

## HOUSE OF ASSEMBLY

Tuesday, 24 May 2016

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

### *Parliamentary Procedure*

#### **VISITORS**

**The SPEAKER:** I welcome to parliament today students from Klemzig Primary School, who are the guests of the member for Torrens.

### *Bills*

#### **HEALTH CARE (MISCELLANEOUS) AMENDMENT BILL**

##### *Final Stages*

Consideration in committee of the Legislative Council's message.

**The Hon. J.J. SNELLING:** I move:

That the Legislative Council's amendments be agreed to.

The Health Care (Miscellaneous) Amendment Bill 2015 amends the Health Care Act 2008 to enable the licensing of stand-alone, private day procedure centres in the South Australian sector which has grown substantially over the past 20 years. Many complex, invasive and high-risk surgeries and procedures that previously required an overnight hospital stay are now increasingly being done on a day-only basis. The regulation of private day procedure centres provides a range of measures to ensure that potential safety and quality risks are addressed, as the regulator of SA Health will have the ability to undertake inspections and ensure appropriate responses to any issues of concern raised through the national standards accreditation process or other means.

The bill also amends the act to remove the prescribed limit on hospital bed numbers, allowing the private hospital sector to expand and complement the public health system and meeting demands of the increasingly ageing population. The other changes around updating the standards of construction, facilities and equipment enabling private hospitals to provide services at approved off-site locations and providing for the inclusion of fees for licence variations on a cost-recovery basis all improve the administrative functioning of the act.

In summary, these changes modernise private health facility licensing arrangements and bring South Australia into alignment with other state and territory jurisdictions. I thank members in both houses for their contributions and support for the bill.

Motion carried.

#### **RETIREMENT VILLAGES BILL**

##### *Second Reading*

Adjourned debate on second reading.

(Continued from 14 April 2016.)

**Dr McFETRIDGE (Morphett) (11:05):** I indicate that I am the lead speaker on this bill and that the opposition will not be opposing it in this place. We think this legislation is long overdue. It is a big step forward, but we also think that it can be improved, so we will be reserving our right to move amendments in the other place once we have had the debate in this chamber.

A review of retirement villages and the legislation is well and truly overdue. The select committee on the review of the Retirement Villages Act 1987 reported to parliament almost three years ago, in November 2013. I had the pleasure of being on that committee, along with the member for Heysen. A number of members on this side will want to speak on this legislation as it is very important not only to them but, more importantly, to their constituents.

The number of people in South Australia who are living in retirement villages has increased significantly, and the number of people who are considering moving into retirement villages is ever increasing. This legislation must be a balancing act between the rights of residents and proprietors. We need to make sure that people who are looking to move to a retirement village know exactly what they are getting themselves into and that they go in with their eyes wide open. We also need to make sure that, if somebody is going to take the risk of investing in a retirement village, they are able to have some degree of security about that investment.

As with everything in business within South Australia, there is a risk involved. But, if there is a sudden change in circumstances, people who have invested millions of dollars in these businesses need to have some indication that their investment is not going to be wiped out in a single blow, or that the viability of their business is not going to be threatened because of some changes in legislation. There is a number of issues that we need to talk about. The one thing I did take away from the select committee was the strong view that I would do everything I could to stay out of a retirement village under the current legislation. It is very complex. A number of people who gave evidence to the committee expressed the opinion that the whole process, whether they were going into a retirement village or were a proprietor dealing with residents, was very complex.

I am obviously not going to read the whole of the report that was tabled in this place, but I will refresh the memory of members on its content. The presiding member at that stage was the Hon. John Hill, and in the presiding member's foreword he says:

...the Retirement Village model, both in terms of design and uptake [and] its development must be supported by a strong legislative base which gets the balance right between occupants and developers/operators.

That is just what I have been saying. He continues:

It is clear, from the evidence provided to the Committee, that most residents enjoy and value life in their villages; most appreciate the companionship, the 'carefree' nature of village living and the security and safety that goes with it. However, there is considerable concern about the perceived lack of clarity about contractual and some administrative matters.

I will go through some of the recommendations from the committee just to remind members in this place about some of the issues that were raised with us and the recommendations. Members will make their own contributions, and I understand there will be a number of contributions questioning whether the government has actually reflected the intent of the committee and those recommendations. The Hon. John Hill continued:

...the operators of villages, while they are supportive of greater transparency and clearer information being provided, are opposed to measures which might impact upon their flexibility and running costs.

We need to bear in mind that millions and millions of dollars are being invested in retirement villages in South Australia today and that number is going to increase.

I will just give the parliament an overview of the current situation in South Australia as it was when the committee reported. Retirement villages may offer different types of schemes under which residents occupy a residence. The most common types of schemes are:

- licence to occupy, where a resident purchases a lifetime right to occupy a residence;
- leasehold, which is similar to a licence to occupy agreement, where a lease agreement will provide a resident with a lifetime lease (a 99-year lease normally) to reside in a residence; and
- community title, where the purchaser as owner has the legal title to the unit, with restrictions on subsequent sale.

The licence to occupy model is the most widely used in South Australian retirement villages. There are currently over 500 registered retirement villages in South Australia, accommodating about

24,200 residents. Australia-wide, there are approximately 1,850 retirement villages providing accommodation for around 138,000 people. The number of villages and the demand for their services are expected to increase significantly, particularly with the baby boomer generation approaching retirement age. It is estimated that the number of people aged over 65 years in South Australia will reach 495,000 by 2036, making up almost 24 per cent of the state's population.

There are more than 17,638 residences in retirement villages in South Australia. In the local government areas within Adelaide and Greater Adelaide, there are 431 villages and 15,637 residences, and 88 villages and 2,262 residences in the regional local government areas. So, there are thousands of residents living in those residences we need to look after. This bill is designed to ensure that people who want to live in retirement villages and are looking at that for their future years are able to do so with confidence and clarity and, as John Hill said in his opening remarks, to also give owners and investors that same confidence and clarity in their investments.

My understanding is that we have not changed the definition of a retired person. The act defines a retired person as a person aged over 55 and retired from full-time employment. I think nowadays 55 is a very young age for people to retire. I was at Flinders University a number of years ago, talking to them about aged care and the ageing population. They considered that, nowadays, you are not old until you have reached 80. Perhaps people are taking early retirement and retiring at 55, but I think a lot of experience and wisdom will be overlooked if people do not continue to stay involved somehow in the workforce, but that is their individual choice. The average age of a resident in a retirement village is 79 years in South Australia.

Regarding the village operators, retirement villages were originally developed by the church-based and other not-for-profit sectors for the purpose of providing independent living accommodation to lower income older people. By the early 1980s, private sector organisations had entered the market for resident-funded retirement accommodation. The retirement village industry has since evolved into a more diversified and competitive industry which now incorporates accommodation options ranging from basic affordable options to luxury resort-style options.

I know the member for Heysen visited some of these more luxury-style retirement villages in her travels overseas, and I am sure she will mention that in her speech. The latest apartments that have been built at Somerton Park in what used to be a Masonic Homes village—I think Stockland own it now—are, from my inspection of them, really luxury apartments and a lovely place to live.

Aged and Community Services SA & NT (ACS) is the peak body representing not-for-profit aged and community care organisations in South Australia. ACS currently represents 58 organisations operating 310 retirement village locations providing 6,486 dwellings. The commercial sector currently operates more than 200 village locations that provide more than 11,000 residences. This equates to about 40 per cent of village operations and 60 per cent of residences.

There is a change now to smaller groups or clusters of residences in not-for-profit villages compared with the larger resort-style villages being run by commercial operators. We are seeing that range of accommodation types in South Australia. My mother lives in a village that was established a number of years ago. It is still very neat and tidy and very comfortable. She actually rents it: it is not a licence to occupy. She pays a weekly—or it might be monthly—rental on her unit, and she told me just the other day that she is more than happy there.

There are many new types of village residences being built and I look forward to seeing what happens in South Australia. There is an opportunity for us to become more and more involved not just in the aged-care industry but in the industry of ageing and providing for people like myself—and, I would imagine, others in here—whose expectations are for really high-quality almost hotel-style or resort-style retirement residences to go and live in. It will be interesting to watch. I hope the government is able to assist people in doing what they want to do to improve the range of opportunities for people who are retiring.

The big issue that really came out to members of the committee—and I will let others who were on the committee at the time who are still in this place speak for themselves—was what happens when you enter into a contract with the owners or operators of a retirement village. It is very

complex, and most of the people we spoke to were really going in with their eyes wide shut rather than wide open.

The contracts were very convoluted and very complex. While they were all encouraged to seek legal advice, and many did, some did not. Some felt that, when circumstances changed and they particularly wanted to leave the village, they were trapped in there. I will give an example of the fees currently being charged by operators. I am sure the operators can justify these fees, but people need to know that these fees can be very significant when you compare them with what people have paid for their licence to occupy.

The need to establish committees in this place is something we all recognise, as is the need to then study the committees' reports and recommendations. Most of these committees are operating in a multipartisan way. They are trying to get the best possible result for the people of South Australia on the particular issue they are investigating. In this case, it was the review of the Retirement Villages Act. The committee came up with a number of findings which were separated into four areas: moving into a village and concerns people have about that; living in a village and concerns people have about that; leaving the village; and some other matters that we also examined.

To try to formulate a standard contract for residents to sign when they are entering a retirement village is just about impossible. There are permutations and combinations of contracts out there at the moment. I think just about every individual village or village owner has their own particular type of contract. It is interesting to note that there is no mandatory accreditation of retirement villages in any state in Australia, so I cannot emphasise enough that, when people are entering into these contracts, they really do need to make sure they understand what they are getting themselves into.

Village operators say that the cost of accreditation would be prohibitive. Our hospitals do it all the time. A number of organisations and NGOs applying for government grants have to have levels of accreditation, and I think that is something that we definitely need to look at. Looking at some of the recommendations of the committee as they apply to the legislation before us, I will talk particularly about clause 26 later on, but recommendation 1 is:

- restrict the term 'retirement village' to those residential complexes which fall under the Act—

so that we can then start applying all the other checks and balances that we need to. We need to get people in the tent, in the legislation, in the regulations, so that we can make sure that not only are they obliged to follow the legislation, and the regulations, but they also are protected by it. Recommendation 2 is:

- That the age limit for residents of retirement villages remains at 55 years.
- That the requirement for a resident of a retirement village to be retired be removed from the Act.
- That consideration be given to renaming the Act to more accurately reflect the current status of today's villages.

I do not think that has been done, but it could have been done. Again, my dear mum is in a complex and some of those units are now being rented out to people on lower incomes and to younger people. It is giving it a bit of a mix-and-match, and I think it adds to the vibrancy and the diversity in the complex. So, allowing residents who are over 55 still to work is something that the committee recommended, but it has not happened.

Going into a retirement village is complex enough, but leaving it was another area the committee looked at. We tried to work our way around a standard disclosure document so that residents could understand their rights and obligations. Recommendation 4 states:

...the standard disclosure document includes information relating to:

- all fees and charges which residents would be responsible for:
  - prior to entering a village
  - while residing in a village
  - upon leaving a village;
- examples of exit fees scenarios;

I will give the parliament a brief glimpse of what can actually happen. This is an example that was brought to me of a person who was not happy living in a particular complex and who wanted to get out. In 2009, when they bought into their complex, they paid \$220,000. When they went to leave in 2015, the estimated resale value was \$235,000, so in six years that was an increase of only \$15,000 in the capital value. In this case, the resident's share of the capital gain was 100 per cent, and this is where there are other issues about who gets what when it comes to the capital gain of units. The committee looked at this, but I am not sure whether this legislation covers it at this stage, but certainly we will ask those questions in committee.

A remarketing fee of 3 per cent was being charged in this case, and we found that this was very common. The big issue with retirement villages in South Australia is that the owner-operators of the villages take over the initial remarketing of the units, and I suppose that is understandable. But then there is a need to make sure that they are experienced because they do not have to be licensed real estate agents to do this; in fact, I do not think any of them are or, if they are, it would be very rare. Some of the bigger real estate agents are charging 3 per cent to remarket a unit; in fact, some of the bigger agents are charging less than that.

I know that when we sold a property not too long ago our agent charged us 1½ per cent, but I understand that 2 to 2½ per cent is very common nowadays, so 3 per cent is at the top end. We are hearing stories about how long it takes to remarket those units, and this legislation talks about allowing the people who have the licence to occupy those units to take over the marketing of them after six months. I think that is a reasonable thing to do, perhaps in conjunction with the owner-operators.

That said, any owner-operated retirement village that has any business sense does not want an empty unit for any longer than possible. They are running a really good complex, they have a complex where people actually want to stay in the first place, but if there are vacancies, because of a death or family circumstances change and a vacancy is coming up, they will be able to remarket that unit. A lot of these places normally have waiting lists, but there are cases, and we heard evidence of these cases, where people would come in and then for some reason want to leave and their unit was on the market for a long time.

In fact, one of my volunteers, the late Shirley Whoston, was an absolute angel who volunteered in my office for over 30 years, and she was living in a retirement village. Circumstances changed for her, and within the village, and she wanted to get out. It was very difficult for her to actually leave that village because there were big hold-ups in the remarketing of the particular unit she was in. Having been there on a number of occasions to visit Shirley, and for morning tea with other residents of the village, I thought that it was quite a pleasant place to be, but it did not suit Shirley and so she wanted to move on.

Unfortunately, Shirley has moved on now: she died not long ago, and that was really sad. Then the beneficiaries of Shirley's estate had to do battle—and I say 'battle' because it did become more intense—with the owners of the retirement village to try to get the benefit of the estate that Shirley had left. The need to protect both the owner-operators and the beneficiaries, or the residents, is again going to be a bit of a balancing act, but if somebody dies while living in their own home the beneficiaries or executors of that estate are not compelled to sell that home within a particular period of time, are they?

I think there are questions to be asked about whether we go ahead and be as restrictive as some would want us to be on the need to pay out residents when they leave. Certainly, some of the evidence we received in the committee was that the owner-operator should just be able to hand over the cheque as the residents walked out the door. I do not think that is practical or feasible, not only for the retirement village but for any executor settling real estate issues with any estate.

I remind the house that this was a \$220,000 ingoing contribution in 2009. The capital gain was \$15,000, the remarketing fee was 3 per cent and the exit fee was \$82,250, but add onto that the remarketing fee of \$7,050 and add onto that the reinstatement charges of \$7,810. There was also a recurrent charge which was to be advised (TBA) and a 'settlement fee' of \$330, whatever that is. So this is an exit fee, a remarketing fee of \$7,050, a reinstatement cost (I assume that is new carpets and a bit of a paint), and again there are some issues about who does that.

Does the resident or former resident employ somebody of their choice or is it forced upon them by the owner-operator? We have heard evidence that, in the opinion of some people, there are premiums being charged. This totalled \$97,440. This chap went in paying \$220,000 and the estimate of exit entitlement payment on settlement was \$137,560. Even including the capital gains of \$15,000, the outgoing resident's settlement was going to be \$137,560.

If you go in and you understand that, that is fine. It is not a problem at all if you go in and you understand that there are going to be fees and charges. If you have lived in the place for a while, you need to have paid a rent of some sort there, and that is where the exit fees come in, but this came as a complete surprise to this particular person, and he was extremely disappointed that he was basically going to be without a home because he could not afford to leave.

He could not afford to leave, but he did not want to stay. At this stage, he has stayed in this particular complex, and I think his mindset has changed to help him accommodate that. Recommendation 4 is 'That the Act be amended to introduce a standard disclosure document,' and we all look forward to seeing how it actually works.

Another issue that came up was when you paid your money into the accounts of the owners or operators of a retirement village. There was an issue there because some of that money was not being held in trusts. I would have thought it was a fairly standard thing nowadays in any real estate contract of any sort that any money that is paid before the contract is settled is held in trust, but that apparently was not the case, and it should be the case. There are a number of recommendations about the way the act should be changed. Many of those have been incorporated into this act, and I look forward to the minister's explanations of how the recommendations have been incorporated.

Recommendation 10 is that a unique retirement village CPI be developed because, in some cases, residents are responsible for all the outgoings—their rates, the water, insurance, and management fees—so we need to know what a standard increase is in those rates. Certainly, we know that standard CPI is about 1.5 or 2 per cent, but if you look at local government CPI, you will find that is much higher at about 6 or 7 per cent. If you then look at the health sector, the CPI there is anything between 8 and 12 per cent, depending on the particular sector you look at, so we really need to develop a unique CPI for retirement villages.

I think that would be something that would take a fair bit of work. In fact, I know there was some talk about referring the whole cost-benefit analysis of this legislation to the Economic and Finance Committee. Whether the government is willing to do that or whether we need to do that, I am sure the minister will be able to tell us about the government's attitude to that.

We do see fees and charges going up at an extraordinary rate in some villages—that was some of the evidence we received in the committee. Most operators are fair about this. They want to stay in business. They do not want to put disincentives in the way of people coming into their villages and into their properties, so I think they are trying to be as fair as possible. Recommendation 12 continues along that same line:

That the Act be amended to provide greater transparency in relation to management fees or head office costs charged to a village.

There was some concern put to the committee about fees that were being paid then being used to prop up other villages owned by the same operator. Recommendation 13 is:

That the Act be amended to make administering authorities responsible for the payment of recurrent charges for newly built units, unless responsibility is clearly disclosed within a residence agreement.

We need to make sure that not only is money being held in trust but also that that money being paid in is not being used for reasons other than for that particular residence that these residents are going into.

When this chap gave me the example of what he was being asked to pay, the estimated resale value was \$235,000. It had gone up by \$15,000 in six years. I would have thought that, in South Australia, real estate had gone up by a bit more than whatever that percentage was, so recommendation 17 of the committee is:

That criteria be developed for the valuation of retirement village properties which accurately reflect the purchase of a licence to occupy under a retirement village scheme.

As to valuing the properties, there are a lot of common areas in these properties—not just the gardens and the paths but also the meeting rooms, the dining rooms, the libraries and the exercise areas. There is a whole range, and in fact, the number of facilities out there is becoming broader and we need to make sure that they are being valued. I am not a valuer, so I look forward to seeing how that is going to happen—because it does have to happen. There is nothing surer than it does have to happen.

Not only did we see difficulties with residents understanding their obligations with the owner-operators but we also saw that in some cases there were going to be discussions, differences of opinion, and sometimes arguments between residents of villages. Some people have idiosyncrasies, eccentricities, that do annoy other people. When you are living in close quarters, as you are in a retirement village, not cheek by jowl, if somebody walks past your front window whistling or speaking or talking loudly about others, or certainly, as the minister says, gossiping, that can cause consternation or angst, and so recommendation 18 from the select committee is:

That the Code of Conduct be extended to encompass behavioural policies which protect operators and residents from harassment and intimidation, and that promote a safe and secure environment.

A case was brought to my attention by a resident, who was a fairly forceful character (and so, I think, was participating in some of the issues), who was, in the end, the victim of quite intense intimidation, to the point of what I would say was bullying by other residents, residents who were on the management committee. This does not happen very often, fortunately, but if it does happen it needs to be catered for. So, the code of conduct in recommendation 18 of the committee is something that is needed.

To help resolve disputes that cannot be resolved by people talking to each other, and conciliation, we obviously use the Residential Tenancies Tribunal. Recommendation 19 of the select committee:

That the Act be amended to require that those RTT members hearing retirement village matters must be legal practitioners of at least five years standing and should have a sound understanding of the Act and previous decisions.

I am surprised that this is not the case; I was surprised at that time and obviously I am still puzzled why it was not changed beforehand. I know that when the member for Heysen makes her contribution she will be speaking from firsthand experience. She is a very experienced legal practitioner and has a lot of experience in this area. I will certainly defer to her on the way this bill should be looked at and the way the recommendations should be implemented. While we still need to have a bit of a balance in outcomes, we need to make sure that the evidence we received was being acknowledged, not just in word but by deed and in legislation. Recommendation 24 of the retirement villages select committee states:

That the Act be amended to prevent an administering authority from requiring a resident to vacate a village before the resident has been repaid their premium.

This is another example that was given to me. A person came to see me who had a brochure from another retirement village she wanted to go to that offered better facilities. She had been having a few issues with some of the other residents, and she thought it would be a fairly straightforward thing to move to another retirement village.

Again, she had gone in with her eyes wide shut to the obligations and requirements that she would be under in wanting to leave the village. Similar to the example I have just given, the exit fees, remarketing fees, reinstatement costs, recurrent charges and settlement fees added up to a huge amount. If my memory serves me correctly, she paid about \$400,000 to go into this retirement village—and she had only been there a matter of four or five years—and by the time all these fees and charges had been taken out, she had about \$200,000 left. Her investment had halved. To me, that was not only alarming but disappointing for her. I am not a legal practitioner but I assume that was all as per the contract she had entered into.

That is why it needs to be clear and open and needs to be transparent. People need to understand. I am just a humble veterinarian, and often I stand up in this place and say that I am not a lawyer, and by that I am boasting not apologising. The fact that we even have an Acts Interpretation Act means that we make legislation that is very complex and, if we find we need another act to help

us interpret acts of parliament, then what about the punters out there who are having to make these decisions and may not be able to afford a QC or somebody else to look at the contract for them? Perhaps you do not need a QC; you may need somebody as experienced as the member for Heysen.

Recommendation 25 was that the act be amended to provide greater consistency with the Aged Care Act 1997 and allow greater flexibility in the way an administering authority can provide earlier payment of a premium to a resident who is leaving to enter residential care at an aged care facility. I think the owner-operators understand that and they are quite willing to work around it. The issue that has been put to us, though, is those couple of examples that I have just given. For people who want to get out of their retirement village and want to move for some reason—personal reasons, other reasons—they feel trapped by either the fact they have had to pay quite a large proportion of their initial payment in fees, exit fees and remarketing fees.

However, when it is the owner-operator who is doing that remarketing and charging you 3 per cent to remarket the unit, that can take a long time in some cases. As I have said before, a really good owner-operator probably has waiting lists, so this is not a problem that is going to be right across the board, but there are plenty of examples where people go into retirement villages, want to get out and then are stuck because the unit is not being remarketed and not sold as quickly as they would have liked.

The fact they actually have to get out of the unit as I mentioned before, is something that is being changed, I understand. We also need to look at whether there is some degree of flexibility that can be put into paying people out to enable them to get on with their lives. Obviously, people who have invested heavily in these retirement villages need to be able to ensure that they are not going to be caught by having four or five people who want to say, 'We would like to get out. We have decided we are going to buy a commune of our own,' and then they have to pay out millions and millions of dollars. Who has that in these sorts of operations? For most of them the turnover is there but the profit may not always be there, so getting stuck like that is something we really need to look at.

Exit fees were a very common problem, and section 26 of the act still requires some further review. I know the Property Council has been lobbying heavily, and I think the government is still in discussion with some of the owner operators, the Property Council and other representatives of the owner operators. I think there is a need to make sure we have some sort of cost-benefit analysis, some economic impact statement, on what legislation that forces them to sell these units would actually do.

I have probably said all I really need to say at this stage. We will go into committee on this. A number of speakers from the opposition want to speak on this. They will be giving examples and their points of view. I ask the government to listen to those points of view, as I know they do, and I thank the advisers for the briefings I have had and the minister for making those advisers available.

These select committees are really good committees to be on. I am on the jump racing select committee at the moment and that is a very interesting committee to be on because there are some really different views there. This particular committee opened my eyes to some of the issues and problems that are going on. I do not see this bill as being the complete panacea just yet but, with some changes which the opposition will be proposing in the other place, which we are still considering, I think the government should be able to produce a piece of legislation that will go on for quite a while.

This legislation has not been reviewed for years and years, but it needs to be reviewed more regularly because things are changing. I will leave it up to my colleagues in this place to make further contributions, and I will ask the minister some further questions provided to me by the Hon. Stephen Wade in the other place for clarification so we can make sure that this bill is not going to sit around in this place for months and months and that it does progress.

**Ms COOK (Fisher) (14:45):** I rise to support the Retirement Villages Bill 2016 and commend the minister for the development of the bill. I am pleased to see a number of provisions included to ensure that a situation such as happened in my electorate of Fisher does not occur again. Fernleigh Gardens is now known as Living Choice. It is less than 500 metres from my house and holds a very special place for me. I have lived in my home for over 25 years and in that time, through the building



of the estate, my young son and I spent many, many hours adventuring through the building site and I have watched with pleasure as it has developed.

Many of you would know the history of Fernleigh Gardens estate and the terrible cost to both residents and prospective residents of the village a number of years ago. In brief, the owner of that village failed to repay moneys to prospective residents who rescinded their contracts, and a number of other prospective residents lost their family homes. These residents transferred their residential property to the operator in repayment for a brand new village unit to be built. These people remained in their homes waiting for the building of their new units.

This operator subsequently mortgaged the property to raise funds without building the new units. The mortgagee foreclosed on the properties and applied for the winding up of the Fernleigh Gardens estate. The elderly residents had to vacate their family homes and had limited recourse to recover in many cases their life savings. Two separate receivers and managers were appointed over the village, and residents of the village endured a number of years of extreme angst and stress as to their rights and the protections available to them. The village has since been sold and renamed, as I mentioned previously.

This bill directly addresses some of the deficiencies of the current act, which were identified following investigation into Fernleigh Gardens. These deficiencies include the strengthening of investigative powers to the department and the ability for the minister to apply for the appointment of an administrator of a retirement village. There are also minor additions which provide for a major increase in protections for residents.

One of these protections is clause 25 of the bill, which specifies that an ongoing contribution must be held in trust until the resident takes up occupation. This accounts for any ongoing contribution paid to a representative of the village. The current act prescribes that a payment paid to an administering authority must be held in trust. The act never envisaged that an operator may encourage payment to an alternative entity involved within the village, as happened at Fernleigh. As such, the Fernleigh operator never placed those funds in trust and they were gradually disbursed for various purposes, with no reclaim for the residents.

Another protection is clarification that all funds to which a resident contributes must be audited and payment of all capital fund contributions must be made within 10 days of settlement. Following a review of Fernleigh Gardens' accounts and practices, it was found that the village had a debt to the capital replacement fund of at least \$160,000 in 2008-09, and by June 2010 the size of the debt was unable to be determined, although the balance of the account was only \$4,000. This is the fund that, commonly, payments are made into upon resale of a residence as a percentage of the resale price.

The operator did not make payments into the account in accordance with the contract despite deducting the amounts from exit payments. The true financial position of the village was unable to be gleaned through the reports presented annually to residents. All residents will be reassured that the obligation for contributions into village accounts and the auditing of those accounts will be legislated, thanks to the bill. These provisions will only strengthen confidence in the sector and reassure consumers that there are clear obligations relating to financial matters.

Of course, there are many other sections of the bill that I will watch with interest as we enter into the next stage of the debate. In commending the bill, I would really like to acknowledge the hard work done by the minister and the minister's staff leading up to this presentation and also the very hard work and commitment of all previous committee members, including the member for Heysen, who is sitting in the chamber now, and also the late Hon. Bob Such, who was previously a big advocate for all residents in Fisher and statewide regarding the Retirement Villages Act. I commend the bill, and I am looking forward, as are all of my constituents, to its rapid passage.

**Ms REDMOND (Heysen) (11:50):** I am not sure I can say it is a pleasure, but at least I get an opportunity to make a contribution in relation to the new Retirement Villages Bill 2016, which of course arises out of a draft which was circulated in 2015. I have gone to the bother of comparing the two, and I must say that not very much has changed between the draft and the bill which is now before the house.

Members are probably aware that I have had a longstanding interest in the issue of aged care generally and retirement villages in particular. That comes out of quite a number of factors in my life, many of them before I came into this place and some of them since I have been here, where I have had extensive engagement in relation to retirement villages. Indeed, for 27 years before coming in here I served on the Stirling District Hospital Board, and that board runs a rather nice retirement village known as Pinoak Tiers in Stirling, which has about 34 units. I think it was originally built by my Rotary Club in Stirling but handed over to the hospital, and the hospital runs that village.

