore I have two employers. I have two jobs, they are not connected, but I have two elements making up my total aggregate income. That is what we are talking about here as to which one of those two people is going to be the one upon whose notional claim history the impact of the injury will rest. That is what that is about.

The primary and secondary disability thing is about something quite different. That is about the question of somebody who, in effect, has a recurrence at work. For example, they are working for the Leader of the Opposition but they previously worked for the member for MacKillop, and when they were working for the member for MacKillop they hurt their leg. A year or two later, when working for the Leader of the Opposition, they have a recurrence of that leg injury. On the books of the Leader of the Opposition that would be deemed to be a secondary injury—

Mr Marshall: Currently.

The Hon. J.R. RAU: Currently—and the practical effect of that is that in terms of the claims history rating that applies to the Leader of the Opposition that would be a non-entry. There is a policy decision about secondaries which really probably does not fit right here in the conversation but that is quite a separate conversation to the conversation about major job, minor job, which is what clause 5(2) is all about.

Mr KNOLL: Can I clarify the question then and simplify it? Are there any return-to-work obligations borne by a second employer where an employee has two or more jobs? I refer to the employer from which the injury did not happen. You have two employers and you get injured at one of them. Are there any return-to-work obligations by the employer with whom the injured worker works but did not sustain the injury?

The Hon. J.R. RAU: I am advised that, as is the case now, it would be only the employer in whose employment the injuries arose; that is the case now and it would be the case in the future.

Mr KNOLL: Clause 5(5) talks about where a worker voluntarily reduces hours prior to the injury and then those extras hours do not get put into the calculation of average weekly earnings. Is that something that exists currently? We are getting the nods, yes. Are there instances where it is used currently, as in how often is the clause used? In my entire experience I have never seen it work in practice.

The Hon. J.R. RAU: This is something I can try to get back to you on, but I am assured by those who advise me that this is, again, a replication of the existing provisions. None of this is a disturbance of what employers and employees would be familiar with.

Mr KNOLL: One more on clause 5. Again, this may be the same, but the good Attorney-General is indulging the humble new member. Clause 10 talks about a worker who was not working at the date of injury but who is seeking full-time employment, and who was employed before the injury. We obviously have a situation where an employee was injured when they were not an employee. Is that something that currently exists? Also, given that in this bill we are looking to take away primary and secondary classifications, how do we see that is going to work in practice? Will that mean that any subsequent employer who takes on that employee also assumes all those primary obligations?

The Hon. J.R. RAU: First, I am advised that this is a replication of the existing provision. Secondly, it is an aid to the calculation of their average weekly earnings for the purposes of calculating their income support. This is not a change, this is not new. I emphasise that. A whole bunch of this stuff has, because it is so familiar to the people who play in this space, been picked up and transferred across, because we want those people to feel comfortable with this space as soon as possible. The more familiar definitions and concepts that we can transpose the better.

Mr KNOLL: Can I just clarify that if this clause were interrupted (and the reason I am asking this question is because of the change to primary and secondary), in the current legislation what would happen is that with any subsequent employer who took on that employee it would be classed as a secondary injury. Obviously we are taking away that secondary injury classification, so where an employee is injured (and how they can sustain a workplace injury when they are not employed at a workplace I am not sure), and where that person seeks to gain employment with a subsequent employer, given that there is no secondary classification, will the subsequent employer take on the return to work obligations as it is a primary injury?

The Hon. J.R. RAU: Again, I can only say that this is not about primary and secondary injuries. We might as well have the conversation about primaries and secondaries now if that would help people, or do you want to save that for later?

The CHAIR: If we can confine ourselves to this clause—

The Hon. J.R. RAU: This has nothing to do with primaries and secondaries.

Ms CHAPMAN: My questions on clause 5 are: what is new in here that is not in the current legislation, what portion of it is a codification of what you say is the common law and, thirdly, is there anything else that is added in here that is not in either?

The Hon. J.R. RAU: First, I am about the last person you will find going around trying to codify the common law. I am one of those people who actually likes it just like it is and does not like fiddling with it very much. As I understand it, the bit that is different here is that there is a change in terminology and an inclusion of the federal minimum wage safety net. That is different.

Ms Chapman: What clause is it? Subclause (15)—

The Hon. J.R. RAU: I am told it is. Obviously, the amendment I am moving is a tidy up to get rid of the reference to regulations, so that is something different.

Amendment passed; clause as amended passed.

Clause 6.

Ms CHAPMAN: This is the provision, which is not uncommon in legislation, to set out the obligation that this will also bind the Crown.

The Hon. J.R. Rau interjecting:

Ms CHAPMAN: I understand that. The government employs 100,000 people, and obviously that is funded out of the Treasury reserves for the provision of claims. Has the government undertaken any calculation of what the annual saving will be to the government on the basis that this legislation binds the Crown?

The Hon. J.R. RAU: I have tried to look at that. I am advised that we provided whatever that information is to the opposition. I do not know it off the top of my head. This is not quite as simple as it looks, for reasons which largely escape me at the present time, but I gather we will be on this for a little while, so I will see if I can get back to the honourable member with some further information about that.

Ms CHAPMAN: I was provided by your advisers with a document answering a number of questions that I had raised—deaths in the workplace and the like—and under the division of information on the cost impact on the public sector there was explanatory material as to how much of the liability currently there for the public sector would be eliminated, as I read it, in the event of this bill passing and, of course, binding the Crown. Depending on the percentage of current claims prevented from continuing beyond the two years, that set out a schedule of zero to 100 per cent.

It went from zero to $219 million that would be basically wiped off that liability, but there was no information in it which indicated what the annual saving would be to the government similar to what has been presented as the attractive component for industry groups that currently pay WorkCover, which is presented as some $180 million a year saving. That is why I ask whether, in fact, there has been any assessment done by the government.

The Hon. J.R. RAU: It is a fair enough question, and I have actually, believe it or not, turned my mind to the same thing. For reasons that escape me I do not believe I have an answer, but I will see what I can find out about an answer to that. It has always occurred to me as a matter of logic that there should be an answer to that question which could be quantifiable in dollar terms, and I will undertake to do what I can to find it out, but I have raised similar issues. I think a more fulsome answer than the one the honourable member has got there is required, so I will undertake to do that.

Ms CHAPMAN: Obviously there are three areas: there are the self-fundeds; there is the government, if I can put that in a separate category; and then there are those who are contributors to the WorkCover levy. In relation to the self-funded, is the government undertaking any study in relation to that?

The Hon. J.R. RAU: I have no idea.

Ms CHAPMAN: But, certainly, I cannot imagine, with the whole army of advisers to the Treasurer and to your office which is, of course, responsible for this legislation, that no-one in the whole of government would have done some estimate as to what the annual saving would be to government in the change of rules that is proposed in this bill. I would also like to know if that amount ultimately is part of the $180 million. I am assuming not, as that has always been pitched as 'this is what is going to save the private industry'.

The Hon. J.R. RAU: No, it has nothing to do with government.

Clause passed.

Clause 7.

Mr MARSHALL: This is when I would like to ask my question regarding secondaries. Secondaries are no longer included as part of this, so can you perhaps explain clause 7(3) in a little more detail? I suppose what I am trying to work out is, on the commencement date, will all those secondary injuries that might exist with an employer but not be subject to their levy calculation, automatically and immediately become part of that levy calculation?

The Hon. J.R. RAU: The Leader of the Opposition asks a very good question. In order to answer the question I want to take a step back and briefly talk about what secondaries are. We went through the example of how it might be that someone working for the member for MacKillop later works for the Leader of the Opposition and a previous injury recurs. From the point of view of the claims experience of the Leader of the Opposition's business, that is presently a secondary.

The practical effect of the secondary is that the impact of the secondary injury is borne by neither the Leader of the Opposition's business nor the member for MacKillop's business but by the scheme. The reason we wanted to get rid of secondaries was that there was obviously an inherent incentive built into the scheme where, the more that each employer could manage to code their injuries as secondaries, the less they would be exposed to any experience rating regime. So, secondaries actually became a rort.

The question is this: in transitioning from a scheme with a rort to a scheme without a rort, will there be problems about that? Will people all of a sudden have an experience rating whacked on them from past things that were not coded as their own injury? That is a fair enough question. In fact, it is a question I asked the guru of those things, Mr McCarthy, myself this morning. I am but a few hours ahead of the Leader of the Opposition on this one.

Mr Marshall: Haven't you been dealing with this for the last 12 months?

The Hon. J.R. RAU: Yes, but there are so many things; this is quite thick. The answer is this: there will be, necessarily, a new premium arrangement coming into the new scheme. My understanding from my conversation with Mr McCarthy is that his suggestion is that what will happen,

come the new scheme, is that people will start off with an industry rating. The industry rating washes out secondaries, because it is not based on your particular performance as a particular employer but on your industry rating because you are in secretarial, or whatever classification or banding you are in.

My understanding from speaking to Mr McCarthy today is that his solution to this problem, which is typically very clever, because he is good at these things, is that he will say that we are going to start people off with an industry flat experience rating, so they basically get all their histories rubbed out is another way of putting it.

Mr MARSHALL: Nevertheless, if someone who has an existing injury is then employed by a new employer after 1 July 2015, the new employer will be responsible for any aggravation or any ongoing treatment to an existing or pre-existing injury, and will not this make people with a pre-existing injury far less attractive for employment? Will we not consequently end up with a whole pile of people who become increasingly long-term unemployed, as all employers want to avoid this pre-existing condition?

The Hon. J.R. RAU: A very good point.

Mr Marshall: And you probably asked Mr McCarthy 15 minutes ago on this one.

The Hon. J.R. RAU: No, I did not: I asked him this one a little while before that. The answer, as best I can offer it is this: first, no other Australian jurisdiction, save and except for ours, differentiates between primary and secondary injuries in the way we currently do, so it is unique. Secondly, there is no evidence from interstate that, by not having a separate category for secondary injuries, there is any adverse consequence on the employment of people who have had a previous injury.

Mr Marshall: Are you joking?

The Hon. J.R. RAU: That is the experience from interstate, as I am told. The other point I would make—

Mr Marshall interjecting:

The Hon. J.R. RAU: Can I finish? The other point I would make, given that we are on clause 7, is that bear in mind that an aggravation is only a responsibility of a second or subsequent employer, first of all, if that aggravation itself constitutes an injury for the purposes of the worker's compensation arrangements. Remember, we have changed the test. The test is not just any old injury that is like a drop in the bucket and that is enough, it is a significant contributing cause (that is, work is a significant contributing cause) and then that is only compensable to the extent that the symptoms have a duration and a consequence directly proportional to the aggravation or the new injury.

I think the use of the word 'aggravation' and the use of the term 'new injury' often get people confused here. The word 'aggravation' pops up but I think it would be easier for us to understand what we are talking about if we say 'new injury'. So, the new injury that occurs to a person who has a pre-existing condition caused by an earlier injury is only compensable to the extent that the new injury renders them additionally incapacitated and only for that duration. It does not then pick up retrospectively the whole of a previous and already compensated injury.

Mr MARSHALL: Nevertheless, minister, I put it to you that employers will think twice about employing somebody with a pre-existing injury, even though they may be ready for work, with a pre-existing significant claims history. I would ask the government to consider reflecting on a statement that was made earlier that there is no evidence that this is affecting employment in any jurisdiction because it will be something that we will be, again, asking about in the other place.

The Hon. J.R. RAU: I note the leader's comments. All I can say is my advice is that this does not create a problem elsewhere; in fact, because of the way the rest of the thing is crafted it is actually probably safer for a new employer to accept a person with a previous injury under this arrangement than is presently the case. I come back to the point: whatever way you look at secondaries, whatever way you look at them, they are a cost shift in the scheme which is shifting from an employer onto the whole scheme, which means shifting onto all employers whether they are

good or bad. So, there is a philosophical proposition there about secondaries, which is, in my opinion, entirely correct and we are managing the consequences of that, but it will not impact on employment, I am advised.

Mr WILLIAMS: On this same point: minister, I was somewhat surprised, as the leader was, by your answer. Am I right in assuming that this is because we have introduced this interesting concept of experience rating where all of a sudden this becomes really important? Is it the case that other schemes, where you have said that this is not a problem of somebody who has had an injury finding new employment, is it the case that in those other jurisdictions they do not apply this experience rating issue, which, all of a sudden, significantly increases the premium for that subsequent employer?

The Hon. J.R. RAU: I am advised that experience rating is a common phenomenon in other schemes around the commonwealth. Let us get it clear: what is it that is the underpinning notion of an experience rating scheme? For example, you have several motor vehicle accidents in the space of a short time and your insurance company says, 'Well, look, you've lost your no claim bonus, for a start.' Then, you keep having accidents and they say, 'Well, rightio, if you want to keep being insured we are going to ratchet up your excess, or you can pay us a higher premium for your motor vehicle insurance and we do that on the basis that you've demonstrated that you are a risk and you are incurring costs to the scheme.'

The scheme needs to be responsive to that both in terms of the scheme receiving the sort of income it needs but also in terms of sending a message to you, 'Hey listen, you might care to improve your behaviour about something.' The question for everybody here is this: do we believe that employers with bad employment records in terms of bad work safety performance should be cross-subsidised by employers who are doing the right thing? I have a philosophical position that says no, they should not.

Mr Marshall: It's a transition.

The Hon. J.R. RAU: As the Leader of the Opposition says, what I am interested in having a conversation with the opposition about, and I am putting this out there now, is that if I do accept (and, incidentally, if Mr McCarthy and his team accept) that if we were to drop a completely experience-rated scheme on people without any cap on day one, like 1 July next year, for some people there would be a terrible shock in terms of their premiums.

I do accept that some transitional arrangement is appropriate and I want to place on *Hansard* now my undertaking to the parliament and to the opposition that in the event of this bill passing, it is my intention and Mr McCarthy's intention, that there will not be a one-off shock to these people. There will be a staging, whether it is over two years or three years or whatever the case might be. I also say to the parliament that it is not necessary for that to be in the legislation but I have sought advice and I can actually give more than just simply this undertaking on the public record; I can amend the charter of—

Mr Marshall: You've only just done that.

The Hon. J.R. RAU: Yes, I know, but I can do it again.

Mr Marshall interjecting:

The Hon. J.R. RAU: Slow down. Relax. This is good. I can amend the charter to achieve the outcome the member for MacKillop and the Leader of the Opposition are concerned about, if you wish, if that would give you comfort. I can also issue a ministerial direction under the act to achieve a similar thing but I am confident that Mr McCarthy will do what we are all wanting to happen anyway.

I place that on the record, that the anxiety that some people have about the caps going is an anxiety that we understand. Although I am not interested in giving away the fundamental principle about good employers not subsidising bad ones, I do accept that in the transition from the current arrangements to a new regime it is reasonable there be a phase-in period. I am happy to talk to the Leader of the Opposition about exactly how long that phase-in period might be, and we do not want to make sudden impact shocks on businesses.

Mr MARSHALL: Is it the minister's intention that that ministerial directive would be finalised before the legislation passes the other place?

The Hon. J.R. RAU: It can be. That is something that the Leader of the Opposition and I can talk about further. I am giving my undertaking here on the public record that that is my intention. I believe Mr McCarthy gets that and will do it anyway but, if members require additional confidence that that will be enforced, I am happy to discuss it with the Leader of the Opposition. Whether we do that by way of an amendment to the charter or ministerial direction, I am entirely relaxed about what people feel comfortable with.

Mr WILLIAMS: You may recall the conversation we had in the estimates committee last on this very issue where Mr McCarthy gave some of the answers to the questions I asked. It has been my experience or the experience of some of my constituents that, in the experience rating regime in the case of South Australia, a significant proportion of the people who operate within the WorkCover scheme are actually small and medium enterprises, and if they have the unfortunate occurrence of one or two injuries, all of a sudden their experience rating is off the chart.

If you do not recall the conversation, perhaps you go back to the estimates because I believe it was acknowledged by, if not yourself and Mr McCarthy, at least Mr McCarthy that he was aware of that issue and that, because of the nature of the small and medium enterprises within the South Australian scenario, another problem had been created. I do not need a response but I would ask you to go back and have a look at it.

The Hon. J.R. RAU: I am advised that around 85 per cent of South Australian premium payers are not experience rated so that is a positive thing. The second thing is that, inasmuch as this is feeding into a conversation about the cap and everything, remember that approximately 49,000 employers are in the system. Of those, the number of employers who, given the existing regime, would be potentially affected by a removal of the 7.5 per cent cap is in the order of 100 out of 49,000. That is on the basis of the existing framework.

If we accept that the new scheme will actually reduce the premium load by reason of reducing the overall expense of the scheme, one would expect that some of those people who are presently above that 7.5 per cent watermark would gravitate downwards as the whole premium load moved downwards. I cannot tell members exactly how many employers there would be, but it would be a very small number. I have been advised that this is the detailed information: you will have to listen carefully to this because it is slightly misleading, to be honest.

Members interjecting:

The Hon. J.R. RAU: No, hear it for what it says. There are currently 25 industry classifications—that does not mean individual employers; it is industry classifications—covering 3,645 employers where the base industry rate is capped at 7.5. That does not mean there are 3,645 employers who are capped at 7.5 per cent, if you understand what I am saying. I am told that they believe that under the new arrangements there would be 99 employers who would be above the cap out of 49,000. So, in the scheme of things, it is a relatively small number of people.

