HOUSE OF ASSEMBLY

Tuesday, 14 November 2023

The SPEAKER (Hon. D.R. Cregan) took the chair at 11:00.

The SPEAKER: Honourable members, we acknowledge Aboriginal and Torres Strait Islander peoples as the traditional owners of this country throughout Australia and their connection to land and community. We pay our respects to them and their cultures and to elders both past and present.

The SPEAKER read prayers.

Bills

ADELAIDE UNIVERSITY BILL

Second Reading

The Hon. S.E. CLOSE (Port Adelaide—Deputy Premier, Minister for Industry, Innovation and Science, Minister for Defence and Space Industries, Minister for Climate, Environment and Water) (11:02): I move:

That this bill be now read a second time.

Today, I rise to introduce the Adelaide University Bill 2023. Universities play an extremely important role in our community. They educate, research, bring diversity to the state, and help meet the state's skills and workforce needs. It is incumbent on all of us to ensure that we have a robust higher education system in our state that will meet our economic, social and workforce needs well into the future.

There has been a lot of debate in recent months about the best way to ensure the relevance, longevity and social impact of higher education in South Australia, and the shape the sector should take going forward. This debate is not new. In fact, the debate about the number and composition of the universities in this state has been going on for decades. There have been many discussions about how, why, when and who, and, indeed, in 2018 the state edged closer to sectoral reform with the universities of Adelaide and South Australia very seriously considering merging their two institutions.

However, there was a key piece missing in 2018, and that was the interest and investment from the government of the day. This government has taken a different approach. We believe that in order to secure a stronger future for our state we need at least one institution of a large scale: a large, research-intensive university that is committed to both excellence and equity, and an institution that on day one will be the biggest educator of domestic students of any university in Australia.

That is why we have chosen to be active rather than passive in these conversations. We have worked with the universities of South Australia and Adelaide to imagine what a new university in this state might achieve, and we have been willing to provide the appropriate resourcing to ensure we are best placed to achieve the vision of the new Adelaide University to deliver nation-leading curriculum and student experience, greater access to education, and world-class research excellence.

After months of planning, consultation and careful consideration, I am pleased to introduce the Adelaide University Bill to the House of Assembly today. Now is the right time for a new university in our state that is committed not just to excellence in teaching, research and innovation, but to extending access to all South Australians, particularly those who have been under-represented in education.

It is the right time for a new university that is committed to serving the public interest by contributing to the state's economic priorities, championing free inquiry and translating its research to the benefit of us all. It is the right time for a new university that is committed to the best outcomes for its students and that will create a distinctive contemporary industry-informed curriculum.

During a period of major national sectoral reform through the Australian Universities Accord, it is the right time for a new university whose vision wholly aligns with the objectives of that reform to improve the quality, accessibility and sustainability of the higher education sector in this nation. So it is today I commend to you the Adelaide University Bill.

While it is with much excitement that I look forward to the future and anticipate the great potential of this new university, it would be remiss of me not to take this opportunity to recognise the rich history and sizeable contribution of the two institutions that will be coming together to create the new one.

Let me start with the oldest of the two, the University of Adelaide, which next year will be celebrating its 150th anniversary. The University of Adelaide was founded in 1874 as the state's first public university following the £20,000 donation by grazier and copper miner Walter Watson Hughes along with support and donations from Thomas Elder.

As we well know, it takes time to establish a new institution, so it was not until 1876 that teaching commenced, with the first offering a Bachelor of Arts degree. The South Australian parliament granted five acres of land to the University of Adelaide, and in 1879 the foundation stone for the first university building on North Terrace campus was laid.

The University of Adelaide is the third oldest university in Australia and one of only four that started before Federation. It was founded with two contemporary goals: to prepare new generations of leaders who were distinguished and shaped by education, not birth or wealth alone, and to change societal norms that hindered progress or reinforced inequality. These noble aims started 150 years ago and could well have been articulated today given their alignment with the vision for the new university.

Throughout its almost 150 years of existence, the University of Adelaide has celebrated many achievements. There are too many to list here, but allow me to focus on some highlights. Soon after opening it was the first Australian university to offer science degrees. Continuing with the firsts, it was also the first Australian university to admit women to all degree courses on an equal basis to men, with Edith Emily Dornwell the first woman to graduate in 1885.

The Waite Agricultural Research Institute was established in 1924 and is home to one of the largest concentrations of agriculture and wine research and teaching expertise in the Southern Hemisphere. The year 1991 saw the establishment of Roseworthy campus through a merger between the University and Roseworthy Agricultural College.

The University of Adelaide counts five Noble laureates amongst its alumni, accounting for almost a third of Australia's 16 total recipients. This includes Howard Florey, who developed penicillin; and the Braggs, the father and son team whose research underpins our modern pharmaceutical industry.

Other notable alumni include Dame Roma Mitchell AC, DBE, CVO, QC, who became Australia's first female Queen’s Counsel, Supreme Court judge, university chancellor and state Governor; the first female Prime Minister in Australia, Julia Gillard AC; and astronaut Andy Thomas AO, the first Australian to walk in space.

Now to the University of South Australia, which celebrated its 30th anniversary in 2021. Although UniSA, as it is commonly known, is a young institution, its foundations date back to the latter half of the 19th century. The forerunners of today's institution were the South Australian School of Art, which was founded in 1856; the first of several teacher training colleges, formed in 1876; and the School of Mines and Industries, which was established in 1889. Over time, these foundational institutions involved into the South Australian Institute of Technology, or SAIT, and the South Australian College of Advanced Education, the two of which came together in 1991 to create the University of South Australia.

The key values of these founding institutions were pivotal in shaping UniSA, with SAIT's strong commitment to industry engagement and the SACAE's unwavering dedication to equity and inclusion featuring prominently in the aims of the university upon establishment and continuing to be priorities today.

Indeed, when the University of South Australia Act was introduced to parliament in 1990, the Hon. Mike Rann stated that the university would lay the base for a standard of excellence and accessibility to that excellence. He went on to say that sustained economic success and social development depends upon the continuing education of our people and the trained abilities of our workforce—once again, sentiments that echo today in the vision for Adelaide University.

UniSA has stayed true to its values and celebrated a number of significant achievements. In 1997 it was the first Australian university to develop a statement of commitment to Australian reconciliation. It provides improved access to tertiary education through the Distance Education Centre launched in 1993; the opening of UniSA College in 2010, providing alternate pathways to university; and launching UniSA Online in 2017, offering 100 per cent online degrees. The university was named Employer of Choice for Women in 2003 and has earnt the citation every year since.

It extended its regional geographic footprint beyond Whyalla by opening the Mount Gambier campus in 2005 as part of its regional engagement strategy. Further, UniSA established the Centre for Cancer Biology in 2013 through an alliance with SA Pathology, boasting the largest concentration of cancer research in South Australia. The university has maintained a strong commitment to the community through the opening of public-facing facilities, including MOD., which is Australia's leading future-focused museum, as well as the Samstag Museum of Art, one of Australia's foremost university art museums. The coming together of two institutions with such strong foundations provides a once-in-a-generation opportunity to create a new university for the future that will have the scale and resources to sustainably be one of Australia's best and top-ranked universities.

As you will be aware, the state and federal governments signed a Statement of Cooperation with the University of Adelaide and the University of South Australia in December last year to explore the feasibility of creating a new university for our state. This resulted in the two universities undertaking a substantial amount of work over a six-month period, including a formal engagement process in the development of a feasibility assessment, business case and financial plan.

In late June this significant body of work was presented to the councils of both universities, who were satisfied that the creation of a new university, supported by state government investment, was in the best interests of their university and of the state. In making this decision, the councils were fully aware that it is ultimately up to the Parliament of South Australia to decide whether it will approve the creation of a new public university in South Australia through the passing of legislation. Accordingly, the Adelaide University Bill 2023, presented to you today, establishes a new comprehensive public university in South Australia.

As agreed in the Statement of Cooperation, the bill is largely modelled on the University of South Australia Act 1990 as the more contemporary of the two universities' acts. However, the Adelaide University Bill being presented to you today contains important updates reflecting more contemporary aims and, importantly, incorporating the extensive feedback we have received throughout this process.

The state government, through the Department for Industry, Innovation and Science, undertook extensive consultation on the draft bill with the universities, key stakeholders and the public. The consolidated feedback, along with the recommendations of the report of this parliament's Joint Committee on the Establishment of Adelaide University, tabled in this place on 17 October 2023, as well as the amendments received from members of the Legislative Council, have been considered by the government and have informed the bill being introduced today.

I would like to take this opportunity to acknowledge the members of the joint committee and thank them for their extensive work, comprehensive report and considered findings, many of which you will find reflected in the bill before you today. Likewise, I would like to thank the members of the Legislative Council for their contributions to the discussions that have helped shape this legislation.

One of the major updates from the University of South Australia Act is a much more comprehensive and contemporary list of functions of the new university, reflecting a greater focus on the contribution and service to regional, state, national and international communities, including supporting and contributing to the realisation of South Australia's economic development priorities. There is also recognition that the university in the performance of its functions will have a focus on the success of its students, staff and alumni, address the skills and needs of the modern workforce,

conduct outstanding research of scale and focus, and engage with the communities it serves. It will focus on excellence, equitable opportunity and innovation in university education, and be informed by the highest standards in teaching and research and by the needs of its students.

Importantly, Adelaide University will also engage Aboriginal and Torres Strait Islander peoples in its teaching, research and advancement of knowledge activities so as to contribute to recognising and valuing the ancient and rich cultural heritage and knowledge systems of Aboriginal and Torres Strait Islander peoples.

In recognition of the important contribution student associations make to the life of the university, and reflecting the recommendations of the joint committee, the bill includes the provision for a student association to be formed for the purpose of promoting the interests of students. The Legislative Council also agreed to include a drafting note acknowledging the intention that Adelaide University Union will merge with the University of South Australia Student Association to form a new student association for Adelaide University.

The bill also includes the establishment of two funds totalling $320 million to be maintained in perpetuity and invested with the Superannuation Funds Management Corporation of South Australia in accordance with the fund guidelines. In response to the recommendations from the joint committee, the bill now includes a provision for the Treasurer to report annually on the performance of the funds.

The first of these two funds, the Adelaide University Research Fund, will support research that aligns with Adelaide University's objectives and strategic plans and with the state's research and economic development priorities. The second fund, the Adelaide University Student Support Fund, will facilitate access to the university and address equity considerations for people within the community who have experienced disadvantages in education or in access to education or who are under-represented in education.

An important addition agreed by the Legislative Council was the requirement that at least $20 million of the Student Support Fund would be dedicated towards supporting payments from the fund, addressing access to the university and equity considerations for people residing in regional and outer metropolitan areas.

Important governance issues are addressed in the bill, including the constitution of the council and the duties of council members, including the need for the council to have a conflict of interest policy and a code of conduct, the latter of which was added following agreement by the Legislative Council. Audit requirements are also outlined, with the Legislative Council agreeing to stipulate that the audit must be undertaken by the Auditor-General.

Transitional provisions are included in the bill, including the establishment of a transition council, which has a clear remit to engage with staff and students of both existing universities in exercising its responsibilities and functions. These responsibilities include overseeing the transition of tertiary education and research currently being provided and conducted by the existing universities, to Adelaide University; and preparing Adelaide University so that it can commence providing courses and other tertiary education programs.

The bill combines all the strengths of the University of South Australia and the University of Adelaide to reflect a contemporary, future-focused institution. The new Adelaide University will be dedicated to addressing educational inequality; it will conduct future-making research of scale and focus; and it will partner with communities and industry to become a globally recognised powerhouse for innovation and economic development.

It has taken a lot of dedicated work to get to this point, but the work to establish and create Adelaide University lies before us. There is some urgency around this, to ensure certainty for staff, current and future students, and to enable the new university to commence the process to obtain the necessary accreditation and regulatory approvals to welcome the first cohort of students in 2026.

The idea to establish a new university has been talked about for many years. The time for talk is over. This is a once-in-a-generation opportunity for our state, and now is the right time for us to seize this opportunity and create a new university. I commend the bill to members and seek leave to have the explanation of clauses inserted into *Hansard* without my reading it.

Leave granted.

Explanation of Clauses

Part 1—Preliminary

1—Short title

2—Commencement

These clauses are formal.

3—Object

This clause sets out the objects of the Act.

4—Interpretation

This clause defines terms to be used in the measure.

Part 2—The University

Division 1—Establishment, functions and powers

5—Establishment

This clause establishes the Adelaide University.

6—Body corporate features

This clause sets out the corporate features of the University.

7—Functions

This clause sets out the functions of the University.

8—General powers

This clause sets out the general powers of the University, such as the power to enter into contracts and agreements.

9—Awards

This clause provides power for the University to confer awards on persons.

10—Internal organisation of University

This clause provides that the University will establish a structure for its different areas of learning, research and support operations (which may be varied from time to time by the University).

11—Student associations

This clause provides for the formation of a student association.

Division 2—Official titles and proprietary interests

12—Declaration of logo and official titles

This clause provides for the declaration, by notice in the Gazette of a logo or official title of the University.

13—Protection of proprietary interests

This clause sets out the proprietary rights of the University in respect of its official logos and insignia, including:

- an offence with a maximum penalty of $50,000 applying for using an official logo or insignia of the University without the University's consent;
- the manner in which consent to use official logo or insignia of the University may be sought and granted;
- a power for the Supreme Court, on the application of the University, to grant an injunction to restrain a person from using official insignia in contravention of this provision.

Part 3—Administration of University

Division 1—The Council

14—Establishment and responsibilities

This clause establishes the Council of the University and sets out the Council's primary responsibilities.

15—Powers

This clause sets out the powers of the Council.

16—Constitution of Council

This clause provides for the membership of the Council.

17—Term of office

This clause sets out the terms of office for various members of the Council.

18—Casual vacancies

This clause provides for the circumstances in which the Council may remove an appointed member and the circumstances in which a position on Council becomes vacant. The clause further sets out the process by which a casual vacancy caused by such a removal or vacancy is to be dealt with.

19—Chancellor, Deputy Chancellor and Pro-Chancellors

This clause provides for the offices of Chancellor, Deputy Chancellor and Pro-Chancellor.

20—Validity of acts and decisions of Council

This clause provides that an act or decision of the Council is not invalid by reason only of a vacancy in its membership or on the ground of a defect in the appointment or election of a member.

21—Remuneration

This clause provides that the Council may determine remuneration for members of the Council.

Division 2—Duties of Council members

22—Duty to exercise care and diligence etc

This clause provides that Council members must at all times, in the performance of the member's functions:

- exercise a reasonable degree of care and diligence; and
- act in a way that the member thinks will best promote the interests of the University.