Just along the road from that is Sevenoaks of Stirling Retirement Village. Unfortunately, my engagement with that particular village came about because many of the residents were deeply unhappy with the way they were treated by the administering authority, and in particular I ended up acting in 13 cases in a period of six months. The Retirement Villages Act provided for them to be heard in the Residential Tenancies Tribunal, and that is indeed where those cases were heard. In that particular period of six months, there were only 19 cases statewide involving the Retirement Villages Act and 13 of them came out of Sevenoaks retirement village. I am not aware of those problems continuing at this stage, I am pleased to say, but there were significant difficulties with the administering authorities.

I guess it was because of that background that Steph Key, who was the relevant minister when the first review of this act was undertaken early after I came into this place, originally invited me to make a contribution, and I subsequently made a contribution at the next tranche of amendments, and then I was invited to be on the select committee. I certainly enjoyed working on that committee, as did the member for Morphett. I would have to say that my impression was clearly that no-one who served on the committee would ever contemplate going into a retirement village. That was because it became very obvious to us that it was not a financial model that was going to be viable, I suspect, as the baby boomers entered the market.

I will go back and explain a bit about the history. The member for Morphett has put on the record already that there are some 500 villages in the state and, although the act says that you only have to be over the age of 55 (and the select committee recommended no change to that), the reality is that the average age of people going into retirement villages in this state is well over 70, and indeed the average age is moving up into the 80s in terms of the people who are resident in those 500 villages. Many of them have been there for many years. In every village I visit, there will be people who have been there since the village opened.

The member for Morphett mentioned that there was originally simply a retirement village product available in this state which was basically run by charitable or not-for-profit organisations. The problems really seemed to come about when the act which was in place, which was probably adequately governing them, then had to extend because we got into the situation where people started to come into the industry of building retirement villages on a for-profit basis and the industry expanded fairly rapidly. It is, at least anecdotally, provable that that is where the problems began, and it is the involvement in the for-profit sector as a business money-making enterprise that has given rise to the current difficulties.

I would have to say that my sympathies are very largely on the side of the people who have gone into retirement villages. If the minister had ever read the select committee's report, she would know that the select committee looked at a whole range of things. We heard evidence from all sorts of people and, largely, the people who ran retirement villages and, in particular, the Property Council, which now for some inexplicable reason represents that cohort. They basically said, 'There's nothing wrong with the act. You don't need to change it.' But all the other evidence coming in from people who reside in retirement villages and from their organisation (the retirement villages association) basically said, 'Yes, there are things wrong.'

I was well aware that there were many things wrong with the legislation. The committee therefore looked at whether we should actually have some sort of standard contract. We said, 'No, that's not the way to go because people should be free to enter into whatever sort of contract they want to.' But the problems largely arise because people going into the contracts do not understand the consequences of the contract they are entering into. Even in the bill it refers at one point—at least in the 2015 bill—to a residence owned by someone.

The reality is that residents in retirement villages do not ever own a village unit and they think they do. There is also a lot of the sales stuff that you see around the place, such as 'Available for purchase now.' They are not made to understand clearly enough that what they are purchasing mostly—sometimes it is a lease, but mostly it is not even a lease—is a licence to occupy, and that is a very different thing.

The report, if you read it, is divided into three sections and they are: before you go into a retirement village, once you are in a retirement village, and then when you are leaving a retirement village. Of course, a lot of people only leave a retirement village to go to a higher level of care because they are no longer capable of independent living. I think the emphasis really must be on that first part, and that is where I am profoundly disappointed in this bill because the bill, although it makes a provision for information to be provided before a resident's contract is entered into, does not really address the fundamental thing that this committee recommended, and that is to make it clear enough for people. Giving them a copy of the last accounts that were presented to the last annual general meeting will mean nothing to most people.

In my view, what we need to do is to ensure that people get very, very clear financial and legal advice about the consequences of the contract they are about to enter into so they absolutely understand that what they are purchasing is not a unit. It is not like a strata corporation or a common property situation. They own a mere licence to occupy, at best, and they are subject to all sorts of rules and regulations within that. In my years in legal practice, one of the things I used to do commonly was to explain mortgage documents and particularly security documents for people who were about to take the advice of financial advisers and invest in something, mortgage their properties, and so on.

A lot of those things required that they specifically get legal advice and financial advice. The same applied when people were getting a WorkCover payout, for instance. After a period of years after a significant accident they might get a very significant amount of money, but they were not allowed to finalise settlement of their claim until it was signed off by a lawyer and a financial adviser that the consequences of entering into this arrangement had been clearly explained. That is where I think this current bill utterly fails us because the fundamental thrust of the select committee's recommendation was that that is where we needed to put our attention.

My frank view is that a lot of retirement villages in this state are likely to face significant financial difficulty in the next few years because, as I said, the average age of people going in there are those who are in their 70s. We are now getting to the point where the baby boomers are retiring, and the baby boomers are financially more alert than the previous generation. With a lot of my parents' generation, for instance, the women allowed their husbands to take complete financial control of their lives. They did not even have part ownership of the family home, and so on—it was often in the husband's name only. Everything was controlled by the husband. I know that my mother had no financial skills whatsoever, and she was fairly typical of her generation.

People have been, in a way, conned into going into these licences to occupy retirement villages, and my view is that as the baby boomers come through men and women are going to be much more alert—and I will do everything I can to make sure that they are much more alert—to the pitfalls of going into these retirement villages. I was in a village just the other day, and more than one person mentioned to me that when they left the village they were only going to get back about 60 per cent of what they had paid to go in. By way of explanation, some villages operate on the basis that you pay X dollars to go in and there will be a retention fee deducted each year up to a maximum of, maybe, 25 per cent, and you will get back only the percentage of what you paid to go in.

Other villages operate on the basis that you will get back 100 per cent of what you paid to go in, but you will not get any of the improvement in value. Other villages still operate on the basis that you will get back a percentage, but it will be a percentage of the new resale price. There are numerous models, and some of them are done on the basis of loans and some of them are done on other bases. There are numerous models, but none of them involves ownership and control by the person purchasing a unit. I suspect that what is going to happen is that a number of retirement villages, particularly the smaller ones—and certainly it is a recommendation I have made to more than one village—will face the difficulty that they cannot relicence vacant units over the next few years.

I was in a village the other day which had about 74 units, and around about a dozen of them were vacant. That is going to start to build up, in my view. We are going to end up with a whole lot of villages where, no matter the state of the village, people cannot relicense. Of course, that then puts pressure onto the people who run the village, and it also makes it much more difficult for the people who live in the village because issues about maintenance, and so on, start to become obvious.

All of that said, in my view there are some fundamental failings in this legislation. First of all, I believe we should have required that people have to get specific legal and financial advice—not just get a copy of whatever the contract says and a disclosure statement, because that does not really explain it to them. They need concrete examples of what might happen to them financially as a result of going into the village. I think that that will lead to a massive downturn in the number of people prepared to go into a village.

As I said, I believe there will be a move towards making some of these villages into strata corporation type models because people should not be in a situation where the administering authority controls, to the extent that it does, the marketing of the unit and the remarketing. However, that said, I am strongly opposed to inserting into existing contracts, which were voluntarily entered into by adults, a clause which then changes the nature of the contract between the persons who entered into it to the benefit of one and to the detriment of the other.

I do not believe that there is a basis for putting retrospectivity into this legislation, and I do not believe that it is appropriate for the government to decide what should be the terms of the contract. People have entered into a contract, and it seems to me, knowing as many villages as I do, that the biggest risk we have is not the big players who are the for-profit players often based interstate but that the little community-based not-for-profit sector can be bankrupted by what is proposed in this legislation.

I am not going to have a lot of time to go on with a lot of the other details that I will cover when we get to the committee stage (and, trust me, I have a lot of questions for the committee stage), but there are a couple of other things I wanted to mention. First, one of the bugbears that I think is quite legitimate for people in retirement villages is that, although they do not actually own the title to their unit, they nevertheless have to pay rates as though they own it. In my view there should be a differential rate. Local government should have to come up with a differential rate, which is cheaper for people who do not own it. They do not actually get to control a lot of things, but at the moment councils simply value every unit as though it is an independent living space like a strata title unit, so people have to pay rates on it.

There is a provision in the legislation that deals with land tax (it does not seem to effectively deal with land tax; nevertheless, there is a provision there about that), but it seems to me that it is inappropriate for people to have to pay rates and other taxes, insurances and even the emergency services levy based on what is simply a commercial resale value of the unit when in fact they do not own that unit. It seems to me that there is huge scope for how we manage all of that.

I have looked at retirement villages overseas. The one in Hawaii I have to say was a particular favourite, but I did not think I would ever have \$5,000 a month to stay there; it was like a five-star hotel. The interesting thing about it was that it basically operated as a time share, and you could shift around so that if you stayed in the one in Hawaii, yes, it was \$5,000 a month, but if you wanted to visit your kids in Pennsylvania, there were hundreds of these under the same umbrella around the country, and you could go to Pennsylvania and stay there. Everything was taken care of, everything was found: the only thing you paid for was your phone bill—that was about it. All your meals were found. Obviously you had to pay if you had guests for meals, but it was like a five-star hotel, fascinating place, and well worth the visit.

It is clear that a retirement village can, as the member for Morphett mentioned, offer security. It can offer community, it can offer relief from the problems—and there are a lot up my way—of living in an older dwelling, particularly on a large block of land, which becomes increasingly difficult as people age. People may be prepared to pay a premium for that privilege. Some retirement villages have bowls, swimming pools and all sorts of things going on in them, and that is all to the good, providing the people going in understand that they will be paying a premium for the lifestyle. I have no difficulty about the issues of people needing to sign up and choose that lifestyle, if they wish, at any time over the age of 55, but they need to understand very clearly what it is about the financial

implications. They need to have concrete examples about what will be the consequence to them and to their family.

I was emailed the other day by someone whose mother has now moved into a nursing home. His experience was that they will get back only, I think, some \$87,000 out of what has been resold at \$348,000. If that is the contract that you have signed, that is the contract that you are stuck with, as far as I am concerned. However, we need to make sure that people going into these contracts do understand that that is the effect of what they are doing. It seems to me that there is a high likelihood that there will be people like my girlfriends and I, who often talk about being the *Golden Girls* of the future, where we will simply create our own mini retirement village for our own accommodation.

*Members interjecting:*

**Ms REDMOND:** I bags not being the nutty one. We will create our own retirement village with our own rules and regulations. I will have some questions for the minister about the nature of retirement village schemes and the definition of those schemes because there does not seem to be a provision for actual ownership within the definition as provided at the moment. Once again, I indicate that, whilst I congratulate the minister on at least bringing the bill in finally, I do indicate that I have significant misgivings and I do not think the minister has read or understood the select committee's report.

**Ms BEDFORD (Florey) (12:10):** There are a large number of retirement villages in the electorate of Florey, both big and small. There have been well-attended public forums in the electorate during the consultation, and I am regularly in contact with many residents of the villages, so I have taken a keen interest in this very complex topic. The bill will help with many of the concerns that are raised with me by residents and their families. Most residents make a move into a village with the expectation that their lives will be comfortable and hassle free, and they are often shocked and disheartened when issues arise and they are unaware of either their rights or their obligations within their contracts.

For example, in recent years I was contacted by residents seeking help on how they could ensure that any surplus, often accumulated over many years, is dealt with appropriately by the operator of the village. The residents' voices seemed to carry no weight. Eventually, a significant amount of money was paid back to the residents. The requirement in the bill that a surplus and deficit policy must be put in place with resident approval is a significant clause which will ensure that residents no longer have to worry about a battle every year over finances. Every resident will know, should the accounts be in deficit or surplus, exactly how that will be treated.

In the same village, there were also disputes over the budget which dictated what their monthly service fee was going to be as well as ongoing concern when repairs and replacements in the village were paid out of incorrect accounts. I cannot stress how important it is for there to be transparency and accountability in reporting how an operator spends the village funds. The additional clarity as to consultation, reporting and audit obligations included in the bill will be welcomed by residents, and in many cases by operators too.

The issue that is most distressing to residents and their families is uncertainty in the timing of their repayment when the time comes to leave the village. The introduction of a statutory repayment period will address situations which have been of concern for residents and their families for a number of years. I am aware that a number of operators have advocated for South Australia to adopt provisions similar to those on the eastern coast of Australia, such as in Victoria. This was surprising, given that those jurisdictions offer a six-month or lower repayment clause.

Unfortunately, in many of these jurisdictions it appears that operators can avoid their responsibilities to make a repayment if they agree to let the older person sell the licence themselves. This is often a difficult task, which I understand is not frequently taken up, given the specialised nature of retirement living accommodation and the varying standards of accommodation involved, depending on the age of the village. Constituents have been in contact regarding this provision, and I am very surprised to learn that many of them currently have no time frame for repayments in their contracts.

They are understandably pleased to see this provision introduced, giving the long-sought confidence that in future, when the time comes, those who want to or need to move will have access to their funds in a reasonable period of time. I applaud village owners who already offer a guaranteed repayment time and can foresee a change in the market which will demand such a guarantee. Baby boomers will not accept an undetermined time of repayment. This provision will give surety and promote greater confidence in the industry into the future. As always—and I think this has been reinforced by the member for Heysen—the devil is in the detail, and people must read and understand their contracts.

I commend the work of the committee and all who have worked so hard on the review, and I particularly acknowledge the member for Ashford and the member for Colton, as well as the member for Newland, who has co-hosted many local forums with me. I also want to acknowledge the local residents' associations and residents of the villages who have come and spoken to me about their concerns: they have been invaluable.

For those with older contracts, it is imperative that they, as permanent residents of a village, become members of the South Australian Retirement Villages Residents' Association. This association is the peak body and has been involved in the review process. It is well placed to provide information on all aspects of retirement village contracts and advocate to achieve resolutions when conflicts arise with existing contracts.

**Mr TARZIA (Hartley) (12:15):** I also support the Retirement Villages Bill 2016. Obviously, an amended 2016 version of the 2015 bill was tabled in parliament on 14 April this year, and here we are at the second reading stage.

I have gone through the 47 pages of the bill and, notably, some of the salient points are as follows. When you look at retrospective application, the bill replaces the Retirement Villages Act 1987, and I understand that it will apply to 'existing residence contracts and villages, and all future residence contracts and villages'.

Some of the definitions have been altered. The 'administering authority', I note, will be changed to 'operator' plus 'village landowner, senior manager' and 'village manager' being added. I understand that 'premium' will be changed to 'ingoing contribution', with 'exit entitlement, exit fee' and 'capital fund' added. 'Date of contract' will also be removed and changed to 'enters into occupation' and 'vacant possession' added.

In terms of disclosure to prospective residents, it is noted that a statement of disclosure with certain details will have to be given to a prospective resident 10 business days before they actually enter into a residence contract, and other statutory documents that are at the moment given to the resident before the contract also need to be provided at the same time. A premises condition report will no longer be included in documents to be provided to a resident before entering into a contract but will be within 10 business days after entering into occupation. I note that the date for repair or replacement has been deleted.

Cooling off has also been altered and changed from 15 business days to 10 business days, and it will start on the actual date that the resident signs a contract, not the date the last of the parties signs the contract and not on the date the statutory documents are provided. Cooling off, I understand, can also be waived by residents by written notice if they enter into occupation. There has been much talk this morning about the compulsory buyback period. At the moment, it will be 18 months after termination, rather than 12 months, if not previously remarketed. An extension of 18 months will be possible in special circumstances as well, and the buyback at market value will be determined, I understand, by the operator or an independent valuer, whilst the buyback includes an ingoing contribution and capital gain less deductions.

Occupation by the resident during remarketing will be allowed on notice to the operator. There is also an early payment provision. In terms of new residences, the operator under the bill must assume responsibility for fees, charges and other monetary amounts in respect of newly constructed residences not yet subject to a residence contract. There is also a mandatory consultation with the residents' committee in relation to the annual budget clause and, if there is a residents' committee, there must be at least two meetings between the committee and the operator to discuss the budget, unless the committee advises in writing—which is obviously a good thing.

In terms of administrators, receivers and managers, I understand that the minister will be able to apply to the court for an administrator, receiver or manager to be appointed to be paid for by the residents out of recurrent fees. In terms of leases on land, leasing a residence outside the scheme will be limited to new residences not previously occupied and residences where the previous occupant has paid in full. In terms of powers of investigation, they will be expanded under the bill. There will be many more offences, fines and expiation fees. The right to silence has been preserved, but not in all ways.

We on this side of the chamber have had a longstanding concern that the previous act did not go as far as it needed to and that it needed to be updated to reflect the development of the retirement living industry, which is both enormous and essential. I note that members on this side of the chamber were extremely active in the select committee which reviewed the operations of the previous act, and we are frustrated that it has taken so long for the government to bring a bill of this nature to the parliament.

We will be supporting the bill in this house. I have had the privilege of serving an electorate in which there are many retirement villages, and they do an absolutely fantastic job in providing care for our community. In fact, on Monday 18 April I attended the Aveo Glynde Lodge, which is a delightful part of the world in my electorate. They are always very hospitable and I enjoy chatting to the residents. We went to Aveo to hear from the SARVRA representative and to talk to residents and gauge their feedback and concerns about the bill. We discussed several issues that morning, including the balance that needs to exist between residents and operators, and I think this bill maintains a good balance between the two.

There was much talk about the statutory repayment period. I note that there is a petition circulating. I thank the many residents who have presented me with their petition and I share their concerns. I understand that a 12-month statutory repayment provision was initially proposed, and I understand that the feedback has been received by the government.

I would expect the minister, respectfully, in her remarks to address why the government has gone for the 18-month period rather than the 12-month period. I understand the government decided to go for the 18-month period in recognition of unintended consequences which were highlighted by key stakeholders (including residents, industry groups and third-party representatives) during the consultation period.

There are other issues in aged care, such as elder abuse, which can occur. This is a really important issue in our community. Whilst we have very high standards and very good levels of care in our aged communities across the board, we have seen examples of elder abuse in the past. Legislation must always ensure that we continue to protect some of the most financially and physically vulnerable members of our community. Many of these people have paid taxes and have worked for their whole lives, and they deserve respect, dignity and care in their final years. We, as legislators, need to make sure that we do all we can to protect them. It is with those few words that I commend the bill to the house, and I look forward to its passage through this place.

**Ms HILDYARD (Reynell) (12:24):** I rise today to speak on and in support of the Retirement Villages Bill and the important reforms our government is championing. In doing so, I want to congratulate minister Bettison and her staff on their work on this, and their commitment to ensuring that South Australians have access to the best possible living options in their older age.

As part of our discussion, I would like to note that every six minutes a person in Australia is diagnosed with dementia and that 20 per cent of adults are affected by a mental health disorder every year. These are indeed sobering statistics and remind us that, in providing lifestyle and accommodation options for our very diverse older population, consideration must be given to how we can best meet the needs of people with cognitive decline and mental health concerns.

That deep thought and consideration must be given to how community members, families, health professionals and service and accommodation providers can work together, with support from government, to ensure that everything we do provides the best possible outcomes for those we serve. This bill seeks to address a number of longstanding issues within the sector, including the need for improved transparency and contractual awareness and encouragement for the early resolution of disputes.

I understand that, during the consultation phase of this bill, minister Bettison rightly sought and received a great deal of important and robust feedback from both residents and operators on proposed statutory repayment requirements and aged-care provisions. I understand from members of my own electorate that they were pleased to be able to contribute directly to the process. I know how important these reforms are to residents in a number of retirement villages, including at Elkanah and Almond Grove at Morphett Vale and at Living Choice in Woodcroft.

I had the pleasure of attending a turning the sod ceremony at Living Choice a couple of weeks ago as they got ready to develop their new leisure centre, a centre which will absolutely provide for all aspects of the promotion of wellbeing amongst residents and will provide an important connection for residents with the community. I was absolutely struck by how engaged in this ceremony, and indeed in this process, so many of those residents were. They were absolutely positive ambassadors for every aspect of this work. I was, I must say, also struck by the fact that at this ceremony they served copious amounts of red wine and champagne at 9.30 in the morning. I did not partake myself, but it was very clear that many people were very happy at Living Choice in Woodcroft.

The key elements of the bill rightly include ensuring that there is a balance between the rights and responsibilities of residents and operators of retirement villages. It is so important for vulnerable people to ensure that they are very clear about the arrangements they are entering into, and full disclosure will ensure this. It will also ensure that consumers have greater choice about which facility to choose by allowing them to more accurately compare choices. Of course, many villages already provide this information, but through this bill we are standardising this practice across the sector.

I am pleased that the bill also deals with issues around deficit and surplus of retirement villages and statutory repayments. These are issues that will also assist in ensuring the best possible operation of retirement villages. With sometimes less than clear arrangements, this can be an area of concern for residents who put their money into these funds without knowing ultimately how they might be used. The statutory repayment period will also address situations which have been of concern for residents and their families for a number of years. This provision will give surety and promote greater confidence in the industry.

Whilst the length of time has been increased, it now provides an option for a resident to remain in situ until their premises are relicensed or the time expires. I have been contacted by constituents regarding this provision and I was surprised to learn that many of them currently have no time frame for repayment in their contracts. They are understandably pleased to see this provision introduced, giving them the long-sought confidence that, when the time comes when they want or need to move, they will have access to their funds in a reasonable period of time.

This is an important development, whether the person is moving to residential aged care, to another state, to the next suburb to be closer to family or perhaps to be part of a new relationship in a different village, even if the move is unfortunately related to a resident's death. Having to wait years for funds to be released is not an arrangement that people find acceptable. If this industry is to flourish, its market (the residents) needs certainty. The 18-month time frame allows operators time to market the unit, with advice from the Property Council that the average is 315 days for a retirement village unit to sell. It is recognised that the bill is taking a balanced point of view, ensuring that operators that use their best ability to relicense a residence will not be disadvantaged.

The provision to apply for extenuating circumstances takes into account events outside the control of the operator, such as a significant change to the housing market or even a natural disaster. I have heard comments that the bill puts us out of step with the retirement villages legislation in other jurisdictions. I am somewhat confused by these comments, as it appears there are repayment provisions in Victoria, New South Wales, Tasmania, Northern Territory and Western Australia, with these jurisdictions having repayment periods of between 45 days to six months.

Unfortunately, in many of these jurisdictions, it appears that operators can avoid their responsibilities to make the repayment if they agree to let the older person sell the licence themselves—a difficult task, which, I understand, is not frequently taken up given the specialised nature of retirement living accommodation. Again, I commend this bill to the house and am pleased that so many have had input into this bill which I strongly believe strikes a great balance between the



interests of residents and operators. I would also like to congratulate both residents and operators on their thorough input into this process.

**Mr WINGARD (Mitchell) (12:30):** I also rise today to speak in support of the Retirement Villages Bill 2016, which deals with a very important issue in my community. There are a number of retirement villages in my electorate and I have worked very hard to engage with all village members.

The Retirement Villages Act was enacted in 1987 and was reviewed by a select committee in 2013. From statements made by members before me, we can see that this act has been very messy, and a lot of grave concerns have been raised about this act before the select committee. It is great that we are moving forward in this area. Early in 2015, the government released a draft amendment bill. An eight-week public consultation on this bill also took place, and there were over 300 submissions on the draft bill.

It is good to see that the intention of the bill, as outlined by the minister, is to ensure improved clarity and transparency of retirement village contracts, increase disclosure of information to ensure that consumers are well informed before entering a contract and improve clarity for residents and operators in understanding their rights and responsibilities under the act. They are some of the issues that have been raised with me.

The most contentious issue in relation to the bill, however, centres around the statutory repayment provision. This is the key provision that seeks to address the concerns of older South Australians wanting to leave their retirement village residence. They are sometimes left unable to access their exit entitlement until their interest has been sold. Interestingly, the statutory repayment provision was not recommended by the select committee.

The 2015 consultation draft bill proposed a 12-month statutory repayment provision but, of course, the bill now before us has an 18-month statutory repayment provision. I also note that the minister stated in her second reading speech:

The bill includes a five-year review clause of the statutory repayment period. This review of the statutory repayment period will provide an opportunity to assess the impacts of the clause and to ensure that the application has achieved the desired outcomes.

Some other concerns raised, as I sought feedback from my community and listened to a number of stakeholders, centred around elder abuse, which I think all in this house would be very concerned about. We do need to make sure that this bill does not allow it take place. We do want to make sure that elderly people are protected and that, in fact, this bill does not go towards helping people pressure someone either to move into, or out of, a retirement village in order to achieve a financial gain, whether they be families engaging in untoward dealings with their elderly family members or any other operator involved in this process. Elder abuse is another thing that we want to keep a very close eye on.

We can see from the bill and the previous act that it is a very complex situation. Contracts are very complex. Again, many members before me have spoken about that and the fact that people have had troubles dealing with these complex contracts. Whatever we can do to make that as easy as possible, I think, is a step in the right direction.

With those few words, I support the bill. I support the fact that it is about having a balanced way to ensure that people in retirement villages are protected and have a wonderful environment to live in but, at the same time, that the retirement village industry is sustainable in the long term so that people in the future have the option of living in a retirement village that offers security, community and friendship.

**Mr PICTON (Kaurna) (12:35):** It is my pleasure to rise to support the Retirement Villages Bill 2016. This is a very important issue for electors in the seat of Kaurna. We have three of the more modern retirement villages in our area. Moana Mews was the original one, followed by The Sands at Seaford and Aldinga Shores retirement villages, where I have spent a lot of time visiting residents. They are all growing areas, and I think, generally, people enjoy their lives and enjoy the flexibility and smaller land sizes and sense of community that they have in those retirement villages.

That is not to say that everything is perfect in the regulation of retirement villages and this is something that has been well overdue for reform. I note it was my predecessor, as the member for

Kaurna, who chaired the select committee looking into retirement villages across the state and came up with the recommendations that have led to this bill today, so I congratulate him and the other members of that committee. I think that committee found that there are a number of issues that need to be updated. There is a number of things where the process of the market has outdated what was in the act, and as well we need to prepare for the ageing population that we are particularly seeing in South Australia.

In the bill brought before the house, we are seeing improvements for people before they enter a retirement village, in terms of the contract and financial settlement of what is being signed; improvements in terms of the financial clarity for people once they are in a retirement village; and improving things for people when they need to leave a retirement village, whether it is to go to an aged care centre or for other accommodation.

There has been an extensive period of consultation, and I congratulate the Minister for Communities on her work on that. We were lucky enough to have a consultation meeting that I attended last year in Port Noarlunga, and the minister spoke at that, as well as Vanessa Clarke from the department, so I thank her for her expert work on this issue. There was a strong turnout, showing the strong passion and desire to see improvements on this issue.

A number of people in my electorate have contacted me (probably the largest number were from Moana Mews) about this bill, with a very strong number of people advocating for the statutory repayment element of this bill. I note, particularly, that Judith Morgan is one of the people who contacted me. She sits as a representative of Moana Mews on the South Australian Retirement Village Residents' Association and so was very across all the detail of what was being discussed. She was pointing out that having a statutory repayment requirement in this bill is absolutely essential for residents in that village where they have seen people and units going on the market for four or more years without being repaid, which obviously causes significant distress for those families and residents involved.

Now that we have that issue settled in the bill and the government has settled on the 18-month repayment issue, there is broad support for it. In fact, the other day I received a letter from the Residents' Association of Moana Mews, which has the fantastic acronym of RAMM. I will read it into *Hansard*:

Dear Chris,

Thank you for your letter...re...new rules for retirement villages. We support all of proposed changes, particularly the rules concerning repayment period as we have witnessed serious delays of 3 or more years in clearing up and renovating units after a resident leaves permanently for one reason or another.

We have also been aware of lack of details such as Managerial fees and council fees and we would strongly support much more transparency from directors, who, I sure would be fighting such changes. There are many more residents than owners however.