Mr WILLIAMS: The reason that I was not actually seeking an answer to that was that my real question on clause 7 is this, because I think this is where we start to diverge from the existing legislation and we have come to the first major change. The existing legislation provides:

(2) Subject to this section, an injury arises from employment if—

(a) in the case of an injury that is not a secondary injury or a disease—it arises out of or in the course of employment; or—

then it goes on to the secondary injuries; whereas the new piece of legislation provides:

…in the case of an injury other than a psychiatric injury—the injury arises out of or in the course of employment and—

and this is where the big change comes in—

the employment was a significant contributing cause of the injury; and—

then it goes on with similar wording about a psychiatric injury. This is the piece I think our courts will have a lot of fun with over the next six, 12, 18 months or two years post the time when this legislation comes into force. I want the committee to have an absolute understanding of what your interpretation of that is and what your intent is in presenting to the parliament those new words 'and the employment was a significant contributing cause of the injury'.

The Hon. J.R. RAU: Again, that is a good question. At a conceptual level, there are a number of critical points in the scheme. The first critical point is the gateway provision, which is the provision that gives a person the right to participate in the scheme beyond that point. Compared with all the other schemes in Australia, the current gateway provision for the South Australian scheme is wide open; not only is it wide open but it has been policed by somebody who is asleep in their kombivan. They have not been looking at the gate. Even if they were, the gate is so far wide open they could not do much about it.

The reason for that is that the present rules basically say this: you can have a problem which is one to which your age, lifestyle, recreational activities or whatever has been the overwhelming contributor. Then you go to work, and at work something happens which in and of itself is not a significant thing, but it is the tipping-point event, no matter how trivial.

Mr Williams: The straw.

The Hon. J.R. RAU: The straw, indeed. It is very difficult for any doctor to say that that little incident is incapable of being that tipping point. The prevailing view around Australia is that the test should be that something that happens at work is a significant issue. It does not mean the only issue, it does not necessarily even mean the main issue, but it has to be significant. It cannot be insignificant, it cannot be almost happenstantial: it has to be something of significance. Yes, that is a change, but it is meant to mean that we can wake up the people in the kombivan, get them policing the border and at least asking some questions and scrutinising whether some people entering the scheme are really people for whom the scheme was designed.

Mr WILLIAMS: The key word to me in that phrase, and the one that I think is going to be fought over for some time, is the word 'significant'. How do we define 'significant'? Is it 10 per cent, 20 per cent, more than 50 per cent or something else? That is the key. I have no understanding from my reading of this where in that broad range it might fall.

My gut feeling, minister, is that, if it is more than probably 40 or 50 per cent, that is significant. If it is 25 per cent, that may not be significant. It might have meant that the injury occurred months or maybe a year before it would have occurred anyway because of the factors you indicated. I would like you again to give the committee some understanding of your interpretation of that word 'significant'.

The Hon. J.R. RAU: First of all, a number of other jurisdictions use this terminology, and there is case law about it there. The second point is—

The Hon. I.F. Evans: In those states, not here.

The Hon. J.R. RAU: Yes, but on those words.

The Hon. I.F. Evans: But our courts might not interpret it the same.

The Hon. J.R. RAU: They may not. The member for Davenport says our courts may not interpret it the same. They may not but, courts being what they are, they would look at where similar words are interpreted elsewhere and they would be persuaded, particularly by a superior court decision in New South Wales, Victoria or wherever else.

The situation is this. Let's take the worst scenario the member for MacKillop raised of 25 per cent. That is at least 24 per cent more than is already required. All I can say is that there is case law on it. It is not meant to be a term of mathematical precision, because mathematical precision is an illusory thing, because when you say, 'You've got to be 25 per cent worse off,' then that begs the question: what does that look like? You actually collapse back onto the same thing: is it significant? All I can tell you with confidence is that this is a term used elsewhere, there is judicial interpretation, and it does give the compensating authority an opportunity to police the entry point.

Mr KNOLL: We may need to change your name to 'soft reformer'—speak softly and carry a big ministerial direction stick. The first question I have is in relation to what we have been talking about, primary and secondaries. Picking up on what the Leader of the Opposition was saying, what he was saying is that for those who are classified as secondary under the current scheme (and you are saying that we are going to wipe the experience history), they will start to form part of an employer's experience history post 1 July 2015.

The second part is that you talked about there being only a level of reaggravation. Taking a step back, what we are trying to achieve is a system where an employer is responsible for each employee. There are fewer situations where employees are the corporation's responsibility and not the responsibility of an employer. In the instance, though, where an employee ceases employment with an employer, does the responsibility for that employee still rest with the employer after their employment has ceased? Say, under those provisions later on about serious and wilful misconduct, where there is the ability to terminate an employee, does that employee stay with the employer or does that become the responsibility of the corporation?

The Hon. J.R. RAU: The serious and wilful misconduct person basically has breached their relationship with the scheme, and they are off the scheme by reason of their behaviour. So they are out of the picture altogether. Perhaps if you have a look at clause 7, on page 25 of the bill, which, hopefully, we are looking at, although hopefully for not too much longer. This is about the aggravation situation you are talking about, member for Schubert. Subclause (3) says that 'the injury is only compensable to the extent of and for the duration of the relevant aggravation, acceleration, exacerbation, deterioration or recurrence'.

It does not mean that one of these recurrences, for want of a better term, that occurs on a subsequent employer's watch drags the whole of the history into their claims history. The only thing for which they become responsible, in terms of their claims situation, is the claim against them, and that claim against them is limited by reason of its being only for the duration of the relevant aggravation and only to the extent of that aggravation.

To put it another way, to give you an example (I hope I am not going to get myself into trouble with this), if somebody had a 10 per cent back disability and they get a job with a subsequent employer, nothing to do with the original injury, they have an incident at work where they have hurt their back and, after a period of time, they return to the position where they have a 10 per cent back disability and they are no worse than they were at the time that they entered that employment, the only bit the subsequent employer has responsibility for is the bit that occurred on their watch, which was a temporary flare-up, which then sees its way through a natural process and eventually the person returns to whatever their residual position was.

Ms Chapman: That's going to happen—not.

The Hon. J.R. RAU: Well, it does.

Mr KNOLL: Following on from that, you say that it is only the re-aggravation. I am trying to understand this. Are you foreseeing, then, a situation where part of an injury occurs that is not an acceleration, exacerbation, deterioration or recurrence? What I am trying to get at is: is there a situation where an employee could have a type of injury with a subsequent employer where that injury belongs to the former employer and, if that is the case, will the cost of that part of the claim be borne by the previous employer? Is there a situation where somebody can no longer be working for an employer yet that employer has to assume responsibility for an injury for somebody who is no longer at their workplace?

The Hon. J.R. RAU: The answer, I suppose, is that, in some respects, potentially yes, but that exposure is limited, except in the case of the very seriously injured person. In the case of the non-seriously injured person, that exposure is limited in terms of income support by a chronological horizon, which is the two-year horizon, and in terms of medical expenses a three-year horizon and then there are some carve-outs in terms of medical expenses related to an operation, for example, which is a natural and obvious consequence of the original injury. It might take some years before that has to be undertaken and that would ultimately come back on the original claim.

The CHAIR: The member for Schubert is going to finish off?

Mr KNOLL: Just one more. In the briefing we had a couple of weeks ago, it was stated that the cost of a secondary injury under the current scheme is twice as much as claims dealt with as primary. In coming to that conclusion, has a formal calculation been done, and has that calculation been made looking at like-for-like in terms of the seriousness of injury or is it just 'all secondaries cost this and all primaries cost this'? Are we comparing apples with apples or is it more a basic calculation?

The Hon. J.R. RAU: I am advised that it is on the basis of injury type. I think, again, that was a comment that Mr McCarthy made and the point he was trying to make, which I think is an absolutely impossible point to argue with, is that in the case of a secondary, how long a person takes to get better and whether they get better is not the employer's problem: it is WorkCover's problem. The secondary injury is actually the green light for the lazy employer to take their attention away from that worker and just let them languish there and let WorkCover worry about it, whereas the employer who is actually attracting attention from the point of view of their claims experience is somebody they do pay attention to.

The Hon. I.F. EVANS: Minister, I am just wondering whether you can explain to me what clause 7(11) means. It provides:

> If—
>
> (a) a worker's injury consists of the aggravation, acceleration, exacerbation, deterioration or recurrence of a pre-existing coronary heart disease; and
>
> (b) the injury arises in the course of employment,
>
> it will be presumed, in the absence of proof to the contrary, that the employment was a significant contributing cause of the injury.

The way a bush lawyer might interpret that on this side of the house would be that if you have a pre-existing coronary condition and an incident occurs at your workplace, unless the employer can prove that the task undertaken did not cause the coronary injury, the employer is stuck with the claim. And if that is the case, why should that be so?

The Hon. J.R. RAU: A couple of points: the first point is, this is not a novel provision. This is a direct lift of the existing law. It has been the law for a very long time.

The Hon. I.F. Evans: Under the scheme that's buggered.

The Hon. J.R. RAU: Sure.

The CHAIR: I beg your pardon?

The Hon. J.R. RAU: And for as long as I have been involved with it, both this scheme and the earlier one contained a series of presumptions in the case of particular diseases. Just so members are clear about this, it is an obvious statement, but a disease is a more complicated thing than an injury. Identifying a point in time, for example, where a disease begins can be quite complicated. If you take something like mesothelioma, the only thing we know for sure about a person suffering from mesothelioma is that they were exposed to asbestos, but we do not necessarily know when, where, how or anything else and probably they do not either, or they may not, because the latency period is 15, 20 or 25 years.

We have recently been through this very conversation about MFS firefighters with various forms of cancer and, ironically enough, the member for Davenport, if I am not mistaken, was one of those people who has been part of the crusade to see these very same presumptions extended to all CFS people as well.

It is kind of ironic that the fellow who is one of the team of people who are out there campaigning like billyo to add a huge amount to the annual cost of the scheme by reason of presumptions being embedded in the scheme to favour particular classes of people in respect of particular cancers should alight on the particular problem about coronary artery deterioration and say, 'Hang on, that's not fair. That's not consistent.'

The Hon. S.W. KEY: I just wanted to perhaps follow up on the point that has been raised by the member for Davenport. It has been my experience under the current legislation that it is very

difficult for an injured worker to actually get a claim up that relates to coronary heart disease or heart disease. I have represented a number of people, particularly in the transport industry, who have had an injury and there has been a coronary heart disease of some sort, and it has been very difficult to have that as part of the workers compensation.

There are also a number of cases that I am aware of more recently where people have had an injury and have gone into hospital with heart problems and just when they are about to have an operation been told, 'WorkCover is not going to cover this.' This is by the case manager, who is not usually a medically trained person. They are told: 'This is not related to your work injury, so therefore it is up to your health benefit or Medicare to cover the cost.' A whole lot of disputes go on for years after that about whether or not it is connected.

If you are saying this is the same as what we already have, I would imagine the disputes will continue in the way that they have in the past and the object in the act that says that we are going to try to minimise these disputes will not be realised.

The Hon. J.R. RAU: All I can say is this: I would agree with the member for Ashford that this is not the sort of thing which is a commonly successful claim. In fact, for what it is worth, I have represented people, in fact I have represented a widow—it was actually more complicated—whose husband died of a coronary infarction in the course of his employment. It was a very complicated matter.

If the member for Davenport is worried, first, that this is a novel provision, it is not. It is a longstanding provision. Secondly, in the scheme of things this is not a big rupture point in the existing scheme and never has been—and will not be in any new scheme.

The Hon. I.F. EVANS: Is it against the law for an employer to ask a potential employee whether they have a coronary heart disease prior to accepting them as an employee? I think when it is more publicly known, this will become a sticking point. If I was an employer, I would know that I could inherit the liability associated with it for a pre-existing disease if it is going to be automatically presumed to have happened at work if something else happens. I think that will become a problem for those people who suffer this particular condition. Is it against the law for an employer to ask an employee at the point of interview, 'Do you have a pre-existing coronary heart disease?'

The Hon. J.R. RAU: I will check on the answer to that. I suspect the answer is something like this: presumably the employer can ask a great many things. Whether the employee chooses to answer them is another matter. The employer can choose on the basis of whether there is an answer or not to engage the person and they could choose to say in any subsequent contract they have with the person that it is a fundamental term of the contract that, if you have given a false answer to any of the questions that are material to your employment, that will be a fundamental breach of the terms of the contract of employment, resulting in me having the entitlement as your employer to summarily dismiss you for gross and wilful misconduct, etc. I can see it all coming back now.

The Hon. I.F. Evans interjecting:

The Hon. J.R. RAU: Yes, you could do something about it. I can imagine some industries, for instance, where this would be a highly relevant consideration. For example, if a person was an aircraft pilot, or quite possibly a transport worker driving very large vehicles and trains and stuff around the place, there is a clear and obvious connection between the safety of not only yourself but other people who might be at risk. If you were going to ask this type of question of everybody who works at Target on the check-out, I think you might be actually nudging the envelope a bit, because I cannot for the life of me see how that would be of any particular relevance to that job. I think it is all a question of being sensible.

The Hon. I.F. EVANS: If it is going to be presumed to be an injury occurring during the course of employment, does the employer have a responsibility to try to reduce the injury and therefore, in other words, instruct the employee to undertake certain activity to reduce their risk of heart condition? Does the employer inherit an obligation to do that? Because if I am an employer, I have to put a guard on a bandsaw to stop fingers being cut off and I have to put up formwork to stop trenches falling in. If I am aware that someone has a heart condition and they are eating donuts and drinking Coke and eating pies, does the employer inherit a responsibility to say actually that is putting yourself at risk and if it happens at work it would be deemed to be an injury occurring at work?

Does the employer incur a liability and, if so, does the employer then inherit a responsibility to actively get that person to undertake changes of diet or fitness regimes to try to reduce the risk of injury as a safety measure under the OH&S Act?

The Hon. J.R. RAU: As is often the case, the member for Davenport asks these ingenious questions about all sorts of things. I think the question really is more in the scope of OH&S and keeping a safe and healthy workplace. I imagine that if an employer had the philosophy of force-feeding or tempting their staff with cream buns and pizzas all the time, it might conceivably—

The Hon. I.F. Evans interjecting:

The CHAIR: Order!

The Hon. J.R. RAU: As to whether or not there is a positive obligation to interfere with a person's private management of themselves, I think the answer to that, common sense would suggest, is no.

The Hon. I.F. EVANS: Even to reduce the likelihood of injury?

The Hon. J.R. RAU: You need to understand, in the context of this legislation, a disease is a deemed injury. It is still a disease, and it is not the same as a slipping accident or a lifting accident or something else. Also, you say 'liability'. This raises the question of common law, it raises the question of breach of statutory duty and it raises the question of prosecution on an occupational health and safety legislation. Common law under this scheme only has work to do if a person has more than a 30 per cent WPI assessment, so that is going to be relatively infrequent.

The second point is there will be responsibilities imposed on people under the occupational health and safety legislation. I will give you an obvious example, and this happens a lot in Sydney, which is why the Dust Diseases Tribunal is basically based in Sydney. Sydney, as you know, is built on sandstone, basically, and for many years Sydney public authorities have busily been chewing and chiselling and jackhammering bits of the underlying structure of the Sydney basin and there have been fellows standing there inhaling this stuff. They frequently have wound up with a condition called silicosis. That is obviously an unpleasant thing to have, a lung condition. It is dealt with along with asbestosis and mesothelioma and other things in these pieces of legislation around the country.

I can tell you this for sure: the occupational health and safety legislation around the country would say that an employer who is sending somebody into a place to go jackhammering around sandstone needs to provide them with breathing apparatus and goggles and goodness knows what else. The employer who does not do that, if the person suffers from one of these things, might have a common law claim against them depending on how badly injured they are, but they have certainly breached occupational health and safety stuff and should be prosecuted for it. The prosecution of occupational health and safety breaches is not necessarily in any way linked with a liability under the workers compensation regime.

Clause passed.

Clause 8.

Ms CHAPMAN: My question, Attorney, is: is this any different in respect of the effect of misconduct on potential claims than the current law and, if so, how? Could you also identify, because we do not have a definition of misconduct, the difference between (2)(a) and (2)(b) where relief from a claim has to be serious and wilful misconduct, not just misconduct?

The Hon. J.R. RAU: As compared with the current law, clause 8(1)(a) is the same as the current law. Clause 8(1)(b) is the same as the current law. Clause 8(2)(a) is a modified version of the current section 30B(2)(a). It now disentitles the worker to compensation in circumstances described where, as currently, the provisions raised a presumption which the worker could rebut.

Ms CHAPMAN: What about (2)(b)?

The Hon. J.R. RAU: Subclause(2)(b) is the same and 8(3) is the same.

Ms CHAPMAN: In modifying (2)(a) you will see that the worker is no longer entitled to benefits, etc., if the worker is guilty of misconduct. That is the modified bit. Then (2)(b) is the current

one and deals with the alternative, that is, on the balance of probability, etc., attributed to serious and wilful misconduct. Is there some inconsistency there?

The Hon. J.R. RAU: No, it is essentially the current scheme with a slight modification.

Mr KNOLL: The first question is on (2)(a) talking about misconduct, whether it be serious and wilful or otherwise. Does that relate to misconduct in relation to obligations under this scheme, or does that relate to employee obligations to an employer more generally?

The Hon. J.R. RAU: It references back to clause 7(5), which is talking about what is included in the concept of employment. Clause 7(5) is, if you like, a section which eliminates ambiguity about what is meant by the employment, and all that is being said there is that the conduct which is being referred to is misconduct in acts or contravention of instructions from the employer during the employment as defined by 7(5). An employer says, 'When you come into this room always wear your safety boots,' for instance. I do not know if that is good enough but I am flying by the wire here. Under 7(5) that includes attendance at the worker's place of employment on the day but before they have actually begun work and it includes during an authorised break, etc.

Mr KNOLL: Basically, it says if an employee rocks up then they will have ticked their employment obligations. For instance, where an employee physically harms a fellow employee, basically they have still ticked all the boxes under 7(5), therefore an employer's obligation to an injured employee does not cease for a broader definition?