23—Duty to act in good faith etc

This clause sets out Council member's duties in respect of acting in good faith and not improperly using their position as Council members.

24—Conflict of interest policy

This clause provides that the Council must have a conflict of interest policy.

25—Code of conduct

This clause provides that the Council must have a code of conduct for its members.

26—Removal of Council member

This clause provides that non compliance with a clause in the proposed Division will be taken to be serious misconduct and grounds for removal of a member from office.

27—Civil liability for contravention

This clause allows for the University to recover from a person who profits from a breach of a duty, a conflict of interest policy or a code of conduct under the proposed Division—

- if the person or any other person made a profit as a result of the breach—an amount equal to the profit; and
- if the University suffered loss or damage as a result of the breach—compensation for the loss or damage.

Division 3—Procedures

28—Proceedings at meetings

This clause sets out the manner in which proceedings at Council meetings are to be conducted.

Division 4—Vice Chancellor

29—Vice Chancellor

This clause provides for the office of Vice Chancellor of the University.

Division 5—Academic Board

30—Academic Board

This clause establishes the Academic Board of the University and provides for the appointment of its members.

Division 6—Related matters

31—Terms of reference

This clause provides for the matters that may comprise the terms of reference for a committee or other body established by the Council, and that the terms of reference may be varied, revoked or substituted by the Council from time to time.

32—Delegation

This clause provides for the manner in which the Council may delegate its functions and powers.

33—Common seal

This clause provides for the application of the common seal of the University.

Part 4—Statutes and by-laws

Division 1—Statutes

34—Statutes

This clause provides for the manner in which the University may make statutes in connection with the governance, operation or administration of the University.

Division 2—By-laws

35—Interpretation

This clause defines terms used in the proposed Division.

36—By-laws

This clause provides for the matters in relation to which the University may make by-laws.

37—Making of by-laws

This clause sets out the manner in which by-laws may be made.

38—Offences

This clause sets out the process by which offences against by-laws may be dealt with.

Part 5—Funds

39—Interpretation

This clause defines terms to be used in the proposed Part.

40—Fund guidelines

This clause requires the Treasurer to approve guidelines for the purposes of the Funds to be established under the proposed Part and sets out the requirements for the making and content of the guidelines.

41—Adelaide University Research Fund

This clause establishes the Adelaide University Research Fund, and sets out the manner in which the Fund is to be applied and managed.

42—Adelaide University Student Support Fund

This clause establishes the Adelaide University Student Support Fund, and sets out the manner in which the Fund is to be applied and managed.

43—Funds Advisory Committee

This clause establishes the Funds Advisory Committee for the purposes of approving the purposes to which a Fund may be applied.

44—Annual report

This clause provides for the Treasurer to provide an annual report on the performance of the Funds to be established under the proposed Part and for that report to be tabled in both Houses of Parliament.

Part 6—Trusts and other funds

45—Creation and administration of trust funds and other funds

This clause allows for the University to create and administer trust and other funds.

46—Establishment of common funds

This clause provides for the manner in which the University may establish investment common funds for the collective investment of any trust funds and other funds held by, or in the custody of, the University.

47—Distribution of income of common funds

This clause sets out the manner in which the University must distribute income from an investment common fund.

48—Commissions

This clause sets out the provisions in relation to the payment of commission for the administration of a common fund.

Part 7—Miscellaneous

49—Annual report

This clause provides for the Council to provide an annual report to the Minister on the operation of the University.

50—Audit

This clause mandates the annual auditing of the accounts and financial statements of the University by the Auditor-General.

51—Indemnities

This clause mandates the indemnification of members of the Council and any member of a board or committee constituted or appointed by the Council against actions or omissions done in good faith in the exercise of its powers under the proposed measure.

52—Exemption from land tax

This clause exempts the University from liability to pay land tax.

53—Recovery of monetary penalties

This clause allows the University to recover a monetary penalty imposed under the measure.

54—Regulations

This clause provides power for the Governor to make regulations in respect of the measure.

55—Review of Act

This clause provides for a review of the operation of the Act to be undertaken within 12 months of the commencement of the clause.

Schedule 1—Repeals, amendments, transitional and other provisions

Part 1—Repeal of Acts

1—Repeal of Acts

This clause provides for the repeal of the University of Adelaide Act 1971 and the University of South Australia Act 1990.

Part 2—Amendment of *Legal Practitioners Act 1981*

2—Amendment of section 14B—Establishment of LPEAC

This clause makes several amendments to update references to Adelaide University.

Part 3—Amendment of *National Wine Centre (Restructuring and Leasing Arrangements) Act 2002*

3—Amendment of dedication of Centre land

This amendment updates a reference to Adelaide University.

Part 4—Amendment of *Payroll Tax Act 2009*

4—Amendment of Schedule 2

This amendment updates a reference to Adelaide University.

Part 5—Amendment of *Road Traffic Act 1961*

5—Amendment of section 175—Evidence

This amendment updates a reference to Adelaide University.

Part 6—Amendment of *SACE Board of South Australia Act 1983*

6—Amendment of Schedule 1

This amendment updates references to Adelaide University.

Part 7—Transitional and other provisions

Division 1—Preliminary

7—Interpretation

This clause defines terms to be used in this Part.

Division 2—Transition Council

8—Establishment, responsibilities and powers

This clause provides for the establishment, responsibilities and powers of the Transition Council.

9—Constitution of Transition Council

This clause provides for the membership of the Transition Council.

10—Proceedings at meetings

This clause sets out the procedures for proceedings at a meeting of the Transition Council.

11—Validity of acts and decisions of Transition Council

This clause provides for the validity of certain acts or decisions of the Transition Council.

Division 3—Chancellor and Deputy Chancellors

12—Chancellor and Deputy Chancellors

This clause provides for the appointment of the Chancellor and Deputy Chancellors of the Transition Council.

Division 4—Vice Chancellor

13—Vice Chancellor

This clause provides for the appointment of the first Vice Chancellors of the University.

Division 5—Transitional Academic Board

14—Transitional Academic Board

This clause provides for the appointment of the first Academic Board of the University.

Division 6—Staff

15—Transfer by proclamation

This clause provides for the manner in which the Governor may, by proclamation transfer the employment of employees of The University of Adelaide or the University of South Australia to Adelaide University.

16—Transfer on repeal of Act

This clause effects the transfer of the employment of an employee of The University of Adelaide or the University of South Australia to Adelaide University on a prescribed day.

17—Effect of provisions

This clause is technical.

18—Preservation of rights and continuity of employment

The proposed clause makes provision for the preservation of existing contracts of employment, remuneration or other conditions of employment that may apply to in relation to a transfer of employment effected under the proposed Division.

19—Superannuation

This clause makes provision for the transfer and entering into arrangements by Adelaide University in relation to the superannuation of persons who have had their employment transferred under the proposed Division.

Division 7—Assets, contracts and liabilities

20—Transfer by proclamation

This clause provides for the manner in which the Governor may, by proclamation, transfer any assets, contracts or liabilities of The University of Adelaide or the University of South Australia to Adelaide University.

21—Transfer on repeal of Act

This clause effects the transfer of assets, contracts or liabilities of The University of Adelaide or the University of South Australia to Adelaide University on a prescribed day.

22—Effect of provisions

This provision is technical.

23—Saving provision

This clause provides a saving provision in relation to a transfer effected under the proposed Division.

Division 8—Students

24—Transfer by proclamation

This clause provides for the manner in which the Governor may, by proclamation, transfer the enrolment of persons as students of The University of Adelaide or students of the University of South Australia to be students of Adelaide University.

25—Transfer on repeal of Act

This clause effects the transfer of students of The University of Adelaide or the University of South Australia to be students of Adelaide University on a prescribed day.

26—Effect of provisions

This provision is technical.

27—Related provision

Subclause (1) deals with the credit for prior learning and qualification for awards of students transferred under the proposed Division. Subclause (2) provides that the universities must establish a binding scheme relating to the transfer of students under the proposed Division.

Division 9—Official insignia

28—Official insignia

This clause provides for the continuation of the official insignia of The University of Adelaide and the University of South Australia as official insignia of Adelaide University.

Division 10—Trusts and other instruments

29—Testamentary trusts, gifts or deeds

This clause sets out the manner in which a testamentary disposition, gift or trust that refers to The University of Adelaide or the University of South Australia may be applied in relation to Adelaide University.

30—Other instruments

This clause provides that a reference to The University of Adelaide or the University of South Australia in contracts or instruments will be taken to be a reference to Adelaide University.

Division 11—The Adelaide University Union

31—The Adelaide University Union

This clause provides for the transfer, by proclamation made at the request of The Adelaide University Union, of the assets, contracts or liabilities of the Union to another body.

Division 12—Other provisions

32—Graduates and award holders

This clause allows for a person who has been awarded a degree, diploma, certificate or other award in the name of The University of Adelaide or the University of South Australia to be taken to be a graduate of Adelaide University.

33—Legal proceedings

This clause allows for legal proceedings against The University of Adelaide or the University of South Australia to be continued against Adelaide University.

34—Successor in law

This clause provides that Adelaide University becomes the successor in law of The University of Adelaide and the University of South Australia.

35—Accounting and reporting requirements

This clause provides for the continuing obligation of Adelaide University to cause financial statements to be audited and provide reports or other information.

36—Registration authorities

This clause sets out the manner in which the Registrar-General may register or record a transfer or vesting as a result of a provision of the proposed Part.

37—Exemption from stamp duty

This clause exempts the transfer or vesting of property under the proposed Part from the liability to pay stamp duty.

38—Delegation

This clause allows the power of delegation of the Council in this measure to be exercised by the Transition Council.

39—Regulations

This clause provides power for regulations of a saving or transitional nature to be made for the purpose of the measure.

Part 8—Support to establish Adelaide University

40—Support to establish Adelaide University

This clause provides for the manner in which the University of Adelaide and the University of South Australia may provide resources to facilitate the establishment of Adelaide University.

S.E. ANDREWS (Gibson) (11:18): I rise to speak in support of the Adelaide University Bill. Higher education is critical to our state for social and economic purposes, and reform must be contemplated from time to time to ensure we are meeting the needs of students, researchers, staff, employers and our state more broadly. Education is the key to our future for so many young people in our state and internationally. For so many of these young people, university is the pathway that suits them best. In this bill, we seek equality and sustainability in higher education.

Adelaide University sees the merger of two currently very different universities in the University of Adelaide and the University of South Australia. The University of Adelaide is Australia's third oldest in the country, being formed prior to Federation, whilst the University of South Australia has a very different background, merging the teachers' colleges with the Institute of Technology. In fact, my father was a maths lecturer at Sturt college and I have fond memories of spending my time there as a young person. These two very different universities have independently determined that it is in their best interests and in the best interests of the state for this merger to go ahead and, importantly, for student outcomes as well.

There are a number of things that stand out to me in this bill, particularly the creation of the $200 million research fund. Whether we like it or not, the funding model in Australia rewards scale for our universities, and our universities in South Australia are currently at their limit in what they can achieve with the research available to them. Being able to broaden our research capability also will enable us to become more internationally competitive. Importantly, we should keep focused on the outcomes that good research can create for our local community, in the country and internationally. Of note is the increased capacity that we will see in the Centre for Cancer Biology.

The commitment to maintain the presence of our universities in our regions is also important. This is important for students and local industry. The reality of moving into the city is, for a young person, increasingly difficult with access to the rental market and the costs incurred by leaving home, so it is increasingly important that we can keep students accessing education where they are.

It is also important to note that we are maintaining and supporting a new merged student association to promote the interests of students. My experience at Flinders University was that student unions provide a very broad base of support for students, and I commend that continuing. It is also important now that we will have the opportunity to support students from lower socio-economic backgrounds to access university, because if you have the ability, you should have the opportunity.

It is timely, too, with the accord process currently underway in Australia, and we are ready to take on the recommendations in the flexible environment that we see ourselves in to proceed with this merged university. This big shift in universities in South Australia also gives us an opportunity to use this time of change to create new course offerings—courses that we will increasingly need in South Australia as our employment opportunities change and advanced manufacturing comes to our state, and we increasingly need highly trained workers. We will also, with our larger university, be better placed to support the smaller, more niche courses, which also provides more opportunities for students and employers in our state.

International students will also be able to come to Australia, seeing a more diverse student body and more employment opportunities for students in our state. I think it is also important to note that when international university students attend, their families come to visit them, and when their families come to visit they spend quite a long time in Adelaide and in South Australia and are return visitors. This is going to be another benefit to our state. This university will be a contemporary university, and this is the right time. I commend this bill to the house.

The Hon. J.A.W. GARDNER (Morialta—Deputy Leader of the Opposition) (11:24): I am pleased to be able to speak on behalf of the opposition on the Adelaide University Bill. I indicate that the Liberal Party will support the bill, but that support is contingent on circumstance in many ways. I will go through that. We do have some significant reservations about the approach that has been taken. We are not convinced that all the t's have been crossed and all the i's have been dotted in terms of the broader policy approach, the impact on the sector, and whether the approach the government has taken nails it for the people of South Australia.

On balance, the support the opposition is providing to the bill and the process is also partly in the context that this is a process that is going ahead. It has been clearly going ahead ever since the Hon. Sarah Game from One Nation and the Hon. Connie Bonaros of SA-Best, both of the Legislative Council, stood with the government and did a press conference confirming their support for the bill. At that moment, the bill was going to pass.

The new university is going to be created. Its structures will be in place in order for it to seek TEQSA registration early next year. It will be seeking to advertise to attract international students to come to South Australia for courses beginning on 1 January 2026, when the new institution is to formally commence its existence.

In that context—this employer of more than 8,000 staff, as it will be; the educator of potentially as many as 70,000 students in the long term, as we hope it will be; this significant institution for South Australia's trade and investment future, potentially attracting hopefully more than 5,000 extra international students over the thousands that the two institutions currently do; this institution having such a significant role in South Australia's economy and future; and this research base tackling the challenges that confront us in South Australia, particularly, but around the world, in our lives, in our scientific development, in our health sciences and in our defence needs—this institution is going to happen as a result of that support in the Legislative Council.

It is an institution that must succeed. In that context, the opposition will do what we can to support its success. We will highlight areas where we believe the government has not necessarily crossed those t's and dotted those i's, and put in place measures to ensure its success beyond all reasonable doubt. We will advocate for improvements to the process that the government has spoken about:

- the impact on Flinders University, for example, of the creation of a perpetual fund for Adelaide University that does not also support our state's second university;

- the impact upon residents and the community around Magill, for example, as a consequence of whatever the government chooses to do with the land sale that is wrapped up in this process; and
- the direct supports that the government is providing to Adelaide University and the obligations it is requiring of Adelaide University in order to manage the transition process.