My compliments on the great work you are doing in parliament,

That was from Syd Monkhouse, who is the president of RAMM, the Residents' Association of Moana Mews. So, I think there is very strong support out there for the changes the minister has proposed in this bill, not just the statutory repayment issue but also the improved financial disclosure requirements for people before entering into contracts.

Just last week, I met with a resident of one of the retirement villages in my electorate who is seeking to try to move now that he has remarried. He is looking to move into a bigger house and was very surprised to learn that he could not get his money repaid very quickly or easily. He had to go to a solicitor to interpret the very thick contract that he had signed originally, which read over 100 pages. I think that goes to show how difficult it is for some people to understand the obligations they are entering into, and a better disclosure method of that right up-front will save a lot of pain later on.

I think another thing is to have a better disclosure for residents of what their maintenance fees are being used for. It is their money and should be used for their purposes. I am very supportive of that improved disclosure for residents because I think that if it is all being spent well then residents will be happy, if it is meeting their objectives. It is absolutely something that they deserve to have knowledge about.

Those three issues—before, in terms of the disclosure; during, in terms of disclosure of the fees; and, after, in terms of statutory repayment—are for me the three big issues coming out of this and I think they will be widely supported in my electorate. I should also note that my grandmother lives in a retirement village, in Netley Grove, in the member for West Torrens' electorate. She also is very strongly in support of the bill and likes to keep me up to date with all things happening in retirement villages, if I was not hearing them in my electorate as well. I congratulate the minister on the bill and I hope that it has a swift passage through the parliament.

**Mr DULUK (Davenport) (12:42):** I also rise to speak to the Retirement Villages Bill 2016. The premise of this bill is very important to South Australians, especially for our ageing population. Demographic change is happening and there is no need for crystal ball gazing: it is here. Of course, government, and indeed this parliament, needs to pave the way for this change.

We know there is a significant shift underway in the age structure of our population, driven by an ageing baby boomer generation and longer life expectancy. In June 2014, South Australia had 287,700 people aged over 65 years, representing 17 per cent of the state's population. It is estimated that by 2036 there will be 495,000 people aged 65 and over in South Australia, making up almost 24 per cent of our state's population. As the number of retirees and people aged over 65 grows, so will the demand on age-appropriate accommodation.

Governments cannot meet this increasing demand alone, nor should we. Private investment and development will be critical to providing the accommodation that our older population needs, especially creating the accommodation options that they want. But private investment is not a given. South Australia needs to ensure our legislative environment does not act as a disincentive to investors, particularly in an economic climate that desperately needs economic growth and job creation, and indeed, for the record, thanks to 14 years of poor economic management by successive Labor governments.

Excessive red tape, financial impositions, and endless difficulties will discourage operators as they search for markets to grow in. It is critical that our endeavours to create an attractive environment for investors and retirement village operators does not come at the expense of the consumers and that is, of course, the residents. We must protect the rights of our ageing population to ensure that they are treated fairly and without disadvantage. The legislative framework must be responsive and achieve a balance between the rights and responsibilities of residents of retirement villages and, of course, the operators of those villages.

But legislative change must be fluid. Delays and uncertainty will have a negative impact and, unfortunately, this is exactly what we have seen with this Retirement Villages Bill. Once again, we have seen this Labor government drag its feet and cause unnecessary angst amongst village operators as well as existing and prospective residents. The select committee reported on a review of the Retirement Villages Act 1987 on 27 November 2013. The government response was initially tabled in May 2014, and it took until February 2015 for a draft bill to be released for public consultation.

Now, almost 2½ years after the select committee delivered its report, we finally have a bill before parliament that includes clauses that were not raised or canvassed in the select committee. It is quite extraordinary, yet not particularly surprising given the light legislative program we have become accustomed to from this government.

The uncertainty around the regulation of the industry has made it difficult for operators. It has made it difficult for operators to prepare their budgets, frame contractual arrangements and make investment decisions. For residents, the ambiguity has created confusion and angst at a time of their life when they are hoping for transparency and simplicity. However, the government's tardiness in introducing this legislation should not deter our efforts to deliver the best outcome for South Australia.

Whilst I welcome the overall objectives of the bill, I would just like to speak to a couple of particular clauses; one of them is the 18-month compulsory buyback and the other is, of course, existing exit entitlements which have long been a source of stress and frustration for residents—we all know that, and it has been mentioned by almost every speaker on their feet so far today—both in terms of accessing their investment, and the investment being significantly eroded by exit fees.

We have all no doubt heard the stories of elderly residents waiting years to receive their original investment back. The member for Kaurana just mentioned that some residents in his electorate have been waiting for more than four years to realise an investment. Such delays, as I said, can be costly and distressing. Vacating residents can be held responsible for ongoing maintenance costs at their retirement village while also accruing interest on a combination of charges at their new residence, under the current regime, and families sometimes face lengthy delays in finalising an estate.

The introduction of the mandatory repayment of an exit entitlement has been welcomed by many residents. Under this bill, operators will be required to pay an exit entitlement within 18 months of the resident vacating the premises. While I appreciate that residents strongly favoured a 12-month buyback period included in the draft bill, I understand there is general acceptance amongst many for the 18-month period.

However, I am also very sympathetic to industry concerns, especially from small private operators who are fearful that this requirement will have serious cash flow implications for their business. In the current economic climate of our state, any concerns that legislative changes are anti-investment and anti-jobs growth must be considered further.

The operation of a compulsory statutory buyback clause has the potential to be onerous, particularly in light of fluctuations in the real estate market, and further consideration on the operation of this clause and its implications would be very wise, in my opinion. This is a clause where we just have to be mindful of unintended consequences. By providing residents and prospective residents with confidence about the time frames of accessing their investment, I am hopeful retirement villages will become a more attractive option for seniors, with rising demand actually encouraging investment, which is what we want.

What I would have liked to see presented with this bill though is a regulatory impact statement. This should have accompanied this bill but did not, in terms of the 18-month clause. A regulatory impact statement may have provided consideration of these issues which would have benefited us as members of parliament in this debate and, of course, all interest groups in terms of how the 18-month period was derived.

This bill, in terms of section 26, also provides an operator of a retirement village with the ability to apply to the tribunal for an extension of the 18-month repayment period, with the tribunal able to grant an extension if it is satisfied that special circumstances exist. Such a general reference is open to a very broad interpretation, and it could potentially erode the objective of the mandatory provision and undermine the confidence the bill is aiming to provide. Codification of special circumstances, in which an operator does not need to make the payment, would alleviate these concerns. It is something I will further develop in the committee stage.

Indeed, many residents of the villages with whom I have met would like to see a return to the original terminology in the draft bill, that the tribunal may extend the period if it is satisfied that, and I quote, 'the payment would cause serious financial hardship to an operator'. In the bill, independent valuations are also touched upon. This is another aspect of the exit entitlement that highlights the need for an independent valuation. The bill currently provides that residents may require the operator to obtain an independent valuation if the resident disagrees with the operator's determination of a market value of a residence.

I am indeed cautious of this approach, wary of any potential for manipulation or abuse. The South Australian Retirement Villages Residents Association has instead recommended that the resident, not the operator, should be responsible for obtaining the independent valuation. Once again that is something that should be considered in the committee stage.

Something that has caused a lot of concern for my constituents, and those living in retirement villages and their families, is when a resident leaves a retirement village to enter into a residential care facility. We need to explain and further develop the provisioning around the arrangements where residents leave to enter an aged-care facility. At the moment, the bill provides that an operator must, within 30 days after receiving an application properly made under this section of the bill, commence making payments to an aged-care facility for the daily accommodation payment applicable to the resident's care at the aged-care facility.

I welcome the aim of the proposed arrangement of the bill, and of course the minister outlined in his second reading speech that the aim of this section is to provide greater flexibility to the way that operators can provide early repayment to eligible residents. Also, residents who demonstrate need will be able to apply for the village operator to pay the lump sum, or meet the daily payments from an aged-care facility, until the village unit is relicensed. These payments will be deducted from the final exit entitlement.

Unfortunately, where operators pay the daily accommodation payment instead of the refundable accommodation deposit, residents are also charged daily interest on the outstanding deposit amount. This has the potential to cause serious disadvantage by saddling residents with debilitating interest charges, so we do need to look at this. I appreciate the minister's intent in this clause, but I do think it is important that we consider the impact of this provision further.

In conclusion, legislative changes to the retirement villages sector are indeed very important, but we must remember that it is not about favouring one group or another: it is about getting the best legislative framework we can for South Australians. We must provide a framework that delivers the best outcomes for all South Australians today and into the future. The private sector will have a critical role in meeting the ongoing needs of our ageing population.

We must ensure that our legislative framework does not stifle the private sector or deter investment. This must be balanced with what our residents need, because after all they are the ones who live and spend their time in these retirement villages. We need to ensure that residents of these villages have the ability to live independently, with financial security, and be confident that the retirement village that they live in provides both a safe and a comfortable environment, one that does not cause undue stress on them in terms of the management of their facility.

Finally, I would like to put on the record my appreciation to SARVRA and indeed their president, Gill Kennard, for all the work she does on behalf of residents in retirement villages. I know that she is a constant and tireless advocate for them. She has been hounding my door for many years on these issues, and I know that she has had a lot to do with this bill, and hopefully the final bill that is passed will go a long way towards meeting the needs of SARVRA, of residents, and indeed of the whole industry.

**The Hon. A. PICCOLO (Light) (12:54):** I will speak briefly on this matter, but I think there are a couple of things to be said. First of all, I would like to commend the minister and her staff, and also the staff of the department, for bringing this bill to the chamber. I am aware of the amount of work that has gone into it. I am also very mindful of the competing interests in this sector and how the minister has had to find a balance between the interests of those people who own the facilities and those who live in those facilities.

It is not an easy task because often they are competing interests and to find some common ground can be at times very difficult, but I believe the minister has found the right balance. Issues have been raised by people who live in retirement villages in my electorate. Having said that, I would like to thank those officers from the department who came out to speak to people at the retirement villages, and we had hundreds of people come along to discuss this.

The key issues for them are very simple; one is that they want quite clear terms. They need to know what they are buying, the product they are buying. What is the licence, etc? Hopefully this bill will lead to greater clarification, and also simplification, about what they are buying. You can have this huge disclosure document, which hides everything and has the reverse, and that is what was happening in the franchise sector some years ago. So, this bill helps that.

They wanted to know clearly what their ongoing commitments were in terms of fees and charges; that is a main issue for them as well. This bill, again, helps to make sure that happens. The third element was that they wanted to know, when their licence is terminated, what are the benefits to them, what are the costs to them, etc. So those are the issues which were raised. I believe the bill addresses those issues.

Another thing this bill does, in an ongoing sense, is allow an advocate on their side. There is an advocate in place and that person makes sure that they have somebody to support them through the scheme should they have a grievance of some type. I will not go through this bill line by line

because it has been debated already at length, but I can say that this bill also is mindful of the fact that in the marketplace we have quite small operators and quite large operators, and they can be quite different in terms of needs. With those comments, I would like to say that this bill reaches a good balance in protecting the rights of residents but also makes sure that we have enough people who wish to invest in the facilities.

**Mr PEDERICK (Hammond) (12:57):** I rise to speak to the Retirement Villages Bill 2016. I acknowledge the many villages throughout my electorate. In Murray Bridge, we have Murray Bridge Lutheran Homes, Murray Lands Retirement Village, Murray Heights Lutheran Village, Waterford Estate, and The Bridge Village. In Goolwa, we have West Park Residential Services, Thornbury Park Retirement Estate, Riverside Retirement Villages, Lakeside Goolwa, Village Life Goolwa, Heritage Homes, SunnyCove, SeaChange Village. At Tailern Bend, we have Taberefta Homes for the Aged.

As it has been indicated in this chamber, aged care and retirement living are going to have more of our population involved at a much higher percentage as our state gets older. Sadly, so many of our youth have left this state for job prospects. In regard to the retirement villages in my electorate, they do a very good job in providing housing for people. I have had some issues with some management in some of these places. I am directly involved in Taberefta at the moment on the committee. It is nice to be able to contribute directly in how a village is run and to have the benefit of doing that. I seek leave to continue my remarks.

Leave granted; debate adjourned.

*Sitting suspended from 13:00 to 14:00.*

#### *Petitions*

### **RETIREMENT VILLAGES BILL**

**The Hon. P. CAICA (Colton):** Presented a petition signed by 221 residents of South Australia requesting the house to urge the government to ensure that clause 21 of the Retirement Villages Bill include the provision for a maximum 12 month statutory period after the resident ceases to reside in a retirement village, within which the sums of money due to the departing resident must be paid by the administering authority.

#### *Parliamentary Procedure*

### **ANSWERS TABLED**

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

### **PAPERS**

The following paper was laid on the table:

By the Minister for Mineral Resources and Energy (Hon. A. Koutsantonis)—

National Energy Retail Law, Review of Operation in South Australia—  
Final Report April 2016

#### *Ministerial Statement*

### **VETERANS' ADVISORY COUNCIL**

**The Hon. M.L.J. HAMILTON-SMITH (Waite—Minister for Investment and Trade, Minister for Small Business, Minister for Defence Industries, Minister for Veterans' Affairs) (14:02):** I seek leave to make a ministerial statement.

Leave granted.

**The Hon. M.L.J. HAMILTON-SMITH:** In my capacity as the Minister for Veterans' Affairs, I seek to inform the house that I have appointed Air Vice Marshal Brent Espeland AM as the new chair of the Veterans' Advisory Council for a two-year appointment, effective 1 June 2016. Air Vice Marshal Espeland enjoyed a long and successful career in the Royal Australian Air Force spanning 36 years.

He is an experienced commander, having held unit and formation command twice and having tenure as air officer commanding training command and deputy chief of Air Force.

Air Vice Marshal Espeland's final military position was on secondment to the Department of the Prime Minister and Cabinet, where he was responsible for the coordination of security and intelligence at the national level for the Olympic Games in Sydney. A second career then followed. Air Vice Marshal Espeland spent 10 years working in senior sports administration at the Australian Sports Commission, with a focus on the governance of national sporting organisations, sports science and medicine, and the fight against drugs in sport.

Now retired, Brent Espeland works actively in support of a number of worthwhile causes. He is national president of the Australian Flying Corps and the Royal Australian Air Force Association, both national and South Australian president of the Royal United Services Institute of Australia, a director of the Sir Richard Williams Foundation, a member of the Department of Veterans' Affairs round table, chairman of the Board of Governors of the Repat Foundation, a member of the Air Force Heritage Advisory Committee and a member of the National Council of the Australian Air Force Cadets.

In his spare time, Air Vice Marshal Espeland is actively involved as a founding and steering group member of the Alliance of Defence Service Organisations, which works closely with the government, the opposition and crossbenchers to shape policies for past, present and future members of the ADF. I, along with Mr Rob Manton, director of Veterans SA, consulted with a number of prominent veterans, including those currently serving on the VAC. Air Vice Marshal Espeland received strong support from all who were consulted, and I very much look forward to working closely with him.

I would like to take this opportunity to again thank the Hon. Sir Eric Neal AO CVO, who served with distinction as the chair of the VAC since its inception in November 2008. I wish, on behalf of the house, Air Vice Marshal Espeland well in his new role.

#### *Question Time*

### **FEDERAL BUDGET**

**Mr MARSHALL (Dunstan—Leader of the Opposition) (14:05):** My question is to the Treasurer. What increase in federal government health funding above the 2014-15 federal budget will SA receive each year going forward, and will the Treasurer apply this to restoring the emergency services levy general remission, as per his promise to the people of South Australia, made in June 2014?

*The Hon. T.R. Kenyon interjecting:*

**The SPEAKER:** The member for Newland is called to order. Treasurer.

**The Hon. A. KOUTSANTONIS (West Torrens—Treasurer, Minister for Finance, Minister for State Development, Minister for Mineral Resources and Energy) (14:06):** In 2015-16, the commonwealth government are returning nothing. In 2016-17, the commonwealth government are returning nothing. In 2017-18, they are returning \$35 million—\$35 million. So, the gap left from the \$35 million returned by the commonwealth government leaves a gap—

*Members interjecting:*

**The SPEAKER:** The leader and the Premier are called to order.

**The Hon. A. KOUTSANTONIS:** —of \$152 million in health funding. The story gets worse. In the 2018-19 financial year, the commonwealth government will return \$61 million, leaving the gap from their cuts to \$201 million. Then, in 2019-20, that gap between what the commonwealth government are returning from the cuts that they made in their first budget to what the actual cut is is \$255 million.

The opposition are basically saying that Premier Mike Baird is a liar. They are saying that he's not right, they are saying that Premier Hodgman is not right, they are saying that Premier Barnett is not right, they are saying the Chief Minister Adam Giles is not right, because all of those premiers, all of those chief ministers, have criticised these cuts made by the commonwealth government.

But, remember this, Mr Speaker: the remissions that the Leader of the Opposition is talking about returning come from other taxes that we raise. They come from stamp duty, they come from land tax, they come from other taxes the state raises. The question the opposition have to ask and answer is: how will they pay for these promises? How will they pay to return over nearly \$400 million in remissions? And who are they returning to? Not the people with the lowest land values, but people with the highest land values. Their remissions are all designed about recompensating people who have the most expensive properties. It's about rewarding the wealthy and punishing the poor, and we won't have a part of it.

*Members interjecting:*

**The SPEAKER:** I call to order the members for MacKillop, Unley, Hartley, Morialta, Mitchell, Davenport, Chaffey and the deputy leader. I warn the leader, the member for Mitchell, the member for Chaffey, the member for Morialta, and the member for MacKillop for interjecting, 'I believe the ABC.' I warn for the second and final time the leader and the member for Mitchell. The member for Giles.

### WHYALLA SMALL BUSINESS LOANS

**Mr HUGHES (Giles) (14:09):** Thank you, Mr Speaker. My question is to the Treasurer. Can you update the house on the Whyalla small business loan program?

**The Hon. A. KOUTSANTONIS (West Torrens—Treasurer, Minister for Finance, Minister for State Development, Minister for Mineral Resources and Energy) (14:09):** I thank the member for his question and, of course, his strong advocacy for this program for the trade creditors affected by the Arrium administration.

The decision in April to appoint a voluntary administrator after Arrium reached an impasse with its major creditors has understandably created a great deal of uncertainty for the people of Whyalla and South Australia. Arrium is not just a major employer in the region but also a significant contributor of supplies and services for a range of small to medium-size businesses. Since the appointment of KordaMentha Restructuring as the administrator, the government has taken a number of decisive steps to address these concerns.

The Minister for Regional Development, the member for Frome, accompanied by the Small Business Commissioner, travelled to Whyalla the day after KordaMentha's appointment to meet with affected businesses and seek their input into what steps they would like the government to take to address their concerns about cash flow. The member for Giles was instrumental in setting up those meetings and, quite frankly, that timely input from contractors and other businesses was invaluable in guiding an appropriate and timely response by this government. We were able to quickly organise financial legal counselling for those businesses so they did not feel that they were alone in shouldering this burden.

Ten days after KordaMentha's appointment, a round table for business and other community members was held in Whyalla, and from that meeting we were able to table an interest-free loans scheme specifically addressing the cash flow challenges that confronted businesses in Arrium's supply chain whose payments had been put on hold by the administration. Ten million dollars, funded by the Regional Development Fund, in interest-free loans of up to \$750,000—they can be grants—are now available for these businesses with each application considered on its merits.

I can inform the house that today I have approved the first two applications from the Whyalla small business loans scheme to DSE Civil, for \$165,000, and Delmac Power Equipment, for \$90,000. I am also advised that there are another 14 applications in the pipeline. This initiative is part of a whole-of-government response to the uncertainty created by Arrium's voluntary administration. An on-the-ground team is now based in Regional Development Australia's office in Whyalla, with its work overseen by Paul Case, a respected former public servant, who has been appointed as a regional coordinator.

While our steel task force works with the administrator, the Arrium team, the commonwealth government, the federal opposition and other stakeholders, we have not overlooked the needs of the people most affected by this situation—the people and the small businesses of Whyalla. This government and the member for Giles stand alongside all of them while we weather this storm.



**O-BAHN**

**Mr MARSHALL (Dunstan—Leader of the Opposition) (14:12):** My question is to the Minister for Transport and Infrastructure. Given the current plight of Arrium and its workers, and the minister's acknowledgement that the steel being used on the O-Bahn project is largely from overseas, can the minister confirm whether there is any way of knowing where the steel used in government projects comes from?

**The SPEAKER:** Before the minister answers that, no argument, opinion or facts are to be included in questions other than when leave is sought, and leave was not sought.

**The Hon. S.C. MULLIGHAN (Lee—Minister for Transport and Infrastructure, Minister for Housing and Urban Development) (14:13):** Thank you, Mr Speaker. This has been part of a continued campaign by the opposition to comprehensively misrepresent how this O-Bahn project has been delivered. It started with the deputy leader, who made a whole series of assertions—

**Mr KNOLL:** Point of order: the member is imputing improper motives.

**The SPEAKER:** Which one is that?

**Mr KNOLL:** It's 127.

**The SPEAKER:** Correct.

**The Hon. S.C. MULLIGHAN:** It started with the deputy leader, who—

*Ms Chapman interjecting:*

**Mr Marshall:** It's 131, obstructing the house, sir.

**The SPEAKER:** No, 131 is that a member may not interrupt another member who is speaking. Minister.

**The Hon. S.C. MULLIGHAN:** It started with the deputy leader, when she claimed that—

**Ms CHAPMAN:** Point of order, Mr Speaker: the second offence against your ruling.

**The SPEAKER:** I just prefer to hear a bit more before I intervene. Minister.

**The Hon. S.C. MULLIGHAN:** It started with the deputy leader, when she claimed, erroneously, that we weren't prioritising the use of South Australian steel on the O-Bahn project and, as I explained to the parliament quite a few weeks ago, that is completely incorrect. I did explain to the parliament how we were sourcing steel from Arrium to use on the O-Bahn project.

Let's put this in context because the suggestion was made that we should stop the O-Bahn project, a project which employs over 200 South Australians each year during its construction period. We should halt that project and we should wait until an industry commences—not here in South Australia; that wasn't the contention that was put forward—somewhere else in Australia that can provide some of the products that could be used—

**Mr Marshall:** Anyway, why don't you answer the question?

**The SPEAKER:** The leader is on two warnings.

**The Hon. S.C. MULLIGHAN:** The contention was that we should stop the project until an industry can commence somewhere else in Australia which may be able to provide some materials which could be used on the O-Bahn. As I explained to the parliament when I was previously asked about this some weeks ago, we are in fact using thousands of tonnes of steel from Whyalla, from Arrium, on the O-Bahn project.

**Ms Chapman:** Forty thousand tonnes.

**The Hon. S.C. MULLIGHAN:** It's not 40,000 tonnes—it's not anything like 40,000 tonnes. It's not anything like 40,000 tonnes.

*Members interjecting:*

**The Hon. S.C. MULLIGHAN:** There are a large number of people on the other side who are asking, 'What is it?' I would encourage them to do their homework, check *Hansard* and look at the details that I provided to the house many weeks ago which outline, chapter and verse, that we are procuring thousands of tonnes of South Australian steel on the O-Bahn project. If they continue to be too lazy and indolent to do even the basic requisite job of an opposition, then that's beyond me or the government to assist them.

**The SPEAKER:** I warn the deputy leader and the member for Newland, and I warn for the second and final time the member for Chaffey. The member for Newland.

#### DAIRY INDUSTRY

**The Hon. T.R. KENYON (Newland) (14:17):** My question is to the Minister for Agriculture. Minister, how is the state government supporting South Australian dairy farmers?

**The Hon. L.W.K. BIGNELL (Mawson—Minister for Agriculture, Food and Fisheries, Minister for Forests, Minister for Tourism, Minister for Recreation and Sport, Minister for Racing) (14:17):** I thank the member for Newland for his question and for his support of the dairy industry. I think South Australia was one of the first jurisdictions in Australia to get out there and stand side by side with our dairy farmers who are really doing it tough at the moment following on from the Murray Goulburn's, milk processors, decision to cut the price that they are paying dairy farmers. Not only are they cutting the price they are paying but they are also demanding payback for the past 10 months of payments that they have made to those dairy farmers.

*The Hon. T.R. Kenyon interjecting:*

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

**The Hon. L.W.K. BIGNELL:** Anyone who knows a dairy farmer knows that it's an incredibly tough life. It's a job where you are stuck by your farm for most of the day. You have to milk in the morning and milk in the afternoon and, if you want to go on holidays with your family, it means getting someone in to pay them to cover for you. Often, that costs you more than what your milk is worth before these sorts of cuts that have been announced—firstly, by Murray Goulburn, and then followed up by New Zealand dairy processor, Fonterra.

The South Australian government has come up with \$60,000, which is what the South Australian Dairyfarmers' Association asked for.

**Mr KNOLL:** Point of order, Mr Speaker: your inbox details a press release on 18 May which details all the information that the minister has so far given to the house. That's us doing our homework.

**The Hon. L.W.K. BIGNELL:** This is an incredibly important issue for dairy farmers in South Australia.

**The SPEAKER:** I will check the answer against the news release for the alleged consistency.

**The Hon. L.W.K. BIGNELL:** Thank you. The member for Schubert is doing dairy farmers a great disservice by interrupting. This money is going towards financial counselling and psychological counselling because, when I was in Mount Gambier the week before last talking to some people down there, it was quite clear that people were quite fragile in terms of their mental health and we heard stories that some people were suicidal.

**The Hon. A. Koutsantonis:** What will you do afterwards? Wok in a Box again?

**The SPEAKER:** The Treasurer is called to order.

**The Hon. L.W.K. BIGNELL:** Last week, apart from the federal minister because of caretaker conventions, all the state and territory and New Zealand agriculture ministers met in New Zealand, where the dairy issue was front and centre. Jaala Pulford, who is the Victorian agriculture minister, and I met with the Chairman of Fonterra—

*Members interjecting:*

**The SPEAKER:** The member for Schubert is called to order and the member for Hartley is warned.

**The Hon. L.W.K. BIGNELL:** This is a really serious issue and I'm really upset with the member for Schubert trying to trivialise this. I will be letting—

**The SPEAKER:** Minister, I will deal with the member for Schubert.

**The Hon. L.W.K. BIGNELL:** Alright. I will be telling the dairy farmers what the Liberal Party thinks of their plight. We were out there—the first jurisdiction in Australia—standing side by side with the dairy farmers, and all these guys want to do is play politics with it. It's cheap politics. It's disgraceful politics. Get with what the public sentiment is.

**Mr PISONI:** Point of order, sir.

**The SPEAKER:** The minister will be seated while the member for Unley—

**Mr PISONI:** Surely a personal reflection from the minister.

**The SPEAKER:** If that is imputing improper motives, we're a pretty weak bunch. Minister.

**The Hon. L.W.K. BIGNELL:** Thank you, Mr Speaker. We put to the Chairman of Fonterra the concerns of governments and the dairy farmers of South Australia and Victoria. Tomorrow we are meeting with Murray Goulburn here in South Australia to work on ways they can help the dairy farmers. It has created a great amount of interest among people in the city and, when people are interested in what the farmers are doing, that is a good thing.

I congratulate all those on social media who are standing by our farmers and going out there buying the milk that will support South Australians. This is about people power just like it was with Spring Gully. I salute those South Australians who are doing the right thing and sticking up for South Australian farmers just as we are as a government.

*Members interjecting:*

**The SPEAKER:** The member for Chaffey is on two warnings.

#### DAIRY INDUSTRY

**Mr MARSHALL (Dunstan—Leader of the Opposition) (14:22):** My question is to the Premier. Given that the Victorian Labor government has today announced an \$11.4 million assistance package for the Victorian dairy industry, how can the Premier justify his government's decision to increase both the emergency services and natural resources management levies on South Australia's struggling dairy farmers?