The Hon. J.R. RAU: Serious and wilful misconduct, again, is one of those things which has been the subject of comment by the courts for a very long time. Essentially, if you are at work and have a punch-up with one of your work mates, it is pretty clear, however you define serious and wilful misconduct, that you are pretty certain you have managed to get there. In the context of that, if you or your workmate winds up with an injury, then the effect of all of this is to say it is no good claiming compo for that because you are so far out of what is reasonable behaviour that you are not going to take advantage of this scheme.

Mr KNOLL: Clause 8(2)(b)(ii) deals with an employee who is under the influence of alcohol and drugs, and there is also reference in a previous clause about social activity, exempting an employee if the injury is caused primarily by a social activity. Does this provision exempt the employer from any obligations or does it just exempt the corporation? I asked this question in the briefing but it was a little unclear as to the answer, given some of the discussion we have had tonight.

The Hon. J.R. RAU: I will answer that question, but could I say that the way we are progressing at the moment—and I am not criticising anybody, because this is complex, I know—is that we are basically doing a tutorial on the existing act as opposed to becoming familiar with what the new act is doing.

Ms Chapman interjecting:

The Hon. J.R. RAU: I know. A lot of what we are doing is just going through what is absolutely settled and known stuff. In answer to the question, the context of this is something like this. A person has taken recreational drugs, they arrive at work, they are under the influence of those drugs, they are operating machinery, they injure themselves or somebody else, and they then wish to make a claim for compensation against the scheme. At that point, if the scheme is aware of the fact that they have been under the influence of drugs, the scheme manager should say, 'Look, you are disentitled to make that claim because you have set yourself outside the scheme by reason of being under the influence of drugs.'

Mr WILLIAMS: This might not be a question; it might be a statement.

The CHAIR: I hope not. Question time.

Mr WILLIAMS: This is an issue that I canvassed in the estimates this year about the case of one of my constituents' employees driving a truck and contravening the law. Notwithstanding that this has been a longstanding part of the existing legislation, I am still questioning whether it is fair and reasonable. We are told on a daily basis that under the law of the state we must wear a seatbelt, yet this pre-existing piece of legislation, which has been cut and pasted into this new bill, says that basically, notwithstanding the law of the land, if an employee in the course of his employment hops

in a motor vehicle, for instance, and drives off down the road, does not put on a seatbelt, has an accident and injures themselves, suddenly the employer and the corporation on the employer's behalf are responsible. I question that, because we implore everybody about the importance of things like wearing a seatbelt yet we are saying in this piece of legislation that the person involved bears no culpability for not wearing a seatbelt. Notwithstanding that it might have been in the act since 1996, that does not mean that it is right.

The CHAIR: That was a statement.

Clause passed.

Clause 9 passed.

Clause 10.

Ms CHAPMAN: During the contribution I made to this debate I raised a case of a fisherman who died as a result of a workplace injury. The Attorney is familiar with this case because 9½ years have passed and there still has not been any resolution of the matter. My understanding at present is that there is at least some consideration of whether there may be some eligibility for moneys to be paid out of the Victims of Crime Fund—and I am not speaking on this issue for the purposes of advancing whether that is responded to in the affirmative or negative as far as the Attorney goes. What I raise is how this type of injury would be dealt with under this act as compared to the previous act.

As has been highlighted in this section, and in a report by, I think, Mr Allan Moss earlier this year on that case, we now have national maritime standards. It is dealt with under commonwealth legislation out of Canberra. I look at subclause (8), for example, which talks about there being no application of compensation under this act if the employment is under the federal act, as outlined there. Using that as an example, how is this going to apply under the new act?

The Hon. J.R. RAU: It is absolutely identical to the existing provision.

Clause passed.

Clauses 11 to 15 passed.

Clause 16.

The Hon. J.R. RAU: I move:

Page 33, line 9—Delete 'together with the prescribed information'

Amendment carried; clause as amended passed.

Clause 17 passed.

Clause 18.

The Hon. J.R. RAU: I move:

Page 36, lines 1 to 3—Delete subclause (15) and substitute:

(15) Nothing in subsections (11) to (14) (inclusive)—

(a) limits any other penalty or liability that may be imposed on the employer under this or any other Act or law on account of the employer's failure to comply with an order of the Tribunal; or

(b) derogates from any obligation of the employer to pay wages to the worker under this or any other Act or law.

Ms CHAPMAN: This relates to the employer's duty to provide work to the injured worker, to provide duties, obviously, that are commensurate with what they are capable of undertaking. As I understand it, under the existing legislation it is only the larger employers that must prove they do not have the capacity to provide suitable and ongoing employment for the injured worker. It appears that this bill extends this obligation to businesses with less than 10 employees where the claim and recovery extends beyond 12 months.

I am further advised that at present small businesses have this duty to provide work only for the first 12 months during the worker's recovery. If the proposed legislation functions as intended, and decisions to retain or terminate employment relationships and retrain occur much earlier in the life of the claim, the risk to small employers is not greatly enhanced. So it is a question of whether this does change that for the small employer, one with less than 10 employees.

The Hon. J.R. RAU: This is an important provision in the bill, and I think it is important that I spend a little time talking about it. The current legislation has a section 58B which is basically a penal provision, in effect designed to prevent employers avoiding their responsibility to provide work for injured workers in circumstances where they have such work available. Just bear in mind that the public policy element of this is pretty clear: if an employer decides they are not going to cooperate in providing work for which an injured worker is available, all they are doing is shifting the burden of that individual worker onto the scheme. They are actually shifting cost onto every other employer because it meets their personal convenience and, in the meantime, none of the therapeutic benefits of a return to work are being offered to that employee, so it is highly undesirable.

The existing scheme has had the notion that that would be dealt with by way of a penal provision which would be prosecuted by various people. I think everyone who knows anything about the existing scheme would tell you that that has been spectacularly unsuccessful even though nobody fundamentally argues with the principle.

One of the many balancing acts that is contained in this legislation in terms of the rights of injured people and the rights of employers was to put in the hands of an injured person who was fit, able and ready to return to work the opportunity at their initiation to say to the employer, 'Look, employer, I am fit and I can prove it. I am able and I can prove it. I am ready and I can prove it, and there is a job in your place of work for which I am fit and which I think I am able to go to.' They then take that to an independent person to assess and then that person might, if all the circumstances are met, be the beneficiary of an order that the employer do offer them that work.

I need to make it clear, so that people do not become unnecessarily concerned about this matter, that this is something that has been in this draft bill all the time we have been conversing with employers about this. They have seen it, they know it is here, and this is not something that they have been coming back to me and saying, 'We cannot live with this.' That is a very important point.

The second point is that I can say that part of the very complex balancing exercise involved in this was to say to workers who were injured, 'You will have an opportunity, if you are wrongly being denied the opportunity of doing a return to work, of taking that up and having the independent umpire look at your claim,' and that is an important matter.

The third point I would make is that this provision only has work to do in the context of somebody who has not returned to work, so for all those people who have had an injury and then gone back to work in their old job, this has no application. For all those people who have had an injury and, either by reason of having been retrained or been offered an alternative position, returned back to work with their old employer but in a different position, this has no work to do. For all those people who are injured at work and by reason of retraining or simply finding an alternative employment opportunity they move to another employer and become employed, they have returned to work, and this has no work to do.

The number of circumstances in which an employee might conceivably be in a position to consider taking advantage of this is relatively limited, but in those limited circumstances—and I do not walk away from this and nor does the government—those people, if they are being unfairly denied the opportunity of a return to work which everybody agrees is the fundamental principle of this measure, should be able to go to an independent arbiter and say, 'I am ready, willing and able to return to work, and they have a job that I can do.' That is it.

Ms CHAPMAN: In short, the obligation therefore does extend, but you say that is justified on the basis that it would only be imposed as an obligation if the tribunal were to endorse that by an order?

The Hon. J.R. RAU: Correct.

Mr KNOLL: In some discussions I have had about this there is a little bit of ambiguity about when these return-to-work obligations cease, and I will give two examples. The first is that obviously at 104 weeks income maintenance payments stop. There are provisions for medical payments to be made beyond 104 weeks, but is it envisaged that the obligations in clause 18 cease at 104 weeks, and what happens in the instance where an employee has been terminated? Do these obligations still exist?

The Hon. J.R. RAU: If you look at clause 18(2), it talks about where the worker has terminated their employment; that brings an end to this. To get to the substance of your question, there is no direct connection between the period of time during which the compensating authority is entitled or required to provide income support and the time that the obligation on the employer to provide suitable work when it is available to a fit worker ends.

In other words, this does not have a two-year time limit, if that is the question you are asking—it does not. The reason is that if we have a person who is fit for work and ready to go to work, and their employer has work for which they are fit, I do not think we have found anybody who says that it is not a fair thing that an independent person should be able to assess the truth or otherwise of that and, if it is true, require the employer to take back that person on the basis that they have never previously returned to work, they have never resigned, they have never been terminated, etc., etc.

Mr KNOLL: On a slightly different scenario, there are situations where employers, in providing alternative duties, provide work that is not of a substantial nature; that is, the work a person is undertaking is not as productive as it could be. If you are saying that the obligations do not extinguish after the two-year time frame, I envisage there could be situations where an employer continues to have to provide alternative duties that are otherwise productive, and essentially there could almost be a 'make work' job for life for people. What I am trying to get at is: is there a backdoor pension aspect to the scheme in this clause?

The Hon. J.R. RAU: A couple of things I should say: if you look again at subclause (2), the whole return-to-work action does not apply if it is not reasonably practicable for the employer to offer it, point No. 1. Point No. 2—and it is something many people might have missed—is that the amendment we are moving, subclause (15), in particular subclause (15)(b), makes clear that, if a person is returned to work under one of these provisions, they are to be paid what the law says a person should be paid for doing that work. They are not to be necessarily sustained in their pre-injury employment classification of payment.

To come back to the point you made, a person might have been working at a certain skill level and receiving a certain amount per week. They might then go to the employer, eventually, and say, 'I want an order that I be put back, I can do X, Y and Z.' Whatever the new job might be, it may be a substantially lower paying job and, if the person has already exited the two-year window during which income support is provided in some respects by the scheme, subclause (15)(2)(b) is making clear that the employer still has to pay them, but they pay them according to law. If there is an award that covers that, they are paid whatever the award says.

The ultimate safety net is that they would be paid at least the national minimum wage. The point is that they have to be paid in connection with what they are doing, not paid in connection with whatever it was they were doing before they were injured, if that makes sense.

Mr Knoll: There is no (15)(2)(b).

The CHAIR: Order! If that is a question, you need to stand.

The Hon. J.R. RAU: That is the amendment.

Amendment carried; clause as amended passed.

Clause 19.

Mr KNOLL: Essentially, under clause 19, we have a situation where a person has an average weekly earnings and that is the bottom limit of what they can be paid. We are saying that if you have alternative duties, where somebody is doing a job that is of a lesser value, you can pay the person that lesser value but that does not extinguish the employer's obligation to pay someone their

average weekly earnings. What I think this will have the effect of doing is that, again, where somebody is doing work that is of a less productive nature that, essentially, that cost will again be borne by an employer and it is only then with the top-up to the average weekly earnings that that cost will be borne by the corporation, where a person is not productive but is otherwise being paid.

The Hon. J.R. RAU: Yes, that is right. First of all, this is an existing provision which has been transposed into this scheme from the existing act; in fact, in the existing act it is section 58B(3). The way it basically works is this: if you are only able to do sweeping duties and therefore you are only paid $200 a week for that because that is what the going rate for sweeping duties is but your pre-injury employment was a job that paid $1,000 a week then, leaving aside step-downs, $200 is paid by the employer for the sweeping duties and the balance is picked up by the corporation on account of the fact that there is an income support guarantee.

Clause passed.

Clauses 20 and 21 passed.

Clause 22.

The Hon. J.R. RAU: I move:

Amendment No 6 [IndustRel–1]—

Page 38, line 30—After 'until' insert 'there is evidence that'

Amendment No 7 [IndustRel–1]—

Page 38, line 35—Delete paragraph (c)

Amendment No 8 [IndustRel–1]—

Page 39, line 21—After 'assessment' insert ', subject to any provision to the contrary made by the Impairment Assessment Guidelines'

Amendment No 9 [IndustRel–1]—

Page 39, line 23—Delete 'or prescribed by the regulations'

Amendment No 10 [IndustRel–1]—

Page 39, line 27—Delete '(11), (12) and (13)' and substitute '(10a) to (13) (inclusive)'

Amendment No 11 [IndustRel–1]—

Page 39, after line 31—Insert:

(10a) For the purposes of subsection (10), an assessment (or parts of an assessment) may be undertaken by more than 1 accredited medical practitioners and their assessments combined so as to create 1 assessment under that subsection.

(10b) Subsection (10) does not affect the requirement under subsection (8)(d) for impairment resulting from physical injury to be assessed separately from impairment resulting from psychiatric injury.

Amendment No 12 [IndustRel–1]—

Page 39, lines 37 and 38—Delete subclause (14) and substitute:

(14) For the purposes of this section, the Minister must establish an accreditation scheme after consultation with the Advisory Committee.

Amendment No 13 [IndustRel–1]—

Page 40, lines 3 and 4—Delete paragraph (d) and substitute:

(d) may be amended or substituted by the Minister from time to time after consultation with the Advisory Committee.

Amendment No. 6 relates to circumstances in which a worker may obtain an assessment of a degree of impairment, which includes a requirement that the assessment must not be made until the injury has been stabilised. This amendment expands this requirement to state that an assessment must not be made until there is evidence that the injury has stabilised. So, it is just underscoring 'stabilised'.

Amendment No. 7 removes the requirement for an assessment of a worker's degree of impairment to be made at a time determined or approved by the corporation, which was the existing provision. This clause was intended to provide the corporation with control over the timing to ensure that an assessment was not undertaken before the injury had stabilised. Given the requirements of clause 22(7)(a) particularly incorporating the evidentiary requirements which we have just dealt with, this clause is now considered superfluous.

Amendment No. 8: the impairment guidelines are intended to be published in the *Gazette* by the minister following consultation with professional associations. Amendment No. 9: you will find a lot of these. I will read this one out in detail, but you will find that every time we pull out 'or prescribed by the regulations' the story is pretty well the same. Clause 22(8)(a) to (g) provides a list of principles that an assessment of impairment must take into account. Clause 22(8)(h) then states that an assessment must comply with any other requirement. This technical amendment removes the reference to additional requirements being prescribed in the regulations, which means that all and any additional requirements will be included in the guidelines. The guidelines are published in the *Government Gazette* following consultation with professional associations. Each and every time, and there are many of them where you will see this sort of stuff, that is the type of reason that is coming out.

The next one is amendment No. 10. This ensures that clause 22(10) which states that only one assessment of impairment may be made for the worker's injury arising from the same trauma, operates subject to the new subclauses inserted by the other proposed amendment. With 22(11), this amendment makes two changes to the assessment of permanent impairment.

Clause 10A provides clarity around the process to reach an assessment of whole person impairment where input from more than one assessor is required to arrive at the assessment. So if a person has been crushed or something and they have an injury to their pelvis but they might also have internal injuries, you will require more than one specialty to deal with it. This is designed not to prevent multiple assessors being accredited to deal with what might be a complex problem.

New clause 10B proposes an additional exception of the requirement that only one assessment of impairment may be undertaken and clause 22(8)(d) requires impairment resulting from a physical injury to be assessed separately to psychiatric impairment. Just to make it clear, the worker is still limited to one assessment only for all physical injuries arising from the same trauma, and then one assessment only for all psychiatric injuries arising from the same trauma. These are not to be combined.

The CHAIR: Amendment 12.

The Hon. J.R. RAU: This is a technical amendment which reverses the role of the advisory committee and the minister in establishing an accreditation scheme. So, what it did say was that the minister must establish an accreditation scheme after consultation with the advisory committee. It was the other way around before so I think it was back to front quite frankly.

The CHAIR: And 13?

The Hon. J.R. RAU: Likewise with the next one, same thing, amendment 13. I think that is all for 22.

The CHAIR: Any questions? The member for MacKillop has a question.

Mr WILLIAMS: Minister, you were talking about and making the point that an injured worker can only have one assessment for the level of permanent incapacity—

The Hon. J.R. RAU: Arising from a particular incident.

Mr WILLIAMS: Arising from a particular incident. Subclause (10) says there is only one assessment, but subclause (13) says subclause (10) does not apply in any circumstances prescribed by the regulations. What is envisaged by that? What regulations are envisaged that may mean that subclause (10) would not apply?

The Hon. J.R. RAU: My preliminary advice is that that should probably be taken out and we will look at it and we might do that between the houses.

The CHAIR: I plan to put all the amendments en bloc as we agreed—so amendments 6 to 13 as printed be accepted.

Amendments carried.

Ms CHAPMAN: On amended clause 22, I have a question. Subclauses (1) to (4) set out the assessment for a permanent impairment and I seek some clarification of the drafting here. We have in subsection (1) setting out the scheme, etc., assessing the degree of impairment (being whole person impairment); and then down further we have under (3) about the guidelines for the assessment of permanent impairment (being whole person impairment); and then we have under (4), specifically paragraph (c), whole person impairment in bold italics. There is no definition of 'whole person impairment' in the definitions clause in this bill and there may be some standard common law interpretation of what that is to mean, or there might be some other act that defines it. There are guidelines—

The Hon. J.R. RAU: It goes back to the guidelines. The guidelines articulate exactly how you assess 'whole person impairment'.

Ms CHAPMAN: So you are saying that the impairment assessed guidelines referred to in paragraph (c) are the reservoir of the identification of what is 'whole person impairment'.

The Hon. J.R. RAU: Yes.

Ms CHAPMAN: So why is there this 'being whole person impairment' in brackets in each of these subclauses? Because as you see it, it actually follows a different set of words in each subparagraph.