Through the course of this debate and, indeed, over the next 2½ years, the opposition will put forward our concerns, our suggestions. We will highlight opportunities where we believe the matter can be improved. We will urge the government to take those on board and, should they not, there will be opportunities after March 2026 for the opposition to put in place some of those improvements when we form government, should the people of South Australia give us that opportunity and that honour.

When this parliament was noting the report of the Joint Committee on the Establishment of Adelaide University last sitting week, I articulated at some length the range of work that has gone into this bill over not just months but years. Members who are interested, as the Deputy Premier was intently throughout that lengthy speech, will be able to reflect on some of the points I made then. Some of them bear repeating in the context of this bill, but I do not propose to go into as much detail in this contribution as I did then.

For the record, I would certainly consider anybody who is looking into the Liberal Party's point of view on these matters to look at my reflections during the last sitting week side-by-side with this speech. If anyone is trawling through *Hansard* for some postdoctoral thesis in years ahead, wondering how the university was established and what the opposition's point of view was at the time, this speech ain't going to be enough. There is a wealth of primary source material available to such a scholar, and I encourage them towards it. Spread over multiple days and five separate sessions, it bears investigation.

In the second reading speech, the Deputy Premier reflected, as did the Attorney-General when he introduced it into the Legislative Council a couple of weeks ago, on a difference between the situation now with the universities seeking an opportunity to merge compared to 2018. It was a mistake when the Attorney-General said it and it was a mistake when the Deputy Premier said it. They suggest that the only difference between the approach from 2018 and the approach from 2022 is the level of interest and support from government in doing so.

I note first that the Attorney-General and the Deputy Premier only chose 2018 as their comparator, as if the approaches that had been made towards a merger some five or six years earlier than that and five or six years earlier than that and so on and so on going back to the late nineties, almost every time of which the Labor Party was in power, had not gone ahead. The criticisms the government made of the former Liberal government, if they were valid, could be equally applied to any former Labor government as well.

But, more than that, there is inaccuracy in the question of whether the former government was interested and whether that approach from the former government was what caused the university merger pathway to fail in 2018. There is just no evidence of that. There was testimony from one witness during the joint parliamentary committee, which I think would be charitably described as hearsay evidence from somebody who was peripheral to the issue at the time who purported to report on conversations with somebody involved in the Liberal government at the time.

I was the Minister for Education and I met with David Lloyd and Peter Rathjen on a number of occasions when they were presenting their vision for what could happen and at every moment, whether it was the Premier, to my understanding, or certainly in my own discussions with them, the former government was respectful, courteous, interested and awaiting further information as to what they thought would be necessary from government if such a proposal was to proceed.

The vice-chancellors, the chancellors and the university councils did not reach the point where they were able to put forward such a proposition because, in the meantime, the university councils chose not to proceed. They did not wish to and their circumstances, it should be said, were different because one of the key reasons why the universities sought government investment to enable this to take place is because of the financial situation cumulatively of the two universities, which is entirely different now to what it was in 2018.

Whether the Deputy Premier and the Attorney-General—I suspect the Deputy Premier remembers and I suspect the Attorney-General remembers—have noted that there was a pandemic between 2020 and 2022 and have drawn the link between that pandemic and the financial security and financial base of our universities is not apparent from their second reading contributions. It is more than public knowledge. The extraordinary challenge that our universities faced during the pandemic has been broadcast in so many different ways. Staff in their hundreds were laid off from the University of Adelaide. The future prospectus on international students was slashed by the pandemic.

The extraordinary thing about the number of international students in the pandemic was that we actually managed to keep so many. There were a large number of students who continued being enrolled and studied remotely from China and other parts of the world while not actually being able to attend in Australia. They maintained their enrolment in large numbers and were able to complete degrees here and some are still here having commenced their studies while studying remotely.

But the numbers that we have now and the numbers that we had over the last couple of years compared to prior to the pandemic have been slashed and it is still a sector that is recovering. The nature of those studies has also been recovering, of course, during the intervening period. People have formed different study habits. We are transitioning more towards a heavier focus on post-graduate work being done by international students as a proportion of the mix compared to undergraduates who do their whole degrees here.

It was a two-year pause where nobody new was coming into Australia, and that had an impact in the hundreds of millions of dollars on our universities' bottom lines. There was a different federal funding mix in 2018 to that which exists now. The importance of international students was there in 2018, it is more important now, and there are questions on whether that will change as a result of the Australian Universities Accord process, which is as yet incomplete. I will get to the accord.

In relation to the government investment, in 2018, the ask of universities, had we reached that point, I suspect would have been much more modest, and there was certainly no discouragement from the government in terms of pursuing that, it is just that the universities decided they did not want to. There are a range of reasons that have been posited as to why that might be the case. The university councils have kept their own counsel—if you will forgive the duplication.

But, as education minister, in all of the discussions that I have had with chancellors, vice-chancellors, deputy vice-chancellors or others between 2018 and 2022, I did not hear any of them blaming us. For the new government to say that that was the difference is a nonsense. We have always said, from the Liberal Party's point of view, that we would be willing to facilitate a merger and support the merger based on two factors: firstly, the universities going into this willingly, voluntarily, not being forced into it because governments, ministers or premiers decided that it was the thing to do because it was their vibe, that was how they felt and they were going to make it happen, look tough, look strong—'Universities, just get in line.' That would not have been adequate.

We, of course, have had a significant process over the last year and a half now where the universities have determined at their leadership level, at least, through their councils, through their vice-chancellors, through their chancellors, that this is something they wish to pursue, that they consider to be in the institutions' interests and in the state's interests, and we take them at their word. They have made that very clear, and they have explained the process they have gone through to come to that landing. That satisfies the first of the Liberal Party's two questions as to whether we would support the legislation.

The second aspect is whether it is in the state's interests. That is a big question. It is a question I am sure the Deputy Premier turned her mind to at great length in opposition and upon forming government. I am not going to dwell too long on the question of the election commitment. The opposition's election commitment was for a commission to effectively seek an answer to this question of what is in the state's best interests. The fact that the government chose not to go down that path but instead to operate directly with the universities does leave that question requiring thoughtful consideration to come up with an answer: what is in the state's best interests?

Throughout this process, there have been a lot of questions that inform that. Is it in the institutions' interests? The councils say yes. Many of the staff say no. Students have gone both ways, but probably more saying yes than no. The union says no. The joint committee looked into this. The majority view was a decision where they said—and I use 'they' because I have clearly outed myself by having a minority report as a member of the minority:

> On the balance of the evidence received, the Committee considers that the economic and social interests of the State of South Australia would likely be advanced by the amalgamation of The University of Adelaide and the University of South Australia into the new Adelaide University.

The minority, of which I was a member, at least, put it somewhat differently. We formed a view that:

> 1. On the balance of the evidence considered by the Committee, the economic and social interests of the State of South Australia might be advanced by the proposed amalgamation, but Members should note that these opportunities carry with them a number of considerable risks that need to be mitigated…
>
> 2. We believe that while informed Members acting in good faith could reasonably conclude that the risks inherent in the proposal are worth taking, or not, we would suggest that the measures presented [elsewhere] in the report are essential if the proposal were to [succeed]—

and we suggested further measures. This question then is also not just about the economic and social impacts on the state but what else universities do. Universities, as institutions, are behemoths. They are not only substantial employers, they do not only have a substantial impact on our economy immediately, they also establish a framework for our culture as a state and the education of our professional class that then has an impact for decades hence.

If you are working in a range of professions around South Australia, chances are you are taking an approach to your teaching or your doctoring or your lawyering or your engineering or the science that you are pursuing that is founded significantly on the way you interacted with the university when you were at it. I studied from the mid-1990s to the early 2000s and I cannot help but be influenced by the skills, the knowledge and the dispositions that I learnt during that time at university, from the way that my professors, teachers and tutors supported my education.

For decades, we had education schools not just in South Australia but around Australia that were not teaching teachers how to do early reading instruction using phonics, which it turns out is really important, and consequently that had an impact on the way that many teachers for a long time, until the last decade or so, certainly the last six or seven years, had been implementing early literacy instruction in classrooms.

My point is that the economic and social impacts identified by the committee report, and which I think the Deputy Premier focused on in her speech, are not the only impacts of universities. Our universities are tremendously important. Relevant to the bill, because the bill unlocks some significant investments by the state government into the university sector, is the investment in other parts of the education and training system as well.

I noted that last week we had the AGM and the convention of the Apprentice Employment Network here in South Australia. The Minister for Education was talking about the tremendously important role that skills and training and the work of RTOs and GTOs play in regard to our future workforce needs. The way in which we fund and support training and the university sector in this country are very different from each other. There is an intentionality to that, but there is also a series of historical accidents that have led us to this point.

Some might say that there is a class or group that goes to university that has this tremendously worthwhile HECS process that means you can study anything and pay it back to the taxpayer when you are earning a certain amount and that is an extraordinarily generous gift to what was traditionally the middle class or the wealthier classes in Australia. Over a series of decades, we wanted to support upward mobility, we wanted to enable every young person to find the thing that would enable them to thrive in life and enjoy their life and so we pitched very hard, we worked very hard to ensure that every young person knew that they, too, could succeed and they, too, could have a university education.

One of the points that the Minister for Education made in his speech last week, which I agree with—it is right—is that in our noble cause to ensure that there was social mobility and that no child would see themselves cut off from being able to be a doctor, a lawyer, an engineer or anything that

required a university degree, we devalued the skills and training sector at the same time. We almost made it as if the only kids who should be doing an apprenticeship or a traineeship or VET education should be those for whom an ATAR was out of reach. The minister framed it a bit differently, but I hope he will not mind me paraphrasing.

That has had negative consequences on our community too, because it turns out that for the young person their experience of school education might be similar to other kids at school. There is a certain level of uniformity at least in some of the subjects that are studied, but then the pathways out of school, whether it is a traineeship, an apprenticeship, VET and then work, going directly to work or going to university and then onwards, are a whole wide range of different experiences, but the university sector is privileged in many ways due to government investment. We do that because, of course, there are significant costs to some of those things that we have at university.

But I do think that, as a society, we need to work really hard with our schools and with our families, with public education campaigns to families, to ensure that when a young person is in years 7, 8, or 9—the junior secondary years at school—they are presented with every opportunity to find a pathway that is going to suit their aspirations, their aptitudes, their dispositions, and the job market that is going to be ahead of them.

It may well be that a class at any school might have half of the kids who would be fantastic in a university pathway, and 40 per cent who will be fantastic in a VET pathway, and 10 per cent who have things that they are interested in and who can go straight to work after school. That is great, but we have to work harder to get that right. We cannot just assume that university or trades are better because they are both tremendously important, and many young people doing one or the other will end up in the other, potentially using both to further their careers.

I say that in the context of the investment that is coming with this and the impact that funding a university, or forcing two big institutions like this to merge, will have on our society. It is a substantial one. This university, as a merged institution, will be responsible for the education not just of researchers and conducting research that will be important to South Australia's economy, and not just educating the international students whose economic impact, and the social impact of those international students, was probably a large portion of the work of the parliamentary Joint Committee on the Establishment of Adelaide University.

It is also going to be the educator of the majority of our professionals in South Australia. So, from the first graduating class in 2026 of the new university, so merged, or more likely the first graduating classes of 2028-29, when students will have only been doing their studies under the new university, through the 2030s, the 2040s, the 2050s and the 2060s, and so on, we are creating an educational landscape that will be different from what we have now, and that means there will be a new school of education that will replace the two schools of education at the moment.

Those two schools of education, for example, turn out teachers who have high levels of expertise or understanding or reputation in one area or another. The Adelaide University's focus has been on high schools. The University of South Australia, in many ways, has had a really strong practical application of their approach to learning. The proposition before us will create a new school of education, and we do not know what that is going to look like yet—and that is okay.

I am an optimistic person and, as an opposition, we are supporting the bill. We want this to be a success. It has to be a success for our state. It is going to be too big to fail. But my point is that there is a risk that if the new institution, in their approach to building of the school of education—and the work is starting from the ground up now—get it wrong and their emphasis sways too much to one trend or another fashion, then that will be a disaster. I think they have the people to get it right.

The school of education I choose because it is an easy one to demonstrate the impact of that profession on our state: 70 per cent of the teachers going into our schools every year are going to come out of this institution; that is 700-plus teachers every year. There are about 1,000 teachers who are employed by the Department for Education every year, and another 500 by independent and Catholic schools around South Australia. Potentially hundreds and hundreds and hundreds are going to come out of this new institution.

Are they going to have the world-class skill set? We certainly hope so, and we will do everything we can to support them to make it happen. It is no reflection on the staff who are there, by the way. It is a complicating factor because we are asking two sets of educators, the deans of education in the two different universities, to now work together to create something new. They have been doing things a bit differently from each other up to now, and they are proud of that—and they should be—because they are excellent at what they do.

Creating something new creates questions of culture. The Deputy Premier, in her speech, I noted, and I hope I am accurately reflecting this, said, 'The bill combines the strengths of the University of South Australia and the University of Adelaide.' A new institution does not get created, in terms of its strengths, through a bill. The bill can set out that we want this institution to pursue social outcomes, and we do. We want it to pursue economic outcomes, and we do. Ultimately, culture and policy, funding and circumstances will be also required to work in our favour for the strengths of the University of South Australia and the strengths of the University of Adelaide to both be reflected in the new institution.

I am optimistic, I am hopeful that it will all work out, but confident? No. We have to put in place as many risk mitigation measures as we can along the way. We are supported in that by the strength of leadership of the universities, and I thank and recognise the work that has gone on in the University of Adelaide and the University of South Australia towards developing this proposal. That goes to the members of the council, the senior administration, the vice-chancellors, the chancellors and so many others. I also in that sense think that the work that has been done by those who are sceptical and outright opposed to this proposal has been a hugely important part of this process.

I go back to the government's election commitment to have a commission that would have done that investigative work, when the universities went to the government saying, 'You've got this proposal and we think that actually we would like to merge; would that be satisfactory to the government in terms of seeing its own election commitment fulfilled?' and the government went down that path.

We did not have a commission, but it also meant we did not have that policy framework considered that government departments would usually consider for a new proposal. Within government, it is sort of understood that the simplest way to identify whether the government should do something is to look at whether it was an election policy. The government should implement its election policies. That is its job before everything else.