**The Hon. A. KOUTSANTONIS (West Torrens—Treasurer, Minister for Finance, Minister for State Development, Minister for Mineral Resources and Energy) (14:23):** It's interesting to note that the Leader of the Opposition hasn't really understood how the ESL works, even though the Liberal Party are the authors of this legislation. It is their tax and they are the ones who implemented it. What is the impact on rural constituencies of the latest determination of the government? It is fair to say that in metropolitan Adelaide, yes, there will be an increase for medium house prices in South Australia—

**Ms Chapman:** How about the dairy farmers?

**The Hon. A. KOUTSANTONIS:** I'm getting to that—of about \$4. Yes, I know \$4 is an increase on top of last year and the year before that, so I am not trying to minimise the impact of that, but the Leader of the Opposition has got up and said how can we possibly increase the ESL on rural communities. What the Leader of the Opposition has not mentioned to the house is that the actual rate of the ESL has gone down. Dumbstruck! Dumbstruck again! If I were the member for Unley, given that he was given the papers and never read them and didn't realise, three weeks before the budget—

*Members interjecting:*

**The Hon. A. KOUTSANTONIS:** That's right—didn't read it. He doesn't read his Eco and Finance budget papers, the deputy leader doesn't read the budget papers, and their leader tells everyone to vote Labor. Political eunuch—a threat to no-one!

*Members interjecting:*

**The SPEAKER:** The Treasurer will be seated. Point of order.

**Mr VAN HOLST PELLEKAAN:** Not addressing the substance of the question, debate and defence.

**The SPEAKER:** I uphold the point of order about debate and, in that pause, I call to order the members for Adelaide, Morphett and Flinders. I warn for the first time the members for Unley and Schubert, and I warn for the second and the final time the members for Morialta and Unley and the deputy leader. Treasurer.

**The Hon. A. KOUTSANTONIS:** So, if you live in regional area 1, which is Millicent, Mount Barker, Murray Bridge, Naracoorte, Nuriootpa, Port Augusta, Port Lincoln—

*Mr Knoll interjecting:*

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

**The Hon. A. KOUTSANTONIS:** —Port Pirie, Renmark, Tanunda, Victor Harbor and Whyalla—

**Mr van Holst Pellekaan:** Dairy farmers are going to pay less, are they?

**The Hon. A. KOUTSANTONIS:** Just wait for the answer.

**The SPEAKER:** The member for Stuart is called to order.

**The Hon. A. KOUTSANTONIS:** Wait for the answer. You are not leader yet. When you are the leader, you can interject more often. Primary production—

*Mr Pengilly interjecting:*

**The SPEAKER:** The member for Finniss is called to order.

*Mr Griffiths interjecting:*

**The SPEAKER:** The member for Goyder is called to order.

**The Hon. A. KOUTSANTONIS:** Primary production property values for median price will receive an exactly zero per cent increase. If you live in regional area 2—that is, you don't live within a council town but live outside the area, where a lot of these dairy farms are—if you are in primary production, you will receive exactly a zero per cent increase.

*An honourable member interjecting:*

**The Hon. A. KOUTSANTONIS:** Well, that wasn't the question. It was the ESL and NRM. The NRM—

*Members interjecting:*

**The Hon. A. KOUTSANTONIS:** The NRM or ESL. No matter how much the Leader of the Opposition screams and flails and throws his arm around, spewing Botox all over the parliament, no matter how much it occurs—

**Mr GARDNER:** Point of order, sir.

**The SPEAKER:** The Treasurer will be seated.

**Mr GARDNER:** Sir, you have directed the Treasurer not to contravene standing order 98, and he is.

**The SPEAKER:** I will listen carefully to what the Treasurer has to say. The Treasurer will not provoke the opposition benches.

**The Hon. T.R. Kenyon:** The trouble is most of it's true, sir

**The Hon. A. KOUTSANTONIS:** If you live in a residence in regional area 1—

**The SPEAKER:** The member for Newland is on three warnings.

**The Hon. A. KOUTSANTONIS:** If you live in regional area 1, and you have a residential property in regional area 1, you will receive a 1.3 per cent reduction in your ESL bill. If you live in regional area 2, you will receive a 1.1 per cent reduction in the ESL. So, the Leader of the Opposition, and his deputy and his No. 3 don't read budget papers, Economic and Finance papers and don't read press releases. Quite frankly, with all the shouting, all the flailing, all the excitement of the Leader of the Opposition, he has got it wrong again—

*Mr Gardner interjecting:*

**The Hon. A. KOUTSANTONIS:** —and it's embarrassing.

**The SPEAKER:** The member for Morialta will leave under the sessional order for half an hour.

**Mr GARDNER:** I thought we were getting three warnings, sir.

**The SPEAKER:** Well, I will make it a third warning. If I hear another interjection from the member for Morialta, he will be out. Has the Treasurer finished?

*Members interjecting:*

**The SPEAKER:** Remarkable. The member for Elder.

#### **RETAIL AND COMMERCIAL LEASES ACT 1995**

**Ms DIGANCE (Elder) (14:28):** My question is to the Minister for Small Business. Can the minister update the house on the review of the Retail and Commercial Leases Act 1995?

**The Hon. M.L.J. HAMILTON-SMITH (Waite—Minister for Investment and Trade, Minister for Small Business, Minister for Defence Industries, Minister for Veterans' Affairs) (14:28):** I thank the member for Elder for the question. She has a very active small business group within her electorate, and I know it is a small business constituency. That's why the state government committed, in December 2013, to undertaking a review of the Retail and Commercial Leases Act 1995. That review was undertaken by former District Court judge Alan Moss. Mr Moss handed down his review on 14 April 2016.

The review of the Retail and Commercial Leases Act 1995 will now be released for a three-month period of public consultation, and information in relation to that consultation on the review is available online at [www.sasbc.sa.gov.au](http://www.sasbc.sa.gov.au). I have asked the Small Business Commissioner, John Chapman, to coordinate submissions on the review. Following the conclusion of the consultation period, the Small Business Commissioner will review the feedback and prepare a briefing to me with the intention of bringing detailed recommendations back to cabinet later in the year.

The review puts forward a total of 20 recommendations, and they include that the threshold for the application of the act should continue to be determined by the amount of the rental and not the lettable area. The SBC should monitor the marketplace and make recommendations for the alteration of the threshold amount—if necessary, every two years. Secondly, the rental threshold should be exclusive of GST. A shop leased for an amount under the rental threshold should be considered as small business, even if it is a part of a larger franchise, brand or group.

Certain classes of small businesses which rent premises from the state government or local government should be excluded from the act by regulation. The power of the minister and the Magistrates Court to exempt leases and licences from the act should be revoked and should instead lie with the SBC, with a possible appeal to the SACAT if needed. The term 'public company' should have the same meaning as under the Corporations Act 2001.

The act should provide for the mandatory registration of leases; however, the requirement to provide a survey to effect registration should not apply under the act. Shopping centre incentives should remain confidential. Section 12 of the act should be amended to make it clear that the disclosure statement must be provided to the lessee before any binding agreement can be made.

The disclosure statement should be signed by the lessor, or agent of the lessor, and served upon the lessee. The disclosure statement should be signed by the lessee or his or her agent, and there should not be a disclosure statement required before exercising the right of renewal.

Independent condition reports, including photographs at the beginning and end of each lease, should not be made mandatory. The act should not provide a pro forma lease, nor should the cost of lease preparation be capped. References to stamping and stamp duty in sections 14 and 16 of the act should be deleted. There should be no change to land tax provisions. Security should be by way of three months' rental. All bank guarantees provided as security by lessees should be held by the SBC.

Section 20B(3)(b) of the act should be amended. The SBC should have the power to certify exclusionary clauses under section 20K. The act should be amended to provide a legislative pathway for an orderly exit from the lease by a failing business. The Landlord and Tenant Act 1936 should be amended. The role of the SBC should be expanded. No amendment to the act should be undertaken until the effect of the commonwealth unfair contracts legislation is understood, and penalties under the act should be increased.

The act is another that is of vital importance to the growth and development of small business. Some of the measures will be controversial, but they are necessary. I look forward to receiving feedback from stakeholders and interested parties on the recommendations put forward by Mr Moss, and I encourage all stakeholders to respond.

*Ms Sanderson interjecting:*

**The SPEAKER:** The member for Adelaide is warned.

#### **WOMEN'S AND CHILDREN'S HOSPITAL**

**Mr MARSHALL (Dunstan—Leader of the Opposition) (14:32):** My question is to the Minister for Health. Can the minister explain why parents were only informed last week about the use of non-sterilised syringes at the Women's and Children's Hospital more than three years ago?

**The Hon. J.J. SNELLING (Playford—Minister for Health, Minister for the Arts, Minister for Health Industries) (14:32):** Because the matter only came to light relatively recently and, as soon as it did, and the chief executive of the Women's and Children's Hospital was informed of it, the procedures were put—

*Mr Marshall interjecting:*

**The Hon. J.J. SNELLING:** No, they didn't. Procedures were—

*Mr Marshall interjecting:*

**The Hon. J.J. SNELLING:** Because a review was done, an audit was done, and that's how it came to light.

*Mr Pisoni interjecting:*

**The SPEAKER:** The member for Unley will withdraw under the sessional order for the remainder of question time.

*The honourable member for Unley having withdrawn from the chamber:*

**The Hon. J.J. SNELLING:** As soon as the chief executive of the Women's and Children's Hospital was made aware of it, it was appropriately briefed up. The 13 families of the children who were affected by this were informed from late last week, I think, and as soon as the final family was told we made this matter public. It's very important to point out that this new protocol led to a 50 per cent reduction in the infection rate, and the chances of any of those children having received an infection as a result of this lapse is very minimal.

I congratulate the Women's and Children's Hospital for the tremendous work they have done. I think this is textbook when it comes to dealing with these sorts of issues when they arise. I think they have done it very well, unlike the Leader of the Opposition who seems to be determined to scream across the chamber and deride our nurses and doctors in our public hospital.

**Mr GARDNER:** A point of order, Mr Speaker: standing order 98.

**The SPEAKER:** No, I don't uphold the point of order.

**The Hon. J.J. SNELLING:** Unlike the Leader of the Opposition, who is determined to scream across the chamber, yelling, 'Shambles!' and deriding our hardworking doctors and nurses—

*Members interjecting:*

**The Hon. J.J. SNELLING:** It's not something I agree with. It's not something I will be a party to. The people of South Australia will hold the Leader of the Opposition to account, when the appropriate time comes, for his blatant disregard for our public hospital sector.

*Ms Digance interjecting:*

**The SPEAKER:** The member for Elder is called to order. The member for Torrens.

### MONEY SCAMS

**Ms WORTLEY (Torrens) (14:35):** My question is to the Minister for Consumer and Business Services. Can the minister tell us how South Australians can better protect themselves—

*Members interjecting:*

**The SPEAKER:** The Treasurer is warned.

**Ms WORTLEY:** —from fraud and scam attempts?

**The Hon. J.R. RAU (Enfield—Deputy Premier, Attorney-General, Minister for Justice Reform, Minister for Planning, Minister for Industrial Relations, Minister for Child Protection Reform, Minister for the Public Sector, Minister for Consumer and Business Services, Minister for the City of Adelaide) (14:35):** I thank the honourable member for her question. It is, sadly, the case that South Australians often find themselves the target of fraudsters and scammers.

*Members interjecting:*

**The SPEAKER:** The member for MacKillop is warned for the second and final time. At least he made it count.

**The Hon. J.R. RAU:** Yes, indeed. I think he was incited by one next to him, Mr Speaker. In any event, the ACCC has recently released a report, entitled 'Targeting Scams', which has highlighted the amount of money that Australians are losing to unscrupulous scammers of many different varieties. Throughout 2015, South Australians lost more than \$4 million to scammers.

A significant type of scam that continues to cause concern is one that originates from Nigeria, with the financial loss in 2015 totalling \$543,319. The main characteristic of this scam is that consumers are asked to provide an up-front payment, with the promise of a large sum of money that will be released with the payment.

*Ms Chapman interjecting:*

**The SPEAKER:** There are no second prizes for that interjection. The deputy leader is on two warnings.

**The Hon. J.R. RAU:** Some may be familiar with this, it is usually like, 'Your Uncle Bert has been killed in a tragic accident,' somewhere in Uganda. 'You're his only surviving offspring. You didn't know about that, but if you would just care to send us a cheque for a thousand dollars or a money transfer of a thousand dollars, we'll process the \$2 billion estate for you.' My mother, to her great credit, received a phone call like that and she said, 'I'll tell you what: just go ahead and you can take the \$500 out of my money,' and nothing happened after that.

I have also been receiving correspondence from South Australians, stating that they are being targeted by individuals alleging to be from the Australian Taxation Office or Centrelink—and yes, I have had some of these calls as well, and they are quite intimidating—threatening enforcement, and in some cases issuing a warrant for their arrest (and this is what they allege) if they do not hand over money, which allegedly these people owe. Some of these members of the community, who may be in many cases elderly and reside on their own, are terrified of answering the phone out of fear of

who might be on the other end of the phone. I think I have reported in the parliament about receiving messages of this type myself.

The good news is that Operation Disrepair, which is a South Australian scams disruption operation initiated by SAPOL, has had outstanding results. Operation Disrepair was launched in May 2013 and involves police officers following the money trails of transfers to West Africa. As a result of the operation, fund transfers to high risk jurisdictions were reduced by 26 per cent, compared to 2014, and the amount sent also dropped by 15 per cent. Operation Disrepair won the National Meritorious Police Award as part of the Australian Crime and Violence Prevention Awards.

A national campaign was also launched yesterday, entitled 'Property spruikers: in it for themselves'. This campaign aims to combat a different type of scam, where property investment promoters invite people to their free—and I love the irony of this—wealth creation seminars that are advertised through social media, emails and letters. Often, they will try to entice people to purchase course materials, DVDs, or may even offer to arrange finance through a third party. Although these scams may sound promising, they are often the ones that can have the most devastating and long-term impact.

If people do choose to attend these seminars, they need to be aware of high pressure sales tactics on the day which try to rush them into making a decision and signing paperwork, property deals where the spruiker offers financial advice, representations that the scheme is government approved—

**The SPEAKER:** The Deputy Premier's time has, alas, expired.

**The Hon. J.R. RAU:** Alas, there is more.

**The SPEAKER:** Yes, I know it would have got better. Leader.

**Mr MARSHALL:** How do you know that, sir?

**The SPEAKER:** Parliamentary intuition.

#### EMERGENCY DEPARTMENT STATISTICS

**Mr MARSHALL (Dunstan—Leader of the Opposition) (14:39):** My question is to the Minister for Health. Why has the government removed quarterly emergency department statistics from the SA Health website, including data from previous financial years?

**The Hon. J.J. SNELLING (Playford—Minister for Health, Minister for the Arts, Minister for Health Industries) (14:39):** I will have to check to find out why.

#### APY LANDS ROAD UPGRADE PROJECT

**Mr HUGHES (Giles) (14:40):** My question is to the Minister for Transport and Infrastructure. Can the minister update the house on works due to be conducted as part of the main access road upgrade project in South Australia's APY lands?

**The Hon. S.C. MULLIGHAN (Lee—Minister for Transport and Infrastructure, Minister for Housing and Urban Development) (14:40):** I thank the member for Giles for his question about this project—

*Mr Pengilly interjecting:*

**The Hon. S.C. MULLIGHAN:** As the member for Finniss interjects, it is a project that we are delivering in partnership with the commonwealth government.

**Mr Pengilly:** They're putting most of the money in.

**The Hon. S.C. MULLIGHAN:** They are, indeed as they should, on an 80:20 basis. It is a good precedent for them to set. It's a shame they don't do it across the whole of the state, but they have done it with the APY lands access road project, and that's a good thing. It is a 210-kilometre road project between the Sturt Highway and Pukatja in the APY lands.

Today, I am pleased to inform the house that, as part of this project, a South Australian business has won a \$3½ million contract to undertake preconstruction works on the main access



road upgrade project between Double Tanks and Iwantja. Ceduna Bulk Hauliers and Earthmovers (I think in the member for Flinders' electorate) will complete the raising, crushing and stacking of about 450,000 tonnes of pavement material to be used in the Mimili area. Ceduna Bulk Hauliers and Earthmovers has extensive experience undertaking projects in the APY lands and are familiar with the logistics associated with undertaking works in such remote areas. These works are expected to commence in June and be completed by the end of the 2016 calendar year—that's of course weather permitting.

This project aims to improve the living standards of the local Anangu by providing better access to the essential services and facilities, along with reduced travel times and vehicle operating costs. While it is always pleasing when a South Australian company wins a project such as this by demonstrating their skills and expertise, what was especially pleasing was Ceduna Bulk Hauliers and Earthmovers' approach to the training and employment of Aboriginal people involved in this project. The company had indicated that a third of its on-site personnel, throughout the duration of the project, will comprise local Anangu.

The company also plans to use Anangu employees who have been engaged in previous contracts on the APY lands and continue to upskill them in order to increase their future employment prospects. Attitudes to local participation shown by companies are not only due to the goodwill and enthusiasm for South Australians by these companies but also due to the policies of this government. As the house may be aware, the state government, in consultation with the APY Executive Board, is committed to ensure that a minimum of 30 per cent of the total on-site labour hours are to be undertaken on this project by local Anangu.

Local participation is important to this government in relation to procurement, whether it be, for example, steel on the O-Bahn project, locals working on the north-south corridor, the Convention Centre redevelopment project, or other similar major upgrade projects. The implementation of the Industry Participation Policy, the establishment of the Office of the Industry Advocate and the employment of Mr Ian Nightingale have all contributed to ensuring that South Australian companies like Ceduna Bulk Hauliers and Earthmovers are given the best chance to successfully tender for government projects.

We do this because we know of the economic benefits that infrastructure projects can bring, particularly when South Australian workers and South Australian companies and subcontractors are given the best possible chance to win these projects. That has been a priority of this government; contrast that with the cloud that the Leader of the Opposition placed over the future of the Office of the Industry Advocate and Mr Ian Nightingale in the lead-up to the last election and it is clear that, on this side of politics, we think that an economic benefit from these infrastructure projects is important.

#### WESTERN DESERT DIALYSIS

**Mr MARSHALL (Dunstan—Leader of the Opposition) (14:44):** My question is to the Minister for Health. Why is SA Health yet to publicly respond to the business case that Western Desert Dialysis sent it more than six months ago which, if supported, would allow dialysis services to be provided permanently on the APY lands?

**The Hon. J.J. SNELLING (Playford—Minister for Health, Minister for the Arts, Minister for Health Industries) (14:44):** The issues here are very complex with regard to providing dialysis on the lands. I think it's important to canvass the views of Nganampa Health on the APY lands. They are very sceptical, in my conversations with them, about having permanent dialysis there on the lands. You have to remember it's not easy.

One clinic providing dialysis on the lands in one location is not going to be able to provide dialysis to all the people who live all the way across the lands, simply because of its size and the difficulty in travel. If you are living at one end of the lands, it is not practical to travel for dialysis on a regular basis.

*Dr McFetridge interjecting:*

**The SPEAKER:** The member for Morphett is warned.

**The Hon. J.J. SNELLING:** If you were to have a permanent dialysis facility, it would only cater to those people who are living in basically the immediate vicinity of that clinic. It would not be enough to provide dialysis. It would not be a silver bullet that would provide dialysis to people from all over the lands.

Having said that, we are looking very closely at the proposal that has been put to us by the Purple House. The difficulties are not just one of logistics but also we need to make sure that the budget works for us. At the moment, we do provide funding for people who have to travel to Alice Springs, across the border, for dialysis and there is a cross-charging arrangement with the Northern Territory government to provide dialysis to those people, so these are complex financial arrangements. However, I do believe that we are very close to having this matter resolved and being able to get back to the Purple House with the government's position.

### MIGRANT SMALL BUSINESS EXPO

**The Hon. A. PICCOLO (Light) (14:46):** My question is to the Minister for Multicultural Affairs. Is the minister aware of any recent evidence linking immigration and small business activity in South Australia?

**The Hon. Z.L. BETTISON (Ramsay—Minister for Communities and Social Inclusion, Minister for Social Housing, Minister for the Status of Women, Minister for Ageing, Minister for Multicultural Affairs, Minister for Youth, Minister for Volunteers) (14:46):** I thank the member for Light for his question. He is one of the many South Australians from a migrant background who makes a significant contribution to our community. I believe that the majority of South Australians are very proud of our thriving state and what the Labor government has achieved since assuming office in 2002.

In the Weatherill government, we are maximising on emerging economic opportunities: transforming our healthcare system, modernising our transport infrastructure, and building strong and safer communities. However, South Australia would not be what it is today without the contribution of migrants, whether on skilled, business or humanitarian visa programs.

I was pleased to speak at the Migrant Small Business Expo last week and engage with passionate and hardworking migrants embarking on new business ventures. I am very proud that my department was able to support this important expo, which encourages economic growth through entrepreneurship, and I thank Community Corporate, Multicultural Youth of South Australia and the City of Charles Sturt for also supporting this event.

Migrant entrepreneurship is one of South Australia's greatest assets, and our new and emerging communities have contributed to the diversity of our economy, increasing our connectivity with the Asia-Pacific region and the new markets of Africa. The Australian Bureau of Statistics' small business survey tells us that migrants create 29 per cent of small business in Australia. That is why there is so much concern when the federal Minister for Immigration talks about migrants taking jobs and destroying the economy.

The recent comments delivered by Peter Dutton are offensive and wrong. Our model of multiculturalism works very well, but it is delicate, and these negative and untrue comments from the federal government undermine our multicultural state. Our migrants do not take Australian jobs: they create them. Indeed, some of our migrants struggle. They get caught between the traumas of their past life and are tested by their new life, but there are a lot of success stories too.

**Mr Pederick:** What do your unions say?

**The SPEAKER:** The member for Hammond is called to order.

**The Hon. Z.L. BETTISON:** Being from countries—

**Mr Tarzia:** Glass houses. You shouldn't lecture after the last election.

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

**The Hon. Z.L. BETTISON:** For many migrants and refugees, being from countries where they need to be innovative to survive because there is no welfare system, they are keen to pick an area of passion where they have a skill and start a business.

I can tell you that in my own electorate of Ramsay, many migrants have started their own businesses in our high street, John Street. There is an African beauty shop, about four different Afghani grocery stores, a Polish cafe, a South American coffee shop and three Indian shops. Probably one of our most successful migrants, Van Nguyen, who has five different shops, including the best continental deli in Salisbury, highly prized by our Polish community, recently opened a Japanese restaurant and upgraded the Spaceland cafe, a very well-known cafe in Salisbury. Our government welcomes the diversity that migrants make to our economy, and we will continue to support their activities.

### ELECTRICITY PRICES

**Mr VAN HOLST PELLEKAAN (Stuart) (14:50):** My question is for the Minister for Mineral Resources and Energy. Can the minister explain why the expected \$197 drop in average household electricity prices for 2015-16, as predicted by his media release of 30 April this year, has failed to eventuate? The minister's media release outlines how the government's advocacy was expected to contribute towards a \$197 per year decrease in average retail electricity prices this year. However, the AER's pricing proposal report released today shows that electricity prices have actually increased this year instead.

*Mr Knoll interjecting:*

**The SPEAKER:** The minister hasn't uttered a word yet, but the member for Schubert is interjecting. Minister.

**The Hon. A. KOUTSANTONIS (West Torrens—Treasurer, Minister for Finance, Minister for State Development, Minister for Mineral Resources and Energy) (14:51):** It probably should have been the first question, sir, but I suspect the jealousy of the Leader of the Opposition pushed this right back to the last 15 minutes of question time.

*Members interjecting:*

**The Hon. A. KOUTSANTONIS:** Can you sense it? Can you sense it from the Leader of the Opposition? 'No, no, no; push it down. Push it down, don't ask it too early. He'll look too good. It's alright, I'll help you. I'm here to help.'

**Mr KNOLL:** Point of order, Mr Speaker: it's either 127 or 98. I'm sure you can take your pick.

**The SPEAKER:** I uphold one of them. Treasurer.

**The Hon. A. KOUTSANTONIS:** Worth every moment, sir. As I said earlier, the AER's predictions of forward prices are one thing and what also makes up a retail bill. Wholesale energy prices, retail energy prices, distribution networks, all make up a component of a bill, so there are a number of factors that intervene on a bill. I don't accept the premise of the question of the opposition. I will give you a very, very good example, Mr Speaker.

As of 5 May, the most expensive offer in the South Australian electricity market for an average home of about 5,000 kilowatt hours is \$2,163. The cheapest in the market for that same household is \$1,491, a difference of over \$600. What the opposition will have you believe is that there is one generic price across the entire market, and that sort of scaremongering for residential customers has absolutely no benefit for the opposition.

Rather than taking the hefty loading as shadow ministers, perhaps they could come up with an alternative policy, rather than simply being the highest paid whingers in South Australia—the highest paid whingers in South Australia.

**The SPEAKER:** The Treasurer is warned for the second and final time for using inflammatory and insulting language.

**The Hon. A. KOUTSANTONIS:** Sir, I apologise if I've insulted you, sir.

**The SPEAKER:** No, not me.

**The Hon. A. KOUTSANTONIS:** Oh, good. The AER weekly report of 1 November last year predicted that prices for the first quarter of 2016 would be about \$80 a megawatt hour. Of course, as I said last week, the average for the first quarter was \$48. Predictions are very difficult to make in

this very volatile market, but I will point this out. The retail component in a competitive market offer makes up about 38 per cent—that's with wholesale pricing in there as well—of the residential bill. It's not fair the accusations the opposition are making about power prices in this state. I do feel very sorry for the member for Stuart being pushed so far down the order and not being able to ask his question first—I'm sorry.

### OYSTER INDUSTRY

**Ms HILDYARD (Reynell) (14:54):** My question is to the Minister for Agriculture, Food and Fisheries. How is the state government supporting South Australian oyster hatcheries?

**The Hon. L.W.K. BIGNELL (Mawson—Minister for Agriculture, Food and Fisheries, Minister for Forests, Minister for Tourism, Minister for Recreation and Sport, Minister for Racing) (14:54):** I thank the member for Reynell for the question. On 1 February this year, a Pacific Oyster Mortality Syndrome outbreak was detected in Tasmania, which meant that in South Australia we closed down our borders to the movement of oysters. Since then, we have been trying to deal with the consequences of that.

Of course, the oyster industry in South Australia is very strong. It employs about 280 people and it's worth \$32 million to the economy each year, so it is very valuable. We want to make sure that not only do we have a thriving industry, but we have an industry that is free of POMS. South Australia is now the only jurisdiction in Australia that remains free of Pacific Oyster Mortality Syndrome.

One of the big problems we have is that to grow oysters we need spat (juvenile oysters), and there are only two spat producers in South Australia. They produce about 20 per cent of the industry needs, so only 20 per cent comes from South Australia. With the borders locked to the importation of spat from anywhere else, we have been dealing—

*Members interjecting:*

**The Hon. L.W.K. BIGNELL:** We are the friends of the fishers and the farmers over here. You keep interjecting.

*Members interjecting:*

**The Hon. L.W.K. BIGNELL:** They are pretty happy with us. You want someone to look after primary industries, vote Labor. You take it for granted because you're in safe seats.

Some of the financial assistance that we have offered up in the response so far includes about \$70,000 in operating costs—that's largely around laboratory testing of samples. SARDI has also commenced producing spat, and we are conditioning and maintaining the brood stock and the culture algae for SA hatcheries, at a cost of about \$150,000. This is really important. We don't want to be in competition with these two spat producers in South Australia, but we want to make sure there is enough spat there for our oyster growers to be able to access and to continue growing this wonderful product that South Australia is renowned for.

We have also provided \$320,000 to the two South Australian hatcheries for emergency assistance to facilitate an increase in spat production. That's vitally important for these two companies that were going along at their own pace while—

**Mr Pengilly:** How do you stop it from getting into the spat? That's what I want to know.

**The Hon. L.W.K. BIGNELL:** Okay, let's go back. It turns up—

**Mr Pengilly:** I'm serious.

**The Hon. L.W.K. BIGNELL:** I'm serious as well. What we know is that the POMS turned up in Tasmania, possibly from the discharge from a vessel, or something like that, some other reason. We know that it's in Tasmania. We know that New South Wales has had it for over three years and they are dealing with it. By closing down the borders and preventing the importation of spat, we are going a long way to making sure that we reduce the risk. It could still turn up through some other means—the discharge of ballast or something like that—but what we can do is take every bit of action that we possibly can to reduce the risk of the POMS turning up in South Australia.