The Hon. J.R. RAU: I suspect that is one of the arcane nuances of parliamentary drafting, but the fact of the matter is that the way it is intended to work is this: the minister from time to time will promulgate a set of guidelines, after consultation with appropriate medical people to make sure that those guidelines are robust. Those guidelines then become the definition for wherever those words, whether in italics or not, appear.

Ms CHAPMAN: The impairment assessment guidelines, as you say, will be as identified and promulgated, presumably, under the regulatory power. Attorney, you will recall the fallout, if I can describe it as that, of the indications that were given during the Motor Accident Commission assessment feature of what was going to be allowable for the purposes of claims. What was then subsequently promulgated in regulation was, I think it is fair to say, a far cry from what the understanding was of a number of the stakeholders. I am not here to argue about who was right and who was wrong, but clearly there was a genuine understanding, at least on the part of a number of stakeholders, about what they believed was the government's intention in that regard.

Is there a current draft of what is to be published as the impairment assessment guidelines and is that available for viewing, or is it to be an adoption of the current impairment assessment guidelines, bearing in mind that we understand that there is still the capacity at one time for that to be amended. Are we just inheriting what is currently there or is there something else in the wind?

The Hon. J.R. RAU: I think our starting point is what is currently there. I have had discussions with Mr McCarthy, and indeed Professor Cherry, about whether or not some tweaking of those guidelines might be useful. I think they are looking at those things, but in substantial terms we are looking at working off what we presently have.

Clause as amended passed.

Clauses 23 and 24 passed.

Clause 25.

The Hon. J.R. RAU: I move:

Amendment No 14 [IndustRel–1]—

Page 42, line 10—After 'employer' insert:

(and, in the case of a dispute, will continue to bind the worker and the employer subject to the outcome of any process or procedure associated with determining the dispute)

Amendment carried; clause as amended passed.

Clause 26.

The Hon. J.R. RAU: I move:

Amendment No 15 [IndustRel–1]—

Page 43, line 29—Delete paragraph (f)

Amendment carried.

Mr WILLIAMS: Minister, I may be mistaken, but I think this is a new clause. This is about return-to-work coordinators. Subclause (1) states:

Subject to this section, an employer must appoint (and retain) a return to work co-ordinator (referred to in this section as a *co-ordinator*).

On my reading of this every business or every person who employs somebody must retain a return-to-work coordinator, but it is subject to subclause (6), which states:

The regulations may exempt an employer, or employers of a prescribed class, from a requirement under this section.

Is it the intention of the government that every business that from time to time might employ somebody has to retain the services of a return-to-work coordinator?

The Hon. J.R. RAU: This is an existing provision with some modifications. I am advised the regulations will exempt any employer with under 30.

Clause as amended passed.

Clause 27 passed.

Clause 28.

The Hon. J.R. RAU: I move:

Amendment No 16 [IndustRel–1]—

Page 44, line 37—Delete 'prescribed' and substitute 'published'

Amendment carried; clause as amended passed.

Clause 29 passed.

Clause 30.

The Hon. J.R. RAU: I move:

Amendment No 17 [IndustRel–1]—

Page 45, lines 13 and 14—Delete 'recognised health practitioner' and substitute 'designated person'

Amendment No 18 [IndustRel–1]—

Page 45, line 17—Delete 'health practitioner' and substitute 'designated person'

Amendment No 19 [IndustRel–1]—

Page 46, lines 8 and 9—Delete 'containing such information as may be prescribed'

Amendment No 20 [IndustRel–1]—

Page 46, after line 21—Insert:

designated person means—

(a) a recognised health practitioner; or

(b) another person of a prescribed class acting in prescribed circumstances and subject to any limitations or conditions prescribed by the regulations;

Mr KNOLL: Can I just ask for a very brief explanation about the change from a recognised health practitioner to a designated person?

The Hon. J.R. RAU: The reason is that we had representations that there are some nurse practitioners who work in the ED departments of hospitals who are capable of doing a whole bunch of things, and it would be absurd if they could not write a certificate, for up to a week, saying this person presented and they are crook and do not have to be at work for a week.

Amendments carried; clause as amended passed.

Clause 31.

The Hon. J.R. RAU: I move:

Amendment No 21 [IndustRel–1]—

Page 46, lines 26 and 27—Delete subclause (1) and substitute:

(1) On receipt of a claim, the Corporation may undertake such investigations and inquiries as are necessary in order to achieve an evidence based decision with respect to the determination of the claim.

Amendment No 22 [IndustRel–1]—

Page 47, line 38—Delete paragraph (f)

Amendment No 23 [IndustRel–1]—

Page 47, lines 39 and 40—Delete subclause (11)

Amendments carried.

Mr KNOLL: Clause 31(2) states that 'the Corporation may require a worker to submit to an examination'. In the briefing, the minister talked about trying to remove the duelling doctors scenario. He may or may not have been talking specifically in relation to cases that will go before the employment tribunal.

I wanted to ask whether or not there is a willingness for the corporation to try to get away from duelling doctors when it comes to claims at an earlier stage and whether or not this provision is indeed the clause by which the corporation will say, 'If there is some sort of dispute between doctors, we will say this is our doctor. You have to submit to this examination. This is the doctor; this will be the final determination made on the claim.'

The Hon. J.R. RAU: The point of this is to actually make sure that there is an evidentiary basis for their decision so that the corporation, in effect, or the claims' agents, perhaps, on behalf of the corporation, cannot just take a cavalier approach to determining these matters. They have to actually base it on evidence, and they have to actually make an inquiry. It is another way of saying to all of the people involved in this scheme, 'This hands off the wheel approach is not good enough. You have to actually get in there and pay attention to what's going on.'

Clause as amended passed.

Clause 32.

The Hon. J.R. RAU: I move:

Amendment No 24 [IndustRel–1]—

Page 48, line 10—Delete subclause (3)

Amendment carried; clause as amended passed.

Clause 33.

The Hon. J.R. RAU: I move:

Amendment No 25 [IndustRel–1]—

Page 51, lines 20 and 21—Delete 'before the end of the period referred to in subsection (20)' and substitute:

, on application made before the end of the period referred to in subsection (20),

Amendment No 26 [IndustRel–1]—

Page 51, lines 26 and 27—Delete 'before the end of the period referred to in subsection (20)' and substitute:

, on application made before the end of the period referred to in subsection (20),

Amendments carried.

Mr WILLIAMS: Minister, subclause (15) states:

Before the Corporation makes a recommendation to the Minister about the publishing of a scale of charges, or a treatment protocol or framework, the Corporation must consult with—

That is followed by (a), (b), (c) and (d). Does that mean that you must consult with all of those in every case? I am wondering whether it would be better if it states 'should confer with the relevant of the following' rather than 'must'.

The Hon. J.R. RAU: That is something to look at, but that is probably a lift from something we already have, I would have thought. I know that the member for Mackillop knows this because he has looked at this a bit, but everybody in this space feels, I think reasonably, an entitlement to be consulted about what is going on, even if it is not primarily in their space, and I think that is a fair and reasonable proposition. I admit that there may be some circumstance in which the consultation will result in one group saying, 'We're not particularly interested in that; just get on with that,' but I think that the idea that they have to consult with people is not a bad thing.

The Hon. S.W. KEY: I want to ask a general question in relation to medical expenses. Will there be any changes to a cap on the cost of doctors' reports or specialists' reports in this area because my understanding is that this can be a prohibitive area as far as price is concerned? Secondly, in here protocols are mentioned, and I am wondering whether these protocols actually exist. In my second reading contribution, I said that I had not located the protocols. Perhaps the minister can enlighten me on where they are or what they are, or whether they are they still to be drafted.

The Hon. J.R. RAU: The protocols are still being drafted, I am advised, and the schedule of fees and suchlike is something that is gazetted, and consideration is being given to what those numbers might look like now.

Mr KNOLL: Clause 33(8) talks about a worker travelling in a private vehicle to and from medical services. My understanding of this clause, correct me if I am wrong, is basically that, if an employee is travelling to and from work there is no compensation given for that travel, but if an employee is travelling to and from a medical appointment, even if that medical appointment may be closer to their home than their work is, they are liable to be paid a travel allowance. Is that correct, and is that in the current act?

The Hon. J.R. RAU: The answer is that, yes, it is the same as the current act, I am advised.

Clause as amended passed.

Sitting extended beyond 22:00 on motion of Hon. J.R. Rau.

Clauses 34 to 38 passed.

Clause 39.

The Hon. J.R. RAU: I move:

Amendment No 27 [IndustRel–1]—

Page 54, lines 6 to 29—Delete subclauses (2), (3) and (4) and substitute:

(2) For the purposes of this section, the *designated weekly earnings* of a worker will be taken to be the current weekly earnings of the worker in employment or self-employment (if any) but not so as to include a prescribed benefit.

Amendment carried; clause as amended passed.

Clauses 40 and 41 passed.

Clause 42.

The Hon. J.R. RAU: I move:

Amendment No 28 [IndustRel–1]—

Page 56, line 20—Delete 'and applying any principle prescribed by the regulations'

Amendment carried; clause as amended passed.

Clauses 43 to 47 passed.

Clause 48.

The Hon. J.R. RAU: I move:

Amendment No 29 [IndustRel–1]—

Page 62, line 34—Delete paragraph (d)

Amendment carried.

Mr KNOLL: I have a question on the amended clause. Minister, in regard to clause 48(13), in 2008 the wording was changed from 'the corporation may' recover the excess in the case where a claimant has to repay moneys to the corporation. The wording was changed from 'may' to 'shall' or whatever it is. In this bill, obviously we are reverting back to 'may', and the experience was that less meritorious claims were discouraged on the basis that the corporation would force people to repay excess moneys that are paid in the event of an unsuccessful claim. I am just seeking to understand why there is the change back to a softer wording.

The Hon. J.R. RAU: The history here is something like this: one of the changes that were made in 2008 and one that caused great hardship to people was the idea that, during the currency of a dispute, all payments would be suspended. This feeds into something that we are going to be dealing with in a little while, and the idea of where undue hardship might have been caused and suchlike necessitated at the time, I think, the creation of the WorkCover Ombudsman as a person to police that space.

In this new legislation, we get rid of the idea that payments are suspended during a disputed period. There is still the opportunity for WorkCover, in the event of an unsuccessful claim, to seek recovery of those matters, and that is what they would do as a matter of prudent business management where there was a reasonable prospect of recovery, because you must bear in mind that sometimes there would not be.

It is an interesting point, because this is part of the reason the WorkCover Ombudsman is going as well. The reason for establishing the WorkCover Ombudsman was in fact to police this particular issue, which we have now fixed by saying that there will continue to be payments to injured people during the period of disputation. I think all we are doing there is just saying, 'Look, corporation, be prudent. If you think you can recover the money, recover it.' I do not expect this to be a provision that has a lot of work to do.

Clause as amended passed.

Clause 49 passed.

Clause 50.

Mr WILLIAMS: Subclause (7) states:

If a worker applies for, and takes, a period of annual leave, the Corporation may suspend weekly payments that would otherwise be payable to the worker during the period while the worker is on leave.

It seems to me that the injured worker under those circumstances would be paid twice for the same period of time.

The Hon. J.R. RAU: All I can say is that that is what happens now. This is not a change; this is nothing new. The concept is the same. There is different wording, but the idea is the same. It might be, for example, that a person's holiday entitlement is paid at a different rate to the rate that they would be paid by reason of their income maintenance provisions, either by reason of a step-down having cut in or because there is a 15 per cent loading attached to it. It is put in explicitly to prevent double-dipping. You cannot do both.

Mr WILLIAMS: Because of the word 'may', it seems like it enshrines double-dipping.

The Hon. J.R. RAU: No, I am assured it does not, and it is there to prevent it.

Mr KNOLL: I have the same concerns as the member for MacKillop. Currently, the employer has to ask the employee to sign a temporary discontinuance so that there is not this double-dipping. There is a provision there to do that, but an employer needs to give an employee, I understand, 28 days' notice. There is a 28-day provision in there somewhere that needs to be adhered to, so that if an employee takes annual leave with under a month's notice, there is not that same ability for an employer to ask the employee to sign a discontinuance.

The Hon. J.R. RAU: I will just have to take that on notice and we will see what we can find out.

Mr KNOLL: I am just a simple sausage maker, but from the way I read clause 50(3), it says to me that if you are injured for longer than a year, your entitlement to annual leave does not exist, but if you are injured for less than a year, then your entitlement to your annual leave does exist. Is that correct?

The Hon. J.R. RAU: I am advised yes.

Clause passed.

Clause 51 passed.

Clause 52.

The Hon. J.R. RAU: I move:

Amendment No 30 [IndustRel-1]—

Page 67, lines 2 and 3—Delete 'or such longer period as the regulations may allow'

Amendment carried; clause as amended passed.

Clause 53.

Ms CHAPMAN: This is the redemptions division. Could I just ask, is it proposed that upon the passage of this bill there will be some redemptions offered between now and 1 July 2015, or is that not possible?

The Hon. J.R. RAU: That would be ultimately a matter for management to determine in each case, and it would be in any event governed by the existing legislation.

Clause passed.

Clauses 54 to 58 passed.

Clause 59.

The Hon. J.R. RAU: I move:

Amendment No 31 [IndustRel–1]—

Page 73, line 7—After 'seriously injured worker' insert 'with no current work capacity'

Amendment carried; clause as amended passed.

Clause 60.

The Hon. J.R. RAU: I move:

Amendment No 32 [IndustRel–1]—

Page 74, lines 16 to 19—Delete paragraph (b) and substitute:

(b) if the review is an annual review conducted under subsection (3)—to reflect changes in the rates of remuneration payable to workers generally or to workers engaged in the kind of employment from which the worker's injury arose.

Amendment carried; clause as amended passed.

Clauses 61 and 62 passed.

Clause 63.

The Hon. J.R. RAU: I move:

Amendment No 33 [IndustRel–1]—

Page 76, lines 39 to 41 and page 77, lines 1 and 2—Delete subclause (3) and substitute:

(3) Compensation under this section will be payable in accordance with scales determined or approved by the Minister and published in the Gazette.

Mr KNOLL: Obviously this relates to compensation in relation to counselling services where there has been a workplace death. Am I right that the amendment seeks to remove the cap on the amount payable in counselling services and can I ask for a brief explanation as to why?

The Hon. J.R. RAU: I gather there is currently a provision for regulation of this which has not been exercised. The idea would be that there would be a scale of fees published for that, so it is not intended to be an open-ended free kick for somebody. The idea is that there would be a schedule of fees that would be applied.

Amendment carried; clause as amended passed.

Clause 64.

The Hon. J.R. RAU: I move:

Amendment No 34 [IndustRel–1]—

Page 77, lines 20 to 23—Delete subclause (4) and substitute:

(4) In connection with the assumption of liability by a self-insured employer under subsection (3) to make outstanding payments of compensation, the Corporation must determine, in accordance with the code of conduct for self-insured employers published by the Corporation in the Gazette under Part 9, whether—

(a) the Corporation is required to make a payment to the self-insured employer; or

(b) the self-insured employer is required to make a payment to the Corporation,

and the amount of any such payment.

Amendment No 35 [IndustRel–1]—

Page 77, lines 35 and 36—Delete 'an amount calculated under the regulations' and substitute:

an amount equal to twice the worker's average weekly earnings

Amendments carried.

The CHAIR: Amended clause 64—you have a question, member for MacKillop?

Mr WILLIAMS: Minister, I am absolutely confused by subclauses (13) and (14). Subclause (5) basically says that the employer pays for the first two weeks of any liability of income maintenance. Subclause (13) states the regulations may exempt the prescribed class of employers from that subclause (5) and then subclause (14) is even more confusing to me. It states:

The Corporation will also undertake any liability of an employer under subsection (5) in respect of a particular injury if the Corporation is satisfied that the employer has complied with the employer's responsibilities under section 30(5) within 5 days—

which means that they have done all the things that they have to do in reporting, etc.

The Hon. J.R. RAU: One of the things the corporation has indicated to me is that they are interested in having early reporting so that they can get early intervention. This is part of the incentive, if you like, for employers to make a point of quickly notifying the corporation in the event of there being an injury so the corporation can mobilise its return-to-work services as quickly as possible. That is the purpose of that.

Mr WILLIAMS: Basically this is an incentive. Under the existing regime if I have an employee who is injured, I am liable for the first fortnight of income maintenance or pay or whatever, but if I do report in a timely fashion I can absolve myself of that liability for that first—

The Hon. J.R. RAU: Correct. How good is that?

Mr WILLIAMS: There's some good news.

The Hon. J.R. RAU: It's all good news.

Mr KNOLL: Does clause 64(11) relate to some of the questions I was asking earlier with regard to subsequent employers taking on responsibility for injury claims from a previous employer? It talks about the ability of subsequent employers to recover money from the corporation, which in turn recovers money from either the worker or the previous employer.

Does this clause basically state that, to the extent that part of an injury happens with a subsequent employer but is not the responsibility of the subsequent employer, that is the mechanism by which this legislation allows the responsibility to be put back on the primary employer?

The Hon. J.R. RAU: Yes.

Clause as amended passed.

Clauses 65 to 68 passed.

Clause 69.

Mr WILLIAMS: This is about sporting injuries. Am I reading this right, that compensation is available only in the case where somebody is actually earning more than $65,600 from their involvement in some sort of sport?

The Hon. J.R. RAU: Workers who are employed solely to participate as a contestant or act as a referee or umpire in sporting or athletic activity or contests are not able to claim compensation for an injury arising out of or in the course of employment. A number of exceptions are listed in subclause (2). The prescribed amount in subclause (3) has been updated to the 2014 indexed amount of $65,600. This clause is actually, aside from the indexation, I believe, unchanged from the existing legislation.

Clause passed.

Clauses 70 to 74 passed.

Clause 75.