The minority report that the Hon. Jing Lee and I wrote reflected on this question of whether it was an election commitment. I do not believe that it is an exact reflection of the election commitment; it is certainly cogent to the election commitment. The merger is a potential outcome of the delivery of the election commitment but, having skipped the step of the analysis, we firmly believe that other analysis needed to take its place if there were not to be a commission. Through the joint committee report, it became apparent that no substantial analysis had been undertaken by government other than in certain specific circumstances.

The Department of Treasury did a body of work on what was necessary in order to enable the universities to have confidence in merging, that they were not going to reach their floor of what financial reserves they were comfortable in having, those financial reserves having obviously been diminished through the pandemic. So they required more government investment to keep them afloat during the transition period, which carried significant risks.

The treasury department's focus was very much on that financial question. They talked about effectively negotiating with the universities as to what was necessary. The universities wanted a grant that would have enabled them to proceed without risk. The vice-chancellors were, I thought, pretty eloquent in cutting to the point on this during the evidence they gave. There were questions about the nature of the perpetual funds and the university vice-chancellors said, 'We would be happy to have a grant to replace the need for perpetual funds and then we could create our own perpetual funds.' But the government's approach, which certainly makes things easier for the books in the short to medium term, was to set up funds within Treasury.

We have not complained about this process. Indeed, we have reflected, in the Liberal Party's election commitment that we have already made to establish a research fund for Flinders, that there

is a pretty good chance we would use a similar mechanism. We will investigate it further. The capital staying on the government's books does not affect the budget bottom line other than that the earnings from that capital will no longer be in government hands but disbursed to the universities. I think that would be $12 million a year—although the minister might correct me if I am mistaken—but $12 million a year plus and hopefully forever. That investment was worked through with Treasury.

The second department involved was the Department for Industry, Innovation and Science. The higher education unit reports to the Deputy Premier within that department. That department's work was focused on the drafting of the bill, as best I could tell, working with the universities, the leadership of the universities, the Deputy Premier and her office, and possibly the Premier and his office—certainly within government—to identify the nature of the bill. What do we want on it?

There was a public consultation process with the draft bill. There were reflections from the joint committee in relation to the accord, and reviews after the accord. The composition of council was slightly changed. There were some other matters that came up through the public consultation process. The Department for Industry, Innovation and Science in managing that has brought us this bill.

We also asked the Department for Industry, Innovation and Science officers whether any other policy work had been done, for example, on whether this was a good idea, whether it was in the interests of the people of South Australia to proceed with this project. The answer was that effectively that work had been done by the university councils in considering whether or not it was a good idea.

The Deputy Premier and I have spoken about this in the chamber before, but ultimately it is worth restating. The university councils' job is to identify what they perceive is in the best interests of their institutions. The government's job is to identify what is in the best interests of the state and seek to implement it.

That too is the parliament's job. It highlights the importance of the work of having had that joint parliamentary committee. Indeed, I think it goes to why, while we will be supportive of the aspirations and while we will be supportive of trying to unlock the potential that this bill could create—that this new institution could create—we still hold those reservations. At every turn, we urge the government to be mindful of that and to be keeping a close eye on it, to be identifying what supports the universities may need and what obligations might be sought of them to ensure that the opportunities here are realised and not the risks.

One of the other questions in relation to whether it is in the state's best interests is, firstly, the economic question, the social question. The committee identified that they thought on balance it was likely that our interests will be served here. That is based on certain propositions, propositions such as the increase in international students that is potentially able to be realised and the efficiency of having two administrations brought into one, so investments can be made with that in mind. There is a certain efficiency that comes from that that would be ideally applied to increased research.

The example was given during the committee stage that both the universities have spent some $300 million in recent years on new health science type research facilities. If there had been one institution rather than two, it is likely they might have spent $500 million on one extra especially good institution rather than two really good $300 million institutions, and they would have saved $100 million that could have been applied to the work that goes on inside the building. That is not a bad point.

The efficiency argument in terms of this merger is not that they are going to save on ongoing costs from what is there at the moment, because they are seeking to grow the whole scale of the thing, but they are seeking to find efficiencies going forward, such as one enormously monstrously large IT procurement rather than two just monstrously large IT procurements. There may well be a saving there. I suspect it will take a while to realise it, but over the course of decades I am sure we will get there.

The extra funds that will be realised by the efficiency are designed to be invested in research. Indeed, having the scale of the two universities together is designed to accentuate the research opportunities created here. The member for Gibson in her speech talked about the example of cancer

biology, where you have two teams of scientists who gave evidence to the committee that they want to work together, that they like to work together. They work together now, but it would be better to have one swipe card rather than two swipe cards, so having the merger will benefit them in doing so.

The benefits there for the state could be significant. It will be supported by the investment of the $200 million perpetual research fund. I might mention it here, it may come up again later, but the perpetual nature of that research fund going to one institution and not the other creates a risk about whether or not staff from Flinders might be attracted to move, which means there would be no net benefit to the state.

In its ideal form, what we will have is maybe potential graduates from the University of Adelaide or the University of South Australia who are doing their work interstate or overseas—they are excellent, the sort of top-quality researchers that we need—being incentivised by this investment to come home to Adelaide, along with other people who are seeking to make Adelaide their home. And why would they not? This is the best place in the world to live. These people are really in demand. They could live anywhere in the world, but the investment from the government is designed to help attract them here. As those top-quality researchers are attracted here and as the University of Adelaide seeks to retain those who it already has—who are performing at that level, partly supported by this new investment from government—then the plan is that the ranking of the university rises.

This is very much a University of Adelaide-focused part of the question, but the University of South Australia, to be clear, is an excellent university. I think it is the best in Australia, and potentially the best in the world, in some of the things it does, but its ranking is lower than Adelaide University's because rankings are mostly based on research intensity and the volume of high-quality research in particular.

The merging of the universities will bring some of the researchers from the University of South Australia who are in a similar category to those of the University of Adelaide. The transition process may see some retire or leave, and there would be a risk there, but ultimately the new money and the new efficiencies that will further unlock new money are supposed to buy in extra researchers who can help lift our ranking from where Adelaide Uni is at the moment—which is on the cusp of the top 100 but probably on a slight downward trajectory.

Under the model of the merger, Adelaide University's ranking in the medium to long term will be able to be secured within the top 100, and if the university is in the top 100 on an ongoing basis then its attractiveness to international students is much enhanced. Adelaide University has, at the moment, about 30 per cent of its students being international students, and they pay a higher annual fee for that privilege than do the 20 per cent, or thereabouts, of the University of South Australia students who are international students. That is a function of rankings.

Regarding the basis for the economic modelling, a large amount of it is predicated on the idea that a merged university would be able to have a proportion of international students that is closer to that of Adelaide University's, because it would be at an attractive-enough ranking point that Adelaide University itself would still be able to deliver teaching of the quality and appeal that the universities want by keeping it under 30 per cent of international students. That extra volume that they could have would be an extra 5,000 to 7,000 students, and those students would effectively be able to be charged the premium prices that Adelaide University is able to charge as a top 100 institution.

There are parts of the world where the ranking of the university from where your degree comes makes an enormous difference to your quality of life. Australia is not really one of those places. In Australia, if the members of this house went to University of Adelaide, University of South Australia, Flinders University, TAFE, institutions interstate or apprenticeships—in South Australia and Australia we are relatively egalitarian in that way. But there are countries in the world where there are cities that you can only really move to if you bring a skill set based on that thing of rankings. That makes it extraordinarily appealing to potential international students to have a top 100 university, as Adelaide has usually been in the past.

So goes the model: extra international students means extra income for Adelaide, and that also can be applied to further research, which is able to help increase and improve our ranking, which is attractive to international students who are able to pay more money to the university, which is then

able to apply it into research—and it goes on and on. The University of Adelaide would counsel on that basis, and I certainly can see the economic draw for them in pursuing this approach.

Regarding the University of South Australia, it is clear that the University of South Australia is going into this—not merger but this new institution—as an equal partner. The strengths of the University of South Australia in terms of its reputation as a world-class teaching university, alongside quality research in a smaller number of fields, are able to, in an ideal world, be drawn out. The strong online programs that UniSA has will hopefully not be to the detriment of strong face-to-face delivery of courses as well in the future. The University of South Australia is well-regarded for its online capability, alongside graduate satisfaction, employer satisfaction with the graduates of the University of South Australia, and its success in reaching students from backgrounds that have not been university educated in the past.

Flinders University is good at all of these things too, by the way, but we will come to Flinders a bit later. With the University of South Australia coming into it as an equal partner, its graduates will get a Group of Eight certificate on their parchment whereas previously they did not. That is something that is a nice to have; it is not necessarily a must have. I suspect for many of their graduates they will not really mind either way, but it is certainly a nice to have. People can point to their CV and say, 'I came from one of the top eight institutions in Australia.' We hope that as Flinders gets closer to the top 10, all of our graduates will have that opportunity.

I guess for the University of South Australia, the bigger thing that would probably be attractive to council members is they have significant plans to continue expanding what they do and continue improving the work that they do, and the funding potentially realised by this merger may enable them to speed up those plans. That goes towards the opportunity and why the councils of the universities consider it in their economic benefit to do it and, from the state's point of view, both research and international students are important for our economy and for social benefit too.

International students do not just spend money at the university through their course fees. They live here. They pay rent. They pay for food. They do part-time work in many, many cases helping provide workforce in an economy that needs a workforce boost like no tomorrow. International students work inside our communities. They volunteer inside our communities. During the bushfires in the 2019-20 summer, there were international students in amongst the community groups that provided support to families who had lost their homes. The benefit of having international students in your community is broad.

They also spent money at our tourist destinations. Their families come and visit them; particularly from some markets, their families come and live with them on occasions and spend money in our economy. There was once, I guess, a question mark that some people in the community had over whether housing and potential jobs, potential university spaces, were taken up by international students that would otherwise be going to domestic students. I think that that has mostly been put to bed over the years. I think broadly everyone's understanding is more sophisticated than it might once have been.

International students are an unambiguous good for South Australia and we like having them here. I would like to see more of them able to successfully pursue migration outcomes. I do not think we should be ashamed to tell the federal government that that is an important part of what we are seeking to achieve in South Australia, because the challenges for our workforce needs are different from those in Melbourne and Sydney, and Brisbane perhaps, where there might be more strain put on communities. International students also tend to have different accommodation preferences from people who have grown up in Australia. Those accommodation preferences are not necessarily, or not even usually, competing in the same space.

Let's assume that these extra international students are an unambiguous social and economic good for the state as well as for the institutions. Then turn our minds to research. This is one where there is as much risk as any factor in the merger, because you will recall me saying that the benefits for research were largely in terms of new investments that can be made and those new investments can be made through extra profits for the universities from international students being able to be applied into areas of intensive research.

It can be applied through the savings and efficiencies made through having one institution rather than two, not having the double bureaucracies within the institution—although I do not know too many experiences where combining two institutions' bureaucracies has ended up having a smaller bureaucracy than the two combined, but let's assume that examples such as the saving of the money in the health science building could be applied in perpetuity. There would be some money saved there and then there is the perpetual fund from the government. So there is extra money for research. But it does not follow without risk that that will necessarily mean that the research effort will improve.

There are certainly the building blocks and the foundations that in an ideal world it will, but there are risks here too, because here's the thing: Adelaide University's ranking has been put to the committee on a number of occasions. It is based on the output of those top 200 researchers. Questions have been asked about how you apply extra funding. You can fund teams, you can fund work; really, the most significant area where you would often be putting in extra money is human capital—the extraordinarily unique individuals who discovered the vaccines, who discovered how to do X-rays in a new and exciting way, who discovered the over the horizon radar that protects our country. Those unique individuals are at another level and it is a cost to attract them to our city and our state.

These are people who could work at any university in the world if they wanted to live in a certain city. Attracting them is a special proposition, and some of them—a good number of them—are here now, and not every single one of them is a massive fan of this process so there is a risk about losing some of the people we have.

The committee report goes into the risk, and particularly in the minority report the Hon. Jing Lee and I talk about this risk, and a number of witnesses put in evidence about this. I said earlier in my speech that my gratitude to the people who had put work into the committee was significant because it is only by addressing concerns, including by the sceptics, that we were able to maximise our chance of this institution's success.

The risk of them leaving because they are not happy and they can get jobs elsewhere needs to be a factor in the minds of the vice-chancellors, the university councils and the government as we proceed, because if a group of them leave—if a large group of them leave—then that has a bigger short-to-medium term impact on the university's ranking.

You will recall, sir, the whole proposition of the virtuous circle of the funding, the research, the rankings and the international students going round and round. If that breaks, if you do not get the ranking improvement because the transition cost has been too much, if you do not have the funding that will come from the international students who will be attracted by that ranking, then you do not have that funding to invest in the research, then you do not get the benefits. You have to be mindful of that.

The vice-chancellors of the University of Adelaide and the University of South Australia, Professor Peter Høj and Professor David Lloyd, were really good to engage with the opposition after the minority report. They highlighted some of the recruitments they have been able to undertake in recent times, including in this year, and highlighting that, at the same time as there may or may not be numbers of people planning on leaving, they are still continuing to recruit.

They have been recruiting from top-level universities. We have a head of the Department for Education, for example, who has come to us from Oxford University, who is outstanding, and there are a number of others. This, as a focus for them, is clear. It must be a focus for them, and I appreciate their energies in reaching out to the opposition and providing us with further evidence of extra work they are putting in to mitigate this risk.

A range of other suggestions were put forward through the Joint Committee on the Establishment of Adelaide University, and we will certainly be urging the government to invest in those.

So much for research. The benefits of the research, if this goes well, are significant because it is not just about the rankings. The rankings are infuriating in some ways because the rankings do not define what a university is good at, other than in limited categories the rankings agencies are

interested in, but they are so important to the international students that they cannot be denied. But research taking place at a high-quality level is important in our state. The commercialisation of research, the connection between businesses and startups, and major primes, and work going on in our universities cannot be understated.

Less than a kilometre from here—or maybe it is a kilometre from here—at Lot Fourteen you have world-leading aeronautical, defence, cyber and space companies that are attracted to work in Lot Fourteen not just because of their proximity to the Cyber Collaboration Centre brought to South Australia by the Marshall Liberal government, by the Australian Space Agency brought to South Australia by the Marshall Liberal government and the Australian Institute for Machine Learning brought to South Australia by the University of Adelaide, and so many other wonderful opportunities at Lot Fourteen all next to each other. But they are keen to work in collaboration with our universities, and indeed Flinders and Adelaide and UniSA all have their own programs working with these major defence companies and others.