We had a very good meeting in Port Lincoln with the oyster growers from right around Eyre Peninsula. I was really happy that the member for Flinders could be there with us because together we are going to work side by side with our oyster growers to make sure that we preserve this industry and those 280 jobs of great hardworking South Australians.

#### STATE ADMINISTRATION CENTRE

**Ms CHAPMAN (Bragg—Deputy Leader of the Opposition) (14:59):** My question is to the Treasurer. Will the Treasurer confirm if settlement on the sale of the State Administration Centre will occur in the next 36 days? Has the Treasurer now ascertained from his agency if legal proceedings are pending in respect of the sale and, if so, who are the parties?

**The Hon. A. KOUTSANTONIS (West Torrens—Treasurer, Minister for Finance, Minister for State Development, Minister for Mineral Resources and Energy) (14:59):** First and foremost, I have not received an answer from my agency about pending legal proceedings, so when I do get that answer I will find out. In terms of settlement within the next 36 days, I am not sure that that time line will be met, but I will get back to the house and give the deputy leader an answer.

#### ADAIRE COMMUNITY MENTAL HEALTH CENTRE

**Mr PICTON (Kurna) (14:59):** My question is to the Minister for Mental Health and Substance Abuse. How will the Adaire Community Mental Health Centre provide mental health services to the southern suburbs community?

**The Hon. L.A. VLAHOS (Taylor—Minister for Disabilities, Minister for Mental Health and Substance Abuse) (15:00):** I would like to thank the member for Kurna for his question. I would also acknowledge the passion and dedication that both the members for Kurna and Reynell have for mental health services in the south. I often hear their concerns and those of the lived experience communities that they represent. They both joined me in meeting the official opening party at the Adaire Community Mental Health Centre at Noarlunga in late April, and it was an absolute privilege to attend the opening of the centre.

The centre was named in honour of the late mental health services staff member, Kathryn Adaire, who died in tragic circumstances, and it is part of the six community mental health services that have been developed in our state. Community mental health services is a very busy part of our health system, and at the Noarlunga service there have been roughly 51,980 community contacts in this financial year to date.

Not only do we know that the \$2.8 million centre is impressive in its own right but it represents how mental health services are changing and constantly evolving in our state. It brings together community mental health specialists and allied health teams for one base of operation. This means that around 70 staff are under the same roof working together, day by day, in the same space creating better outcomes for health consumers in the south. The clinical-related staff consist of a wide range of specialisations, such as psychiatrists, psychologists, nurses, social workers, occupational therapists, and administration and clerical support staff.

As a result of this, the centre and the community in the south will receive better mental health outcomes and care with the integration of assessments, interventions, and other clinical supports. The centre will offer more collaboration between clinicians, and collaboration means something that is invaluable to the consumer. Together with the Noarlunga team, they will have a success to build on for the future. The level of integration the centre provides will have flow-on effects across the broader mental health system and the region that it helps. I have already seen some of these collaborations in action with the mental health nursing training day I recently spoke at on Thursday.

I would like to place on the record my thanks for the passion, commitment and representation of the south of Dr Andrew Champion, the Unit Head of the Outer South Metro Mental Health Services of the Southern Adelaide Local Health Network; John Mannion, the Director of Mental Health Strategic Operations in SALHN; and John Strachan, Sector Manager of the Outer South Mental Health Services at SALHN, who led the planning with the architects in this process.

I would like to acknowledge the work of Cheesman Architects for their specialist fit-for-purpose build and design of the centre. The design of the centre was done in consultation with the

fantastic local staff, who enjoy working in these light-filled spaces and can collaborate so easily. I also acknowledge the dedicated work of all the clinicians and backup teams that achieve such important targets in the south.

The South Australian government will always continue to evaluate and improve on how we deliver services. The taxpayer and the consumer expect us to provide the very best value for money and the very best level of service to all people in our state. Even in the face of \$20.1 million cuts from the commonwealth government in mental health, we know that we are continuing to do the very best we can with the services we provide.

The opening of the Adaire Community Mental Health Centre represents how services across our state are improving and leading to better care for some of the most vulnerable South Australians in our community.

### SCHOOL SAFETY

**Mr GARDNER (Morialta) (15:03):** My question is to the Minister for Education and Child Development. What steps is the government going to take to provide a safer environment for teachers and students in our classrooms given the increase in assaults on teachers by students, from 231 in 2012 to 549 in 2015?

**The Hon. S.E. CLOSE (Port Adelaide—Minister for Education and Child Development, Minister for Higher Education and Skills) (15:04):** I am very happy to discuss this issue. The member for Morialta, in fact, was reasonably useful in an interview yesterday on the radio, when he reminded the listeners of something else that we do that I hadn't yet got to. I found that helpful, but they didn't come back to me for me to thank him.

There is an apparent increase at least in the reported levels of assault in our schools. It is always difficult to be entirely clear whether that is about better reporting because we have vastly improved the ways in which reporting is done. At the same time, my instinct is that it's likely that there are indeed more incidents, given that we are seeing increasing levels of complexity in our communities and that that is reflected in our Families SA work also.

There are, as members would be aware, a number of ways in which the department responds to this currently. There are exclusions and suspensions of students. There is the involvement of police, when that is deemed to be appropriate. When students are suspended or excluded, they are required to go into a development plan or behaviour management plan. When we are dealing with very young children, of course, it is extremely important that we try to work to get them onto a different path so that that does not become the dominant feature of their future. As they get older, that becomes increasingly challenging.

We have a number of centres where students who have difficult behaviours are sent. I won't recite information that is publicly and widely available. We do have a broad range of responses, but we are constantly looking for more. It is not acceptable that teachers are placed in dangerous situations, and we will continue to work on improving their conditions.

### *Grievance Debate*

### DAIRY INDUSTRY

**Mr BELL (Mount Gambier) (15:06):** I rise today to talk about the cuts to the farmgate price of milk affecting dairy farmers. They will affect about a quarter of South Australia's 253 dairy farms which produce 550 million litres of milk from about 82,000 cows each year. One of the great concerns is that other dairy processors will follow the price cuts from the new season on 1 July.

What I found very interesting even today was the state government's announcement of \$60,000 to deliver Taking Stock, which is basically a counselling program, when many farmers coming into my office need real on-ground assistance. Compare that to our Victorian counterpart, who has put in \$11 million: that is \$60,000 versus \$11 million.

I also find it disappointing that the Minister for Agriculture, Food and Fisheries put out a press release saying that he was going to be holding urgent meetings with Fonterra while he was in New Zealand for the agriculture ministers' conference and would raise the issue with other state ministers, yet, in today's Dorothy Dixier, there was absolutely no information coming out at all. What did they

discuss? What solutions and what actions going forward were discussed? What can I go back and tell the farmers in my electorate this state government is doing to support them other than a counselling program when, as I said, they need real on-ground assistance?

Just keep in mind that dairy production generates \$930 million worth of revenue in South Australia. It is a major industry. Quite rightly, we focus heavily on steel manufacturing and the issues facing one part of that industry, yet for dairy production there is scant comment and scant regard. I thought I would just talk a little bit about a few of the dairy farmers who have made contact with me, such as Peter Bowd, who came into my office.

Peter is a very 'out there' thinking type guy and actually built an underpass under a main road between two of his dairies, at a cost of \$170,000 of his own money, so that cows were not crossing a main road going towards Carpenter Rocks. In the last three months on his farm alone, he spent \$400,000 in running costs and quite regularly says that running expenses are around \$50,000 per month. Last year alone, taxes amounted to \$200,000. He is one of my dairy farmers who is contributing positively to the South Australian economy.

We then have Graeme Hamilton. Graeme is a medium to large-scale dairy farmer. He will be asked for \$280,000 in clawbacks coming back to the state government. Adam Maidment, who has a 300-cow fully robotic dairy, is in absolute disbelief and says it is a crisis that they need some relief from.

So, what can the state government do? What things could this state government be pondering? I call on the state government to look at a 12-month suspension of NRM levies on dairy farms. Again, it was a question asked in today's question time that was neatly deflected by the Treasurer because he does not want to answer any of these questions. A 12-month suspension is barely going to be a hit to the South Australian budget, but it is a show of good faith to our people in the dairy industry.

There should be a campaign by the South Australian government to promote dairy and the importance of buying South Australian produce, similar to the Victorian one of #MilkMo where superstars, politicians and celebrities are sharing their milk moustaches. There should be co-investment with major suppliers such as Murray Goulburn and the bringing forward of infrastructure projects which would lead to value-added products.

The idea I really want to talk about is one from Kevin Domaschenz, who discussed this with me over the weekend in a fine establishment, and that is of reintroducing free milk in primary schools. We could go back to milk monitors. Some would remember the aluminium foil on top of the milk bottles. When you put a straw through, you would have a layer of cream. What free milk in South Australia primary schools would do is increase the consumption of milk.

Time expired.

#### **GOLDEN GROVE**

**The Hon. J.M. RANKINE (Wright) (15:11):** The City of Tea Tree Gully council is meeting tonight, I understand, to adopt its draft budget for 2016-17. The budget will be out for community consultation, and I am urging residents in Golden Grove in particular to make sure their voices are heard in relation to this current budget.

About \$1 million worth of verge beautification, tree screen rectification, road reconstruction, and playground equipment has been taken from the budget for Golden Grove and allocated elsewhere. Residents are right to ask how this could possibly happen with the unanimous support of all elected members. This means all councillors representing the Golden Grove area—councillors Paula Luthern-Soper, Bernie Keane, Paul Barbaro and Sandy Keane—supported this move.

The dreadful thing is that the money is there. This has not been a saving, it is just that our councillors appear to have simply given it away to other council areas—areas where they have councillors who are prepared to stand up for them. Once again, we have been let down by those who are supposed to represent my area, and local families must be truly questioning if their councillors have their best interests at heart.

A \$340,000 upgrade of the Modbury Vista Soccer Club has been proposed—it is a great club, and I know that you know the club well, Deputy Speaker—but it is on condition that council gets permission to sell another community asset, the Wynn Vale Community House, so this is not guaranteed. There are \$750,000 of capital works proposals that would have benefited the South Australian District Netball Complex, provided barbecues and shade sails for Golden Fields and a playground at Greenwith that have been put on the backburner.

Again, there was no argument put up by our councillors. This means no improvement to access in the car park where, every weekend, hundreds of women and girls play netball. This means the highly used Golden Fields will see no improvement for families, and no funding has been provided for the replacement of play sculptures at Castle Eaton Reserve. Again, there was nothing from our councillors and nothing from Councillor Paula Luthern-Soper in particular, who claimed to have been doorknocking in relation to the refurbishment of these sculptures.

*Members interjecting:*

**The DEPUTY SPEAKER:** Order!

**The Hon. J.M. RANKINE:** I spoke about this matter back in February, about the destruction of these specially carved play sculptures, and it was very nice to have the support of the member for Hammond in the disgust that I, residents and obviously he felt about this matter going ahead.

Yesterday, I received a letter from the Mayor of Tea Tree Gully confirming that no moneys had been set aside for the replacement of the sculptures. I have taken up this matter with the council on numerous occasions and, back in March, the mayor sent me a letter apologising, saying that they should have conducted community consultation, underestimating the value that the community placed on those play sculptures.

As a result of my most recent correspondence to Kevin Knight, the mayor, he advised that he is now putting the matter before council for inclusion in the budget. Now, there is a glimmer of hope. We have had no response, no positive response from the local councillors, but now we have a glimmer of hope from the Mayor of Tea Tree Gully. He says that there was no provision in the draft business plan for the sculptures to be replaced, but he said that he has requested a report be provided to council to specifically raise the issue of whether council wishes to explore the replacement of the sculptural elements of the reserve. He goes on to say:

Unfortunately I cannot predict whether the Council will or will not support the replacement of the sculptures but I can assure you that a report raising the issue will be tabled in June 2016...

I hope that our local councillors come to their senses and understand that they have been elected to represent those suburbs in the Golden Grove (and slightly beyond) areas. Giving away in excess of \$1 million worth of funding that had been allocated to our area is not what the local residents think is adequate representation.

### NAPLAN RESULTS

**Mr DULUK (Davenport) (15:16):** This afternoon I want to have a talk about NAPLAN results in South Australia. Earlier this month, thousands of—

*Mr Whetstone interjecting:*

**The DEPUTY SPEAKER:** I remind the member for Chaffey that he is on two warnings. Every member is entitled to be heard. I should have actually called you to order again while the member for Wright was on her feet; you are now wasting the member for Davenport's time. Well, the clock appears to have stopped for him, which is lucky.

**Mr DULUK:** Perhaps we can just restart that clock, Deputy Speaker?

**The DEPUTY SPEAKER:** No, the clock had stopped for you.

**Mr DULUK:** Earlier this month thousands of SA students sat the NAPLAN test for 2016. I congratulate those who participated in this year's test and I wish them all the best. Sadly, the reality is that many of these students will not achieve the minimum standards or reach national average levels. South Australian students' NAPLAN scores have been disappointing in recent years. In 2015, South Australia only made a statistically significant improvement in one category and, alarmingly,



our students were the worst performing of the mainland states, falling well short of the national average in 18 of 28 categories. To me, this is unacceptable.

In 2015, not one South Australian government primary schools was ranked in the top 100 schools in the nation based on NAPLAN results. Only one South Australian government school made the top 100 secondary schools, being Glenunga International High School. As a graduate of the public state school system—and I like to say 'public and proud'—I find our declining performance very sad.

What concerns me more is that the gaps between students are widening with every year level in the NAPLAN tests. A recent Grattan Institute report, called 'Widening gaps: what NAPLAN tells us about student progress', highlighted that learning gaps widen alarmingly as students move through school. By year 9 the spread of achievement spans eight years. The report demonstrates how the gap between high and low achieving students in year 3 widens dramatically when students reach year 9.

A gap between high and low results in year 3 students is only a matter of months of literacy and numeracy progress, but by year 9 that same gap between high and low results can translate to years' worth of literacy and numeracy progress. It is a bit late to try to fill the gap when a student is in year 9. More intervention is needed in the early years to prevent these widening gaps between students.

The Labor government must make serious policy changes if it wants to deliver better outcomes for South Australian students. Let's remember that we used to lead the nation in the early 1990s and 2000s in school academic results and we also used to perform very well on the international stage. Successive Labor governments have overseen a dramatic decline in basic standards in our state education system. It is time the government acknowledges its education policies are flawed, accept responsibility and take definitive steps to reverse our falling standards—anything less and we are ripping off our young people. We cannot continue to fail them in developing essential literacy and numeracy skills. Again, another quote from the Grattan report:

Disadvantaged students are falling further behind each year they are at school, on our watch. These gaps matter. Achievement in year 9 is a strong predictor of success in study and work later on. A good school education helps a young person stand on their own two feet as an adult, and the benefits ripple through future generations.

The OECD notes that students who are low performers at age 15 are more likely to drop out of school and when a large share of the population lacks basic skills, a country's long-term economic growth is compromised.

With 7 per cent unemployment and substandard NAPLAN results, I question what this government is doing for young people in South Australia. As a start, two important changes must be made to help our students. Firstly, embrace local school autonomy. No two schools are the same and no two students are the same. Let school principals make decisions in the best interests of their school, students and parent cohort.

Secondly, transition year 7 into high school. It would bring students into line with the national curriculum, with South Australia the only jurisdiction in Australia that still has year 7 students in primary school. Our 12 and 13 year olds need specialist teachers and an age appropriate environment to improve their literacy and numeracy skills.

South Australia should strive to be the best state for education. We have great schools and excellent teachers. Let us empower them to do their job and provide the education our young people need and build an education system that is the envy of the nation, not one that is lagging behind. Families should look at our state and think, 'We should be moving to South Australia, they have the best schools and will provide our children with the greatest opportunities to succeed.'

#### TASK GROUP TAJI

**The Hon. L.A. VLAHOS (Taylor—Minister for Disabilities, Minister for Mental Health and Substance Abuse) (15:21):** I would like to speak about an event that I had the great pleasure of attending on 8 May (which was Mother's Day) with my daughter. We went to the farewell parade for the Task Group Taji 3 and Force Protection Element 6 of the 7<sup>th</sup> Battalion of the Royal Australian

Regiment, a fantastic group of men and women doing exceptional work at the RAAF base, Edinburgh.

Several hundred personnel will be departing shortly for the joint Australian-New Zealand operations in the Middle East this month, in Iraq and Afghanistan, with around 100 New Zealand personnel assisting in this operation. Task Group Taji will deploy to Iraq and support an international effort to train and build capacity in that country. As today's *The Advertiser* highlighted, on the day there were many families present. It was Mother's Day. There were many children there and the children present were given the opportunity to see their parents on parade and to be proud of them.

One of the most remarkable things is the piglet army photo that is in *The Advertiser* today, which Jos Vladman has created. He has created Willy the pig, who will feature in his cartoons in *The Advertiser* every day while the deployment is on to allow these children to find some connection to their parents' service.

It is great to see Lieutenant Colonel David McCammon DSM in the photo with several children, whom I saw as well, moving around the parade ground, and the climbing and children's fun equipment that was spaced out on the day. Defence SA and the South Australian government are indeed proud to be sponsoring the piglet army T-shirts that are on display. It is a great way of recognising the efforts of these children at the home front, doing double duty while their parent is deployed overseas.

It is really important that we recognise the lives of the children of people who are serving overseas because they are giving up part of their childhood to support the nation's defence forces as they help build capacity abroad. Willy the pig is the unit's mascot and he will be in *The Advertiser* every day. I encourage everyone to spot the pig every day as they look at their paper.

I would also like to acknowledge the flyover by 92 Wing, a group of RAAF personnel who have been silently but professionally undertaking their work for many years, on behalf of the Australian population, in the Middle East and other places, to protect us. Their flyover on the day was very spectacular indeed. I wish everyone who is deploying the very best and I look forward to seeing them again safe at home.

#### LIBERAL PARTY

**Mr KNOLL (Schubert) (15:24):** I am a committed member of the Liberal Party. We are a broad church brought together by the fundamental idea that individuals should have the power to live their own lives; that we are, first and foremost, free when we are able to make choices for ourselves. It is a philosophy that empowers, not belittles, people and treats them as capable of following their own dreams.

As someone who believes in these ideas which are very dear to my heart, as I know all my colleagues do, and party members do as well, I cannot abandon them. That is why when I see those who pretend to hold these ideas but whose actions speak to a different truth I am compelled to speak out. In a recent article, I stated that if the member for Waite were a Liberal he would not have sold out to become a minister in a Labor cabinet, in effect siding with those whom he had fought for years previously. It is also why today I am bringing to the attention of the house the hypocrisy of the Xenophon candidate for Mayo for doing the same.

Rebekha Sharkie rails against the major parties. Through her candidacy she has been relentlessly negative, often seeking to blame others for her own misfortune. The truth is, though, that she wanted to be a candidate for a major political party. She was a member of the Liberal Party for a number of years and was even president of one of the branches within the electorate of Schubert.

Rebekha also had multiple dinners with the former member for Schubert and a great mate of mine, Ivan Venning, to discuss her candidacy for the then upcoming preselection for the seat of Schubert. Rebekha has since become a candidate for Nick Xenophon, a man who votes more often with the Greens than with any other party—66 per cent of the time he votes with the Greens, hardly a move that I would consider to be consistent with Liberal values.

Rebekha has also courted fringe groups such as FLAG Australia, a group that holds many extreme views when it comes to the immunisation of children, foreign investment and the proliferation of wind farms. This is an extreme group that aligns more closely with Pauline Hanson than with any

other person. Again, it is not something that is consistent with Liberal values. I find it very difficult to believe someone who rails against both major political parties, who previously has been a member of one of them and indeed sought to be a candidate for that party. It is absolute hypocrisy and something that needs to be called out in the electorate.

The difficulty we have here is that a vote for Rebekha is a vote for who knows what. Is it a vote for the Greens or is it a vote for far right fringe groups? Indeed, in a recent article on measures to support our dairy industry, the Xenophon party cannot even decide for itself what it stands for. Whilst Nick was all in favour of a levy to support our dairy farmers, one of his candidates disagreed. Indeed, his candidates had variously advocated for \$1 limits on foreign investment, acupuncture on unspeakable parts of the body that were alluded to last week in this place, the fact that Roundup causes genetic mutation, and the wholesale cutting of penalty rates. These are extreme views and views that really belie what the Xenophon party stands for.

Being a member of a major political party requires difficult choices. There simply is not enough money to fund every good idea. This means that you need to prioritise and you need to fight for what you believe is most important. The way to get things done is to fight for your community, and the best way to do that is to get elected. You then need to fight from within your own party to influence your party's platform, then fight to gain acceptance within the broader electorate, and then get the agreement of the parliament. This is a long and arduous process, but this is how change is effected. This is how major parties effect change within our electorate.

The current member for Mayo, Jamie Briggs, is someone who has fought admirably in this way. Whether it be getting outcomes for his electorate, working with state governments or working across the country to make Australia a better place, Jamie has been very effective in bringing about change. By contrast, Xenophon's promises, which so far have costed in at \$100 billion, are totally uncoded. This party has been successful at carping from the sidelines but has been extremely unsuccessful in actually getting something done. My father always taught me that if something is too good to be true, it probably is. So when I see a party promising \$100 billion worth of ideas but no way to pay for it, I remain sceptical and so should voters.

Major political parties are not perfect, but we should respect those who have been able to effect change. I would like to finish with a quote from Teddy Roosevelt from 1910, which I think sums it up best:

It is not the critic who counts; not the man who points out how the strong man stumbles, or where the doer of deeds could have done them better. The credit belongs to the man who is actually in the arena, whose face is marred by dust and sweat and blood; who strives valiantly; who errs, who comes short again and again, because there is no effort without error and shortcoming; but who does actually strive to do the deeds; who knows great enthusiasms, the great devotions; who spends himself in a worthy cause; who at the best knows in the end the triumph of high achievement, and who at the worst, if he fails, at least fails while daring greatly, so that his place shall never be with those cold and timid souls who neither know victory nor defeat.

**The DEPUTY SPEAKER:** Roosevelt's speech went on for a week, did it not? Where are you stopping?

**Mr KNOLL:** Done.

## PENALTY RATES

**Ms HILDYARD (Reynell) (15:29):** I rise to speak about an issue that impacts thousands of people in Reynell, and indeed hundreds of thousands of South Australians. I am proud, as a unionist, as the mother of children who rely on penalty rates, as someone who has relied on them myself and as the member for Reynell, to stand here today and speak on behalf of thousands of workers who rely on penalty rates to put food on the table or to pay their rent.

Even the most minor cut to Sunday rates has a huge impact on people who are already struggling to make ends meet. Few families can afford this sort of hit: a hit that has been proposed in various fora by people who purport to support ordinary South Australians; namely, members of the Nick Xenophon Team.

I have had the privilege of representing workers in the community sector, in DV shelters, respite houses, help lines, airlines, call centres, libraries and council depots. I have heard over and

over again what their weekend rates of pay mean to getting bills paid on time and paying for their kids to go on a school excursion. These are the South Australians, alongside those who work in hospitality, retail and emergency services, who give up their own precious family time to care for others, to keep us safe and connected, or to ensure our nights out at the football or a restaurant are enjoyable.

Cuts to penalty rates impact younger workers. However, those also negatively impacted are often middle-aged, female and supporting children. They are not in training or in unskilled jobs, their jobs are like any other and worthy of good conditions and appropriate rates of pay. Today, I place on record my concerns about the looming threat to penalty rates arising from the upcoming election and the Nick Xenophon Team.

This election, Mr Xenophon's running mate, Stirling Griff, may ascend to the Senate second behind Mr X himself. Mr Xenophon's longstanding campaign manager, Mr Griff, the architect of his failed bill to reduce penalty rates in federal parliament, may just slide in without being clear about his views on what these workers deserve. Mr Griff is on record calling penalty rates a noose around the neck of small business.

How people who rely on them feel about a man with these views getting elected is unknown because all we hear about is their first candidate, but with the Nick Xenophon Team you get more and, unfortunately, so much less for many people than just Nick Xenophon, whose own record on penalty rates is questionable and murky at the very best. On the Nick Xenophon Group official website, under 'Employment and Workplace Relations', authorised by Nick Xenophon, he states:

For small businesses with fewer than 20 full-time equivalent employees, penalty rates shouldn't apply during normal trading hours on weekends.

Whilst Mr Xenophon himself may have just for the moment, as we approach the 2 July federal election, wobbled on his longstanding position around penalty rates, his selection of candidates speaks volumes about his actual views. An *The Advertiser* survey of Nick Xenophon Team candidates found four Nick Xenophon Team candidates in Sturt, Port Adelaide, Wakefield and Adelaide would consider penalty rate cuts to businesses.

United Voice South Australia secretary, David Di Troia, who represents thousands and thousands of workers who rely on penalty rates, has said that Nick Xenophon does not seem to know what a fair wage is for ordinary working people. As Wirreanda Secondary School student Cheyenne Stocker said:

As a young person living away from home, penalty rates make a real difference. Penalty rates mean the difference between being able to catch public transport or being forced to find another way to get to work or school.

As her cousin said:

I work as a stock filler and without penalty rates I couldn't afford to send my daughter to day-care or travel the distance to get to work most nights.

As the feisty retiring member for Wills, Kelvin Thomson, wrote in a letter to the Restaurant & Catering Industry Association about penalty rates:

Your letter referred to changing social norms around weekend shopping times, a reduction in religious observance and a softening of trading hour restrictions.

The letter gave me the phone number of your Public Affairs Manager and invited me to contact him to discuss these issues and your Association's campaign. So I did. I rang last Saturday, and again on Sunday, but there was no answer.

Perhaps there is still some magic left in Saturdays and Sundays after all.

I concur and conclude with this: until the AFL Grand Final is played on a Monday, until the opening of our Festival is held on a weekday and our Christmas Pageant at a time other than Saturday morning, there is something special about the weekend, and those who work to support, serve and look after us and keep us safe across the weekend deserve to be compensated for missing out on all of these special moments and more.

*Bills***RETIREMENT VILLAGES BILL***Second Reading*

Adjourned debate on second reading (resumed on motion).

**Mr PEDERICK (Hammond) (15:34):** I rise to continue my remarks about the Retirement Villages Bill 2016. Before the adjournment, I was speaking about all the villages in my electorate that provide such great service for people who want to access and use them—and they come from far and wide. I must say that my mother-in-law has just moved into a village. She wanted to scale down a bit and found a lovely place, so I commend her for that.

There are a couple of things I want to talk about in regard to clause 26 of the bill, that is, statutory buyback and retrospectivity. I really do respect residents' rights to have access to their money if they want to leave the licence in regard to occupying a residence in a retirement village, but there is another factor that needs to be taken into account. I know that the minister initially was going to go with a 12-month statutory buyback provision; that has been pushed out to 18 months. The government seemed to think that that will protect everyone involved.

The one fear I have—and just remember what I said earlier; I do not want this to be used out of context—is that we need to protect residents' rights, but we also need to protect the ability to house residents in future decades. This is where I think there is a real issue with the statutory buyback provision, especially in regional areas and certainly right throughout the state. In regional areas, the problem with trying to get investment in anything, whether it is retirement villages or someone purchasing a business, is that generally you need to have a higher rate of equity just because you are, as a matter of fact, in a regional area. A rate as high as 60 per cent could be required by most of the banks, and that is a lot of equity to have in a business.