The Hon. J.R. RAU: I move:

Amendment No 36 [IndustRel–1]—

Page 87, after line 37—Insert:

and

(c) does not operate with respect to compensation under Part 4 Division 7.

Amendment carried; clause as amended passed.

Clauses 76 and 77 passed.

Clause 78.

The Hon. J.R. RAU: I move:

Amendment No 37[IndustRel–1]—

Page 90, lines 17 and 18—Delete subclause (6)

Amendment carried; clause as amended passed.

Clauses 79 to 96 passed.

Clause 97.

The Hon. J.R. RAU: I move:

Amendment No 38 [IndustRel–1]—

Page 97, line 6—Delete 'to accept or reject' and substitute 'on'

Amendment No 39 [IndustRel–1]—

Page 97, line 20—After 'Division 7' insert 'or any decision under Part 4 Division 8 (including on a review under section 60)'

Amendment No 40 [IndustRel–1]—

Page 97, line 21—Delete paragraph (m)

Amendments carried; clause as amended passed.

Clauses 98 and 99 passed.

Clause 100.

The Hon. J.R. RAU: I move:

Amendment No 41 [IndustRel–1]—

Page 98, line 6—Delete 'special circumstances exist' and substitute 'good reason exists'

Amendment carried; clause as amended passed.

Clause 101 passed.

Clause 102.

The Hon. J.R. RAU: I move:

Amendment No 42 [IndustRel–1]—

Page 99, line 13—Delete subclause (8)

Amendment carried; clause as amended passed.

Clause 103 passed.

Clause 104.

The Hon. J.R. RAU: I move:

Amendment No 43 [IndustRel–1]—

Page 99, line 32—Delete 'compulsory conference' and substitute 'compulsory conciliation conference'

Amendment No 44 [IndustRel–1]—

Page 99, lines 40 and 41, page 100, lines 1 to 3—Delete paragraph (b)

Amendment No 45 [IndustRel–1]—

Page 100, after line 3—Insert:

(3) When a matter is referred to a conference under section 43 of the *South Australian Employment Tribunal Act 2014*, each party must, in accordance with the rules of the Tribunal—

(a) disclose to the member of the Tribunal presiding over the conference the existence and nature of all evidentiary material in the party's possession relevant to the matter; and

(b) at the request of another party to the proceedings, give the party access to the relevant evidentiary material.

(4) However, if the member of the Tribunal presiding over the conference agrees, a party need not give another party access to evidentiary material if—

(a) the material is a paper, videotape, compact disc or other electronic recording of photographic material, or a report of surveillance; or

(b) the disclosure of the material could prejudice the investigation of a suspended offence.

(5) Despite section 43(10) of the *South Australian Employment Tribunal Act 2014*—

(a) evidence of a settlement reached at a conference under that section is admissible (without the consent of all parties) in subsequent proceedings; and

(b) evidence of the offers made in the course of a conference under that section is admissible (without consent of all parties) in subsequent proceedings for the purpose of applying provisions for deciding questions about costs.

The CHAIR: There is a clerical error in amendment No. 45, but we also have amendments Nos 43 and 44.We are going to amend subclause (4)(b) in amendment No. 45 and at the end of that line the word 'suspended' becomes 'suspected'. Is everyone happen with that? We are going to move all three amendments together.

Amendments carried; clause as amended passed.

Clauses 105 to 108 passed.

Clause 109.

Mr WILLIAMS: I do not know whether this is an existing provision that 'the minister may, if satisfied that intervention is justified in the public interest, intervene in proceedings before the tribunal under this part'. Is it ever used? If it is used, is there any procedure that the minister must notify anybody, for example the parliament?

The Hon. J.R. RAU: That is a fair enough question. Since I have been minister I have never used it as far as I am aware.

The Hon. P. Caica: I never used it.

The Hon. J.R. RAU: And the member for Colton in his time as minister never used it. It is clearly one of those escape valve-type provisions that is sitting there. I imagine it would be a matter for the minister of the day to think that it was sufficiently significant for the minister to become involved in what is actually an inter partes matter. I would assume the minister would have a view that it would have to have some fundamental principle at stake critical to the whole scheme before the minister would be taking such a step; that is my assumption. I have never used it and, as I said, the member for Colton in his time as minister had not. I am not sure if anyone can recall it ever having been used in existing provisions, but we are leaving it there just in case.

Ms CHAPMAN: So that I am clear about this, I certainly read that down to the extent that it is the right to have some locus standi in the proceedings as distinct from intervening for the purposes of quashing the proceedings.

The Hon. J.R. RAU: Yes, absolutely.

Clause passed.

Clauses 110 to 112 passed.

Clause 113.

The Hon. J.R. RAU: I move:

Amendment No 46 [IndustRel–1]—

Page 103, lines 13 and 14—Delete subclause (2)

Amendment carried; clause as amended passed.

Clauses 114 to 117 passed.

Clause 118.

The Hon. J.R. RAU: I move:

Amendment No 47 [IndustRel–1]—

Page 104, lines 13 and 14—Delete subclauses (1) and (2) and substitute:

(1) The Minister may appoint a medical practitioner as an independent medical adviser for the purposes of this Act.

Amendment No 48 [IndustRel–1]—

Page 104, line 15—Delete 'making appointments to IMAB' and substitute 'appointing medical practitioners as independent medical advisers'

Amendment No 49 [IndustRel–1]—

Page 104, line 30—Delete 'to IMAB' and substitute 'as independent medical advisers'

Amendment No 50 [IndustRel–1]—

Page 104, line 35—Delete 'to IMAB' and substitute 'as an independent medical adviser'

Mr KNOLL: This may or may not be semantic except to say that the Agent-General has a board that uses the acronym IMAB. It is the International Markets Advisory Board. It is a board of the Agent-General. I wonder whether or not there would be an issue. My staff member picked it up and asked me to ask the question.

The Hon. J.R. RAU: Well spotted! It is the *Where's Wally?* moment. No, it is nothing to do with that. You found him: he was hiding under the IMAB! We are removing it anyway, it is disappearing, so any confusion is gone.

Amendments carried; clause as amended passed.

Clause 119.

The Hon. J.R. RAU: I move:

Amendment No 51 [IndustRel–1]—

Page 105, line 2—Delete 'member of IMAB' and substitute 'medical practitioner appointed under section 118 (other than to the selection committee)'

Amendment carried; clause as amended passed.

Clauses 120 and 121 passed.

Clause 122.

The Hon. J.R. RAU: I move:

Amendment No 52 [IndustRel–1]—

Page 107, line 30—After 'assessment' insert ', subject to any provision to the contrary made by the Impairment Assessment Guidelines'

Amendment No 53 [IndustRel–1]—

Page 107, line 32—Delete 'or prescribed by the regulations'

Amendment No 54 [IndustRel–1]—

Page 108, after line 10—Insert:

(10a) Without limiting any other circumstance where it is appropriate to give reasons, the Tribunal or a court must—

(a) when it makes a determination under subsection (9) in the exercise of its adjudicative function; or

(b) when it decides not to accept any matter as conclusive evidence under subsection (10),

give reasons for its determination or decision (as the case requires).

Amendments carried; clause as amended passed.

Clauses 123 to 125 passed.

Clause 126.

The Hon. J.R. RAU: I move:

Amendment No 1 [IndustRel–2]—

Delete the clause and substitute:

126—Staff and facilities

The Minister must ensure that independent medical advisers are provided with any staff or facilities required to support the performance of their functions.

Amendment carried; clause as amended passed.

Clause 127.

The Hon. J.R. RAU: I move:

Amendment No 56 [IndustRel–1]—

Page 109, line 13—Delete 'IMAB,'

Amendment carried; clause as amended passed.

Clauses 128 to 133 passed.

Clause 134.

The Hon. J.R. RAU: I move:

Amendment No 57 [IndustRel–1]—

Page 115, after line 10—Insert 'section 55(6)'

Amendment carried; clause as amended passed.

Clause 135.

The Hon. J.R. RAU: I move:

Amendment No 58 [IndustRel–1]—

Page 116, after line 41—Insert:

(fa) the costs incurred by the Ombudsman in carrying out the Ombudsman's functions under this Act; and

Amendment carried.

Mr WILLIAMS: I am not sure whether or not this is a new provision, but subclause (6), right at the end of clause 135, provides that the corporation is not required to comply with subclause (5), which is about the investment policy, if the board unanimously decides, in relation to certain funds, to invest those funds at a lesser rate of return but so as to promote the economy of the state. Is this—

The Hon. J.R. Rau: It is current.

Mr WILLIAMS: It is current? Has the board of WorkCover ever exercised that? Who decides whether the investment is promoting the economy of this state?

The Hon. J.R. RAU: I understand that there is presently a notion that a large amount of money should be invested around Millicent and Mount Burr and—

Mr WILLIAMS: Get on with it.

The Hon. J.R. RAU: I thought that was what the member might say. I am not aware of it ever having been done, nor am I aware of it being contemplated at any time. This is something that has been part and parcel of the fabric of the thing—

Ms Chapman interjecting:

The Hon. J.R. RAU: It is nothing new. It is not a novel provision.

Clause as amended passed.

Clause 136 passed.

Clause 137.

The Hon. J.R. RAU: I move:

Amendment No 59 [IndustRel–1]—

Page 117, line 31—After 'financial year,' insert 'seek to'

Amendment No 60 [IndustRel–1]—

Page 117, lines 33 to 38 and page 118, lines 1 to 4—Delete subclauses (2) and (3) and substitute:

(2) If the Corporation determines that it will be unable to achieve the rate referred to in subsection (1) in relation to a particular financial year, the Corporation must furnish a report to the Minister that—

(a) sets out the reasons for not being able to achieve that rate; and

(b) provides information about—

(i) the rate that is to apply in relation to that financial year; and

(ii) the Corporation's preliminary assessment of its ability to achieve the rate referred to in subsection (1) in the next financial year.

Mr KNOLL: This could be quite significant in the context of this, where the amendment seeks to water down a commitment to a 2 per cent scheme from 'achieving an average' to 'seek to achieve an average'. Can the minister explain why the change? Is this a stepping away from the 2 per cent commitment?

The Hon. J.R. RAU: It is a good question. The purpose for this is to give a very clear statutory direction to the corporation about what its absolute outer limit of acceptable performance might be but, that said, it has to be acknowledged that from time to time events will occur which will vary the performance of the corporation, and to have something which said effectively, 'You cross this line and you die,' but there is no gun, there is no person shooting you, was a little bit kind of *Blazing Saddles*. So, we thought let us be real about this and actually say what we mean which is to say to them, 'Look, you are expected to stay within this parameter,' but to have something that says, 'Look, you cross this line and all hell breaks loose,' and there is, in fact, no hell to break loose anywhere, was seen as being slightly puffed up.

Amendments carried.

Mr KNOLL: I do have questions on the amended clause and I suppose this is as good a point as any to talk about them. There is obviously going to be an average premium rate reduction from 2.75 per cent to 2 per cent. Can the minister give any guidance on how that reduction will be attributed? Previously you said, 'Look, we are still going to make industries cost neutral,' but obviously you have actuarial data that has underpinned the current list of ICCRs. Is it going to be a standard percentage (i.e. every rate will be cut by, whatever it is, 20 per cent) or will there be some industries more equal than others?

The Hon. J.R. RAU: First of all, to the last point, my understanding is that the intention of the corporation at the present time is that everyone is going to get roughly a 25 per cent haircut. That is the gist of it, which is good, as it means the benefits get shared around.

The second point to make is that this scheme has been costed by the actuaries on the basis that they give us no credit at all for culture change. They are treating this on the basis of, 'Look, you have had a miserably run scheme for the last 25 or 30 years. We have got zero credit in our actuarial bankbook for you people as scheme managers, so you get no credit for that.' What they have done is go just down to the architecture of it, and what they are saying—and I have used many bad analogies in my time and I am about to use another one—is that the existing scheme is designed to be a Mini Moke. It does not matter how much you polish it and how many times you get the valves ground and all that sort of stuff, the best you are going to get out of it is a Mini Moke, and that is what the present scheme is.

Mr Picton: Not a Goggomobil?

The Hon. J.R. RAU: No, not a Goggomobil, and we are not changing from a Mini Moke to a Zeta by Lightburn. We are changing from a Mini Moke to a Lamborghini—or a Mazda as the member for MacKillop would perhaps say. We are moving to a Mazda, but the thing is the actuaries are saying to us, 'Look, we will give you credit for what a badly maintained Mazda will deliver, but if you are going to get out there and polish the thing, put the special gear in that you buy from the petrol shop that you pour in with your petrol, take it for a service every couple of weeks, and do all that fancy stuff, you might get better out of it than that, but we are not giving you credit for any of that because in the past we have never seen you behave that way.'

The first answer is yes, everyone should be getting a share of this, and we reckon it is around the 25 per cent share, give or take a bit. Secondly, the decision to reduce the premium is not mine,

it is the board's, but I have been told by Mr McCarthy and his team that they confidently believe the actuaries will provide advice to the board on the back of this legislation passing which will give the board sufficient comfort to be able to make such a decision with operational dates commencing on 1 July next year, and if the scheme is managed well then it is entirely possible the scheme will do better.

What I have said to the public, what the government took to the people at the last election and what I am saying to the parliament now is that that is all up side. I am not coming here and making representations to fellow members of parliament about what might be; I am making representations to you about what the most conservative people in the universe, with no confidence in anybody (that is the long title for actuaries), say about this bill.

Mr KNOLL: We are getting very near to my end of questioning. I am seeking some confidence around the removal of industry caps and some of the work the minister may have done to look at how it will affect certain industries. Correct me if I am wrong, but the minister said before (and what I was told in the briefing) that $1.6 billion was the wages that are subject to the 7.5 per cent cap. The minister just said that those people should expect 25 per cent, so 2 per cent of that should be reduced (in very round figures), so we are down to 5.5 per cent, so you are really only talking those industries that are not experience rated but where the average rate would otherwise have been higher. It would have to be at least 9.5 per cent for there not to be the same or go lower.

The minister stated that there are 99 employers who would experience just under a straight no cap, no transition, system and increasing rates. Are we talking about just over 7.5 per cent; are we talking about anyone who is over 10 per cent? There are four broad areas—construction, manufacturing, agriculture/fisheries/forestries and transport—at the 7.5 per cent cap. Are those 100 employers clustered around a certain industry?

The Hon. J.R. RAU: Here is the advice I have on this. Of the 46,000-odd employers out there, 99 employers in four industries would have an industry rating of greater than 7.5 per cent with the removal of the cap under the new scheme. These employers are in the following: meat processing; non-ferrous casting or forging; horse recreation and sport; and, not surprisingly perhaps, cutlery and hand tool industries. Post reform, the expectation is that these four industries would have a true base industry rate respectively as follows: 8.25; 9.06; 9.53; and, 10.72. So, given that the difference between what they are capped at now and what they would move to in the worst situation is 3.2 per cent, it is relatively modest and is affecting a very small number of employers.

I repeat what I said before: I am perfectly happy to have a conversation with the opposition and the industry people, with whom I have already spoken on this topic, about phasing that in so that there is no immediate shock of a 3 or 2, or whatever, per cent uplift in an average industry premium rate over one year.

Ms CHAPMAN: Now that we have amended this clause, Attorney, there is provision here that, if the board does not achieve this or decides on a different setting of a premium, outside what is now an aspirational target rather than an imposed obligation of what the average is to be, they have to report to you and give reasons, but what obligation is there on you, if any, to report to us?

The Hon. J.R. RAU: Here is what would happen, roughly in order, I expect. First of all, the board would report to me, 'We've got a problem.' I would sit down with the board and have a chat to the board about it—whoever the minister is I imagine would go through this process. I would be saying, 'What is going on, why have we got this problem?', have a discussion with them. If I was of a view that they were on the wrong track I might consider issuing a ministerial direction to them; I might consider changing the charter. I might even consider whether I start using my powers under WorkCover Corporation Act, which we amended last year, to start giving the board other pushes and shoves to get it to do things that need to be done.

Ultimately, the sanction is removal of the board, I suppose. That is not in here, this is the other legislation. The corporation, in its annual report, would necessarily have to tell the public what it was doing with its premiums and it would necessarily have to be saying, 'This and this and this has happened. We've reported this to the minister. Here's what we've done about it,' etc. So, that would be part and parcel of the existing reporting requirements which it would be obliged to fulfil.

Ms CHAPMAN: I am not asking about what WorkCover does, I am asking about what you would do as the minister. Notwithstanding that you have all sorts of other potential opportunities to threaten or direct the board to do certain things, if it determines, according to this as we have just amended it, that it is unable to achieve that rate referred to, no matter what you have been able to attempt to mediate with it or impose on it, it has to do these things: report to you giving reasons and provide certain financial information. My question is not what it does six or nine months later in its annual report, but what you do in reporting to the parliament that that has occurred.

The Hon. J.R. RAU: That would be as it is now. I mean, the minister of the day—

Ms Chapman interjecting:

The Hon. J.R. RAU: Well, yes, the minister of the day would make a decision about what was appropriate. I mean, what is absolutely certain is that it would be the subject of a public report through the report to parliament. What the minister of the day would do on a particular day I cannot speculate on.

Ms CHAPMAN: The reason I ask you this, minister, is because you have now indicated, and we have acquiesced as we indicated we would, to move this from a direction, a statutory obligation, to bring about an average 2 per cent premium to what is, as you quite openly acknowledge, an aspiration about what you really have in mind. I am not saying that there will not ever be an attempt by the corporation to try to achieve that, given what we are about to put in the statute, but clearly the goalposts have now moved. I will ask you this: are you prepared, as the minister, in these circumstances, if you receive a report from the corporation of the circumstances under subclause (2), to advise the parliament of that upon the next day of sitting or at some reasonable period after that?