That collaboration is really important. It is also important to facilitate the commercialisation from within, whether it is in areas critical to South Australia's economy like agricultural technology and food production, our defence needs and the AUKUS opportunities that we have as a state, and shipbuilding, missiles and radar and other warfare capabilities, and health sciences which is a major focus for all three of our universities when it comes to research.

By seeking to solve issues and create opportunities through research, which is relevant in the South Australian context, we also maximise the opportunities for businesses in those areas to thrive here in South Australia and we maximise the opportunities for our undergraduate students to work with those businesses in those areas here in South Australia.

The work that our universities do is more than just teaching and it is more than just research, but there is also a particular collaboration between teaching and research that—it has been put to me by a couple of people—is also part of the exciting thing about this merger. Because as the merger seeks to have a new institution that is building its curriculum, the way in which it might be able to integrate exposure to some of those special research fields in the delivery of undergraduate courses, not just postgraduate courses, is potentially quite exciting and could really lift what is on offer for our students. It has an impact on the social and economic fortunes for this state.

Coming back to the joint committee's report, the joint committee identified, as it put:

> On the balance of evidence received, the Committee considers that the economic and social interests of the State of South Australia would likely be advanced by the amalgamation of The University of Adelaide and the University of South Australia…

They said 'would likely be'. It is a judgement call, it is a subjective call. I think they certainly could be, and if the opportunities that I have described are realised, then it will, but they are not the only things that need to be considered.

The university councils will have given considerations to some of those broader educational questions. I talked about the school of education before. There are two law schools at the two universities, there are humanities crossovers between the two courses, there are multiple areas of duplication. We have been told that everyone is going to be continuing on and working together, certainly through to 2027. As they are building these courses together, there is a range of areas that are going to be really interesting.

For those in our community who have been to university, the question of what should their university be doing, what should they be focusing on, is always going to be significantly influenced by what they studied and what their experiences were. If somebody learnt to be an accountant at University of Adelaide or University of South Australia, probably that is going to have a very strong perspective on what they think an accounting school should look like.

What if you were to tell them that actually the other university focuses almost entirely on different course material to what their university did, that the other university does not really value the things that they felt to be important in their career as an accountant or a business manager or a local government official or a politician, that the things they found useful the other university does

differently—then those guys are all going to have to come together and build a course. That is a complexity.

I think about the ways in which schools and disciplines within the university come together as a risk point, potentially an opportunity point. Maybe these brilliant minds as they are, working together, will come up with something better than the sum of their parts, and I hope that that is the case. There is a lot of investment going into this, but the idea that we are going forward here without risk is something that not a lot of public policy work has gone into in the course of this debate, and I think that that is a shame.

But we put now as a parliament our trust in the leadership of the universities to get it right. They are brilliant people, and they will apply themselves to this diligently and expertly, but it behoves the government to keep an eye on how it is going so that we can, at each turn, identify where there are specific areas of risk that attention needs to be paid to.

One of those areas of risk comes then in the form of the funding arrangements. The joint committee heard evidence early on from Professor Bebbington, former vice-chancellor of the University of Adelaide, and others in relation to the reforms that the federal government currently has underway into the accord process. This was an important consideration. It was put to the vice-chancellors whether this was a concern and it was not for them, and it was not necessarily a concern for Professor Mary O'Kane either, who was the chair of that accord process, who also presented to the committee; and she is a former vice-chancellor of the University of Adelaide.

That does not mean that all of the concern around this has necessarily been assuaged. It has to be noted that we are talking about a process of federal funding that is one of the most significant potential impacts on the future of this university as well. The impacts of the accord, to put it into context, the impacts of funding changes that might exist on the accord could be substantially more dramatic than the impacts of funding coming from the state government's investment in the $320 million perpetual funds.

When the federal government changes university funding structures at any point that has a big impact on the business of universities. That accord process, and the timing of it, is really critical. I foreshadow to the minister that we will be spending a little bit of time when we get into committee on looking at what is expected of the review process that will be coming after the accord is finished, because the timing is awkward here, to say the least.

When the government signed heads of agreement with the Adelaide Uni and UniSA vice-chancellors or chancellors in early July, and the Greens and Frank Pangallo and the Liberal Party advocated for a review of this whole matter in the parliament because the policy work had not be done, we advocated for a longer process. The government said, 'No, three months,' and they were supported by One Nation and Connie Bonaros in the Legislative Council in their arrangements to have an abbreviated committee that lasted for three months. The government have always said—and have been consistent in this—that they want to do it this year.

The most compelling evidence as to why this needed to be finished this year, to my mind, comes from two sources, one being TEQSA. TEQSA said that they would work towards getting accreditation for 1 July next year if the legal process was finished early next year, but it would be harder to guarantee than if it was this year. The second source is the vice-chancellors. They made the point that senior staff in the University of Adelaide and University of South Australia have been working on the merger now for a while—over a year—and that has prevented them from working on other core business, because there are only so many hours in the day. That other core business is stuff that people at Flinders University and their competitors interstate continue to work on while senior staff and heads of discipline at Adelaide Uni and UniSA are working on transition planning.

For all those reasons, the earlier they can get an answer the better. The vice-chancellors said they needed an answer in the first quarter of next year, but earlier would be preferable. So we are working to this time line, and I expect this bill will be completed this week. This speech will be finished today. However, the consequence of rushing must be taken into consideration too. If someone says, 'Are we really rushing it? It has taken a year and a half,' you have to take into account the whole federal funding matrix for universities is probably going to change next year, and we will have a much better idea what that is going to look like in a couple of months hence than we do now,

to the point where there is going to be a review of the legislation after the federal accord process has been finished because it has been identified as an issue.

It is an issue that has been dismissed by some. It is an issue that has been said is the be-all and end-all by others. The truth may be somewhere in the middle or it may not, but it behoves this parliament to seriously take into consideration what the consequence of the new federal funding model that was to be put in place after the accord process would be if it provided benefits to smaller institutions for having a smaller specialisation. What would be the consequence if there were new regulations that impacted on how funding from international students was able to be used to cross-subsidise research or other aspects of a university's existence?

Those are serious matters that have been raised through the accord process, and highlighted to the committee, and I think the basis on which they have been dismissed has been that the chair of the accord process, Mary O'Kane, and the federal Minister for Education, Jason Clare, have given the state government sufficient comfort for the state government's needs that they think that a new merged university will be okay in a post-accord transition. There is no detail on how it will be okay because there is no detail on what reforms the accord will put in place.

Nevertheless, I am persuaded that the decision should be reached on this merger one way or the other sooner rather than later, because otherwise the risk to Adelaide Uni and UniSA is that their senior leadership are distracted from their jobs for an ongoing period of time. The significant number of hours every single week that these academics and professional staff at the universities—and academics who are working as professional staff at the universities now—have been putting into this process is dramatic. They cannot do that for the next 18 months and expect to see no impact on the ongoing work at their universities.

I absolutely accept that, but—but—we will need to spend some time considering how the accord process may have an impact and what reassurances the state government may have had from the federal government other than those that are in the public arena about what the nature of the accord outcomes are going to look like.

I cannot help but look at the experience of a brilliant man—and I use the word brilliant in terms of a clear intellectual powerhouse—like Glyn Davis and his work at Melbourne University, which has been highlighted as a large, successful thriving university. You know what? Glyn Davis has said some things on the record about the benefits of smaller institutions too. He is going to have a pretty profound impact on what the federal government does given his role within the federal government, I would have thought, so it will be really a key question for the state government to focus on.

It is a risk that the state government as they talk to their federal Labor colleagues are in a position to mitigate in a way the universities are not, necessarily, because it will be a political question for the federal parliament what reforms they end up putting in place and the impact that will have, potentially, on our institution here in South Australia. That is an area of risk that needs to be understood and considered as we do this.

There is a risk in the status quo that I suspect is not as well understood as might be the case. And why would it be, because we do not want to highlight how our vulnerabilities to competitor institutions interstate or, indeed, interstate governments. The University of Adelaide has held the top 100 status for long periods of time and is in and out of it at the moment; the question mark is whether, without a merger, it is capable of staying there.

There is certainly different evidence put forward on that, but what we do know is that internationally other universities are increasingly investing in their own institutions, and that is reducing the proportion of undergraduate students who are seeking to go overseas, as they have more and more institutions themselves ascending the ranking tables. The volume of people around the world who are undertaking university studies is increasing, the volume of places within universities is increasing, the volume of people who can read and the volume of people who are educated, full stop, around the world is increasing dramatically.

Within that context, it is harder and harder to be competitive for an institution such as the University of Adelaide or, indeed, any of our others. I note that Flinders University is doing really well.

Flinders University is ascending the rankings despite those challenges, and over the last few years its performance in attracting research grants has also increased. I think if some of those achievements Flinders University has been able to do over the last five years were reflected broadly, we would all be very proud. The point I am getting to there is that we hope Flinders University will be in the national top 10 within a few years.

That impact on Flinders is something that I think the government has failed to consider satisfactorily through the course of this debate. There is that risk to the status quo in not being merged into Adelaide University that has been highlighted as a reason to support the merger, and you cannot think of the outcomes for the tertiary sector in South Australia on that basis and not also consider the outcomes for the tertiary sector in South Australia that affect Flinders as a result of the merger. We want Flinders to achieve that potential. We must see Flinders achieve that potential, just as we must see the merged university succeed as it goes ahead.

For that to happen, I urge the government over the next two years during this term of government to institute a research fund for Flinders University in the same way this bill proposes to do for Adelaide University. We have said that the Liberal Party in government will do it. The timing is fine here because the urgency of the research fund is to support Adelaide University in the merger through its transition risks, and Flinders does not carry that risk, but the perpetual nature of the fund requires parity, otherwise in 50 to 100 years we will have seen $2 billion to $3 billion invested from this fund in one university and nothing in the other one.

How can they possibly over that period of time be at the same level? That is setting up a long-term recipe for failure or at least a recipe for diminishment of one of our institutions at the expense of the other. It can easily be fixed by signalling now, or signalling with the election of a Liberal government in two years, that Flinders will also receive a comparable investment from the state government to set it up for success so that its research opportunities can also see it continue to rise, as we hope the new institution will rise on the same basis.

The teaching of the students, effectively the student experience, is really the important thing to consider. I will talk about students and undergraduates. There is a bit of a furphy that is broadly accepted and understood in society, but is probably inaccurate, about the nature of these two institutions. Adelaide University was always seen as the sandstone institution, the prestigious institution. The expectation is that kids with higher ATARs go to Adelaide University; kids with lower ATARs go to the University of South Australia. The thing is that is not entirely accurate.

I said before that a Group of Eight badge on their parchment would be appealing or attractive to many students from the University of South Australia, but it actually does not drive many of their decisions. The decisions that drive domestic students, as opposed to international students, are far broader than the ranking of their university. The ATARs that the universities expect of their students are not so different as you would imagine.

The report from the joint committee highlights five popular degree courses, and the comparison of minimum ATARs is worth looking at. The minimum ATAR required for a Bachelor of Marketing by the University of Adelaide is, I think for last year, 68.5; the minimum ATAR for the University of South Australia is 65.45—a difference of three. I can tell you from my own experience that a difference of three in a year 12 exam context tells you absolutely nothing about a student's opportunities to succeed in their degree and in life. It tells you as much about how much sleep they were getting during their year 12 exam period as anything else.

I will tell you more than that: if a student is not getting sleep in their year 12 exam period, or if they get sick in that period, the difference in their ATAR will be a hell of a lot more than three from what their potential is. They are basically equivalent. A Bachelor of Accounting: the ATAR for the University of Adelaide is 61.5 and for the University of South Australia is 60.4. A Bachelor of Science is 61.3 and 56.45. For the Bachelor of Engineering (Honours) (Mechanical), a very esteemed course, at the University of Adelaide you need 68.65 and at the University of South Australia you need 68.3—a full 0.35 points less.

This is not a sign we have a system where all the top students are going to one institution and the students who could not quite get into that, between the band of 68.3 and 68.65, that band of 0.35, are going to the University of South Australia—no. What is happening is that students are

making choices about which model of education appeals more to them, which campus is closer to home, which university was more appealing to them when they engaged through their student expo days and what the timetabling is like. Goodness me, there are so many different factors that will go into a student's choice if they are a local student in what university they pursue.

I was really interested to see the minimum ATAR to get into a Bachelor of International Business at the University of Adelaide is 62.2. The minimum at UniSA is 65.75, 3½ higher at the University of South Australia than it is at the University of Adelaide. There are courses that are offered at the University of Adelaide that are not offered at UniSA and vice versa, and there are some courses that have a broader gap in ATAR. But here is another point: half of the students going to these institutions do not get in on their ATAR at all. There are a range of different methodologies by which students arrive at university now, and the fact is that there is probably a bigger disparity in terms of the preparedness of students for university study amongst our international students than there is amongst our local domestic students here in South Australia.

I do not accept that there is a gulf between the University of Adelaide and the University of South Australia in terms of the quality and preparedness of the students. Given that many of those students are currently choosing Adelaide Uni or UniSA for what they perceive the student experience to be at the moment, and we are replacing that choice with having just one university, that student experience will be really important.

I spoke to a number of students. We spoke to the presidents of the Liberal Clubs and the presidents of the student associations in the committee. I have spoken to a range of students who reached out, and there were a number who we reached out to. The things that they were interested in were not always what you might expect. One student talked to me about how excited they were about the powerhouse sporting teams that they felt would be able to achieve great things at the university games with the influx of extra students from which to draw their teams. They highlighted that the big universities do better because there are more potential sporting people.

That is not in itself a reason to support the bill or oppose it. It is just highlighting that not everything that is driving people's motivations and thinking about whether this is a good or bad thing is going to be homogenous. One student highlighted that they did not really like one of their lecturers. They had heard that the lecturer at the other university in that course was better, and they were sorry that they were not going to have the opportunity to work with them because the merger was still three years away.

We had feedback from some students that they thought that the new university would be able to get rid of some of the old assumptions about what university education is. There is a level of risk in that, too. One of the challenges, getting back to my point about the risks of the status quo, is that some of those university courses that are really valuable are not seen as important by a number of students and are not getting as many students studying them. This could be talking about languages, different parts of performing arts, or classics.

I will just highlight an example of why these things are important to teach. The Deputy Premier was Minister for Education for three years and shadow minister for a number of years. She would have had many opportunities to talk to school students from around South Australia. I had such an opportunity a few weeks ago. I was asked about the UN Security Council dealing with the situation in Israel and Palestine. I do not want to get into that issue on this point, other than to say that one of the students asked me a question in a senior secondary course on politics, suggesting that there was no historical connection prior to 1947 between the Israeli people and the land on which the country of Israel now exists.