For someone who has many properties in a retirement village, who has had to borrow to have 60 per cent equity, they have made a large investment. As discussed earlier by the members for Morphett and Heysen, if all of a sudden this provision goes through unamended a lot of people may decide to exit, and if, for whatever reason, they cannot have their licensed properties sold off, all of a sudden the operator is put in the position where he or she has to buy the licence for those dwellings. In effect, that is making it 160 per cent equity in those dwellings. In my mind, none of that adds up. If the minister can convince me that it adds up, that is fine, but in my mind I cannot see how it will add up.

The issue for me—and I have heard especially from small operators of retirement villages—is that they could very easily fall over and go out of business. So, yes, I absolutely respect the fact that people in our retirement villages have rights, and they have to have their exit rights, but if we do not get this part of the legislation right we will not have enough retirement villages in the future, and I believe that to be a fact.

Some of us in this place are over 55 and some of us are heading that way, which is the criterion to go into these places, so as we all get older we are going to need many more of these villages in the future. I have had retired farmers from my area go into these places, and I mentioned one in here before. He was a farmer from Coomandook and I thought, 'He'll never stay there. He'll never enjoy it. He'll be scooting back to the farm, checking out what the boys are doing with the cropping or checking the sheep, and that sort of thing.'

I could not have been further from the truth. Yes, he may have done that a few times, but at the end of the day he found a lifestyle in that village. With a friend of his, an auctioneer from one of the major firms, I think they almost run the show—or I think they think they run the show—and that is great. They have great facilities, great social facilities, eight ball and a big hall. It is great for camaraderie, especially for people who are heading into their twilight years.

But something else that is noticeable in Murray Bridge and Goolwa, and I have certainly picked it up in Murray Bridge, is that many people from further down in the South-East, all the way to Mount Gambier, who do not want to move into a city retirement village complex will come to Murray

Bridge. They are within an hour of the city and, hopefully, it will not be too long before we get a Metro ticketed bus service.

We will just keep working on that because that is what we really need to invigorate Murray Bridge not just for our elderly people but for our students, our young and our people who commute to work in Adelaide, even the ones who commute from Adelaide to Murray Bridge; either way, it will be a great boon for the town and the area. There are many people who will come that far knowing that they are within striking distance of Adelaide and the specialist health care they may need into the future, but they still want to have that ambience of the country life and so that is as far as they will come to get close to the city.

In my mind, we need to get this right on both sides of the ledger. We need to have it absolutely correct so that people in our retirement villages can have a comfortable lifestyle and can get out with decent equity at the end, whether it is them or, sadly, on their passing, whether it is the family, and get the right outcomes when the licence to occupy is ceased in one shape or form. We also have to make sure that we can secure that investment into the future because sometime in the future I do not want to be the—I was going to say 'little old grey man', but I am a grey man now—

**The DEPUTY SPEAKER:** You're not little—

**Mr PEDERICK:** I am not little, fair enough—

**The DEPUTY SPEAKER:** —or old.

**Mr PEDERICK:** —or old. Thank you, Madam Deputy Speaker. Flattery will get you everywhere. I do not want to be the person who said, 'Well, we didn't have enough debate or take this through committee long enough to get the right outcomes and now I can't get access to that retirement village that I wanted.'

I welcome debate on the bill and look forward to the committee stage to see if we can flesh out some answers, certainly in regard to clause 26. The other cause for concern I had was the retrospectivity that would come straight into that so that for people who have signed legal contracts essentially those contracts become null and void because of that clause. We need to get it right for everyone. We need to get it right for current residents, for immediate future residents and for those residents of the middle and longer term future who will need these facilities. They do a great job for health and wellbeing. The community facilities in these retirement villages are just fantastic. I welcome future debate on the bill.

**Ms CHAPMAN (Bragg—Deputy Leader of the Opposition) (15:44):** I rise to speak on the Retirement Villages Bill 2016 and indicate that I will be supporting the bill. I further disclose that I was a chair of the Home and Community Care advisory board for about eight years prior to coming to this place. Accordingly, I have had some interest in assistance to both frail aged and those with a disability in securing alternative and independent accommodation, particularly advocating for the services for people to remain living in their own home. I consider the dwellings within a retirement village people's own homes. Secondly, I wish to acknowledge and thank representatives from the Office for the Ageing who provided a briefing on this bill on 12 May 2016.

Of course, dwellings provide accommodation for us and differ throughout our life. Often, if we are lucky, in our childhood we come from a comfortable home in a family environment; sadly, others live in tents, cars, and other amenities. We like to hope that most of our younger people will, of course, enjoy some secure accommodation when growing up.

As a single person leaving home, flats, apartments and warehouses seem to be the order of the day. Then moving to a family home—if, of course, one partners and elects to have a family—is usually a natural progression. In the more advanced years (if and when the children ever leave home these days), of course one looks to have other lock-up accommodation, together with the caravan and whatever else they want to do—usually buying a bike and lycra pants seems to be the option these days. In any event, there is a changing requirement for that time.

**The DEPUTY SPEAKER:** Are you going to?

**Ms CHAPMAN:** No, nowhere near that, Madam Deputy Speaker. I must say that I think I have more 60-year-old blokes in lycra pants in my electorate than anywhere else in the world. In any event, there are plenty of them.

In the course of that advance in years, if we are lucky enough to, firstly, survive to a mature age (and I put that into the 85 to 90-year-old age range), usually we need some other accommodation. Of course, that may be nursing homes and the like, but there is often a post family home period when smaller accommodation and then accommodation that has some extra services are attractive.

Retirement villages are usually smaller than the home we have had as an active adult during our employment years, etc., and they are often more accessible—they have wider doors, they have fewer steps. They are built with contemplation of maturing or, as they say, 'ageing in place'. About 85 per cent of us, I suppose thankfully, pass away before we ever have the need for or, in fact, ultimately end up in a nursing home or high-care facility of that kind.

This period of our life is when we are looking for smaller, more suitable accommodation, and it is usually a key investment and an important investment. It is one which has historically, when we have a shared village arrangement in a retirement village scenario, attracted legislation for good reason, that is, to regulate the fact that there is a whole occupation of parties in a small area. They share a lot of amenities, it is more than just a strata flat arrangement, and there is quite a significant overlap of services.

As I say, with ageing in place policy initiatives, there is a significant demand for there to be a secure structure, usually by regulation, and that is what we have under the Retirement Villages Act. It has been under review, and I thank those members, including our own members, who served on a review to advise us on this matter because I think all legislation needs to be updated and improved from time to time, and this is one such area. Can I just say three things about this legislation; one is that I think it is always important to remember that those moving into a retirement village scenario are not some aged, ipso facto decrepit, person who is simply incapable of making their own decisions.

It is fair to say that if somebody is making a decision about going into a retirement village and investing a significant amount of money in the purchase of a facility, having recently lost a spouse, for example, or going through some emotional trauma as a result of leaving a family home, or having not had much education, or not having been in the workforce or not having experienced a major acquisition on their own before, are all things that could make them more vulnerable, indeed exploited, in a circumstance when they may not be familiar with all the legalities of what they are signing up to. I would just urge that, in looking at this legislation, we stop thinking of everyone who is over 70 or 65 as being some kind of complete incompetent.

I remember when my father was about that age and, post surgery, required some accommodation, he was quite resistant. He compared it to incarceration, as though he was being locked up in this facility. I can remember him going in and saying, 'Just don't assume that I am some soup-through-a-straw-sucking senior.' I thought he had said something else at the time. Nevertheless, I got the point: one is not to assume that everyone over a certain age suddenly has cerebral incapacity or turns to custard or whatever. These people are frequently active, intelligent, and certainly very well able to enter into and complete commercial arrangements with the acquisition of their homes.

For us in the parliament to take this paternalistic view that is frequently espoused is wrong and I do not think it represents the population we are talking about. If we are talking about someone who is in an advanced stage of dementia, who is physically completely incapacitated, who is unable to speak, sure, we are into the category of (thankfully) a very small minority of the population who might get to that stage in their latter years, but age does not of itself mean we are dealing with incompetence. I just want to remind people that there ought to be some respect for those who are buying property in this area.

That is why it is important to remember that we have consumer protection law. We have a lot of it in different forms. We have had it, really, since the seventies, and it has certainly expanded over time. I have no issue with that, but I do not think we should be treating a senior person as some

kind of imbecile and in need of our protection, as distinct from having consumer protection rights. There is a vast difference and I think we should remind ourselves of that as we go through this.

The second thing I would say concerns the statutory repayment provision. Generally, I share the view of a number of other members that it is a fairly blunt instrument to deal with a minority of people who might find themselves the victim of some mischief, in being stuck in a retirement village situation and needing to access their funds. At first blush, of course, these types of provisions do not usually sit well with Liberals. The retrospectivity alone would make us quite alert, as well as the interference with parties' rights to be able to contract freely, but we do need to consider those who may miss out.

The circumstances of those who are in a retirement village and need to get out have been addressed from the point of view of their moving to another facility, usually a higher care facility. I think other members have addressed that. Certainly, our lead speaker has and I will not cover that again. I just want to deal with the few per cent who have to leave for other reasons—not because they die, not because they are going to a nursing home, but because their circumstances have changed.

The ones I deal with—and there are not many of them—are very concerning. They are usually people who have either gone back into the workforce because they need to, and they need to be able to move address to facilitate that, or they have acquired the responsibility of children—often, grandchildren. The parents of these children are unable to care for them; sometimes, they have passed away or are in gaol or are in some way incapacitated.

Suddenly, a couple who have sold their home, bought a small car and moved into a retirement village find that they have three young children for whom they have to take responsibility—willingly, of course—but their residential accommodation is not suitable and it would, of course, offend the rules of the retirement village for them to bring children into the facility. We do have to have a way for people to be able to sever that interest.

Another thing I would like to say is that the residential parks review of the Attorney-General also started a few months ago. We do not have many of those in South Australia. I thought we had dealt with the stamp duty issue at the election when, I recall, Mr Foley, the then member for Port Adelaide, was the treasurer, in that there should not be stamp duty applicable to the transfer of interests on a right to occupy in residential parks. At least for that election, it was resolved. I am actually told, and it is only anecdotal at this point, that there is still stamp duty payable on the transfer of these interests, which I think is dreadful. I think the government should be looking at that.

I hope the government gets on with this review. It was announced a few months ago by the Attorney-General, and I think we need to address some of the concerns that the occupants in the facilities in those residential parks have to face. I was just going to reach for the reference to it, which I seem to have lost, but, in any event, we clearly need to deal with that, and I would urge the Attorney-General to get on with it.

If I can just return to the Retirement Villages Act itself, the one thing I would like to refer to is the standard disclosure statement. Again, this is the government's attempt, as they have often done in legislation, to prepare a one size fits all, one or two page document that gives a little summary in plain English that identifies important factors.

In consumer protection legislation, we have had this for a number of years. For example, when you take out a loan, from which there are interest payments, there has to be disclosure by the lender, in a form, of the total amount of the loan, the total amount of interest paid and the total years of repayment, etc., so that there is a snapshot of the obligation of the person who is borrowing the money to understand, in short, what their liability is going to be. It is a clear identification rather than the 30-page document that might sit behind it that has a mortgage registered over real estate, etc.

I wish the people well who are doing this. I saw how difficult it was for the advance care directives drafters to have to come up with a document in relation to this. I am told it will probably be 18 months before we actually get one, and it will need to be discussed with various stakeholders and the like. Obviously, the biggest concern with these for me is what is omitted rather than what is in these documents.



You might have a 30 or 40-page document that sits underneath it. You might have a code of practice, a code of conduct and a whole lot of other documents or copies of documents that are required to be provided at the time of the execution of the transfer documents and really not have a clear understanding of what is in them or of what, for a lot of people, is seen as legal mumbo-jumbo, most of which you would think would never apply to you and most of which will not apply to the party who is in it but, if it is not in the document, it could of course leave someone exposed to a risk down the track.

When you do these short documents, these one-page statements, these disclosure statements with the key issues, the biggest problem for me is what is missed out. I note the disclosure statement is now going to be in the proposed legislation as just one more of a multitude of documents that need to be served on the prospective purchaser, all of which, I suspect, will actually be read thoroughly by the prospective purchaser. If we miss out key information, then I think, unfortunately, that prospective purchaser may not make a wise decision.

Another issue is that it is apparently to be used as a comparator so that you can look there and think, 'Okay, I get these years of occupation and this amount of space. These amenities are provided.' You go down the list, and you can then use it as some kind of standard form comparator for other products you might be looking to buy. It is a bit like checking to see what the product will give you when deciding what sort of health insurance to buy. I think that can be concerning if it is a document which, ultimately, is too simple and does not actually provide sufficient information for a fair comparison to be made between the products that will be available.

With those concerning matters, I thank those who have prepared the bill, provided briefings and of course undertaken the comprehensive work. I will say that I have members of my electorate who have various residential facilities, including the Garden Cottages at Beaumont and the Greengate Garden Cottages also in Beaumont. Many of my residents aspire to reside at the Glenbrook in Glenside, which is now in the state seat of Unley but which has lots of my former residents, and Leabrook Place at Leabrook.

Each of these, I am pleased to say, is very pet friendly and, apart from men in lycra, the other thing I have more per square inch of in Bragg is pets. They are great companion animals and they are very important for people as they mature, particularly if they are ageing on their own. I think it is terribly important for all those who make provision for accommodation in the future that that is maintained. I should have also mentioned our Garden Cottages at St Georges.

There are a number of facilities available, and we want people to continue to invest in them. They provide a very good accommodation model for many people in mature age, in active mature age, and I think it is important that we continue to review the regulatory regime we have around it. It may prove that this statutory buyback is unnecessary to the extent of protection, but nevertheless it is one which we want to ensure for those who are vulnerable in this category that they have some opportunity of repayment and are not prejudiced if they are on their way to other aged-care facilities.

**The Hon. P. CAICA (Colton) (16:01):** I will not hold the house for very long. I will state from the outset that I will be supporting the bill in its current form, as you would expect, but I just want to make a few comments. Like most people here, my electorate has many retirement villages and they are occupied by very decent people, and I have a good relationship with them. It is true to say, too, that I have been inundated with inquiries on this particular bill by those residents and I have done my best to engage them in such a way that I give them the answers that I possibly can and, if I do not know the answers, I get those answers from the minister's office and relay those answers faithfully to them.

My mother was in one of those retirement villages. She was at Aveo at Fulham. I think it actually falls in Fulham Gardens; it is just on the border anyway. It was a small village with 48 homes. She enjoyed her time there and she enjoyed the people she met there. However, one of the things that became obvious over a period of time through speaking with mum and others was the lack of transparency that existed at the time of her going in. Many people finish up going to a retirement village in a very rushed manner. There was not a great understanding of the contract that she signed. She signed it, so was bound by that contract, and quite rightly so.

However, at the time of her needing to get a higher level of support—and that is the main reason the majority of people leave a retirement village. They have got to that stage of their life where they require a greater level of care and support, so she moved into a nursing home, St Laurence's Court Nursing Home in High Street—again, a very good nursing home in my electorate. One of the difficulties that arose was at the time of her moving, and I guess we understood it when she entered there, was that transition from a financial perspective from the retirement village into the nursing home.

It cost her a bit of money to get into the nursing home based on the assets she had. She was not a very wealthy person; my family has never been and I am carrying on the tradition of never being a very wealthy family. It cost a bit of money—about \$310,000, I think—to get into the nursing home. Quite frankly, at that stage, the significant asset that she possessed was that money that was the licence to occupy as it related to her retirement village.

As it turned out, it was \$310,000 to get into the nursing home and, if you did not pay it in a period of time, your interest accrued but it accrued in such a way that it meant, for example, after eight or nine months (or seven months or whatever it was), where I was not in a position to pay her bond, at the end of that period she still owed \$310,000, but the bond value was only worth \$280,000 or something like that. In that period of time she lost \$12,000. So, I went out and borrowed the money, because if we had kept it—

**An honourable member:** You could.

**The Hon. P. CAICA:** I could. If we had kept it at that rate her \$310,000 would be nothing with respect to what happens when she passes, but we would still owe that \$310,000. So, I had discussions with the retirement village people. I understood that they would advertise it. I will put this into context, if I can: she ended up paying \$148,000 (or thereabouts) to go into the retirement village. It was quite a good price at that time, bearing in mind it was 13 to 15 years ago. By the time she left it was valued at, I think (I do not have the exact figure), \$280,000, so it was a significant capital gain.

By the time costs were taken out of that for refurbishment, and they were only going to give it a little brush over but the costs involved with that were significant, the cost of advertising and the ongoing costs of maintaining that place during that period of time, even in her absence, she would get \$163,000, I think was the offer for that. So, the capital gain for her, because she was on one of those arrangements where the contract said: you will get 75 per cent of the capital value of that property at sale, less the costs involved with advertising and all of those things I mentioned earlier.

I was very fortunate, I guess, because I had asked them, 'Well, you tell me that you're going to give it a light brush over,' and 10 years earlier that is all it had when she moved in there, 'I think it would be in the best interests of you as an organisation to give it a proper makeover so that it will be more attractive to people to buy that licence to occupy it.'

They said no and then they changed their mind and said, 'Look, Paul, we've been thinking about it, we think we should, and it's not going to cost you anything. What we will do is we will keep it at the value it is and the differential will be taken from the sale price and it won't cost your mum anything in regard to the value at which it should be sold.' They then came back and said, and I got the letter of offer, and I think it was down to about \$148,000, or maybe \$158,000, but \$5,000, \$6,000 or \$7,000 less than they had offered previously, with the proper refurbishment. I said, 'In all conscience, I can't do that because we're talking about what is my mother's money.'

They said, 'Alright, we'll just go ahead and give it a small brush over.' Interestingly, they made a mistake. They sent me a letter that said, 'Look, we believe the property is worth \$203,000.' I thought: they have made a mistake, but it was a mistake in mum's favour so I signed the document and sent it back. A week later I got this phone call saying, 'Look, we've made a mistake.' I said, 'I know you have, but we've signed a contract, just like the contract my mother signed.'

I said, 'Look, here's the deal: you provide the \$163,000 as previously offered immediately for the sale of that place and we'll forget about the \$203,000 contract that I have signed,' and that was the deal we struck. I was fortunate. I know that most people in a retirement village will not be as fortunate as that. It provided me with, on behalf of my mother, \$163,000 and at least to pay off a significant portion of that which I had borrowed to get her into the nursing home.

The point I am making, in a very long-winded way, and as you know, Deputy Speaker, I am renown for being long-winded on occasions, is that it was a very trying period. It was not trying for my mother because I tried to protect her from what was going on, so she did not know, but it was very trying for me to be able to navigate my way through the terms and conditions of the contract and what it actually meant.

I know the bill before us today is going to not only clarify but make it an obligation to ensure that it is far more transparent for those people who are signing on to a retirement village, to be actually told and to ensure that they understand what they are signing up for. That will not mean the contracts will necessarily change so much, but there will be a greater obligation to make sure that there is an understanding of what it is that you are signing up for. So, I support that aspect of the bill.

I will say that the very genesis of me pushing early, along with others, to have a committee look into the Retirement Villages Act actually stemmed from my experience, and I presume also the experience of some of my colleagues in this place, and I thought it was a good thing to do. It is also safe to say that I have had discussions with the minister, and I am certainly accepting of the bill and I am going to accept the 18-month period. I did not support that initially, and I make no bones about that, because I thought it should have been a shorter period of time and there should have been a greater obligation or requirement on the retirement village owners to meet that 12-month requirement.

I accept that what we have before us today, from my perspective, is a compromise, and I accept the compromise that has been put forward. Whether or not all my constituents do is a different matter, but it is up to me to engage them in such a way that they understand that this is a better deal than what they currently have and it will offer some benefits to them and others who are moving into retirement villages.

I will be asking the minister some questions during the committee stage on that matter and other aspects of the bill that will help me to be able to communicate better with the constituents that I represent. It has been a pretty emotional issue within my electorate, as I said, and I have done my best to support my constituents, and I will continue to do so.

The point that was made by the member for Heysen earlier was a very interesting point. That point was specifically about the new generation of people coming through, people of my age. God help me, I will be 59 in August and I think—

**Mr Bell:** Time to get out.

**The Hon. P. CAICA:** I know. You wake up one morning, your kids are 29 and 25, you look in the mirror, you are 59 and you say, 'How the heck did that happen so quickly? You are mostly through your life now, there ain't much time left.' I do not want to be morbid, but what I do want to say is this: I am obviously (and this goes without saying) of a different generation from my mother and indeed a lot of people who are in retirement villages today. I will say this: the proprietors of retirement villages—who I think have made a lot of money over a period of time and expect to continue to make a lot of money out of what is essentially a business for them, and I have no problem with that—are themselves going to have to evolve their business because more discerning people, people who expect a lot more (I think the member for Heysen called them the baby boomers, and I fall into that category) are going to demand and expect different arrangements from the ones that exist today.

I also think that this bill will, in part, be a process by which the thinking of those retirement village owners will evolve in such a way that they know they are going to have to tweak their product, sometimes significantly, to actually attract people like me, people of my age, into those retirement villages. So, I welcome that as well. I do not think we have seen the end of the debate on retirement villages. I believe that the ball is going to be squarely in their court to make what they have today a far more attractive proposition for people like me, and others, to even contemplate going into a retirement village. As I said earlier, I do not always agree with the member for Heysen (even though what she says is always well considered), but I think she was spot on with that particular point she made.

I do not want to keep the house any longer. I congratulate and thank the minister for bringing this bill to the house. I think it is an important step forward. I think it will be the mechanism by which we as a parliament will continue to play a role in setting, if you like, the foundations and on that the framework from which the industry will continue to evolve, because it is a very important industry, not just for those people who make money out of it but, more importantly, for those who are transitioning from certain aspects of their life today to how they want to live tomorrow and how they want to live in the future.

Again, I commend the minister for the work that she has undertaken. I thank her staff for their openness and their availability on all occasions and, in finishing, I also want to thank all my constituents who have contacted me, in particular Mr Roly Sellars, who has been very good. He is like a dog with a bone: he will not let go. He has only one thing at heart: not self interest, but the interests of those people who currently occupy a position or have a licence to occupy a position in a retirement village. I say 'licence to occupy' knowing that I am using that phrase in a more generic sense. There are different arrangements in place for different retirement villages regarding what they have signed to get in there and what applies to them.

I also want to thank and acknowledge the work undertaken by Brian Mowbray, along with Roly. He has been to see me on numerous occasions, and they have done what they think is the right thing to do. I support them in that and in a way agree with what they have done. I will finish off by thanking the minister again and I commend the bill to the house.

**Mr SPEIRS (Bright) (16:15):** It is a pleasure to be able to speak today on the Retirement Villages Bill that is before parliament. Retirement villages are a very important part of my electorate. There are a number of large retirement villages in my electorate, reflecting the ageing demographic of the part of Adelaide which I am fortunate enough to represent, and particularly around the suburbs of Somerton Park, Brighton and Hove, which are known as communities which have a significant proportion of ageing residents within those suburbs. As such, we do find fairly significant retirement villages within that part of the electorate.

We have one of the largest retirement villages in metropolitan Adelaide within the electorate at Somerton Park, and that is Somerton Park Seniors' Living Community, which was previously the Masonic village on Diagonal Road.

**Dr McFetridge:** Always the best booth.

**Mr SPEIRS:** A paired booth with the member for Morphett and a very significant retirement centre can be found there. There is also Townsend Park at Hove, the new Minda Dunes development at North Brighton, Sturt Palms at Brighton, and Voules Close and Noble Close just across the road from my electorate office, also in Brighton. So I do represent a large number of residents who live in retirement villages and call those places home.

The bill which is before us today does make for interesting reading. I believe this bill is well overdue. There is no doubt that legislative reform is required with regard to retirement villages in South Australia. The act which it seeks to update is the Retirement Villages Act of 1987. When legislation was first formulated to deal with retirement villages in South Australia, it is fair to say that it was a far less complex jurisdiction than it is now.

The retirement villages of old tended to be small clusters of residences, often run by not-for-profit organisations and often church based. There might be a little close or a cohort of retirement properties put together through funding from a church or another not-for-profit organisation, and these would be dotted around the metropolitan area. Since legislation in this area was first introduced, the sector has become much more complex. There has been the arrival of very large national operators who may have hundreds or even thousands of retirement units within their holdings, not necessarily just in Adelaide but also interstate and potentially even overseas.

I know in the past there have been superannuation funds and large organisations purchasing retirement villages, and that has not always gone to plan. There have been examples across the nation of retirement village operations going bankrupt, leaving significant complexities behind, often before buildings were actually completed. I did represent a constituent quite some time ago, early in my time in this office, who had lost money through a down payment in a retirement village which subsequently went bankrupt before the development was complete.

This is a sector that has become more complex in the last couple of decades, and with it the expectations on residents of retirement villages have also become more complex. They are now entering into much more complex contracts than might have traditionally been the case. They are entering agreements with organisations that have far more capacity in terms of creating legal contracts, and also fighting legal contracts, and administering retirement villages.

It may be the case that that one-on-one relationship, which was quite easy to establish between a retirement village occupant and the owner-operator of the retirement village, which was traditionally the case when they were a small not-for-profit or church-based organisations, might be much harder to establish in these large conglomerate villages owned by companies that are far removed from the village themselves.

That is not always the case. There are still lots of examples of those small retirement villages in operation, particularly in rural and regional South Australia and also dotted across metropolitan Adelaide. I know that the retirement villages I represent, while some are large, do try their best to create a relationship with residents, and that often is a positive relationship, although it is not without its difficulties from time to time, particularly in the larger operators.

When we come to retirement villages, it is often worth asking why someone would enter into a retirement village environment and decide to spend what are often their twilight years in such accommodation. There is no doubt that a big driver for people moving into retirement villages is the need for additional security, the peace of mind that retirement villages give them, the idea that these are often gated communities, that they can lock up their homes and go away overseas or interstate for extended periods of time and know that their homes are going to be relatively safe.

People move into retirement villages to establish a greater sense of community, with the hope that, being with a group of people of a similar demographic, they will be able to build relationships and involve themselves in community activities. Many retirement villages do offer community facilities; some have swimming pools, some have community centres, some have games areas, some have social programs, and that appeals to many older people.

There is also the concept of downsizing. I come across elderly people time and time again when I am out and about doorknocking who are either in retirement villages or who are contemplating going into retirement villages because they are in the homes that they have had since having children, large suburban homes which might have three, four or five bedrooms, a large garden, perhaps a swimming pool, large living areas, and outdoor living areas.

These are difficult for people to afford or manage the upkeep of themselves, perhaps because of declining physical capacity or just because they want a bit more time on their hands, so they look to downsize, to get rid of that larger family home, and move into smaller retirement village accommodation. There is a range of reasons and motivations for people entering retirement village accommodation.

When someone asks me for my opinion about retirement villages, I always caution people to make sure they have thought of all the options. Is going into a retirement village the right approach for them at the moment, or should they be looking at perhaps getting a bit of extra help, whether that is through the council or looking at a reverse mortgage on their home to pay for a gardener and a cleaner to come in once a week or once a fortnight?

That might give them the flexibility to stay in their home, to stay in the community that often they love. That is an option open to them, as opposed to necessarily selling that home, leaving a community they know and entering into a retirement village environment. I think it is important for older people to know that retirement villages are not the only option available for them if they want to downsize or make life a little bit easier.

Since my election, I have been running quarterly seniors forums in my electorate, where we try to pick a topic of interest for older people living in the community. We put on a guest speaker, we have a complimentary afternoon tea and bring people together to learn about a particular topic. We have done a range of topics in the two years that I have been a member of parliament, but one that was very well attended was our accommodation options seniors forum that we held a few months ago. There was no doubt that it created an environment where people were able to have their

awareness raised and to ask questions about the various accommodation options that would be available to them if they were looking to either stay in their own home or downsize as they aged.