The Hon. J.R. RAU: It is impossible to say out of context. I think it is a hypothetical. I am not trying to be difficult, I just do not know and I am not going to give an answer which is the easy answer to give, which is 'yes, of course', without me being satisfied that that is absolutely a fair answer and, quite frankly, I am not because I cannot think of every possibility. So, no, I cannot say.

Ms CHAPMAN: I indicate then, from the opposition's point of view, and this may or may not be the subject of some further amendment in another place, for obvious reasons this is a new initiative in the sense of these amendments.

As I say, it has changed the goalposts. I think every stakeholder out there, no matter how compromised they might have felt in the negotiations to acquiesce to all the pluses and minuses of this, has had an expectation, from all the public statements that have been made, including in your second reading contribution, that there would be an average premium 2 per cent, or better, and this has now changed it. I make the point that I think it is reasonable that the minister of the day reports any circumstance where that is not achieved and of which there will be a report provided by the corporation to detail its reasons why that would not be tabled in the parliament as near as practical after that occurring. So, I place that on the record.

Clause as amended passed.

Clause 138.

The Hon. J.R. RAU: I move:

Amendment No 61 [IndustRel–1]—

Page 118, lines 14 and 15—Delete 'or injuries of a prescribed kind'

Amendment carried; clause as amended passed.

Clause 139.

The Hon. J.R. RAU: I move:

Amendment No 62 [IndustRel–1]—

Page 119, lines 1 and 2—Delete paragraph (c)

Amendment carried; clause as amended passed.

Clauses 140 to 142 passed.

Clause 143.

The Hon. J.R. RAU: I move:

Amendment No 63 [IndustRel–1]—

Page 121, line 23—Delete 'or injuries of a prescribed kind'

Amendment carried; clause as amended passed.

Clause 144.

The Hon. J.R. RAU: I move:

Amendment No 64 [IndustRel–1]—

Page 123, lines 22 and 23—Delete '(but subject to the regulations)'

Amendment carried; clause as amended passed.

Clauses 145 and 146 passed.

Clause 147.

The Hon. J.R. RAU: I move:

Amendment No 65 [IndustRel–1]—

Page 126, lines 5 and 6—Delete '(disregarding claims of a class excluded from the ambit of this paragraph by regulation)'

Amendment carried; clause as amended passed.

Clauses 148 to 151 passed.

Clause 152.

The Hon. J.R. RAU: I move:

Amendment No 66 [IndustRel–1]—

Page 129, line 11—Delete '(but subject to the regulations)'

Amendment carried; clause as amended passed.

Clauses 153 to 167 passed.

Clause 168.

Ms CHAPMAN: This is part 10—Scheme adjustment mechanisms. In his second reading explanation the Attorney described this initiative as a framework included for the spreading of the benefits available from the scheme performing financially well between workers and employers. Subject to the scheme's funding level being at least 100 per cent and achieving a profit from its insurance operations in two consecutive years and actuarial confirmation, a scheme bonus period would be declared.

Based on an assessment by the corporation of how much would be paid without affecting the sustainability of the scheme, equal amounts would be allocated to reduce the average premium rate employers pay to a funding pool to provide job seeking services and developing skills and capacity for workers whose entitlements have ceased and who have not returned to work.

The briefings by the WorkCover representatives and members of the minister's office confirmed that this would be funds distributed on a fifty-fifty basis. Further information has been provided subsequent to the briefing which provided detail of how the assessment would work, in particular, the achieving of the funding level of at least 100 per cent at a probability of sufficiency of 75 per cent.

I do not purport to understand the full detail and model but I thank those who were advising for providing that information for further consideration. What is unique, we were told in the briefing, is this proposal to pay half the money back to those who put into the fund and the other half to those

who are effectively no longer available to receive a benefit under the fund—namely, those workers who have been cut off—and to assist generally in their support.

The Hon. J.R. RAU: Job search. It is not a pension payment; it is a job search.

Ms CHAPMAN: I understand. To provide job seeking services and developing skills and capacity for workers, so it is all about helping those who have been cut out of the scheme. I am told again at the briefings that this is a unique model for around Australia. My first question is: whose idea was this?

The Hon. J.R. RAU: Which one of you wants to put your hand up? I think it was me. I will take responsibility for it. Around Australia there have been incidents or periods when schemes have been set up. What happens is that the scheme goes quite well and, the next thing you know, the government of whatever colour it may be is beset by claimants. Those claimants are coming forward on the basis of, 'Oh, look! The scheme is doing very well. It's time for you to declare a dividend.'

These people knock on the door and say, 'Give it to me, give it to me,' or, 'Look at me, look at me.' That becomes a potentially unseemly squabble where people representing employers and people representing employees get into this sort of elbowing situation saying, 'Get out of the way. I want to take the benefit of this in increased benefits,' or, 'Get out of the way. Damn you with your benefits, I want to take it in the form of a reduced premium.'

I do not think it is healthy for us not to at least turn our minds to what might happen in that event, unlikely though it possibly might be, and to give everybody an assurance from the beginning. In the event that the scheme does run like a Swiss watch and does perform like a Lamborghini (that does not work, does it?) everybody who has a genuine stake in the game is going to receive some recognition or additional benefit from the scheme. In the case of employees, you cannot have some sort of random thing where, if you happen to be an employee getting a section 43 entitlement in the year the scheme is doing very well, you get more than a person who is getting a section 43 in another year. That is crazy; it does not make sense.

What we have said here is that we are going to have a fund, which we are intending to seed with some money that is sitting somewhere or other now—so the fund will be operational from the beginning with a seed amount in that fund—which will be able to be drawn down by people who have passed through the two-year barrier but not yet secured reintegration into the workforce. It will not be there to provide income support: it will be there to provide them with work training, job matching or whatever that sort of thing might be, to help those people get back to work.

In the case of the employers, we are saying to them, 'If that happens, there is going to be, in effect, a reduction in premium for you as your share of the benefits of the scheme performing well.' Let us face it, for this scheme to perform very well it involves very good management and it involves a change of culture in the workplace. Everybody in the workplace has to contribute to that—the workers and the employers—so it is not unreasonable that, if everyone gets with the program and does the right thing, the benefits of that culture change should be shared amongst the people who have made it possible.

Ms CHAPMAN: Except, Attorney, this is not an optional 'let's all work cooperatively so that we might provide some profitability of the corporation so that there is sufficient surplus,' etc. We are proposing a scheme now which involves a fixed amount, which the employers have to pay, according to whatever is issued as to their levy, which they do not have any control over. We are also talking about employees who are going to be cut off under a new regime under this bill, which they do not have any capacity to be able to deal with. They are going to be cut off anyway at the end of the time period that is now going to be imposed.

This is not some possible pot of gold (it may never happen, because of course it has not happened in the 12 years that your government has been in operation of this) where we are going to have two years of actual surplus so that there is going to be some great pot to distribute but, if there is, all that has put into the fund at this point is the employer.

There is already an educative fund in existence. I have looked it up on the website. It has all sorts of reports that it prepares, it assesses things and provides programs, I think they call them, in respect of this space. This accumulation of benefit is a direct result of levies being imposed on

employers which, it may turn out, do not need to be at that higher rate. Because it is completely novel, in the sense of you just requiring under this legislation that half go into a return-to-work scheme and half go back to those who are paying in, we are seeking some sort of understanding about why this has been introduced.

The Hon. J.R. RAU: First of all, I thought I had just explained that. I cannot do any more than just repeat what I have just said before; that is about as far as I can take it. The second point I would make is this: with all due respect to the member for Bragg, the sort of approach the member for Bragg encapsulated in that brief contribution is exactly the sort of approach that I am trying to avoid. It could be from that perspective or it could be from totally the other perspective that people, from the point of view of employees, say, 'The scheme is going so well; give us all the benefits in increased payouts.'

Each of them thinks those are equally valid propositions. What I am saying here is: let us employ the wisdom of Solomon on day one when there is nothing to divide and everyone can look at it with some degree of dispassionate objectivity before we ever get to the point where there is something there.

By the way, these hurdles are not insignificant hurdles. This is an APRA best practice-type situation we are talking about here. We are not within cooee of this at the present time and may not be ever—I do not know—but this is there so that, in the event of the scheme being unpredictably successful, we at least have turned our minds to how that success might be distributed.

In the fullness of time, if people in a future government, whenever this happens, want to disturb this arrangement, I guess that is a matter for the parliament of the day, but I thought that for us to not even turn our minds to this and provide some equitable return to the people who would be the necessary participants in the change in culture that is required was an oversight that we should not make.

Ms CHAPMAN: If it was such a good idea, Attorney, why was it that, when it came to the reform on the Motor Accident Commission, and there were promises by the then treasurer, or Minister for Health I think he was by the time we actually finished the debates on that, of reduced registration fees to be paid by motorists and a severe interruption to the opportunities for victims of injury, those funds were not then made available to taxpayers, the injured or registration payers, rather than just sitting there as a fund to be raided by the government? So, it is one thing—

The Hon. J.R. Rau interjecting:

Ms CHAPMAN: You say that, Attorney, but you are sitting in the cabinet that makes these decisions. Now you are coming up with this sort of—

The Hon. J.R. RAU: We are debating the return-to-work scheme, not the CTP arrangements that were dealt with some time ago. Please, we have spent enough time on this—

The CHAIR: Order!

The Hon. J.R. RAU: —without moving off onto CTP.

The CHAIR: Okay. Let's just hear the question. You can just say yes or no or whatever. Deputy leader.

Ms CHAPMAN: In any event, Attorney, the novelty of this you say is your idea. Were any of the stakeholders who were advised of this proposal expressing any disquiet at this proposal?

The Hon. J.R. RAU: Nobody has expressed any disquiet, as far as I am aware, at this proposal. As to novelty, there was a point in time when the wheel was novel.

Clause passed.

Clauses 169 and 170 passed.

Clause 171.

The Hon. J.R. RAU: I move:

Amendment No 67 [IndustRel–1]—

Page 139, line 12—Delete paragraph (a) and substitute:

(a) 3 (who must include at least 2 medical practitioners) will be appointed on the Minister's nomination made after consultation with 1 or more professional associations representing medical practitioners, including the Australian Medical Association (South Australia) Incorporated; and

Amendment No 68 [IndustRel–1]—

Page 139, line 16—After 'employers' insert ', including the South Australian Employers' Chamber of Commerce and Industry Inc'

Amendments carried.

Ms CHAPMAN: This is a minister's advisory committee. I assume that this has not come under the scrutiny of the current boards that are under consideration for removal, because we are just about to introduce it, and it seems as though the government is pressing ahead with this particular advisory committee.

I did notice that, in the list of other reforms in this area, in the sense of boards and committees, there are a whole lot of WorkCover subcommittees or subgroups of the board that are to be abolished under the published list yesterday. Is there some assurance that this advisory committee is going to continue or is it to follow some review under the Premier's current—

The Hon. J.R. RAU: It is my intention that this advisory committee will continue. In the existing legislation there is a thing called the workers' WRACAC, which is an advisory committee. Under this legislation, I think that this committee has some valuable work to do, in particular to assist the minister in formulating or considering any changes or refinements of requirements or certification processes for independent medical assessors in generally providing advice to the minister. This an important function, and it would be kept.

Clause as amended passed.

Clauses 172 to 177 passed.

Clause 178.

The Hon. J.R. RAU: I move:

Amendment No 69 [IndustRel–1]—

Page 143, line 6—Delete subclause (2)

Amendment carried; clause as amended passed.

Clause 179.

The Hon. J.R. RAU: I move:

Amendment No 70 [IndustRel–1]—

Page 143, line 15—Delete subclause (2)

Amendment carried; clause as amended passed.

Clause 180.

The Hon. J.R. RAU: I move:

Amendment No 71 [IndustRel–1]—

Page 144, after line 11—Insert:

(6a) If the Corporation or delegate fails to make a decision on a review under subsection (6) within 14 days after the application for review is received under subsection (5), the Corporation or delegate will be taken to have confirmed the decision under review.

Amendment No 72 [IndustRel–1]—

Page 144, line 20—Delete paragraph (a) and substitute:

(a) exercise the powers of the Ombudsman under the *Ombudsman Act 1972* as if carrying out an investigation under that Act, subject to such modifications as may be necessary, or as may be prescribed; and

Amendment No 73 [IndustRel–1]—

Page 144, after line 22—Insert:

(9a) For the purposes of a review of a decision of a self-insured employer under subsection (7), the self-insured employer will be taken to be an agency to which the *Ombudsman Act 1972* applies.

(9b) It will be taken to be a condition of registration as a self-insured employer that the employer will comply with any decision of the Ombudsman that relates to the employer under subsection (9).

(9c) If the Ombudsman becomes aware that a self-insured employer has failed to comply with a decision of the Ombudsman that relates to the employer under subsection (9), the Ombudsman must advise the Corporation of the failure.

Amendments carried; clause as amended passed.

Clauses 181 to 187 passed.

Clause 188.

The Hon. J.R. RAU: I move:

Amendment No 74 [IndustRel–1]—

Page 150, lines 12 to 18—Delete subclauses (4) and (5)

The CHAIR: Are there any questions on amendment 74?

Ms CHAPMAN: I think I have one at clause 186.

The CHAIR: We have put clauses 181 to 187.

Ms CHAPMAN: I will ask it in relation to each of the confidentiality clauses because some relate to employers, some previously to people on the Ministerial Advisory Committee, and also under clause 185. I have just noticed that for employers and information disclosure, the maximum penalty is $10,000 for everyone except those on the Ministerial Advisory Committee, who have only a $5,000 penalty. Is there some reason for the difference in the penalties?

The Hon. J.R. RAU: Not that I can think of. I will see what I can find out between the houses.

Amendment carried; clause as amended passed.

Clauses 189 to 193 passed.

Clause 194.

The Hon. J.R. RAU: I move:

Amendment No 75 [IndustRel–1]—

Page 152, after line 18—Insert:

(ca) by sending the notice or document in the form of an electronic document or communication to the person at an electronic address for service; or

Amendment No 76 [IndustRel–1]—

Page 152, after line 30—Insert:

electronic address for service, in relation to a person, means—

(a) the person's last known email address; or

(b) another facility for the receipt of electronic documents that forms part of an electronic messaging system permitted by the regulations.

Amendments carried; clause as amended passed.

Clauses 195 to 203 passed.

Schedules 1 to 4 passed.

Schedule 5.

The Hon. J.R. RAU: I move:

Amendment No 77 [IndustRel–1]—

Schedule 5, clause 5, page 163, lines 30 to 38—Delete paragraph (b) and substitute:

(b) lodge a complaint with the Ombudsman (including in a case where the matter is a concern in relation to a self-insured employer or a provider of services engaged by a self-insured employer).

Amendment No 78 [IndustRel–1]—

Schedule 5, clause 5, page 163, after line 38—Insert:

(2) In connection with the operation of subclause (1)—

(a) the preference is to attempt to resolve a matter directly with the Corporation; and

(b) if the matter is referred to the Ombudsman, the Corporation will comply with any recommendation of the Ombudsman in order to ensure compliance with these standards.

(3) If a complaint is lodged with the Ombudsman under subclause (1) in relation to a self-insured employer or a provider of services engaged by a self-insured employer—

(a) the Ombudsman may, in investigating the complaint, exercise the powers of the Ombudsman under the *Ombudsman Act 1972* as if carrying out an investigation under that Act, subject to such modifications as may be necessary, or as may be prescribed; and

(b) the self-insured employer or provider will be taken for the purposes of the investigation to be an agency to which the *Ombudsman Act 1972* applies; and

(c) the Ombudsman must report to the Corporation on the outcome of the investigation.

Amendments carried; schedule as amended passed.

Schedules 6 to 8 passed.

Schedule 9.

The Hon. J.R. RAU: I move:

Amendment No 2 [IndustRel–2]—

Schedule 9, clause 15, page 170, line 37—Delete 'section 180(4)(c)' and substitute 'section 180(3)(c)'

Amendment No 79 [IndustRel–1]—

Schedule 9, clause 36, page 177, lines 23 to 26—Delete subclause (3)

Amendment No 80 [IndustRel–1]—

Schedule 9, clause 43, page 179, line 20—Delete subclause (2)

Amendment No 81 [IndustRel–1]—

New clause, page 187, after line 16—Insert:

63A—Loss of earning capacity—capital loss assessments

(1) Division 4B of Part 4 of the repealed Act, as in existence immediately before the designated day, will be taken to continue to apply with respect to any case where the Corporation or a self-insured employer has made any assessment (including an interim assessment) under section 42A of the repealed Act before the designated day.

(2) If a worker to whom subclause (1) applies has not, immediately before the commencement of this clause, received a final assessment of loss under the Division of the repealed Act referred to in subclause (1), any further assessment under that Division will be made on the basis that the worker is taken to be a seriously injured worker for the purposes of the assessment.

Mr KNOLL: This will be my last question. We are dealing with amendment 79. Again, as a simple sausage-maker, I tried a number of times to understand this clause. Can it be explained to me in very simple terms? Also, does the Attorney envisage that there are going to be more government amendments in the other place? Are we going to see further amendments on this after we have passed this bill in this house?

The Hon. J.R. RAU: This simply deletes the transitional provision about deemed earnings because they have been removed from the primary bill. As to further amendments, I never say never but, in relation to this bill, I am reasonably confident we have captured pretty well everything—certainly, everything we know of presently. There is certainly nothing on the scale that we have seen today and my hope is that there is nothing further full stop, but we will see.

Amendments carried; schedule as amended passed.

Title.

Ms CHAPMAN: Can I just clarify: I thought you moved four amendments to schedule 9.

The CHAIR: We did—No. 2 on schedule 2 and Nos 79, 80 and 81 on schedule 1.

Ms CHAPMAN: I see No. 81 is actually a new clause, not schedule 9.

The CHAIR: The new clause is in schedule 9 and we moved schedule 9 as amended, and everyone seemed okay with that.