It was an illumination for them to discover that actually there is a historical connection going back thousands and thousands of years. It was in fact an occupying force in the Roman Empire and the decisions taken after an uprising in Judea that led to the diaspora of the Jewish people around Europe, Africa and Asia and, indeed, the connection that many of them had.

Some of that would have been considered at one point to be essential foundational parts of any liberal arts degree in a university—an understanding of history and classics. In the modern world, we do not expect students who are focused on one area towards a particular profession, almost seen

as a vocational calling, towards medicine, engineering, accounting or anything else, to also pick up a classics or history elective.

But, in my view, it is important within an institution that those disciplines continue to be supported, so that the research in those areas, the publishing in those areas and the teaching of our students who choose to become, for example, our history teachers or our politics teachers gives them the option of engaging with the past as well, and some of those key areas. Languages is one that is particularly challenging because for all of the energy that we put into our school students to encourage them to study languages, if they do not see a pathway at university for the further study of those languages to a level of expertise, then it is really hard to convince a year 12 student to complete that language through to the end of their SACE.

All of these subjects with lower numbers of student enrolment are at risk unless the university leadership subsidises them or supports them in an ongoing fashion. The university leaderships generally do as best they can, as far as I can tell, but the risk in these courses and these disciplines is much greater than those in which there are always going to be ongoing numbers of students seeking professional qualifications that they need to do the jobs or careers that they want to do afterwards.

I was comforted not just through the responses of the vice-chancellors in the university joint committee but also in the responses that the vice-chancellors gave to the Liberal Party in response to our minority report, by their confidence that these less popular—at this passing time—courses would be better supported, and would be less at risk, in the context of a broader merged university with greater resources.

The other area that can potentially benefit substantially from a merger that would otherwise be at risk, especially in the case of another pandemic or a significant event—the term 'black swan event' was regularly used during the committee. I am not sure if that was a new term used by the universities, or if I am betraying my ignorance of something that everyone has been using for years but, at any rate, I encourage the Deputy Premier in her second reading response to elucidate for me whether she had heard of the term before.

In relation to this idea of another black swan event—let's just say something bad happens—whether or not there is a risk to courses with lower enrolments, or whether there is a risk to the investments that do not make money in other areas, a particular one is regional South Australia. Our regions in South Australia are so critically fundamental to who we are as a state and what we produce, but people living in regional South Australia face different challenges and different natures of challenges from people living in regions in other states.

South Australia is the jurisdiction in the world with the largest disparity between the population centre of its major city and its second city: 1.7-odd million people in Adelaide and 25,000 or so in Mount Gambier is quite a difference, and we are a large state. The risks and challenges facing students growing up in regional towns and the opportunities that they will have—what their parents or their schools must go through and invest in order to get them into the city to see different pathways, or to get people from the city to come to them and see what pathways might be out there—are entirely different from a student growing up in Ballarat or Bendigo or Mildura or Geelong.

Regional Victoria or regional Queensland, where a significant proportion of the state's population does not live in its large capital city—even in Western Australia, the enormous scale and space of Western Australia, the regional centres are much, much larger than ours, and so getting a critical mass of students in a regional centre in South Australia, such as would make a university campus viable in and of itself, is a challenge. This is an area where we hope the accord process will help, in terms of redirecting some of the federal government's energy. We hope that it will help serve us in a South Australian context.

With the decision to merge two of our state's three universities, the existing effort made by those universities is a critical question to contemplate whether there will be a net benefit, a net loss or more of the same in the event of this merger. The Flinders University effort in the regions is significant. Flinders University has made the point that with a portion of the scholarship fund for the new Adelaide institution going towards the regions, they think that they should have a cut of that too. I put that proposition to the Deputy Premier and invite her comment in her response.

But the broader question is: what effort is this new institution going to make in the regions and how can we ensure that it will not just not dip but, indeed, grow? We want to see Roseworthy continue and thrive. We want to see Mount Gambier and Whyalla continue and thrive. Waite is not a regional campus, but I tell you what: if the work done at the Waite Institute is not important for regional South Australia then, as Patrick Conlon once said in this chamber, 'I will go he for chasey.' The investments are broader than that—investments on Eyre Peninsula and the APY lands, even, on a more modest scale.

The university hub proposition is one that is really important. Take, for example, Port Pirie, which is the uni hub that serves the member for Frome's electorate to a certain extent. That uni hub's fundamental tenant is not a South Australian university. Students from South Australian universities are able to access it and use its facilities and contribute to the small campus environment that they have there, and some student coursework is delivered there. But we would like to see a lot more and a lot more engagement, particularly from our state institutions.

The Speirs Liberal government, if elected next election, will work with the universities. We are completely eager to work with Flinders, and hopefully there will be federal funding as well to support us. We will invest state money in not just ensuring that our existing offerings are able to be maintained on a net basis but that there will be new offerings and service in new regions—that could be Clare and the Clare Valley, for example. It could be the South-East; it could be new or extended services in the Riverland. There is a range of different population centres where I think that there is definitely an opportunity for our regions to be better served.

It will be interesting to see where the government's work with the new institution goes on the $20 million fund that they have identified to be added to the equity fund specifically to support regional South Australians. It could be that that goes to support scholarships. Of course, the original equity fund would also potentially support scholarships, including a significant number from regional South Australians, who I would have thought would have been eligible. It could be that the government will work with the universities to invest in assistance programs for students who have to move to Adelaide. I hope that a portion of it will go on the sort of basis that I am talking about here: programs that will assist students from regional South Australia to do a portion of their work in the regions.

There are a couple of reasons why this can work really well and will only be accentuated by the further investment that the Speirs Liberal government will put in from 2026. But I just want to highlight the challenge first, and then the opportunity is there for the Deputy Premier to hopefully take up in the next period of time.

When I was education minister we put a lot of work into our country education strategy. One of the key issues we were seeking to resolve was: how do we attract people to not just take a job in the country so that they can get permanency with the department and then a right of return to the city, but how do we encourage them to engage in that community, succeed in that community, love that community? How do we encourage people who might have the aptitudes and the dispositions to work, and love working, in the country to stay there?

A lot of it is to do with the experience people have when they first arrive. That experience really needs to happen at university to an extent, as well: helping people acclimatise in a town, make friends, get accustomed to the ways of the local area, get accustomed to the fact that the parents of the kids they are teaching are also the ones they are going to see in the local pub or the local restaurant on any given day.

One of the ways that you can see a higher level of success for a teacher—or a nurse or doctor or any other number of professions that we need in the country—to want to work in the country, or to succeed when they get there, is if it is a country person to start with. When you have the experience that you are growing up in a town or a regional community and you know you need to leave that region in order to fulfil your educational opportunities, then one of the risks is you do that at the age of, say, 18—finish school, move to town, stay at St Mark's, go to uni, make your friends, build your life in town.

If there is an opportunity to do a portion of that study, especially the first year or two of a degree, in your region somewhere in the country then that encourages people to think about their region as being the destination for their education and town as just being somewhere that helps

facilitate its completion. We would like to see more kids—not that everyone wants to do that as some of these kids are loving coming into town and are very excited about it—able to access their educational opportunities while still living in their regions if that is what they want to do.

The way in which the new university seeks to build its courses in a modular way should actually make this easier, including the model where you have a uni hub and a regional centre where a student can access significant portions of the course, or indeed they could do it from home or work, because one of the things we want to do is encourage more people in work to have the opportunity to pick up further skills, qualifications or degrees. They can do that while living in their community and while still contributing to their community. We do not have this dearth of people as they go off into town to study.

A student who is still living in their home town and is able to access education, either partly or wholly, through a uni hub is able to continue their contribution to the local sporting team, their local volunteering and their local part-time work and, indeed, they do not need the same level of financial support in order to take up a place in a share flat or university accommodation or otherwise accommodation in the city. There are many benefits to providing more opportunities for students to study while still in a region, but it will require some state investment because it is clear that, without the state government having previously taken a leading role in engaging with our South Australian institutions, it has not happened to the extent that we would like it to.

I have great optimism that the campus at Mount Gambier will increase and flourish in the years ahead. I was challenged a couple of years ago when Whyalla students who wanted to study education had courses withdrawn. The Deputy Premier might have even been the education minister at the time, and I recall her and I—I think it was her—both writing to the vice-chancellor of the University of South Australia and getting these answers about the number of students not being there to support that education course.

At any rate, there are challenges to regional delivery, but we certainly want to do what we can to overcome those challenges and see the net offering increase and not just stay the same because at the moment, frankly, it is not enough and at the moment, when it comes to uni hubs, I would love to see an anchor tenant be one of those South Australian universities.

Two weeks ago, when I made the commitment for the opposition to deliver on this uni hub if we form government, I was also very much encouraged and appreciative of the vice-chancellors of UniSA and the University of Adelaide putting in writing that they too would be eager to work with any government that wants to invest in that and they are absolutely open to being an anchor tenant. I am certain that, with the right level of support, subject to student interest and everything else that needs to be worked through, Flinders would as well because their commitment to the regions is also really strong.

So, on balance, this merger proposal does present some opportunities for regional South Australia and that informs our thinking in supporting the bill as well. It is not to be assumed that it will have benefit. The Deputy Premier may point to the objects or the functions, where it talks about the importance of this university serving the whole state, but ultimately in its delivery it requires resourcing, culture and intentionality of the leadership of the university. Having that has been good and certainly on our side of the chamber we would be eager to work with all our institutions if we are in government to ensure that is an opportunity that is delivered.

I have spoken at some length in relation to Flinders University as I have been going, so I will not spend an enormous time. Certainly, after lunch I do not expect to be going back to it. The two perpetual funds that this bill creates, the equity fund and the research fund, are of course funds that will support the university in doing things that the university is already doing or should be doing.

The point has been made and accepted by the government that Flinders University offers courses that the merged university will not. It would be to the detriment of a student who wanted to be a paramedic, for example, if a scholarship was available at Adelaide University, funded by the state, to do something else that then dissuaded them from doing that calling. That would be a detriment to the state.

The government has got on board and has committed I think it was $40 million towards an equivalent equity fund for Flinders University. That money will not go to benefit the university necessarily, as the money, I assume, at Adelaide University will not go to benefit the university. It will go to those students who might be first in family, who might be from disadvantaged or vulnerable backgrounds, who might be in the circumstance where, without a scholarship, the level of work that they would need to do to support themselves through university would potentially reduce their risk of succeeding at university and therefore thriving and achieving the contribution that we want them to make to our state.

The equity funds, make no bones about it, are going to be a benefit to students and to our state. The funding does not go directly to the universities, but the universities probably would be seeking to create them and they do make commitments like this out of their own resources, but having the perpetual fund reduces the risk that they might be denuded in the years ahead. It is good that an equity fund is being set up for Flinders as well. I would be interested in the minister's second reading responses to the mechanism that is being proposed to create that for Flinders.

But research going to one institution and not the other is where we come back to. I accept at their word—the vice-chancellors of the University of South Australia and the University of Adelaide—when they say that they are not looking to poach from Flinders' top-level researchers. If we are looking at the six areas of special focus the university is taking for high levels of research—and these will be in areas from defence to the arts, even, and all of those areas—there are people at Flinders who do those areas as well.

Whether it is the top-flight researchers who might seek to be part of the new institution because they are offering more money, or if it is even a lower level researcher or a recent graduate from Flinders who wants to join the team at the new university, because again there is all this state government investment that is going in to support these new research areas, then if that graduate or if that researcher or if that top-flight researcher alike, if any of them are coming from Flinders then that is not bringing a net benefit to the state with state government money; that is state government money supporting one institution over the other. It does not require the merged institution to be seeking to poach for that to happen as an unintended consequence.

It would only be reasonable, therefore, for Flinders University to have access to the same level of support, but not necessarily the same dollar amount in terms of the capital for the fund. Flinders University will probably be about 30 to 35 per cent of the size of the new institution. In terms of its research funding and support, it will probably be in the order of 40 per cent—you can pick a figure; the Flinders University certainly has.

With the choices that you make there, the key thing is whether or not you have a fund that will enable state government support to ensure that all of our university sector flourishes through both of our universities benefitting from this state investment. Over the course of the next 10 years, this investment for Adelaide University will be well over $100 million, potentially over $200 million, depending on how the fund performs.

Over the course of 20-30 years, you are starting to talk about some money that will be transformational. Over a couple of generations, we are talking about enormous amounts of money. For that to go to one and not the other is a risk to our sector, through Flinders missing out, that I do not think is in the interests of the people of South Australia. The Speirs Liberal government will therefore invest in Flinders University. I encourage the government to rethink this over the course of the next period and do this work now because it will only be to their credit if they do and we will welcome it if they do. I seek leave to continue my remarks.

Leave granted; debate adjourned.

Sitting suspended from 12:58 to 14:00.

STATUTES AMENDMENT (OMBUDSMAN AND AUDITOR-GENERAL) BILL

Assent

His Excellency the Governor's Deputy assented to the bill.

Parliamentary Procedure

ANSWERS TABLED

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

PAPERS

The following papers were laid on the table:

By the Speaker—

Auditor-General—State finances and related matters Report 10 of 2023
[Ordered to be published]

By the Deputy Premier (Hon. S.E. Close)—

Annual Reports 2022-23—
Commissioner for Public Sector Employment, Office of the
Electoral Commission of South Australia
National Agreement on Closing the Gap
Summary Offences Act 1953—
Dangerous Area Declarations return pursuant to section 83B Report for Period 1 July 2023 to 30 September 2023
Road Block Authorisations return pursuant to section 74B Report for Period 1 July 2023 to 30 September 2023
Surveillance Devices Act 2016—Revised Annual Report 2022-23
Training Centre Review Board—Annual Report 2022-23

By the Minister for Industry, Innovation and Science (Hon. S.E. Close)—

Annual Reports 2022-23—
Industry, Innovation and Science, Department for
StudyAdelaide

By the Minister for Defence and Space Industries (Hon. S.E. Close)—

Defence SA—Annual Report 2022-23

By the Minister for Climate, Environment and Water (Hon. S.E. Close)—

Annual Reports 2022-23—
Coast Protection Board
Environment and Water, Department for
Environment Protection Authority
Green Industries SA
Native Vegetation Council
Regulations made under the following Acts—
Environment Protection—General
Native Vegetation—Yoorndoo Ilga Sola Project

By the Minister for Infrastructure and Transport (Hon. A. Koutsantonis)—

Regulations made under the following Acts—

Heavy Vehicle National Law—National Amendment Regulation—Vehicle Standards

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

Petroleum and Geothermal Energy Act 2000—Compliance Report Dated 2022

By the Treasurer (Hon. S.C. Mullighan)—

Cross Border Commissioner—Annual Report 2022-23
Grain Producers South Australia—Annual Report 2022-23
Primary Industries and Regions, Department of—Annual Report 2022-23
Super SA Triple S Insurance—Review as at 30 June 2022
Regulations made under the following Acts—
Southern State Superannuation—Miscellaneous

By the Minister for Tourism (Hon. Z.L. Bettison)—

Adelaide Venue Management—Annual Report 2022-23
Tourism Commission, South Australian—Annual Report 2022-23

By the Minister for Multicultural Affairs (Hon. Z.L. Bettison)—

Multicultural Commission, South Australian—Annual Report 2022-23

By the Minister for Local Government (Hon. G.G. Brock)—

Local Council By-Laws—
City of Playford—No. 9—(Miscellaneous) Amendment 2023

Parliamentary Committees

PUBLIC WORKS COMMITTEE

Mr BROWN (Florey) (14:06): I bring up the 50th report of the committee, entitled Tram Grade Separation Project, Marion Road—Anzac Highway to Cross Road.