We had a guest speaker from the Seniors Information Service who came along and spoke to the group of about 120 residents who attended that forum. The speaker went through the various options that residents had with regard to their accommodation as they entered into and progressed through their senior years. It was really interesting, from my point of view, to sit there and listen to that presentation and consider the various options, the reverse mortgage that can be used to assist people to get that extra bit of help to stay in their own homes, the downsizing into a unit or an apartment which does not necessarily need to be in a retirement village—it could be a private residence in the community—or, of course, the retirement village option and then, further down the track, perhaps a nursing home option.

In relation to retirement villages, one message that was put across very firmly at the seniors forum that I hosted was that seniors need to go into the retirement village with their eyes wide open and not to think that this is going to necessarily be a straightforward venture. Yes, it might be more straightforward when they get there and when they get established, but both at entry and exit there can be a particularly unique set of challenges and complexities they have to work through, bearing in mind that at both the entry and the exit point of retirement villages residents who are looking to move in or move out are going to probably be in a particularly vulnerable state.

The emotion of leaving the family home, the emotion of perhaps making a decision to move into a retirement village upon the death of a spouse, the difficulties that surround moving, and the stresses that come with that, are a unique set of circumstances and vulnerabilities that arrive at the entry point to a retirement village. But equally, when people are potentially looking to leave a retirement village at the end of their time there, there is also a unique set of vulnerabilities, likely to involve failing health, physical frailties that might have emerged or family pressures to look at moving into nursing home accommodation, and so that needs to be considered as well.

We are dealing with a vulnerable group of people who are making major accommodation-based decisions and who may need additional support to help them work through those. The message from our seniors forum was that retirement villages are certainly an option, and a good option for thousands of South Australians who choose to live in such accommodation, but it is very important that older people go into these villages with their eyes wide open and that they have the requisite support to assist them moving into the retirement village environment, that they go through the contracting process, and that they are fully aware of their rights and responsibilities as they contract to enter a retirement village.

The piece of advice that was given very firmly by our guest speaker at the seniors forum was that you must get legal advice. You must get professional independent legal advice from your family lawyer, or from a lawyer independent of the retirement village, so that you are aware of what you are contracting to do and that the key points of that contract are pointed out to you, highlighted, and you know what you are taking on. That certainly is something where legislation is needed to improve that process.

Too often we have situations where residents of retirement villages find that they have contracted to be responsible for a range of obligations, particularly financial obligations and exit fees at the close of their time in a retirement village, which are very onerous financially. They can cause a huge amount of stress if not properly understood and planned for, or avoided altogether by not entering the retirement village should people, when fully informed, realise that it is not for them. I have come across a few specific examples in my electorate of constituents who have not understood what was necessarily going to be required of them at the exit point. When they have come to look at leaving the retirement village accommodation, they have been confronted with exit fees that were far greater than they expected.

I represented one constituent who had gone into a retirement village when his health went into decline. Unfortunately for him, after about six months he found himself unexpectedly improving, and he decided that the retirement village probably was not for him. He had only been there six months, so you can imagine that, if he was in a residential tenancy environment, six months of rent might have been \$6,000, \$7,000 or \$8,000, depending on what sort of accommodation he was in, but not a significant amount of money; whereas his exit fee from the retirement village after

six months was \$70,000—that is \$70,000. You can imagine the huge chunk of his retirement savings that was lost as a result of that. He was able to negotiate a bit more of his funds to be released, but he still lost tens of thousands of dollars as part of that operation.

Another person, who is not in my electorate but whom I came across recently, had purchased their licence to occupy their retirement accommodation when the retirement village was being constructed. At the time of construction, they said, 'We really like open-plan living, and we would like you not to put in the wall between the living room and the kitchen.' They had a very spacious, attractive retirement unit that suited them really well. They are now at the point of looking at moving into perhaps nursing home accommodation and getting a bit of extra support, so they are looking to exit that retirement village.

They have been told by the retirement village operator that they need to return the unit to what it was when they contracted to buy it, which included the wall being in place between the living room and the kitchen. The unit is far better in its open-plan environment; for them to reinstate the wall will probably cost them \$10,000 to \$20,000 to do the work that is required, and it will reduce the overall amenity of the unit for future residents. That sort of thing is really quite ridiculous, but we do see these surprises emerge in retirement village contracts when residents come to exit. Unfortunately, we see them time and time again.

That is why I support wholeheartedly the government's approach to updating the Retirement Villages Act to make it more proactive with regard to a range of these disclosure items. I also commend the government for ensuring that legislation requires the responsible management of residents' funds, by strengthening audit requirements and improving transparency in financial reporting, and ensuring that residents know where their money is going with regard to maintenance fees and the various fees they have to pay to be part of retirement villages.

In closing, I would also like to make mention of the buyback provision, which is legally quite unusual because it is a retrospective provision requiring the buyback of a retirement village unit if it is not relicensed within an 18-month period. That is unusual legally, but I think it is worth supporting because of the unique vulnerabilities associated with people in a retirement village environment—not only those vulnerabilities when they enter but the particular vulnerabilities when they exit through failing health and need to be able to access their funds as quickly as possible. I commend this legislation to the house and I look forward to it being progressed into law.

**Mr KNOLL (Schubert) (16:35):** Retirement villages are a very important part of my electorate and probably, actually, one of the quiet achievers. The Barossa Valley, or Schubert more broadly, is actually over-represented when it comes to ageing demographic certainly from a South Australian and also from an Australian standpoint.

Within the over-60 to 64 bracket, Schubert has a 7.2 per cent population compared with 6.1 in SA and 5.6 in Australia. Similarly, for the 65 to 69 bracket, Schubert is at 5.2 versus 4.7 in SA and 4.3 in Australia and for the 70 to 74 bracket, it is 3.9 versus 3.7 and 3.3. That means that Schubert's age spread is older than South Australia's and that South Australia's is older than Australia's.

Anecdotally, the Barossa is an especially prized place to come to retire. People decide to come from all over the state and, indeed, all over the country to retire to the Barossa. They come because they obviously enjoy a glass of wine but also because it is such a beautiful community to live in. It has low crime rates. It has a very positive, well-fostered community culture where people come together and look after each other, and it is a great place to spend those golden years.

That means that, by definition, Schubert also has numerous retirement villages and independent living units spread throughout the electorate. What is quite interesting about the electorate is that all of these, except for the aged-care facilities that are run out of hospitals, are actually small community-owned or not-for-profit centres. The biggest in my electorate is Barossa Village which centres around Nuriootpa and has 165 independent living units and 55 high-care and 23 low-care beds.

It is quite a sizeable operation whose board is filled with local community leaders and which prides itself on providing a level of amenity and care that Barossa residents have come to expect.

One of those highlights is the fact that a glass of wine needs to be served with dinner, something they are very proud to provide. I was lucky to be there last year for the redevelopment they have been undertaking at their high-care facility and in the retirement village proper. It is a beautiful facility that caters very well to its clients.

In Tanunda, we have the Tanunda Lutheran Home, which has a new CEO, Lee Martin. I have been there on numerous occasions to open new independent living unit clusters, but I also go along for their strawberry fetes and their pancake brunches. I do find some decent bargains, especially some good jams, when I go along to those. They have 97 high-care beds and 20 low-care beds, as well as 88 independent living units. Indeed, they are including 30 secure dementia beds, which I think is extremely important.

They are the two larger facilities and they come with a great deal of sophistication. In talking with Chris Pfeiffer, who is the Chair of Tanunda Lutheran Homes, I find that run an extremely professional operation. We then move to a couple of small facilities. We have Abbeyfield at Williamstown which is a very small facility which relies very heavily on community fundraising. It has been extremely successful in doing that and really has become a hub for the community. Indeed, it is the largest employer in the town of Williamstown.

We also have Wheatfields at Freeling, which has 43 high-care beds and 10 low-care beds, including 17 secured dementia beds. We then have two other facilities run out of the Mannum District Hospital and the Mount Pleasant District Hospital. Mount Pleasant District Hospital has 13 high-care beds and Mannum District Hospital has 13 high-care beds but also has Aminya which has 32, although I think that has expanded now, low-care beds just next to the hospital.

The reason I mention all these facilities is that they are community-based, not-for-profit. In the case of the hospitals, the aged care part of the hospital underpins the continued existence of those hospitals. In Mount Pleasant especially, without the aged-care facility, the hospital would certainly still have accident and emergency and some other base services, but the vast majority of what they do is providing aged-care services, and that co-location is a great way to be able to keep those services within those towns and a great way to marry those things together.

The profile of centres within my community means that I have maybe a slightly different perspective on clause 26. I have had a number of residents come to me, and I am extremely supportive of their concerns around the statutory buyback provision. It is something they think is important and necessary, especially at those stages of life where people are more vulnerable, that there be an encumbrance put on retirement villages to actually look after the residents and provide some financial security in that way.

It is a principle that I very much support but, when I look at these not-for-profit facilities, what worries me is whether or not this provision is going to lead to financial hardship for those centres. I take a centre like Abbeyfield, which is extremely small and which has only survived on the great fundraising efforts of the community. Indeed I was out at the farm of Sheila Gordon. Her daughter Kate Thorsteinsen ran a great fundraiser out there to support Abbeyfield.

They run it every couple of years and, in the sheep stalls where the sheep come in to be shorn, they have basically converted the entire area into a black-tie ball. We had a brilliant night a number of months ago. The rain threatened but held off, and there was some brilliant swing and jazz music throughout the night. The food was fantastic. The wine was all donated by the community, and all of the proceeds will go back to Abbeyfield.

We have to be clear that clause 26 will place a greater financial impost upon retirement villages. I do not think we can get away from that fact, and I think we are openly discussing here that there needs to be that balance between the needs of residents and the needs of aged care facilities, but what worries me is that, in providing this facility—

**The Hon. Z.L. BETTISON:** This is about retirement villages. It is not about residential aged care, so can I just—

*An honourable member interjecting:*

**The Hon. Z.L. BETTISON:** Can I just clarify that residential aged care is under the control of the commonwealth.



**Mr KNOLL:** This is extremely out of order, Deputy Speaker.

**The DEPUTY SPEAKER:** No, she is asking about relevance, and she can ask that. It is the established practice of the house to let members range fairly widely in the hope that we contain committee.

**The Hon. Z.L. BETTISON:** I mean no offence to the member for Schubert. I just wanted to clarify that this is about retirement villages.

**The DEPUTY SPEAKER:** Okay. The member for Schubert, the minister is just trying to clarify that this was not about residential aged care.

**Mr KNOLL:** We are talking about independent living units.

**The DEPUTY SPEAKER:** Yes.

**Mr KNOLL:** So, my comments still stand.

**The DEPUTY SPEAKER:** I think the minister was trying to be genuinely helpful.

**Mr KNOLL:** All the facilities I was talking about actually provide both but, either way, to continue, especially with regard to Abbeyfield, it is a small centre, and I would hate to see this impost lead to that centre coming under greater hardship to the extent where they may not be able to continue. I think that is a risk we need to be alive to here because, whilst we are trying to protect residents, it is pretty hard to protect a resident when a facility is no longer financially viable. That is a balance I think we need to look at, and it is why we need to be very cautious with the way we implement this legislation in this place because, in trying to help residents, we may end up hurting them in the long term. It is something we need to be cautious of and something I think will be teased out further in debate as we continue on.

I would like to read out some concerns of a resident who I have been talking to on and off about this for about 18 months who has continually asked me to look at updates to this. I suppose we are now at a stage where we have a bill before this place, but it is something he and I have been talking about for quite a while. I want to read out some of his concerns. He has been very helpful in helping me to understand this and also to think about some of the broader issues. He has been resident in one of the facilities for four years. He says:

As a retirement village resident, I suggest the requirements of this bill need to be easily verifiable and transparent for the registrar and residents.

He goes on to talk quite specifically about a request that the new bill include, as a function of the registrar, the development of minimum requirements/standards for recurrent charges, and maintenance responsibilities with an annual compliance statement from operators. He goes on to suggest an accreditation system similar to what is in place for residential care facilities but a more simplified version.

He understands that there would be a cost to this and any accreditation cost would be passed on to residents. The accreditation could be as simple as requiring villages to submit order to compliance statements to the registrar on an annual basis within 10 business days of the residence AGM. He goes on to talk about how within the Barossa there is a difference in terms of the costs and the recurrent charges that are charged in different facilities. Essentially, he wants to ensure that there is transparency when it comes to people understanding what their obligations are when it comes to recurrent charges.

He has a view on the statutory buyback provision and he puts the case that residents need to be protected. I think that is something that we understand in this place. He then goes on to talk about the fact that, in his view, the balance sheet that is currently provided to him is not in a form that is likely to be understood by many. Essentially, he would like to make sure that through this process—and maybe this is not something that can be captured in legislation—the information that is provided is simple and something that can be understood by some of our more vulnerable citizens.

He goes on to talk about a request for a provision for three or more residents or the operator to request a secret ballot when it comes to AGMs. He says that many residents are reluctant to vote against the motion, concerned that this may offend the operator, and this is particularly pertinent in

the Barossa where the operators are very much ingrained with the community. They are community facilities almost and perhaps it affects their relationship with them.

For example, at a recent meeting, at least two residents voted for a motion and then said outside that they did not agree with it. A secret ballot may have provided a better reflection of their wishes. I just wanted to put those on the record because he is someone who has been extremely helpful to me and somebody who has taken a keen interest in this who has come at it from the perspective that we need a greater level of transparency. I know that the review talked a lot about greater transparency and providing information so that the residents can make an informed choice.

To close, we welcome these changes. I think there is a lot of good that is being done as part of this. It has certainly been a long time coming and, to a certain degree, has caused angst out in the community, so it is good that we are finally getting to a conclusion. However, in regard to statutory buybacks, which I assume will take up the majority of the debate on this, I think we need to make sure that what we are seeking to achieve is actually achieved. As a conservative within this place, I would like to point out potential unintended consequences to ensure that, in trying to save residents, we do not actually create greater hardship for them.

**The Hon. Z.L. BETTISON (Ramsay—Minister for Communities and Social Inclusion, Minister for Social Housing, Minister for the Status of Women, Minister for Ageing, Minister for Multicultural Affairs, Minister for Youth, Minister for Volunteers) (16:49):** I would like to thank members for their contributions to the second reading debate. The bill covers a range of measures introduced following the select committee review in 2013 of the Retirement Villages Act 1987.

As we have heard, the select committee made recommendations and sought to address the rights and obligations of residents and operators. It focused on contractual disclosure, financial obligations, compliance, regulation, and dispute resolution within the sector. In response to the committee's work, two other measures have also been introduced: the better practice guidelines for retirement village operators, introduced to provide guidance to operators for best practice; and the establishment of an advocacy service for retirement village residents.

The state government response to the select committee report supported the majority of recommendations, but advised that further consultation and investigation was required on a number of the recommendations. This further consultation revealed additional concerns from both operators and residents. In developing the bill, I undertook a significant public consultation process, including 13 community forums in an eight-week consultation period last year, which attracted more than 300 written submissions.

The public consultation process and forums allowed me to hear directly from operators and residents. I thank all those who participated in the consultation process and took the time to provide their thoughts and suggestions. I particularly thank my parliamentary colleagues who hosted forums because they knew that this was important to their residents.

The bill was largely well received. Submissions from all stakeholders supported greater clarification. The bill will assist in resolving instances of omissions and ambiguity and will lead to greater transparency regarding the rights and obligations of both residents and operators. The bill focuses on improving transparency for operators, residents and prospective residents alike.

This piece of consumer legislation aims to strengthen protections available to residents and also provide greater clarity for operators. There is a fine line that needs to be walked between the interests of operators and the needs of consumers. I believe this bill has achieved that balance. This bill introduces new measures which I believe will engender consumer confidence in the sector and may improve village desirability.

We have heard some very positive discussions about retirement villages, that they offer security and a sense of community, but both the member for Heysen and the member for Morphett expressed that they were unlikely to enter a retirement village because they are concerned, and that concerns me. I think there is a reason why this bill has come before the house, because we need it to strengthen consumer protection, and that is what the bill endeavours to do.

One of the measures is a standard disclosure statement, and I welcome the strong support received for this statement, which will be mandatory on all new contracts entered into. It will provide a summary of all fees and charges that a resident will be required to contribute to before entering, while living in and upon leaving a village. It will provide definitions of fees, charges and funds, and make comparisons easier between different villages. It will also raise awareness of all fees and charges applicable to the village so that residents are aware of their rights and responsibilities when entering into any contractual arrangements.

We heard several times about people going in with their eyes wide open, and this has been raised on several occasions. The disclosure statement enables you to measure apples with apples between different villages, and that will enable you to make those decisions. Work will be undertaken with key stakeholders to ensure that this document remains easy to read and highlights the key areas of interest to prospective residents.

Another measure which has been a matter of considerable concern for both operators and residents is the provision of greater flexibility and alignment in payment options with the Aged Care Act. The Aged Care Act has changed and there are now residential accommodation deposits and daily accommodation payments. The bill has been aligned to the Aged Care Act and provides greater flexibility to both operator and resident in payment options.

A resident must still meet the eligibility criteria; for example, have no ready access to alternate funds and be eligible for aged care. If approved, the operator makes the daily accommodation payments on behalf of the resident until relicensing occurs or until the statutory repayment period is reached or until 85 per cent of the exit entitlement is reached. These payments are deductible from the final exit entitlement. This provision will be clearly outlined in the disclosure statement.

Among the issues that arose during the consultation, feedback showed that, while the select committee's recommendation that a resident be able to remain in occupation until a residence was relicensed addressed some residents' concerns, it did not address issues arising when there is a lengthy wait for a payment of an exit entitlement, when residents leave a village for other accommodation or estates, or are waiting for an exit entitlement to be repaid. The select committee's recommendation was strengthened to include a statutory repayment time frame which will address those wishing to leave a village and deceased estates—

**Ms Redmond:** Who signed a contract.

**The DEPUTY SPEAKER:** Order!

**The Hon. Z.L. BETTISON:** I note the concern that many residents supported the 12-month statutory repayment—

**Ms Redmond:** Of course they do: it benefits them.

**The DEPUTY SPEAKER:** Order!

**The Hon. Z.L. BETTISON:** —of a resident's exit entitlement, which was part of the draft bill that was released for consultation. Consideration was given to all submissions on the statutory repayment provision, including the concerns of the impacted smaller and regional villages, and the risk of discounted pricing to meet the time frame, which would disadvantage both residents and operators.

The tabled bill has been amended and now requires that an exit entitlement must be repaid within 18 months of a resident vacating their residence if it is not relicensed prior to this time. Importantly, the bill now also includes additional provisions which give the resident the option of remaining a resident during the marketing process. I have also included a five-year review clause on the statutory repayment period. This review will provide an opportunity to assess any impacts of the clause to ensure that the application of the statutory payment period has achieved the desired outcomes.

Finally, I draw the member's attention to the extensive consultation that has occurred with the retirement living sector, including for-profit and not-for-profit operators, industry specialists, residents and community members. I again thank all stakeholders for their contribution. Your efforts

ensure that we are proposing sound legislation which strikes the right balance between the interests of operators and the protection of residents.

I recently met with Aged & Community Services (ACS), one of the key peak bodies, to discuss concerns they held with some parts of the bill. I have given an undertaking to ensure that a technical drafting issue is corrected to ensure that protections remain robust, and I intend to make a couple of government amendments in another place. In closing, I thank members for their constructive comments and look forward to dealing with this bill expeditiously through the committee stage.

Bill read a second time.

*Committee Stage*

In committee.

Clauses 1 and 2 passed.

Clause 3.

**Dr McFETRIDGE:** Minister, clause 3 provides:

The objects of this Act are—

- (a) to provide a regulatory framework for the operation of retirement villages in South Australia under which a balance is achieved between the rights and responsibilities of—
  - (i) residents of retirement villages; and
  - (ii) the operators of retirement villages;

Can the minister tell the committee whether there has been a cost-benefit analysis or a risk analysis of this bill, particularly clause 26? We can talk about that in clause 26 if you want. Has a regulatory impact statement been prepared, particularly regarding the impact on residents? If that has been prepared, can it be released to the committee?

**The Hon. Z.L. BETTISON:** When approval was sought to draft this bill, a regulation impact statement was conducted.

**Dr McFETRIDGE:** What was the outcome of that? Was there a cost-benefit or a risk analysis of the bill done?

**The Hon. Z.L. BETTISON:** I do not believe that was conducted.

**Dr McFETRIDGE:** Do you not think that would have been a reasonable thing to do, considering there has been angst about the economic and regulatory impact on owner-operators and also on residents? Is there a view to refer this to the Economic and Finance Committee and, if not, why not?

**The Hon. Z.L. BETTISON:** I do not intend to send this off to the Economic and Finance Committee. There is a small amount of increased regulation for business, but the changes are aimed at improving consumer confidence in the industry, which the select committee raised great concerns about. It was a package, so we have the bill, we have the Aged Rights Advocacy Service and, of course, the better guidelines for retirement villages.

We know that there is considerable diversity in this industry, so we have some very small not-for-profit organisations in regional areas and also in the metro area. We have some very large organisations that are also not-for-profits and some that are for profit, so there is considerable diversity in that. Therefore, we have a difference in business models that are used.

For the majority of operators, the proposed changes are expected to have minimal impact. In fact, where there are changes related to clearer definitions and information disclosure requirements, we note that many operators already engage in this, but we want to increase the standards in the industry. We will continue to work with the industry in regard to the regulations, which many are interested in being involved in. Of course, we have had our Retirement Villages Advisory Council that has been active for a time, and I think there were 20 people who were engaged

at that end. We have had high-level discussions with people and I am satisfied that that has been covered.

**The CHAIR:** Member for Morphett, that is three questions already. Is this your last question?

**Dr McFETRIDGE:** That was on clause 3(a), but I would like to go to 3(b), (c), (d)—

**The CHAIR:** The member for Davenport.

**Mr DULUK:** Thank you, Chair. Sorry, I may have misheard, minister. Are you saying an impact statement was not undertaken?

**The Hon. Z.L. BETTISON:** No, a regulation impact statement was undertaken.

**Ms Redmond:** No, that was a regulatory one, not a cost-benefit—

**The CHAIR:** Order! Member for Heysen, please.

**Mr DULUK:** Will you be tabling that regulatory impact statement and make it publicly available?

**The Hon. Z.L. BETTISON:** I will take that under consideration.

**The CHAIR:** Member for Morphett, we are on clause 3.

**Dr McFETRIDGE:** We are on 3(a) and now 3(b), (c), (d)—

**The CHAIR:** Hang on just a second. We are trying to bring to your attention that it is three questions on each clause, not each section in each clause. Is there a burning last question?

**Dr McFETRIDGE:** There is a burning question.

**The CHAIR:** How many questions do you have on clause 3?

**Dr McFETRIDGE:** This will be my last question.

**The CHAIR:** If you have 20 questions, we clearly cannot handle that.

**Dr McFETRIDGE:** This will be my last question, I promise.

**The CHAIR:** Your last question, you promise. Did everyone hear that?

**Dr McFETRIDGE:** On this clause.

**The CHAIR:** On this clause. Last question, member for Morphett.

**Dr McFETRIDGE:** Minister, you said then that the recommendations of the select committee were considered. There were 34 recommendations and certainly the committee was very concerned about the regulatory impact on both the owner-operators and the residents, and there was no recommendation on mandatory buyback. In fact, we avoided that because we knew that there would be a significant impact, but we did make recommendations for extra safeguards. So, which of the 34 recommendations did you adopt, partially adopt or reject?

**The Hon. Z.L. BETTISON:** The majority of those 34 recommendations we did adopt. Off the top of my head—and I will get some more details—was the unique CPI indicator. We looked into that, and the capping of CPI rates, but we did not proceed with that. There was also the web calculator. That was one of the recommendations but, because of the complexity of that and the need to update it, we did not think that would be an accurate reflection and we thought we would be unable to deliver that.

**Ms REDMOND:** Minister, on 3(b), which provides that the object is 'to encourage best practice management standards among the operators of retirement villages', could you advise me where you are getting the best practice management standards from, when they will be published, and how you are planning to encourage operators to use them?

**The Hon. Z.L. BETTISON:** The better practice guidelines have already been introduced; in fact, I launched them in November 2014, I think. This was part of our Retirement Villages Advisory Committee, on which there are operators and residents. I think we looked at 10 different areas, and they were about transparency; one of the issues I recall was about mediation because there were

some issues between the manager of many of the retirement villages and the thoughts and desires of the committee. I am happy to provide you with a copy of those better practice guidelines. They were welcomed and quite well endorsed.

**Ms REDMOND:** Could the minister explain how she proposes to encourage their use, given the behaviour of so many administering authorities who end up screwing their residents?

**The Hon. Z.L. BETTISON:** Member for Heysen, we have always been clear, when looking at the review of retirement villages and support for consumers, that there was a package. The package was support for the Aged Rights Advocacy Service, particularly their ability to be called to mediate in these events and provide advocacy and information, plus the better practice guidelines, and then the review of the bill. I think it was very clear to the industry that this was our focus.

I thank the Office for the Ageing for their work. They delivered many of the forums and encouraged those better practice guidelines to be used. Obviously, we distributed the guidelines and encouraged committees to seek information if they wanted further understanding of them. This industry is receptive, and my impression is that we have had very good engagement with the Office for the Ageing, and they continue to use the better practice guidelines they helped develop.

**Ms REDMOND:** With respect, minister, that does not answer my question. What the bill says is that the objects of the act are 'to encourage' the use of these 'best practice management' guidelines. How do you propose to encourage operators of villages to actually use best practice?

**The Hon. Z.L. BETTISON:** The better practice guidelines are enforced through the legislation. Obviously, the focus is on transparency, the way you work with your committees, when you hold them, how you hold them. We are quite satisfied that this has been accepted by the industry because they helped develop these better practice guidelines.

Clause passed.

Clause 4.

**Ms REDMOND:** Minister, I am a little puzzled by some of the definitions in clause 4, in particular the reference to 'community retirement village' which, according to the definition:

...means a retirement village divided into separate residences and common property by a community plan under the Community Titles Act 1996 or a strata plan under the Strata Titles Act 1988;

That would suggest ordinary ownership of units and a common property which is then managed by a body corporate and so on. What I am puzzled by is where they fit in when they are called a 'community retirement village', given that the definition of retirement village then goes on to say that it is:

...a complex of residences or a number of separate complexes of residences (including appurtenant land) occupied or intended for occupation under a retirement village scheme...

When you go to the next definition of 'retirement village scheme', that does not seem to allow for private ownership-type occupancies because it talks about 'residences are occupied pursuant to a lease or licence', 'a right to occupation of residences', 'purchased from the operator subject to a right or option of repurchase', or 'residences are purchased by prospective residents on conditions restricting their subsequent disposal'. I am puzzled about where a community retirement village fits into the definition of retirement village or retirement village scheme.

**The Hon. Z.L. BETTISON:** As I am advised, a retirement village scheme, as you can read in the act, 'means a scheme established for eligible persons and their spouses or domestic partners' and it gives four different references as to what a retirement village scheme is:

- (a) residences are occupied pursuant to a lease or licence; or
- (b) a right to occupation of residences is conferred by ownership of shares; or
- (c) residences are purchased from the operator subject to a right or option of repurchase; or

Paragraph (d), which I am advised relates to your concern about the community title, states:

- (d) residences are purchased by prospective residents on conditions restricting their subsequent disposal,

That relates to your raising of clause 4(1), with community retirement village meaning:

...a retirement village divided into separate residences and common property by a community plan under the Community Titles Act 1996 or a strata plan under the Strata Titles Act 1988.

**Ms REDMOND:** I am still trying to clarify the answer to that first question because I do not think the minister gets the point of what I am saying. The easiest way to ask the question might be to say that my three friends and I (I only have three friends) decide that we will build our own little retirement village. We are all over 55, and we build our strata titles and do not put any restriction on the subsequent sale of our individual titles. Is it possible for that to be governed under the Retirement Villages Act or not?

**The Hon. Z.L. BETTISON:** My understanding is that that could not happen because you have to endorse the land for the purpose of a retirement village, and that is what is different from if you and your three friends decide to live in a community village or strata title. It is about the land definition.