Ms CHAPMAN: If all four have been moved, I suppose it is optional as to whether the Attorney answers this question but, in moving the new clause, page 187, after line 16, which is to add in 63A before we go to division 10—

The CHAIR: What is the question? I am sorry, I have lost you.

Ms CHAPMAN: The third of those four amendments on schedule 1 adds a whole new clause 63A to deal with loss of earning capacity and capital loss assessments. Could the Attorney just place on the record what that is about?

The CHAIR: We are going backwards, but we can do that.

The Hon. J.R. RAU: Just for the sake of completeness, this amendment preserves arrangements under the current legislation that allow the corporation to assess a worker's loss of future earning capacity as a capital loss and pay nominated amounts in instalments. These arrangements only apply to less than a dozen workers, but it is necessary to allow for these arrangements to continue. It is a transitional provision.

Title passed.

Bill reported with amendment.

The Hon. J.R. RAU: Our intention, Madam Deputy Speaker, is to proceed quickly to the third reading. I understand that the Leader of the Opposition would like to make a short contribution.

Mr GARDNER: Can I just suggest that it is not ideal to refer to a member's presence or otherwise in the chamber.

The CHAIR: We are just trying to sort things out.

Third Reading

The Hon. J.R. RAU (Enfield—Deputy Premier, Attorney-General, Minister for Justice Reform, Minister for Planning, Minister for Housing and Urban Development, Minister for Industrial Relations) (23:10): I move:

That this bill be now read a third time.

Debate adjourned on motion of Mr Gardner.

CRIMINAL LAW (SENTENCING) (SUSPENDED SENTENCES) AMENDMENT BILL

Final Stages

The Legislative Council agreed to the bill without any amendment.

At 23:11 the house adjourned until Wednesday 24 September 2014 at 11:00.

Answers to Questions

INDIGENOUS PROGRAMS, GRANTS AND FUNDING

3 Dr McFETRIDGE (Morphett) (27 May 2014). What Indigenous programs, grants and funding were provided by each department or agency under the minister's portfolio for 2011 and in each case, were these funds recurrent, current, operational or capital expenditure?

The Hon. A. PICCOLO (Light—Minister for Disabilities, Minister for Police, Minister for Correctional Services, Minister for Emergency Services, Minister for Road Safety): The Minister for Business Services and Consumers has been advised:

During 2011, Consumer and Business Services implemented several programs for Indigenous consumers. These programs were funded from within existing operational expenditure.

A DVD titled *Out of Credit* was launched, highlighting the potential pitfalls of mobile phone contracts and signing up for something without really understanding the consequences. This resource was jointly developed by Australia's consumer protection agencies, with copies distributed to Aboriginal communities across South Australia.

Sixteen workshops were presented through the Ngura Wiru Winkiku Cultural Centre at Port Adelaide. The sessions were delivered to consumers from the APY lands who were living in Adelaide at the time for health and family reasons. The workshops covered topics from refund rights to buying a second hand car.

Information on consumer rights was disseminated via a stall at the NAIDOC Family Day event.

During the year there was ongoing promotion of other resources available for Indigenous consumers including: a film about purchasing a second-hand vehicle; the *Talk About Shopping* booklet series; and contributing articles to the Aboriginal Legal Rights Movement's newsletters.

INDIGENOUS PROGRAMS, GRANTS AND FUNDING

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The Hon. Z.L. BETTISON (Ramsay—Minister for Communities and Social Inclusion, Minister for Social Housing, Minister for Multicultural Affairs, Minister for Ageing, Minister for Youth, Minister for Volunteers): I have been advised:

The Chief Executive of the Department for Communities and Social Inclusion has provided the following information for the following portfolios:

Minister for Communities and Social Inclusion

Minister for Social Housing

Minister for Multicultural Affairs

Minister for Youth

Minister for Volunteers

Minister for Disabilities

Minister for the Status of Women

The following Indigenous programs, grants and funding were provided in 2010-11:

Name of Program/Grant/Funding	Amount	Type
Aboriginal and Torres Strait Islander Website and Intranet Portals	$5,100	Current Expenditure
Aboriginal Carer Support	$8,325	Grant
Aboriginal Consultancy Program	$276,000	Recurrent
Aboriginal Elders Community Options Service (Aboriginal Home Care)	$1,247,020	Grant
Aboriginal Grandparents—Respite and Support	$136,200	Grant
Aboriginal HACC Carers	$145,400	Grant

Name of Program/Grant/Funding	Amount	Type
Aboriginal HACC Consumers Project	$187,000	Grant
Aboriginal HACC Service	$20,000	Grant
Aboriginal HACC Social Program	$140,500	Grant
Aboriginal Home Help	$168,900	Grant
Aboriginal Housing Capital Program	$1,906,000	Capital
Aboriginal Housing Maintenance	$1,308,000	Capital
Aboriginal Housing Maintenance	$9,959,000	Recurrent
Aboriginal Housing Projects—Housing SA Project Team	$1,106,000	Recurrent
Aboriginal Youth Action Committee—Coober Pedy	$5,150	Recurrent (4)
Aboriginal Youth Action Committee—Eastern Metropolitan	$10,150	Recurrent (4)
Aboriginal Youth Action Committee—Southern Metropolitan	$5,105	Recurrent (4)
Aboriginal Youth Action Committee—Western Metropolitan	$10,609	Recurrent (4)
Aboriginal Youth Development Program—Coober Pedy	$15,450	Recurrent (4)
Adaptation of the Canadian Problem Gambling Index for use with Aboriginal People	$60,000	One-off
Adelaide Metropolitan Aboriginal Gambling Help Service	$81,000	Recurrent (4)
APY Lands Environmental Health Program	$362,000	Recurrent
APY Lands HACC Service	$729,660	Grant
ATSI Traineeship Screening	$33,177	Capital
Carer Retreat Program	$23,500	Grant
Ceduna Koonibba Aboriginal Gambling Help Service	$40,500	Recurrent (4)
Ceduna Koonibba Aboriginal Health Service—Personal Care	$1,434,841	Grant
Ceduna Outreach Program	$226,000	Recurrent
Ceduna Regional Domestic Violence and Aboriginal Family Violence Service (Aboriginal Focus) (1)	$292,000	Recurrent
Ceduna Transitional Accommodation Centre	$1,034,000	Recurrent
Child Support Worker—Nunga Mi:Minar (2)	$19,200	Recurrent
Child Support Worker—Southern Domestic Violence Service Inc	$32,000	Recurrent
Combined Aboriginal Youth Development Program and Aboriginal Youth Action Committee—Riverland	$68,959	Recurrent (4)
Combined Aboriginal Youth Development Program and Aboriginal Youth Action Committee—Davenport	$51,050	Recurrent (4)
Combined Aboriginal Youth Development Program and Aboriginal Youth Action Committee—Koonibba	$68,959	Recurrent (4)
Combined Aboriginal Youth Development Program and Aboriginal Youth Action Committee—Meningie	$37,132	Recurrent (4)
Combined Aboriginal Youth Development Program and Aboriginal Youth Action Committee—Mount Gambier	$68,959	Recurrent (4)
Combined Aboriginal Youth Development Program and Aboriginal Youth Action Committee—Whyalla	$51,050	Recurrent (4)
Combined Aboriginal Youth Development Program and Aboriginal Youth Action Committee—Port Augusta	$37,132	Recurrent (4)
Combined Aboriginal Youth Development Program and Aboriginal Youth Action Committee—Raukkan	$37,132	Recurrent (4)
Combined Aboriginal Youth Development Program and Aboriginal Youth Action Committee—Ceduna	$22,176	Recurrent (4)
Combined Aboriginal Youth Development Program and Aboriginal Youth Action Committee—Oodnadatta	$22,176	Recurrent (4) (prior to conclusion June 2012)

Name of Program/Grant/Funding	Amount	Type
Combined Aboriginal Youth Development Program and Aboriginal Youth Action Committee—Port Pirie	$68,9596	Recurrent (4) (prior to conclusion June 2012)
Combined Aboriginal Youth Development Program and Aboriginal Youth Action Committee—Marree	$39,150	Recurrent (4)
Community Benefit SA	$441,110	One-off
Community Connect (Aboriginal Youth Early Intervention)	$287,000	Recurrent
Community Development Employment Project—HACC Program	$1,692,960	Operational
Coober Pedy Regional Domestic Violence and Aboriginal Family Violence Service (Aboriginal Focus) (1)	$275,900	Recurrent
Council of Aboriginal Elders of South Australia	$175,600	Grant
Cross Border/APY Lands Aboriginal Family Violence Service (2)	$310,200	Recurrent
Disability Programs	$773,970	Operational
DPC Taskforce Community Services APY Lands Programs	$660,100	Operational
DPC Taskforce Community Services Family Programs	$836,000	Operational
DPC Taskforce Youth Programs	$1,525,980	Operational
Eastern Aboriginal Specific Homelessness Service (3)	$290,700	Recurrent
Educational Pathways (2)	$7,300	Recurrent
Fixing Houses for Better Health	$96,000	Recurrent
Healthy Indigenous Housing Initiative	$246,000	Recurrent
Hills Mallee Southern Regional Aboriginal Aged Care Project (Tumake Yande)	$341,500	Grant
Home Help	$25,100	Grant
Home Living Skills Program	$102,000	Recurrent
Home Support Service—Aboriginal Community	$176,300	Grant
In Home Support—Adelaide Metropolitan and Port Augusta	$1,434,841	Grant
Indigenous Carer Support	$61,500	Grant
Indigenous Community Housing Program	$4,875,000	Recurrent
Karpandi Elder Women's Program	$142,600	Grant
Kura Yerlo Council—Other Support Services	$31,057	Grant
Marni Wodli	$798,819	Recurrent
Marree Arabunna Peoples Committee	$42,700	Grant
Metropolitan Aboriginal Youth and Family Service (including Panyappi Program)	$1,884,998	Recurrent
Mid North Aboriginal HACC Program	$78,900	Grant
Murray-Mallee Aboriginal Gambling Help Service	$81,000	Recurrent (4)
Ngaanyatjarra Pitjantjatjara Yankunytjatjara Aged Support	$248,870	Grant
Northern Country Aboriginal Gambling Help Service	$164,000	Recurrent (4)
Northern Regional Aboriginal Domestic Violence and Family Violence Service (2)	$539,000	Recurrent
Northern Territory of Australia—Supported Accommodation—Alice Springs	$575,000	Grant
NPARIH—Capital Works Program	$21,568,000	Capital
NPARIH—CHINTARO IT System	$147,000	Capital
NPARIH—Employment Related Accommodation	$3,471,000	Capital
NPARIH—Grants to Non-Remote Communities	$139,000	Recurrent
NPARIH—Grants to Remote Communities (Housing SA administrative costs)	$1,340,000	Recurrent
NPARIH—Property and Tenancy Management	$3,810,000	Recurrent
Nunga Loan Subsidy	$150,000	Recurrent

Name of Program/Grant/Funding	Amount	Type
Oodnadatta HACC Program	$316,900	Grant
Pika Wiya Health Service Incorporated—Other Community Support, Port Augusta	$102,077	Grant
Port Augusta Aboriginal Transitional Accommodation Centre (with $267,500 specifically for homelessness services)	$1,012,000	Recurrent
Port Augusta Regional Domestic Violence and Aboriginal Family Violence Service (Aboriginal Focus) (1)	$221,700	Recurrent
Port Lincoln Aboriginal Aged, Disability and Carers	$187,400	Grant
Port Lincoln Aboriginal Gambling Help Service	$40,500	Recurrent (4)
Public Housing Model	$80,000	Recurrent
Regional Integrated Homelessness	$220,000	Recurrent
Southern Regional Aboriginal Domestic Violence and Family Violence Service (1)	$350,000	Recurrent
State Aboriginal Women's Gathering	$41,561	Current operational expenditure
Statewide Gambling Therapy Service (CALD/ATSI Program)	$75,000	One-off
Strategic Policy and Intervention—Accommodation Support—Amata Community, Pukatja Community, Nganampa Health Council	$543,588	Grant
Strengthening Dementia Care for Indigenous Communities	$102,400	Grant
Sturt Street Program	$483,000	Recurrent
Tauondi Incorporated—Other Support Services	$45,276	Grant
Tjilpi Pampa Tjataku Festival	$23,000	Grant
Tjilpi Tjuta Kanyini—Administration Assistant	$348,500	Grant
Umuwa Staff Housing Construction	$1,293,000	Capital
WA Disability Services Commission—NPW Women's Council	$283,000	Grant
Western Adelaide Aboriginal Specific Homelessness Service (2)	$477,200	Recurrent
Western Region Elders Forum/Karrarendi Program	$139400	Grant
Wyatt Holiday Indigenous Program	$270,800	Grant
Yalata Frail Aged and Younger Disabled	$50,000	Grant
Youth Accommodation Aboriginal and Torres Strait Islander Specific (from 1 December 2010) (2)	$885,100	Recurrent

(1) Only includes funding from 1 December 2010 to 30 June 2011. The previous domestic violence service in the south ceased on 30 November 2010 and combined generic domestic violence with Aboriginal and Torres Strait Islander (ATSI) domestic violence services. The new stage 2 service beginning on 1 December 2012 is ATSI-specific.

(2) Stage 2 service: through the 2010-11 reforms of the sector, the service was already Aboriginal specific and the target group did not change, only the service model. Therefore, funding of contracts from 1 July 2010 to 30 November 2010 (pre-stage 2 reform) plus 1 December 2010 to 30 June 2011 (post-stage 2 reform) have been added together.

(3) New Service—Stage 2.

(4) While these have been recorded as 'recurrent' they are actually grants for specified projects.

INDIGENOUS PROGRAMS, GRANTS AND FUNDING

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The Hon. A. PICCOLO (Light—Minister for Disabilities, Minister for Police, Minister for Correctional Services, Minister for Emergency Services, Minister for Road Safety): I have been advised:

Indigenous grants and funding provided by the South Australia Police in 2011 is listed below.

Program/Grant/Funding	Amount	Expenditure Type (e.g. recurrent, current, operational or capital)
Northern Adelaide Urban and Regional Initiative - 2011-12 financial year	$15,856.36	Recurrent

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The Hon. A. PICCOLO (Light—Minister for Disabilities, Minister for Police, Minister for Correctional Services, Minister for Emergency Services, Minister for Road Safety): I have been advised:

The 2011-12 Natural Disaster Resilience Program (NDRP) grant program provided $30,600 to the Aboriginal Lands Trust to undertake fire mitigation works within the Wanilla Forest. This included the establishment of firebreaks on the eastern and south-eastern boundaries of the forest, widening of existing fire tracks thereby increasing safe refuge zones and providing a safer environment for community members and forest workers.

Program/Grant/Funding	Amount	Expenditure Type (e.g. recurrent, current, operational or capital)
Natural Disaster Resilience Program funding to the Aboriginal Lands Trust	$30,600	Operational

INDIGENOUS PROGRAMS, GRANTS AND FUNDING

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Child Support Worker—Southern Domestic Violence Service Inc	$32,000	Recurrent
Combined Aboriginal Youth Development Program and Aboriginal Youth Action Committee—Riverland	$68,959	Recurrent (4)
Combined Aboriginal Youth Development Program and Aboriginal Youth Action Committee—Davenport	$51,050	Recurrent (4)
Combined Aboriginal Youth Development Program and Aboriginal Youth Action Committee—Koonibba	$68,959	Recurrent (4)
Combined Aboriginal Youth Development Program and Aboriginal Youth Action Committee—Meningie	$37,132	Recurrent (4)
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Combined Aboriginal Youth Development Program and Aboriginal Youth Action Committee—Ceduna	$22,176	Recurrent (4)
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Combined Aboriginal Youth Development Program and Aboriginal Youth Action Committee—Port Pirie	$68,9596	Recurrent (4) (prior to conclusion June 2012)
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Community Benefit SA	$441,110	One-off
Community Connect (Aboriginal Youth Early Intervention)	$287,000	Recurrent
Community Development Employment Project—HACC Program	$1,692,960	Operational
Coober Pedy Regional Domestic Violence and Aboriginal Family Violence Service (Aboriginal Focus) (1)	$275,900	Recurrent
Council of Aboriginal Elders of South Australia	$175,600	Grant
Cross Border/APY Lands Aboriginal Family Violence Service (2)	$310,200	Recurrent
Disability Programs	$773,970	Operational
DPC Taskforce Community Services APY Lands Programs	$660,100	Operational
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Eastern Aboriginal Specific Homelessness Service (3)	$290,700	Recurrent
Educational Pathways (2)	$7,300	Recurrent
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Healthy Indigenous Housing Initiative	$246,000	Recurrent