Report received and ordered to be published.

Mr BROWN: I bring up the 51st report of the committee, entitled Crafers Park-and-Ride Project.

Report received and ordered to be published.

Mr BROWN: I bring up the 52nd report of the committee, entitled Seaview Downs Primary School Redevelopment.

Report received and ordered to be published.

Mr BROWN: I bring up the 53rd report of the committee, entitled South Australia Police Barracks Relocation Project—City Staging.

Report received and ordered to be published.

Mr BROWN: I bring up the 54th report of the committee, entitled Tilley Recreation Park Redevelopment.

Report received and ordered to be published.

Mr BROWN: I bring up the 55th report of the committee, entitled South Australian Produce Market Post-Harvest Biosecurity Precinct Project.

Report received and ordered to be published.

STATUTORY OFFICERS COMMITTEE

Mr ODENWALDER (Elizabeth) (14:07): I bring up the report of the committee, entitled Report on the Appointment of the Ombudsman.

Report received and ordered to be published.

SELECT COMMITTEE ON ARTIFICIAL INTELLIGENCE

Mr BROWN (Florey) (14:07): I bring up the report of the select committee, together with minutes of proceedings and evidence.

Report received and ordered to be published.

Question Time

AMBULANCE RAMPING

The Hon. D.J. SPEIRS (Black—Leader of the Opposition) (14:08): My question is to the Premier. When will ramping be fixed? With your leave, sir, and that of the house, I will explain.

Leave granted.

The Hon. D.J. SPEIRS: Ramping figures released for October show that 3,322 hours were lost on the ramp, more than 450 hours worse than the worst month in the former Liberal government's four years in office.

The Hon. C.J. PICTON (Kaurna—Minister for Health and Wellbeing) (14:09): As we have outlined on many occasions in this house, this government has a comprehensive plan in terms of addressing the issues in the healthcare system that lead into ramping, and other issues in the system, ultimately leading to delayed ambulance response times. What we have inherited is a situation that has simply not enough capacity—

Members interjecting:

The SPEAKER: Order!

The Hon. C.J. PICTON: —in the hospital system—

The Hon. J.A.W. Gardner interjecting:

The SPEAKER: Order, member for Morialta! The minister has the call.

The Hon. C.J. PICTON: We simply inherited a situation where there is not enough capacity in our hospital system to make sure that people can get the treatment—

Mrs Hurn interjecting:

The SPEAKER: Member for Schubert!

The Hon. C.J. PICTON: —that they need. So that is why we have taken every possible measure to make sure that we can increase the number of beds that we are operating. This government has provisioned—

Members interjecting:

The SPEAKER: Order, member for Florey!

The Hon. C.J. PICTON: —a generational increase in the number of beds that we are committing across the system, because the issue that causes ramping is the issue where emergency departments become blocked with patients who are waiting for an inpatient bed elsewhere in the hospital system but they can't get one. Now, that is for a number of reasons. One is because we don't have enough beds—

Members interjecting:

The SPEAKER: Order, member for Schubert!

The Hon. C.J. PICTON: Secondly, because we don't have alternative ways of helping people to be discharged from our system, one of which is significant barriers in terms of aged-care discharges meaning that we have on any day at least 100 people in our system who are waiting for alternative-care pathways, such as aged care. We need to do all of these things together, as well as making sure that there are alternative ways to make sure that people can get the care that they need outside the emergency department. So, in every strand of the healthcare journey we are investing

extra resources, extra staff and extra beds to make sure that people can get the treatment that they need.

We have already opened a number of beds, but the majority we need to build, and we have projects underway to do so. At the Lyell McEwen Hospital we have 48 beds under construction right at the moment. At the Flinders Medical Centre—

Members interjecting:

The SPEAKER: Order!

The Hon. C.J. PICTON: —we have fast-tracked beds under construction at the moment. At The QEH we have beds which we had promised and which we committed to way back in 2017 and which will be opened next year as well. We have an upgraded emergency department under construction at Gawler at the moment. There are additional beds being constructed right now at the Repat site as well. All of those beds are essential to making sure that we can free up the emergency department for people who no longer need to be in the emergency department—

The Hon. J.A.W. Gardner interjecting:

The SPEAKER: Member for Morialta!

The Hon. C.J. PICTON: —and make sure the patients can get from the waiting room or the ambulance ramp into the emergency department. Now, this is very different from the proposals that we previously saw of privatisation, of cuts, of bringing in the corporate liquidators, of sacking and making redundant nurses across the system. We have ended all of that. We are now investing. In our first year in office 550 extra clinicians have gone into the system, and we are seeing—

Mrs Hurn interjecting:

The SPEAKER: The member for Schubert is warned.

The Hon. C.J. PICTON: —the results of that where we have seen over the past six months continued improvement in terms of ramping hours, but we know that there is much more that needs to happen.

Members interjecting:

The SPEAKER: Order!

The Hon. C.J. PICTON: We know that we need to invest more and we are doing so. We critically need—

Members interjecting:

The SPEAKER: Member for Hartley!

The Hon. C.J. PICTON: —those additional beds in the system to make sure that people can get the care that they need, and there are no alternative proposals being put forward as to how to do that.

The Hon. J.A.W. Gardner interjecting:

The SPEAKER: Member for Morialta!

The Hon. C.J. PICTON: The shadow minister was asked this morning if she had any proposals—

Members interjecting:

The SPEAKER: Order!

The Hon. C.J. PICTON: —on what she would do and she was unable to answer a single measure—

The Hon. J.A.W. Gardner interjecting:

The SPEAKER: Member for Morialta!

The Hon. C.J. PICTON: —she could identify in terms of doing so, whereas the additional beds, the additional staff, that we have highlighted, that we have put in the budget, that we are delivering on is what the clinicians back as a way to addressing this absolutely important issue.

AMBULANCE RAMPING

The Hon. D.J. SPEIRS (Black—Leader of the Opposition) (14:13): My question is to the Premier. Is the Premier aware of the hours that have been lost on the ramp at the Lyell McEwin Hospital and is this acceptable? With your leave, sir, and that of the house, I will explain.

Leave granted.

The Hon. D.J. SPEIRS: Ramping at the Lyell McEwin Hospital reached the highest level on record last month with 868 hours lost on the ramp, and yesterday there was a second safety inspection in just two weeks.

The Hon. C.J. PICTON (Kaurna—Minister for Health and Wellbeing) (14:13): We absolutely acknowledge that the Lyell McEwin is under significant pressure, and we have seen the pressure in terms of attendances, in terms of the acuity of those presentations at the Lyell McEwin Hospital going up and up. That is why we have made those investments. We are delivering on those election commitments, in fact exceeding the election commitment to invest in 24 additional beds at the Lyell McEwin Hospital.

We are now doubling that; we are building 48 extra beds at the Lyell McEwin Hospital. We have also increased what the original proposal was for the emergency department upgrade, which was going to be 72; we increased that to 76. We have signed a new partnership agreement with ACH Group to utilise, I believe, two dozen beds in their new development opposite Lyell McEwin Hospital. We have also secured land that we have compulsorily acquired on the site for future upgrades at that hospital site as well. So every possible lever we are using to increase the capacity at Lyell McEwin Hospital.

If people drive past the hospital at the moment, they can see the cranes, they can see the construction activity underway at that hospital, to make sure that we have the additional beds that we need to meet that demand. That pressure has had an effect. It has meant that at the same time we have seen reductions elsewhere in the system. Last month, we saw the best month for the Royal Adelaide Hospital in the past 18 months and at the Flinders Medical Centre we saw the third-best month in the past 18 months, but we did see continued pressure on the Lyell McEwin Hospital, and we need those additional beds and resources to be able to cope with that.

In addition, we are also working with the federal government that has just opened a new urgent care centre, which is available at Elizabeth. We are certainly encouraging people who have non-emergency but still urgent issues that aren't life critical, who do need assistance urgently—those low-acuity presentations, which we know happen a lot at the Lyell McEwin Hospital—to utilise that Medicare urgent care centre service, which is bulk billed, which is provided for extended hours nearby at Elizabeth as well. That is, of course, one of four urgent care centres that are being delivered across the area.

We know that there is a big issue in terms of access to primary care, particularly in the northern suburbs, and that impacts upon access to the Lyell McEwin Hospital as well. We are encouraged by the fact that the federal government, just in the past two weeks, have increased—in fact tripled—the bulk billing incentives for GPs, particularly for younger people and for concession cardholders. We are hopeful that we now see more and more practices resuming bulk billing, which will help many people who otherwise can't afford to pay out of pocket to go to a general practice.

Certainly, we have seen between October this year and October the year before that presentations at the Lyell McEwin Hospital increased from 5,860 up to 6,332, so it is an increase of 472 in the past year. That is a significant increase in presentations that are happening at that emergency department. That's why, while we have the bigger emergency department—which finally is now complete after many years of unfortunate delays—we need those additional beds behind the emergency department because otherwise people get stuck in the emergency department waiting for that inpatient bed, which obviously then means that the next patient from the waiting room or the ambulance ramp can't come into the emergency department to make sure that they can get the care

that they need. That's why we are delivering those additional 48 beds at the Lyell McEwin Hospital as fast as we possibly can.

LYELL MCEWIN HOSPITAL

Mrs HURN (Schubert) (14:17): My question is to the Minister for Health and Wellbeing. Did the minister see the SA Health Emergency Department Dashboard at 6am this morning and, if so, does he have concerns about it? With your leave, sir, and that of the house, I will explain.

Leave granted.

Mrs HURN: At 6am this morning, the emergency dashboard showed that patients at the Lyell McEwin Hospital faced an average 628-minute wait.

Members interjecting:

The SPEAKER: Order! Member for Chaffey, order! Order, member for Florey!

The Hon. C.J. PICTON (Kaurna—Minister for Health and Wellbeing) (14:18): I reiterate what I said in terms of we know that there is significant pressure on the Lyell McEwin Hospital and that's why we need those additional beds. What we have seen at the Lyell McEwin Hospital, which traditionally has been very good—

Members interjecting:

The SPEAKER: Order!

The Hon. C.J. PICTON: What we have seen at the Lyell McEwin Hospital, which traditionally has been a very good hospital in terms of patient flow, is an increase in the number of patients who are stuck waiting in the emergency department for a bed which, if the member was looking at the emergency dashboard, she would have seen those figures detailed there as well. Those figures mean that the next patient coming in can't get access to those beds because they are used up by people who need those inpatient beds elsewhere in the system.

I think members here, particularly on this side, will remember only a few weeks ago we had the Leader of the Opposition saying that perhaps we didn't need more beds.

Members interjecting:

The SPEAKER: Order! Member for Florey! Member for Badcoe, order!

Mrs Hurn: Now there's noise—it's all the former government's fault.

The Hon. C.J. PICTON: Well, no, this is establishment of the here and now in the—

Mrs Hurn interjecting:

The SPEAKER: Order, member for Schubert!

The Hon. C.J. PICTON: —in the policy propositions—

Members interjecting:

The SPEAKER: Member for Adelaide, order!

The Hon. C.J. PICTON: —put forward by the Leader of the Opposition suggesting that maybe we don't need more beds. That is something that we wholeheartedly disagree with.

Members interjecting:

The SPEAKER: Member for Chaffey, order! Member for Elder!

The Hon. J.A.W. Gardner interjecting:

The SPEAKER: The member for Morialta is warned.

Ms Clancy interjecting:

The SPEAKER: Member for Elder, order!

The Hon. C.J. PICTON: We stand with our clinicians who have been saying for many, many years that we need more beds in the system, and that is why we are delivering exactly that. For the Lyell McEwin Hospital we have doubled our commitment: 48 extra beds going into that hospital because we know that extra beds are absolutely needed to address those issues.

Mr Whetstone interjecting:

The SPEAKER: Member for Chaffey, order!

PAEDIATRIC COCHLEAR IMPLANT PROGRAM

Mrs HURN (Schubert) (14:20): My question is to the Minister for Health and Wellbeing. Have young adults been contacted about the cochlear implant program at the Women's and Children's Hospital? If so, when was the minister first advised of that? With your leave, sir, and that of the house, I will explain.

Leave granted.

Mrs HURN: The final report of the Independent Governance Review into the Paediatric Cochlear Implant Program stated that it was decided that children who were now 18 years old would not be included and that this cohort—now young adults—were never contacted to inform them of any mapping concerns. However, the Budget and Finance Committee was told last week that 55 young adults were now being contacted about the cochlear implant program.

The Hon. C.J. PICTON (Kaurna—Minister for Health and Wellbeing) (14:20): I am very happy to clarify the situation for the member. As members would know, we released in full the external independent governance report in relation to the Paediatric Cochlear Implant Program. That report made very clear the extent of how far this issue goes back, to at least 2006. That involved a significant number of people, including many who will now be adults because of the time at which they had their implants put in place. Clearly that was many, many years ago and they are now adults.

So there is a cohort of people who were always very clear, since the release of that report, that we were going back to everybody since 2006, offering them the ability to be part of an independent review by interstate provider NextSense, who we are bringing in to offer individual reviews for anybody who is keen to do so. That is obviously something that is up to people, whether they want to do it or not.

In addition to that, the Women's and Children's Hospital have now made clear that they are now offering to people even further back—to identify if there is anybody going back to 1991 when the program was first initiated—whether anybody who had their implants at that time would like to be part of that review. That is something that I think all members of the house would agree is very prudent to do. I have certainly said that all members who are part of the program would be offered a NextSense review.