Going back to the community retirement village, I am advised that there are only two villages in South Australia that come under that definition. Obviously, over time—and we have a substantial percentage of retirement villages in South Australia, higher than in any other state—we have seen different forms of retirement villages develop, and therefore this bill continues to incorporate all those types of retirement villages. But I may add that this also clarifies things that are not retirement villages, and I think that is somewhat your point. We have had people advertise that they are a retirement village when they are not, and we sought some clarity around that and made sure that that is clear because they cannot advertise that that is what they are when they are not.

**Ms REDMOND:** I am still trying to clarify this particular question. I think it is very important because, as I said in my second reading speech, my view is that a lot of existing retirement villages will convert to community title because no-one is going to be silly enough to enter into the financial arrangements that the current models are imposing.

If you have a community retirement village, where you have a group of people of however many who have independent title, they have the right to manage and look after their own village, and their body corporate says, 'We've decided we're not going to let anyone under 55 in here,' and the body corporate is quite happy to continue that—they do not want kids around, for whatever reason. What I want clarified is: is the minister saying that that type of arrangement is never going to be under the Retirement Villages Act and therefore, as soon as you have independent ownership, you are out from under the act?

**The Hon. Z.L. BETTISON:** It is my understanding, to re-emphasise what I said before, that it is the endorsement of the land and the certificate of title on the land with its specific use being a retirement village, and that is what makes the difference between what you are proposing. Of course, one of the things about retirement villages is all the aspects of the act: you have to be over 55 and you have to be retired, as it is currently. That is the difference between what you are proposing and what a retirement village is.

**Dr McFETRIDGE:** Minister, on clause 4, you said in your answer that we have a high percentage of retirement villages. What percentage do we have of properties or retirement villages that are a right to occupy, rentals, or community title. What other forms of title do we have?

**The Hon. Z.L. BETTISON:** Perhaps if I could detail for you the most common ways in which a retirement village operates in South Australia, the vast majority are a licensed occupier, as you have said, but they have various models of operating, including a lone licence/licensed occupier, where there is an entry payment at market value, fees and charges upon leaving, and they may include a share of capital gain. That is the most common of our 529 registered retirement villages across the state.

Other opportunities are donation entry; low cost entry premium; reducing return in the first five years, and after five years no refund; and strata title, where the resident pays fees on exit and retains all capital gains and loss. As I am advised, the vast majority is lone licence and licensed occupier. There are a few rentals, and I think you mentioned in your speech that your mother has a

rental in a retirement village, and that is a small percentage of people. We can endeavour to get some statistics for you, but that is used by some of the villages.

**Dr McFETRIDGE:** Does the government own any of these retirement villages? In public hospitals, I understand there are some aged-care facilities. Are there retirement villages, and will this act apply to the state government?

**The Hon. Z.L. BETTISON:** As I am advised, Country Health SA does own some retirement villages in regional areas. I will get you some details of those facilities.

**Dr McFETRIDGE:** Do we know how many there are in the metropolitan area? Are there any? How many are there in the country? The committee would also like to know how many councils own retirement villages and perhaps about their structure. Are they all fee for a licence to occupy, or are there any others that are community title now?

**The Hon. Z.L. BETTISON:** As I am advised, all the government-run retirement villages are in regional areas, and there are about 10 throughout South Australia. I will get you some details about council-run retirement villages.

**The CHAIR:** The member for Heysen has one burning last question, I think.

**Ms REDMOND:** I have more than one burning last question.

**The CHAIR:** Unfortunately, it is three per clause.

**Ms REDMOND:** I will have to content myself with just asking one.

**The CHAIR:** I knew you would see it my way, member for Heysen.

**Ms REDMOND:** I did not really have a lot of choice, Madam Chair. I will ask about eligible persons. The definition of eligible person is 'a person who has attained the age of 55 years and retired from full-time work employment'. Putting aside the fact that most of the people going into retirement villages are well into their 70s, it still strikes me as an odd requirement—albeit that we are dealing with the Retirement Villages Act—that someone who is, for instance, 75 years old but still working full-time would be ineligible. I wonder whether that is the intention of the government.

It occurred to me, for instance, to wonder how it would affect a person who retired from one full-time job on Friday, entered into their contract to reside in a retirement village over the weekend and then took up their new full-time job on Monday. As it happens, this very situation was mentioned when I went to the farewell from the Federal Court of our now ICAC commissioner. He finished as a judge in the Federal Court on the Friday, he was technically retired on the weekend and then recommenced full-time work. I am sure he will not mind us disclosing that he is over the age of 55.

**The CHAIR:** Did you get the name of the village he is now living in?

**Ms REDMOND:** No, he is not living in a village, but there could be other people in like circumstances, and I am curious about why this provision about retiring from full-time employment is there. I know it is called a retirement village, but in fact it is a lifestyle choice that, it seems to me, should not be dependent upon whether or not you are going to work.

**The Hon. Z.L. BETTISON:** I agree with the member for Heysen. It was a proposal of the select committee that we would not require a person to be retired from full-time work and we would change the eligibility, but the feedback we received was that people wanted to retain that requirement. The feedback was supportive of the requirement, and many residents and operators were very resistant to this change and believed there would be a division between those residents who were working and those who were not working. I do share the member for Heysen's concerns. I am advised, though, that often people who have retired may then re-enter the workforce and are likely to do part-time work, and they would be eligible to remain in that retirement village.

**Mr DULUK:** Minister, I have a question in relation to the definition of domestic partner in the Interpretation. In the definition of domestic partner in the Family Relationships Act, there is a requirement that they live together for three years continuously to be considered a domestic partner. Will that apply to people living in retirement villages? For example, it is quite often the case that two older people who have fallen in love decide to move in together after the death of a spouse or



something like that. Does this three-year rule to be considered a domestic partner within the Family Relationships Act apply under your Retirement Villages Bill as well?

**The Hon. Z.L. BETTISON:** I acknowledge the issue you have raised here. I am advised that the intention in the Interpretation was to make it clear that it was not in reference to 'spouse' or 'husband and wife' and to incorporate all relationships and partnerships that may form. It is my understanding that the three-year rule was not the intention here. I am happy to seek some clarity, but that is what I am advised.

**Mr DULUK:** In relation to 'special resolution' on page 7 of the bill, paragraph (b) provides that the resolution must have been passed by a majority of not less than three-quarters of the number of residents. Is that residents or households? Should there be two residents in a household, is that one vote?

**The Hon. Z.L. BETTISON:** It is households.

**Mr DULUK:** Then could an amendment between the two houses possibly be foreshadowed to say 'households' as opposed to 'residents'?

**The Hon. Z.L. BETTISON:** Yes, I am prepared to take that on board. We will seek clarification.

**Dr McFETRIDGE:** I have a burning question, minister. The select committee did not recommend to retain the definition of somebody who has retired. In fact, the recommendation was that people should be able to work. The recommendation also suggested that the act be renamed—I do not think we suggested any particular name—so that it more accurately reflect the current status of today's villages where people may not want to be retired.

**The Hon. Z.L. BETTISON:** Member for Morphett, I could not agree more. My thought was that that would be removed. Whether or not that led to a change in the name of the act, I cannot say, but the overwhelming feedback—and remember we had 300 submissions and 13 forums—was that they wanted that to be maintained. What I have indicated though is that there is the ability for a person to go back to work, but the intention is that would not necessarily be a full-time position.

*Members interjecting:*

**The CHAIR:** Order!

**The Hon. Z.L. BETTISON:** There were concerns within the village about those who would be working and those who would not be working. So, we listened to the feedback, that was what was given to us, and we have retained that in this bill.

Clause passed.

Clause 5.

**Ms REDMOND:** This clause deals with the application of the act. I just wonder whether the minister can indicate what sorts of exemptions might be granted under subclause (2) which provides:

The Minister may, by notice in the Gazette, confer exemptions from this Act or specified provisions of this Act...

**The Hon. Z.L. BETTISON:** If I could perhaps give you an example of an exemption previously, it was around consolidated financial reports. When the Blackwood hospital went into receivership, they sought an exemption from me not to table those consolidated financial reports for one year, and that was granted.

**Ms REDMOND:** So, the minister is only aware at this stage, I take it, of situations where there might be exemptions from specific provisions of the act, such as the financial reports in some circumstances, but not of any exemption or proposed exemption from the application of this act to every retirement village in the state?

**The Hon. Z.L. BETTISON:** That is correct.

**Dr McFETRIDGE:** I have a question on clause 5(4):

A person who contravenes or fails to comply with a condition of an exemption is guilty of an offence.

Maximum penalty: \$10,000.

Does that same apply to individuals or partnerships? Was there a different consideration for corporations, particularly large corporations?

**The Hon. Z.L. BETTISON:** This clause provides power to me as the minister to exempt certain organisations, retirement villages or classes of organisations or retirement villages from complying with the provisions of the act conditionally or unconditionally. It does provide, as you said, a maximum penalty of \$10,000 for noncompliance with a condition of such an exemption. I do not recall there being a consideration of a diversity of penalties, given the nature of the size. I do not believe that was raised with us.

Clause passed.

Clause 6.

**Ms REDMOND:** Could the minister clarify whether the intention is to have an existing registrar or other public servant simply add this to the portfolio of functions they are already doing, or is it intended that there be someone specifically appointed as the registrar of the Retirement Villages Act or is it going to be someone like the Liquor Licensing Commissioner or registrar of various other things?

**The Hon. Z.L. BETTISON:** We currently have a registrar who is imported from the Public Service. She is an executive director of the Department of Health and she would continue in that role. It would not be a separate registrar.

Clause passed.

Clause 7.

**Dr McFETRIDGE:** The registrar's functions are to gather and maintain current information about retirement villages and, if we already have a registrar, can the minister tell the committee how many complaints were made to the Office for the Ageing last year or to the registrar? How many related to retirement villages? How does this compare with other retirement accommodation types?

**The Hon. Z.L. BETTISON:** I believe I have been asked that question before in estimates and, of course, there is an annual report that we table and it would be in that report. I will endeavour to get you an answer while we are in committee.

**Dr McFETRIDGE:** On the same clause, I am informed that 94 per cent of residents are happy with their village; 98 per cent of people who have moved into villages in the last 23 months stated they would make the same decision to move into a village if they were given the decision over again; and 93 per cent of residents surveyed felt that their decision to move into a village had been a good financial decision. Do we need to have the registrar with these extensive powers, or are they just some sort of safeguard that we have?

**The Hon. Z.L. BETTISON:** If I recall accurately, member for Morphett, you are quoting a census that is often reported by the Property Council. I personally have had a positive relationship with retirement villages. My grandparents were in one for 27 years. We have talked here already about the security and the sense of community, but what we heard very clearly here was that there was a lack of transparency if you want to move. We deal with a lot of complaints at the Office for the Ageing through the registrar and, along with our package of better practice guidelines and the Aged Rights Advocacy Service, we know that we needed to reform the industry. That is why the registrar is in place and will continue that role.

**Ms REDMOND:** In relation to the registrar's functions, minister, you mentioned earlier about the records kept as to the villages in this state. I wonder whether there is currently provision for the registrar to put any notice on titles of land in this state which are subject to the Retirement Villages Act currently?

**The Hon. Z.L. BETTISON:** No.

**Ms REDMOND:** Has any consideration been given or any recommendation made by the registrar at any time that might indicate that?

**The Hon. Z.L. BETTISON:** My understanding is that that is not something that has been requested of us at this stage. I guess the question would be that we have the registrar; I table an annual report. Member for Heysen, I have discussed the annual report previously. At this point, I guess that is not something we see is needed.

Clause passed.

Clause 8.

**Ms REDMOND:** I am puzzled at the variety of penalties noted in this act. For instance, in the registrar's power to require information in clause 8, there is a maximum penalty of \$2,500 and an expiation fee of \$210 but, when we go over a few pages, we see it is an offence to hinder an authorised officer. The maximum penalty there—and there is no expiation fee, obviously—is four times that: it is \$10,000. Normally, one would think that, the registrar being higher in office, it might be more of an offence not to comply with a request from the registrar. Could the minister please explain how you came to settle on this and other penalty rates in the regime contemplated by the bill?

**The CHAIR:** And that is in clause 18, the \$10,000 penalty that you are looking at?

**Ms REDMOND:** Yes.

**The Hon. Z.L. BETTISON:** I am advised that these are similar fees that are in the current act and we were guided by parliamentary counsel to continue with that provision.

**Dr McFETRIDGE:** So, that has been in there since 1987, the \$2,500. In 1987, \$2,500 was a lot of money. There is no CPI on this? We are looking at retirement villages' CPI, so perhaps we should have a CPI on that.

**The Hon. Z.L. BETTISON:** I will take that on notice.

Clause passed.

Clause 9.

**Ms REDMOND:** I am a little puzzled about the preservation of the confidentiality of information. I take it from the bill that the registrar classifies the information, or not, as confidential, given that subclause (3) states, 'Information classified by the Registrar as confidential'. First of all, could I confirm that that is therefore an indication that all information that comes to the registrar, the registrar has the discretion as to whether or not it is classified as confidential?

**The Hon. Z.L. BETTISON:** As I am advised, the vast majority of information the registrar receives is publicly available information. It will only be when specific requests where commercial terms are asked about the operation of that retirement village that she may deem it to be confidential.

**Ms REDMOND:** If we go back, for instance, to the example you gave, minister, about the Blackwood Hospital, which had the retirement village attached to it. I would imagine that those sorts of circumstances could arise in the future. It could well be that financial information relating to a retirement village which is on the brink of collapse because of having to pay out exit fees, for instance, it might not be wise to allow that to be made public. What guarantee does the administering authority have that, if they provide information required by the registrar and request that it be kept confidential, it will indeed be kept confidential?

**The Hon. Z.L. BETTISON:** If there were good reason for it to be considered confidential then we would gain advice on that and take that advice. I know this is not the stage we are up to, but one of the concerns is if an operator needed to go to SACAT then they can have the ability to ask for that to be held in private. That was one of the concerns raised with us. Obviously, when it comes to commercial operations, we would endeavour to work with that organisation, but we would seek advice on that.

**Dr McFETRIDGE:** Under the registrar's obligations, how independent is the registrar of the minister, as the registrar is appointed by the minister? Can the minister, for example, instruct the registrar to classify something as confidential? I am not suggesting this minister would ever do this,

but a minister might instruct the registrar to say something is confidential to then make it not liable for disclosure under the FOI Act. How independent is the registrar of the minister?

**The Hon. Z.L. BETTISON:** She is independent but she is a public servant. I think I will need to come back to you with some accurate separation of those powers and your concern. Can I ask the member for Morphett, specifically around FOI?

**Dr McFETRIDGE:** The Freedom of Information Act. It says here in subclause (3):

Information classified by the Registrar as confidential is not liable to disclosure under the Freedom of Information Act...

If a minister were inclined to want somehow to give protection to some information, that would be a very easy way of doing it.

**The Hon. Z.L. BETTISON:** I will seek further advice and come back to you.

Clause passed.

Clauses 10 and 11 passed.

Clause 12.

**Ms REDMOND:** I think clause 12 pretty much reflects the existing situation regarding the register that must be kept containing the name and business address of the operator. I would seek firstly the minister's assurance that this register does exist and is available for inspection and an indication, if the minister is able, as to whether, and how often, the register has been inspected.

**The Hon. Z.L. BETTISON:** My understanding is that it is available to anyone who comes in to the Office for the Ageing. They can view a hard copy, but it has rarely been asked for.

**Dr McFETRIDGE:** Has consideration been given to putting that register up on a website if it is already available for inspection without fee during ordinary office hours? I think we are all working long hours nowadays, so perhaps putting it on the net may be a good thing to do.

**The Hon. Z.L. BETTISON:** The member for Morphett is discussing something that we are already looking at. One of the other areas that we would like to look at if there are changes is for the retirement village operator to update. Obviously they would have a password or a special code if they had to update a phone number, for example, or the name and contact details of the village manager; they could do that themselves. We are already considering that.

Clause passed.

Clauses 13 passed.

Clause 14.

**Ms REDMOND:** Minister, can you advise how many people are appointed as authorised officers and whether there is intended to be any change in the number of authorised officers once this bill becomes law?

**The Hon. Z.L. BETTISON:** I am advised that we currently have four authorised officers and we would not be looking to change that number.

**Ms REDMOND:** Subclause (2) provides, 'An appointment may be made subject to conditions specified in the instrument of appointment.' I assume that there are not any conditions imposed on the four officers who are operating at the moment, but could the minister indicate what sorts of conditions were in mind in terms of the things that would be conditioning the appointment?

**The Hon. Z.L. BETTISON:** The example I am given is that if that person ceases to work in the Office for the Ageing and be an authorised officer, then I would have the ability to revoke that appointment.

**Ms REDMOND:** I appreciate that because subclause (3) says, 'The minister may, at any time, revoke an appointment.' What would be the conditions to which an authorisation under this clause could be subject?

**The Hon. Z.L. BETTISON:** I have just been given advice that we did have an investigation officer at one point employed for a set period of time while he did his investigation, and that was the condition that he was subject to in the instrument of appointment.

**Mr DULUK:** Following on from the member for Heysen's question, surely there would be some preset conditions that you would go by to say on what basis an appointment is held or not, or on what basis you would terminate or not.

**The Hon. Z.L. BETTISON:** Obviously, if they are an authorised officer, they would be employed in that role, doing that role, and I think that is what the instrument of appointment would say. I have given an example of when there was a specified condition, when there was someone hired on a short-term basis, so it would involve the role that that person is doing.

Clause passed.

Clause 15 passed.

Clause 16.

**Ms REDMOND:** I have no experience of the authorised officers who operate under this act and I am sure they are very nice people. The minister may not be aware of the famous Graham Gunn, who occupied a seat in this chamber for 39 years and 10 months.

**The CHAIR:** But who's counting?

**Ms REDMOND:** He often told us about the behaviour of certain authorised officers under various acts, so I am concerned about the effect of things like clause 16(1)(b). Most of the subclauses deal with people who have a responsibility under the act for the management of the act and so on, so it would be the administering authority. However, for instance, clause 16(1)(b) simply refers to 'require a person to produce documents' and so on.

It seems to me that there is therefore at least the potential for an authorised officer to turn up at the doorstep of an occupant or resident in a retirement village, who may be elderly, completely unprepared and quite frightened by the prospect of someone attending at their premises and demanding that they hand over certain documents. I wonder whether the clause could be amended to make it clear that these powers do not extend to knocking at the doors of residents of retirement villages.

**The Hon. Z.L. BETTISON:** I am advised that, as an industry, the Office for the Ageing has a very close relationship with many of the industry players. While there is significant diversity (there are 529 retirement villages and 153 operators), we do have quite a close relationship with those operators and we work quite closely with them. If we were investigating a breach, which would be the reason that an authorised officer would go in to look at the administration and the enforcement of the act, I am satisfied that what we have here in this proposed bill would provide that clarity. I do not think there would be anything gained by your concern about frightening residents. As detailed in clause 16(2):

An authorised officer cannot exercise the power conferred by subsection (1)(a) to enter a part of premises used for residential purposes except—

- (a) with the consent of the owner or occupier of the premises; or
- (b) on the authority of a warrant issued by a justice.

I think that might satisfy your concerns.

**Ms REDMOND:** It certainly satisfies my concern, but I can read legislation and I know what my rights are. What concerns me is the prospect of overenthusiastic authorised officers not informing surprised residents of those provisions of clause 16(2) but, never mind, I will take that as read. If I could ask another question, and that is the requirement in clause 16(1)(i) for:

...the owner or occupier (including a resident)...to provide the authorised officer with such assistance and facilities as is or are reasonably necessary...

I take it, by that, that the authorised officer could for instance demand not only access to the premises, and access to documentation that might be held in the office, but it could indeed demand

that they be given the right to set themselves up in the office or in the community hall of a retirement village in order to conduct whatever investigation they are going to do.

**The Hon. Z.L. BETTISON:** As I understand it, that is possible under this act, that if that was needed to have a place in order to consider the breach.

**The CHAIR:** You have a further question on clause 16?

**Ms REDMOND:** Yes, I do—a last one, Madam Chair—and it relates to clause 16(4), which provides:

...an authorised officer may be assisted by such persons as the officer considers necessary in the circumstances.

The authorised officer is obviously someone who is conversant with the rights, duties, entitlements, etc., under the act. What training or instruction is to be given to anyone who is assisting the authorised officer and who, whether the authorised officer or someone else, engages that assistance?

**The Hon. Z.L. BETTISON:** I am advised that, given we have four authorised officers currently, if this situation presented itself another authorised officer would assist.

Clause passed.

Clauses 17 and 18 passed.

Clause 19.

**Dr McFETRIDGE:** 'Residence contracts' states:

- (1) A residence contract must be in writing and comply with this section and the requirements (if any) prescribed by the regulations.

Recommendation 4 of the select committee states:

- That the Act be amended to introduce a standard disclosure document, prescribed by Regulations, to assist residents in comparing villages and in understanding their rights and obligations.
- That the standard disclosure document is provided to a resident along with the residence contract.
- That the standard disclosure document includes information relating to:
  - all fees and charges which residents will be responsible for:
    - prior to entering a village
    - while residing in a village
    - upon leaving a village;
  - examples of exit fee scenarios;
  - definitions of fees, charges and funds;
  - any circumstances under which a resident will be required to fund a budget deficit;
  - frequently asked questions;
  - any interest an administering authority has in services used within the village (for example, provision of electricity or internet services).

We also had raised with us the provision of repair and maintenance services, particularly once residents leave the village. The Property Council certainly encouraged the production of a set of pro forma contracts, and I understand that New South Wales has five pro forma contracts. Was consideration given to setting up a system of pro forma contracts and, if not, why not?

**The Hon. Z.L. BETTISON:** As you have rightly pointed out, we will be setting up a standard disclosure document. During the regulations and the writing of those regulations we will meet with the retirement villages and the advocacy advisory committee and we will obviously talk with operators and residents. Many of the issues raised by the select committee will be incorporated in those disclosure documents, particularly those in relation to:

- all fees and charges which residents will be responsible for:
  - prior to entering a village
  - while residing in a village
  - upon leaving a village;
- examples of exit fee scenarios;
- definitions of fees, charges and funds;
- any circumstances under which a resident will be required to fund a budget deficit;
- frequently asked questions;
- any interest an administering authority has in services used within the village (for example, provision of electricity or internet services).

That is our intention, to have it in a disclosure document. Also in it will be information about the cooling off periods, the time to sign, and also the cooling off period post that, in order to seek legal and financial advice for both those disclosed documents and the contract.

The two areas that we did not continue to have include the web-based calculator, looking at the exit scenarios, as because of the different contracts it would be very complex. I understand that the Property Council was not interested in producing a set of proforma contracts that would recommend templates for operators. My understanding, as I have been advised, is that they were approached, but were not interested in doing that.

As I think you considered under a select committee, we did look at having a standard contract, but that was not supported by the industry because people had many different business models. What we wanted people to be able to do, while looking with their eyes wide open when going into a retirement village, was to measure apples with apples. That is very difficult at the moment when you are given a contract of 45, 50 or maybe 100 pages. We certainly took that on board. It was well supported by residents, and prospective residents of course, but we did not encompass all the things from the select committee in that area.

**Ms REDMOND:** I would like to ask about clause 19(2)(c) and, in particular, the nature of the details of the residents' rights and obligations, placitum (iii) and placitum (iv). First of all, recurrent charges for which the resident is liable could be something quite generic, it seems to me—recurrent charges could be for gardening, or whatever. I have come across many circumstances where, for instance, people are confronted with recurrent charges and also ad hoc but future irregular charges, so I do not know whether you would call them recurrent charges.

For instance, they might have to have a light globe changed and, because they are an elderly lady living alone who is not allowed to climb a ladder, the light globe gets changed but, rather than having a maintenance person who is employed in the village as part of the recurrent charges, the operator brings in a particular mate who happens to be an electrician who charges the full call-out fee—for whatever electricians go for these days—to come and change the light globe. Believe me, I have heard of things as bad as this happening where, to get the light globe changed, a little old lady in a retirement village has been charged \$50.

Could the minister explain the degree to which the disclosure statement will actually be amended to make clear to prospective residents exactly what they may be liable for, rather than simply what the recurrent charges may be? As I said, for instance, there might be a gardener who is regularly employed and there is a regular payment for having a gardener for all the gardens around the village.

**The Hon. Z.L. BETTISON:** For clarification, clause 19 is actually about residents' contracts, not about the disclosure statement. That is further on in the bill, and I think we can cover that then.

Obviously, when we talk about recurrent charges liable in a contract for the residents, it would be a regular charge, including what it is, what that would be. Obviously, you have raised some particular issues. Often the reason people go into a retirement village is so they do not have to do the maintenance which often has become too much for them in their private home. We want to be clear in that contract about what those recurrent charges would be, but I think if you are talking about

the disclosure statement, then we would expect them to list examples of what that would be in their village.

Progress reported; committee to sit again.

*Resolutions*

**NUCLEAR FUEL CYCLE ROYAL COMMISSION**

The Legislative Council concurs with the resolution of the House of Assembly contained in message No. 116 for the appointment of a joint committee on findings of the Nuclear Fuel Cycle Royal Commission and will be represented on the committee by three members, of whom two shall form the quorum necessary to be present at all sittings of the committee. Members of the joint committee to represent the Legislative Council will be the Hon. D.G.E. Hood, the Hon. R.I. Lucas and the Hon. M.C. Parnell.

The Legislative Council informs the House of Assembly that it has passed the following resolution:

That it be an instruction to the joint committee on findings of the Nuclear Fuel Cycle Royal Commission that the joint committee be authorised to disclose or publish, as it thinks fit, any evidence of documents presented to the joint committee prior to such evidence and documents being reported to the parliament.

The Legislative Council also informs the House of Assembly that it has resolved to suspend standing order 396 to enable strangers to be admitted when the joint committee is examining witnesses unless the joint committee otherwise resolves, but they shall be excluded when the joint committee is deliberating.

*Bills*

**CORPORATIONS (COMMONWEALTH POWERS) (TERMINATION DAY) AMENDMENT BILL**

*Final Stages*

The Legislative Council agreed to the bill without any amendment.

At 18:01 the house adjourned until Wednesday 25 May 2016 at 11:00.



*Answers to Questions***PARADISE WATER MAINS**

In reply to **Mr TARZIA (Hartley)** (8 March 2016).

**The Hon. S.E. CLOSE (Port Adelaide—Minister for Education and Child Development, Minister for Higher Education and Skills):**

The cause of mains failures which occurred in Adelaide's north-eastern suburbs on 7 March 2016 has been investigated by SA Water. The investigation found that an operational issue at the Hope Valley water treatment plant caused a pressure surge in the water main and was the likely cause of the mains failures.

As a result, SA Water has made a commitment to affected residents that they will be reimbursed for costs associated with damage to property caused by the water main failure.

**PARADISE WATER MAINS**

In reply to **Mr TARZIA (Hartley)** (8 March 2016).

**The Hon. S.E. CLOSE (Port Adelaide—Minister for Education and Child Development, Minister for Higher Education and Skills):**

The cause of mains failures which occurred in Adelaide's north-eastern suburbs on 7 March 2016 has been investigated by SA Water. The investigation found that an operational issue at the Hope Valley water treatment plant caused a pressure surge in the water main and was the likely cause of the mains failures.

The Essential Services Commission of South Australia (ESCOSA) and the Office of the Technical Regulator are also performing independent reviews of the recent water mains burst in Paradise.

**PARADISE WATER MAINS**

In reply to **Mr GARDNER (Morialta)** (8 March 2016).

**The Hon. S.E. CLOSE (Port Adelaide—Minister for Education and Child Development, Minister for Higher Education and Skills):**

Following mains failures in the north-eastern suburbs of Adelaide on 7 March 2016, one resident accepted SA Water's offer of temporary accommodation.

SA Water will continue to work with affected customers to ensure they have appropriate temporary accommodation whilst their homes are being repaired.