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Home Help	$25,100	Grant
Home Living Skills Program	$102,000	Recurrent
Home Support Service—Aboriginal Community	$176,300	Grant
In Home Support—Adelaide Metropolitan and Port Augusta	$1,434,841	Grant
Indigenous Carer Support	$61,500	Grant
Indigenous Community Housing Program	$4,875,000	Recurrent
Karpandi Elder Women's Program	$142,600	Grant
Kura Yerlo Council—Other Support Services	$31,057	Grant
Marni Wodli	$798,819	Recurrent
Marree Arabunna Peoples Committee	$42,700	Grant
Metropolitan Aboriginal Youth and Family Service (including Panyappi Program)	$1,884,998	Recurrent
Mid North Aboriginal HACC Program	$78,900	Grant
Murray-Mallee Aboriginal Gambling Help Service	$81,000	Recurrent (4)
Ngaanyatjarra Pitjantjatjara Yankunytjatjara Aged Support	$248,870	Grant
Northern Country Aboriginal Gambling Help Service	$164,000	Recurrent (4)
Northern Regional Aboriginal Domestic Violence and Family Violence Service (2)	$539,000	Recurrent
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NPARIH—Capital Works Program	$21,568,000	Capital
NPARIH—CHINTARO IT System	$147,000	Capital
NPARIH—Employment Related Accommodation	$3,471,000	Capital
NPARIH—Grants to Non-Remote Communities	$139,000	Recurrent
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Oodnadatta HACC Program	$316,900	Grant
Pika Wiya Health Service Incorporated—Other Community Support, Port Augusta	$102,077	Grant
Port Augusta Aboriginal Transitional Accommodation Centre (with $267,500 specifically for homelessness services)	$1,012,000	Recurrent
Port Augusta Regional Domestic Violence and Aboriginal Family Violence Service (Aboriginal Focus) (1)	$221,700	Recurrent
Port Lincoln Aboriginal Aged, Disability and Carers	$187,400	Grant
Port Lincoln Aboriginal Gambling Help Service	$40,500	Recurrent (4)
Public Housing Model	$80,000	Recurrent
Regional Integrated Homelessness	$220,000	Recurrent
Southern Regional Aboriginal Domestic Violence and Family Violence Service (1)	$350,000	Recurrent
State Aboriginal Women's Gathering	$41,561	Current operational expenditure
Statewide Gambling Therapy Service (CALD/ATSI Program)	$75,000	One-off
Strategic Policy and Intervention—Accommodation Support—Amata Community, Pukatja Community, Nganampa Health Council	$543,588	Grant
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ATSI Traineeship Screening	$33,177	Capital
Carer Retreat Program	$23,500	Grant
Ceduna Koonibba Aboriginal Gambling Help Service	$40,500	Recurrent (4)
Ceduna Koonibba Aboriginal Health Service—Personal Care	$1,434,841	Grant
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Ceduna Regional Domestic Violence and Aboriginal Family Violence Service (Aboriginal Focus) (1)	$292,000	Recurrent
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INDIGENOUS PROGRAMS, GRANTS AND FUNDING

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Ceduna Koonibba Aboriginal Health Service—Personal Care	$1,434,841	Grant
Ceduna Outreach Program	$226,000	Recurrent
Ceduna Regional Domestic Violence and Aboriginal Family Violence Service (Aboriginal Focus) (1)	$292,000	Recurrent
Ceduna Transitional Accommodation Centre	$1,034,000	Recurrent
Child Support Worker—Nunga Mi:Minar (2)	$19,200	Recurrent
Child Support Worker—Southern Domestic Violence Service Inc	$32,000	Recurrent
Combined Aboriginal Youth Development Program and Aboriginal Youth Action Committee—Riverland	$68,959	Recurrent (4)
Combined Aboriginal Youth Development Program and Aboriginal Youth Action Committee—Davenport	$51,050	Recurrent (4)
Combined Aboriginal Youth Development Program and Aboriginal Youth Action Committee—Koonibba	$68,959	Recurrent (4)
Combined Aboriginal Youth Development Program and Aboriginal Youth Action Committee—Meningie	$37,132	Recurrent (4)
Combined Aboriginal Youth Development Program and Aboriginal Youth Action Committee—Mount Gambier	$68,959	Recurrent (4)
Combined Aboriginal Youth Development Program and Aboriginal Youth Action Committee—Whyalla	$51,050	Recurrent (4)
Combined Aboriginal Youth Development Program and Aboriginal Youth Action Committee—Port Augusta	$37,132	Recurrent (4)
Combined Aboriginal Youth Development Program and Aboriginal Youth Action Committee—Raukkan	$37,132	Recurrent (4)
Combined Aboriginal Youth Development Program and Aboriginal Youth Action Committee—Ceduna	$22,176	Recurrent (4)

Name of Program/Grant/Funding	Amount	Type
Combined Aboriginal Youth Development Program and Aboriginal Youth Action Committee—Oodnadatta	$22,176	Recurrent (4) (prior to conclusion June 2012)
Combined Aboriginal Youth Development Program and Aboriginal Youth Action Committee—Port Pirie	$68,9596	Recurrent (4) (prior to conclusion June 2012)
Combined Aboriginal Youth Development Program and Aboriginal Youth Action Committee—Marree	$39,150	Recurrent (4)
Community Benefit SA	$441,110	One-off
Community Connect (Aboriginal Youth Early Intervention)	$287,000	Recurrent
Community Development Employment Project—HACC Program	$1,692,960	Operational
Coober Pedy Regional Domestic Violence and Aboriginal Family Violence Service (Aboriginal Focus) (1)	$275,900	Recurrent
Council of Aboriginal Elders of South Australia	$175,600	Grant
Cross Border/APY Lands Aboriginal Family Violence Service (2)	$310,200	Recurrent
Disability Programs	$773,970	Operational
DPC Taskforce Community Services APY Lands Programs	$660,100	Operational
DPC Taskforce Community Services Family Programs	$836,000	Operational
DPC Taskforce Youth Programs	$1,525,980	Operational
Eastern Aboriginal Specific Homelessness Service (3)	$290,700	Recurrent
Educational Pathways (2)	$7,300	Recurrent
Fixing Houses for Better Health	$96,000	Recurrent
Healthy Indigenous Housing Initiative	$246,000	Recurrent
Hills Mallee Southern Regional Aboriginal Aged Care Project (Tumake Yande)	$341,500	Grant
Home Help	$25,100	Grant
Home Living Skills Program	$102,000	Recurrent
Home Support Service—Aboriginal Community	$176,300	Grant
In Home Support—Adelaide Metropolitan and Port Augusta	$1,434,841	Grant
Indigenous Carer Support	$61,500	Grant
Indigenous Community Housing Program	$4,875,000	Recurrent
Karpandi Elder Women's Program	$142,600	Grant
Kura Yerlo Council—Other Support Services	$31,057	Grant
Marni Wodli	$798,819	Recurrent
Marree Arabunna Peoples Committee	$42,700	Grant
Metropolitan Aboriginal Youth and Family Service (including Panyappi Program)	$1,884,998	Recurrent
Mid North Aboriginal HACC Program	$78,900	Grant
Murray-Mallee Aboriginal Gambling Help Service	$81,000	Recurrent (4)
Ngaanyatjarra Pitjantjatjara Yankunytjatjara Aged Support	$248,870	Grant
Northern Country Aboriginal Gambling Help Service	$164,000	Recurrent (4)
Northern Regional Aboriginal Domestic Violence and Family Violence Service (2)	$539,000	Recurrent
Northern Territory of Australia—Supported Accommodation—Alice Springs	$575,000	Grant
NPARIH—Capital Works Program	$21,568,000	Capital
NPARIH—CHINTARO IT System	$147,000	Capital
NPARIH—Employment Related Accommodation	$3,471,000	Capital
NPARIH—Grants to Non-Remote Communities	$139,000	Recurrent

Name of Program/Grant/Funding	Amount	Type
NPARIH—Grants to Remote Communities (Housing SA administrative costs)	$1,340,000	Recurrent
NPARIH—Property and Tenancy Management	$3,810,000	Recurrent
Nunga Loan Subsidy	$150,000	Recurrent
Oodnadatta HACC Program	$316,900	Grant
Pika Wiya Health Service Incorporated—Other Community Support, Port Augusta	$102,077	Grant
Port Augusta Aboriginal Transitional Accommodation Centre (with $267,500 specifically for homelessness services)	$1,012,000	Recurrent
Port Augusta Regional Domestic Violence and Aboriginal Family Violence Service (Aboriginal Focus) (1)	$221,700	Recurrent
Port Lincoln Aboriginal Aged, Disability and Carers	$187,400	Grant
Port Lincoln Aboriginal Gambling Help Service	$40,500	Recurrent (4)
Public Housing Model	$80,000	Recurrent
Regional Integrated Homelessness	$220,000	Recurrent
Southern Regional Aboriginal Domestic Violence and Family Violence Service (1)	$350,000	Recurrent
State Aboriginal Women's Gathering	$41,561	Current operational expenditure
Statewide Gambling Therapy Service (CALD/ATSI Program)	$75,000	One-off
Strategic Policy and Intervention—Accommodation Support—Amata Community, Pukatja Community, Nganampa Health Council	$543,588	Grant
Strengthening Dementia Care for Indigenous Communities	$102,400	Grant
Sturt Street Program	$483,000	Recurrent
Tauondi Incorporated—Other Support Services	$45,276	Grant
Tjilpi Pampa Tjataku Festival	$23,000	Grant
Tjilpi Tjuta Kanyini—Administration Assistant	$348,500	Grant
Umuwa Staff Housing Construction	$1,293,000	Capital
WA Disability Services Commission—NPW Women's Council	$283,000	Grant
Western Adelaide Aboriginal Specific Homelessness Service (2)	$477,200	Recurrent
Western Region Elders Forum/Karrarendi Program	$139400	Grant
Wyatt Holiday Indigenous Program	$270,800	Grant
Yalata Frail Aged and Younger Disabled	$50,000	Grant
Youth Accommodation Aboriginal and Torres Strait Islander Specific (from 1 December 2010) (2)	$885,100	Recurrent

(1) Only includes funding from 1 December 2010 to 30 June 2011. The previous domestic violence service in the south ceased on 30 November 2010 and combined generic domestic violence with Aboriginal and Torres Strait Islander (ATSI) domestic violence services. The new stage 2 service beginning on 1 December 2012 is ATSI-specific.

(2) Stage 2 service: through the 2010-11 reforms of the sector, the service was already Aboriginal specific and the target group did not change, only the service model. Therefore, funding of contracts from 1 July 2010 to 30 November 2010 (pre-stage 2 reform) plus 1 December 2010 to 30 June 2011 (post-stage 2 reform) have been added together.

(3) New service—Stage 2.

(4) While these have been recorded as 'recurrent' they are actually grants for specified projects.

INDIGENOUS PROGRAMS, GRANTS AND FUNDING

40 Dr McFETRIDGE (Morphett) (27 May 2014). What Indigenous programs, grants and funding were provided by each department or agency under the minister's portfolio for 2011 and, in each case, were these funds recurrent, current, operational or capital expenditure?

The Hon. Z.L. BETTISON (Ramsay—Minister for Communities and Social Inclusion, Minister for Social Housing, Minister for Multicultural Affairs, Minister for Ageing, Minister for Youth, Minister for Volunteers): I have been advised:

The Chief Executive of the Department for Communities and Social Inclusion has provided the following information for the following portfolios:

Minister for Communities and Social Inclusion

Minister for Social Housing

Minister for Multicultural Affairs

Minister for Youth

Minister for Volunteers

Minister for Disabilities

Minister for the Status of Women

The following Indigenous programs, grants and funding were provided in 2010-11:

Name of Program/Grant/Funding	Amount	Type
Aboriginal and Torres Strait Islander Website and Intranet Portals	$5,100	Current Expenditure
Aboriginal Carer Support	$8,325	Grant
Aboriginal Consultancy Program	$276,000	Recurrent
Aboriginal Elders Community Options Service (Aboriginal Home Care)	$1,247,020	Grant
Aboriginal Grandparents—Respite and Support	$136,200	Grant
Aboriginal HACC Carers	$145,400	Grant
Aboriginal HACC Consumers Project	$187,000	Grant
Aboriginal HACC Service	$20,000	Grant
Aboriginal HACC Social Program	$140,500	Grant
Aboriginal Home Help	$168,900	Grant
Aboriginal Housing Capital Program	$1,906,000	Capital
Aboriginal Housing Maintenance	$1,308,000	Capital
Aboriginal Housing Maintenance	$9,959,000	Recurrent
Aboriginal Housing Projects—Housing SA Project Team	$1,106,000	Recurrent
Aboriginal Youth Action Committee—Coober Pedy	$5,150	Recurrent (4)
Aboriginal Youth Action Committee—Eastern Metropolitan	$10,150	Recurrent (4)
Aboriginal Youth Action Committee—Southern Metropolitan	$5,105	Recurrent (4)
Aboriginal Youth Action Committee—Western Metropolitan	$10,609	Recurrent (4)
Aboriginal Youth Development Program—Coober Pedy	$15,450	Recurrent (4)
Adaptation of the Canadian Problem Gambling Index for use with Aboriginal People	$60,000	One-off
Adelaide Metropolitan Aboriginal Gambling Help Service	$81,000	Recurrent (4)
APY Lands Environmental Health Program	$362,000	Recurrent
APY Lands HACC Service	$729,660	Grant
ATSI Traineeship Screening	$33,177	Capital
Carer Retreat Program	$23,500	Grant

Name of Program/Grant/Funding	Amount	Type
Ceduna Koonibba Aboriginal Gambling Help Service	$40,500	Recurrent (4)
Ceduna Koonibba Aboriginal Health Service—Personal Care	$1,434,841	Grant
Ceduna Outreach Program	$226,000	Recurrent
Ceduna Regional Domestic Violence and Aboriginal Family Violence Service (Aboriginal Focus) (1)	$292,000	Recurrent
Ceduna Transitional Accommodation Centre	$1,034,000	Recurrent
Child Support Worker—Nunga Mi:Minar (2)	$19,200	Recurrent
Child Support Worker—Southern Domestic Violence Service Inc	$32,000	Recurrent
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Western Adelaide Aboriginal Specific Homelessness Service (2)	$477,200	Recurrent
Western Region Elders Forum/Karrarendi Program	$139400	Grant
Wyatt Holiday Indigenous Program	$270,800	Grant
Yalata Frail Aged and Younger Disabled	$50,000	Grant
Youth Accommodation Aboriginal and Torres Strait Islander Specific (from 1 December 2010) (2)	$885,100	Recurrent

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(3) New service—Stage 2.

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UNANSWERED QUESTIONS ON NOTICE

53 Dr McFETRIDGE (Morphett) (27 May 2014). Why have questions Nos 552, 553, 558, 625 and 627 from the Second Session, 52nd Parliament not been answered?

The Hon. Z.L. BETTISON (Ramsay—Minister for Communities and Social Inclusion, Minister for Social Housing, Minister for Multicultural Affairs, Minister for Ageing, Minister for Youth, Minister for Volunteers): I have been advised:

All House of Assembly questions on notice from the 2nd Session of the 52nd Parliament have lapsed due to the proroguing of the 52nd Parliament.

APY LANDS, FAMILY WELLBEING CENTRES

In reply to **Dr McFETRIDGE (Morphett)** (6 May 2014).

The Hon. J.J. SNELLING (Playford—Minister for Health, Minister for Mental Health and Substance Abuse, Minister for the Arts, Minister for Health Industries):

There are three family wellbeing centres In the APY lands. The three centres are operated by state government departments. All three are opened and operational.

The Amata Family Wellbeing Centre is operated by Country Health SA Local Health Network and has been fully operational since January 2012.

The Pukatja Family Wellbeing Centre is operated by the Department for Education and Child Development and has been operational since September 2013.

The Mimili Family Wellbeing Centre is operated by the Department for Communities and Social Inclusion and has been operational since September 2013.

HOUSING SA

In reply to **Ms SANDERSON (Adelaide)** (18 June 2014).

The Hon. Z.L. BETTISON (Ramsay—Minister for Communities and Social Inclusion, Minister for Social Housing, Minister for Multicultural Affairs, Minister for Ageing, Minister for Youth, Minister for Volunteers):I have been advised:

1. As at 31 May 2014, 909 lettable Housing SA properties were vacant. This represents a vacancy rate of 2.1 per cent.

2. Housing SA has a consistently lower vacancy rate than the state average for all rental dwellings. For comparison, the Real Estate Institute of Australia reports the South Australian state average vacancy rates as 2.6 per cent in the March 2014 quarter, 3.1 per cent for the December 2013 quarter, and 2.9 per cent for the June 2013 quarter.

3. In November 2013, the Housing SA vacancy rate was 2.1 per cent. In May 2013, the Housing SA vacancy rate was 1.8 per cent.

4. When properties are vacated, it is important they are adequately prepared for re-letting, which in some cases requires more extensive repairs. In contrast to the private sector, public housing customers with complex needs also require support packages to be negotiated prior to allocation to ensure the sustainability of the tenancies and reduce overall turnover. These factors can place an upwards pressure on vacancy rates, often not experienced in the private sector. Housing SA is investigating ways to improve its performance in managing vacant properties.

HOUSING SA

In reply to **Ms SANDERSON (Adelaide)** (18 June 2014).

The Hon. Z.L. BETTISON (Ramsay—Minister for Communities and Social Inclusion, Minister for Social Housing, Minister for Multicultural Affairs, Minister for Ageing, Minister for Youth, Minister for Volunteers): I have been advised:

Sixty four tenancies were terminated due to disruptive behaviour in the 2012-13 financial year. In addition, seven tenants vacated their properties following the commencement of proceedings but prior to a formal eviction process. This may have been for a range of reasons, related or unrelated to the commencement of eviction proceedings.

CONCESSIONS AND SENIORS INFORMATION SYSTEM

In reply to **Dr McFETRIDGE (Morphett)** (18 June 2014).

The Hon. Z.L. BETTISON (Ramsay—Minister for Communities and Social Inclusion, Minister for Social Housing, Minister for Multicultural Affairs, Minister for Ageing, Minister for Youth, Minister for Volunteers): I have been advised:

This information can be found in the Estimates Committee A *Hansard* on page 385.

ENERGY CONCESSION SCHEME

In reply to **Dr McFETRIDGE (Morphett)** (18 June 2014).

The Hon. Z.L. BETTISON (Ramsay—Minister for Communities and Social Inclusion, Minister for Social Housing, Minister for Multicultural Affairs, Minister for Ageing, Minister for Youth, Minister for Volunteers): I have been advised:

This information can be found in the Estimates Committee A *Hansard* on page 384.

CHILD PROTECTION

In reply to **Ms SANDERSON (Adelaide)** (5 August 2014).

The Hon. J.M. RANKINE (Wright—Minister for Education and Child Development): I have been advised:

Each of the children allegedly assaulted have received appropriate support in consultation with their parents or carers.