The specific numbers that were mentioned in the Budget and Finance Committee I didn't have at the time that we gave the ministerial statement, but I am very happy to make sure that those are provided to make sure that we are very clear about this. The numbers of those additional 55 people between 1991 and 2006—

Members interjecting:

The SPEAKER: Order! Minister, you've got the call.

The Hon. C.J. PICTON: —the Women's and Children's Hospital are now going through the process of trying to identify the records of all those people, and obviously that goes back to 1991, over 30 years ago. There are a number of IT systems—

Members interjecting:

The SPEAKER: The member for Badcoe and the member for Schubert will cease their exchange.

The Hon. C.J. PICTON: —now having to obtain those details to offer those people a review. It's very important to note that there is no evidence that people between 1991 and 2006 have been affected but, out of an abundance of caution, the Women's and Children's Hospital Network are now

going back to offer those people who are part of the program the ability to get an external review—somebody from interstate to review the mapping of their implant. I think that is something that all members should be supporting.

PAEDIATRIC COCHLEAR IMPLANT PROGRAM

Mrs HURN (Schubert) (14:23): My question is to the Minister for Health and Wellbeing. Are young adults who had their cochlear implant fitted at the Women's and Children's Hospital between 1991 and 2005 eligible for the government's ex-gratia payments? If not, why not?

The Hon. C.J. PICTON (Kaurna—Minister for Health and Wellbeing) (14:24): Just to clarify again, people who got their implants fitted at the Women's and Children's Hospital were not adults. They were children at the time, but if that was up to 30 years ago they will of course be adults now.

Members interjecting:

The SPEAKER: Order!

The Hon. C.J. PICTON: We have been very proactive as a government in terms of offering ex-gratia payments of up to $50,000 for people who have been affected, $5,000 for people otherwise in the program for the period—

Mrs Hurn interjecting:

The SPEAKER: The member for Schubert is warned.

The Hon. C.J. PICTON: —of 2006 onwards where it is clear from the report, from the work that has been done, there is the potential that they have been affected by the program.

Members interjecting:

The SPEAKER: Member for Frome! Member for Chaffey, order! There are ongoing, reasonably low-volume but consistent interjections from my left and some from my right.

Members interjecting:

The SPEAKER: Order! Member for Chaffey, you are warned. The minister has the call.

The Hon. C.J. PICTON: As I said, between 1991 and 2006, the Women's and Children's Hospital is now going back out of an abundance of caution to offer people the independent reviews for NextSense between that period.

Ms Pratt interjecting:

The SPEAKER: Member for Frome, order!

The Hon. C.J. PICTON: At this point in time, there is no evidence to say that the effects go prior to 2006. If, through the process of those reviews—

The Hon. J.A.W. Gardner interjecting:

The SPEAKER: Member for Morialta!

The Hon. C.J. PICTON: —there are issues that go back further, then that is something that we will absolutely consider in relation to those ex-gratia payments—if that was to happen as a hypothetical.

DEFENCE SHIPBUILDING

S.E. ANDREWS (Gibson) (14:25): My question is to the Premier. Can the Premier inform the house of any updates regarding shipbuilding in South Australia?

The Hon. P.B. MALINAUSKAS (Croydon—Premier) (14:25): I thank the member for Gibson—

The Hon. V.A. Tarzia interjecting:

The SPEAKER: Member for Hartley, order!

The Hon. P.B. MALINAUSKAS: I thank the member for Gibson for her question. On Friday of last week, I had the opportunity to be with the Deputy Prime Minister of the country who was Acting Prime Minister at the time, Mr Richard Marles, who is also the defence minister. We were able to make a very significant announcement that really is a coup for the state of South Australia. We were able to formally advise the state that a land-swap agreement had been signed and actioned, a land-swap agreement that would see a bit over 60 hectares of land be transferred from the state at Osborne in exchange for 15,000 hectares of land from the commonwealth.

As part of what has been an exhaustive negotiation that has lasted a lengthy period of time, the state has been able to get our hands on three separate parcels of land that have been actively pursued, or have certainly been on the radar of government for an exceedingly long period of time. The first of which I would refer to is at Cultana. The state government, as I think has been well documented, has significant ambitions for the Upper Spencer Gulf of our state, particularly in and around Whyalla and Port Bonython.

The member for Giles has long been an advocate for the hydrogen industry in South Australia and what it can bring, and early into the life of the government, the Minister for Energy and Mining put on my radar that we would love to get access to that Cultana land off the Army. Multiple approaches were made, and we weren't able to get very far until it became clear that the commonwealth needed land from us, and we were able to start having a more serious negotiation. We've now got that massive parcel of land at Cultana which will better facilitate the integration between our hydrogen policy in and around Whyalla and Port Bonython itself. It is an extraordinary acquisition on behalf of the state that sets us up into the long term.

At Smithfield, immediately behind or adjacent to the Munno Para Shopping Centre is a very large piece of land that the Defence Force has had for some time. That represents a big opportunity for an urban renewal project adjacent to the Smithfield—

Members interjecting:

The SPEAKER: Member for Taylor, order! Member for Morialta!

The Hon. P.B. MALINAUSKAS: —sorry, adjacent to the Munno Para Shopping Centre and we look forward to developing that in due course. Finally is the Keswick Barracks. This has been talked about forever more as being a potential urban renewal project but we have never had the ability to be able to get our hands on that land. However, through this negotiation we have finally done it.

The member for Badcoe has certainly been a powerful advocate about what happens on the parcel of land immediately adjacent to the Keswick Barracks site, at the old Le Cornu site, and we see a project now in train there, but now the Keswick Barracks site comes into the hands of the state government, and we lease it back to the ADF for a period of three years to give them time to move off.

That gives us three years to do the master planning, the infrastructure work, the rezoning to come up with a project that provides a lot of affordable housing—I should have mentioned 40 per cent at Smithfield and no less than 15 per cent at Keswick Barracks while adopting the heritage nature of the site, which is substantial. But close to public transport and immediately adjacent to the city—this is a serious project for a serious government that is addressing the housing crisis and, most importantly, working collaboratively with the commonwealth to make sure that we can build the nuclear submarines here at Osborne.

ADELAIDE CENTRAL MARKET REDEVELOPMENT

The Hon. J.A.W. GARDNER (Morialta—Deputy Leader of the Opposition) (14:29): My question is to the Deputy Premier. Has the Central Market redevelopment site been shut down and, if so, has the minister received a briefing about the shutdown? With your leave, sir, and that of the house, I will explain.

Leave granted.

The Hon. J.A.W. GARDNER: The opposition has been advised that asbestos has been found at the site and that works will not resume until the asbestos has been removed.

The Hon. S.E. CLOSE (Port Adelaide—Deputy Premier, Minister for Industry, Innovation and Science, Minister for Defence and Space Industries, Minister for Climate, Environment and Water) (14:30): No, I haven't been advised of that, and I will look into it immediately.

ADELAIDE CENTRAL MARKET REDEVELOPMENT

The Hon. J.A.W. GARDNER (Morialta—Deputy Leader of the Opposition) (14:30): My question is to the Minister for Environment and Water. Will the Deputy Premier seek information from the EPA in relation to what actions they are taking to ensure that asbestos has been dispersed from the site prior to it being available for further work?

The Hon. S.E. CLOSE (Port Adelaide—Deputy Premier, Minister for Industry, Innovation and Science, Minister for Defence and Space Industries, Minister for Climate, Environment and Water) (14:30): I am sure that the Deputy Leader meant to say 'disposed of' rather than 'dispersed', which might be slightly counterproductive. Yes, naturally, it is essential that a product as serious as that is treated appropriately, and I will get a full briefing on what has been proposed by the people who have discovered it and the people who are disposing of it.

ACCESS TAXI INDUSTRY

The Hon. V.A. TARZIA (Hartley) (14:31): My question is to the Minister for Infrastructure and Transport. Is the minister addressing concerns of the access taxi industry and, if so, how? With leave, sir, of yourself and the house, I will explain.

Leave granted.

The Hon. V.A. TARZIA: Today outside parliament we saw a demonstration by the access taxi industry, both drivers and users of the service, who raised their concerns about the industry's failure to support South Australians who are living with a disability.

The Hon. A. KOUTSANTONIS (West Torrens—Minister for Infrastructure and Transport, Minister for Energy and Mining) (14:31): It is true that wait times for people with disabilities for access cabs are too long, and there is nowhere in the country where this is done well. In fact, it is a national shame, in my opinion, that there are people who have disabilities who are being denied access to the things that we all enjoy and things that we take for granted: going shopping, going to the doctor, getting access to friends and family.

I know I have friends who have disabilities and rely on access. When we are out for a celebratory evening for a family event, it is often the wait for access cabs that puts that unfair pressure on people with disabilities and makes them not want to come to these events so they don't feel that they are a burden on those around them. It is something that we need to deal with.

What we are attempting to do here is—I have never said that this would solve the issue, what I am saying is that this is an attempt as a trial to see whether this can actually get us some benefits. What I am concerned about and what I heard today from some access drivers—not all access drivers because the majority of access drivers welcome what we have done today and were actively opposed to the industrial action being taken today, but the one thing that I found contradictory by some of the drivers who were protesting today was that on the one hand they say that there is not enough work for them to sustain themselves, yet on the other hand we are told people are waiting two, three hours for an access cab. So the demand is there, but access drivers are telling us that there is no work. Both can't be right. Both can't be true.

The Hon. V.A. Tarzia: Fix it.

Members interjecting:

The SPEAKER: Order! Minister.

The Hon. A. KOUTSANTONIS: What we have seen in the point-to-point industry is one of the largest amounts of disruption ever seen in this industry previously. Uber have done exceptional damage to the taxi industry. I understand—

Members interjecting:

The SPEAKER: Order! The member for Florey is warned.

Members interjecting:

The SPEAKER: Order! The member for Schubert and the member for Florey will depart under 137A for the remainder of question time—persistent interjections from both. She was earlier warned. It also happens she has concluded her questions, so that is convenient.

The honourable members for Florey and Schubert having withdrawn from the chamber:

The Hon. A. KOUTSANTONIS: What we are seeing now is that access cab drivers have, in some cases, multiple radios from multiple taxi companies in their vehicles. That is causing a lot of the delays, as well as the nature of some of the trips people with disabilities are wanting to take. Some of them are short: for shopping, or to go nearby to their GP. They might want to visit a loved one. These are small jobs.

The other concerning part, of course, is in the outer suburbs—the outer south, the other north—where it is harder and harder for access cabs to be available. I am also hearing that after hours it is even worse than it is during the day. We are looking at a series of options. The next question my young friend will ask me—I am sure he might change the order now—is about the review that we are conducting into Point to Point.

The Hon. V.A. Tarzia: It is going to be a surprise.

The Hon. A. KOUTSANTONIS: You don't surprise me very much—

The SPEAKER: Order, member for Hartley!

The Hon. A. KOUTSANTONIS: —which is a great disappointment. I have such high hopes for you, but you don't get to surprise me. But I am teaching you, I am teaching. What I want to be able to do is have a comprehensive review and, when it is finalised, actually institute some changes that are going to make some meaningful difference, because this cannot continue. I look forward to my young friend's next question.

ACCESS TAXI INDUSTRY

The Hon. V.A. TARZIA (Hartley) (14:36): My question is to the Minister for Infrastructure and Transport. Does the minister stand by his comments on radio this morning? With your leave, sir, and that of house, I will explain.

Leave granted.

The Hon. V.A. TARZIA: On FIVEaa this morning, the minister said that he was not going to speak to representatives of the access taxi industry at Parliament House, who were, quote, 'part of a stunt with the Liberal Party.'

The Hon. A. KOUTSANTONIS (West Torrens—Minister for Infrastructure and Transport, Minister for Energy and Mining) (14:36): I meet, I think, quarterly with access cab drivers at the Transport Workers' Union offices. My staff meet with them more than that. I don't think I resile from my statements at all, because I am more than happy to meet with drivers and try to work this out.

Members interjecting:

The SPEAKER: Order!

The Hon. A. KOUTSANTONIS: The list of people coming to the opposition is getting smaller and smaller. I do meet regularly with the industry, I meet regularly with the Taxi Council, and I meet regularly with Point to Point operators. We need to do something differently because it is not working.

Just to talk about my concerns about the disability industry and access cabs, the other part that I am very concerned about are the bilateral arrangements being conducted by access cab drivers and people with disabilities who are eligible for the South Australian Transport Subsidy Scheme. What these drivers are doing is creating a bilateral arrangement that is not going through the central booking agency. That means that less and less work that is being called in is being dispatched and

being dealt with, because the drivers are busy with their own portfolio of customers who have eligibility of SATS.

The Hon. V.A. Tarzia: But you know this—you've had 12 months.

The Hon. A. KOUTSANTONIS: Yes, and you had four years.

Members interjecting:

The SPEAKER: Order!

The Hon. A. KOUTSANTONIS: It is true, the opposition try to use the fact that we were in office previously for 16 years as if it were a bad thing. We are attempting to try to deal with this, but of course the problem here is the problem self-perpetuates. As the response times get worse and worse, what you see is more and more people who are eligible for the SAT Scheme do these bilateral arrangements to try to make sure that they do have an access cab available, which takes more cabs out of the system.

I do note that the cost of leasing access plates is nearly triple what it is for a taxi, because they are so profitable and there is so much revenue being made by some drivers. I understand there are about 10 access cab plates that are not on the road. I saw the opposition standing alongside the protesters today who were calling on there being a weakening of the requirements on access cab drivers to deliver these services. I think that would make it considerably worse for the disability community, but these are amateur mistakes made by young, impetuous proponents.

Members interjecting:

The SPEAKER: Order, member for Chaffey!

The Hon. A. KOUTSANTONIS: What I would say is that this is a serious issue that needs serious solutions.

Members interjecting:

The SPEAKER: The member for Morialta is warned.

The Hon. A. KOUTSANTONIS: I think it's important that we have a considered look at this and do it properly and get it right the first time, rather than bandaid solution after bandaid solution. Hopefully this trial works well. I do plan to try and see if we can't augment this trial as it goes to see if we can't get further improvements. There are other things that we can do—we are looking at it—as well as enforcement.

INDO PACIFIC INTERNATIONAL MARITIME EXPOSITION

Ms CLANCY (Elder) (14:40): My question is to the Minister for Defence and Space Industries. Can the minister please inform the house on South Australia's presence at the recent Indo Pacific International Maritime Exposition?

The Hon. S.E. CLOSE (Port Adelaide—Deputy Premier, Minister for Industry, Innovation and Science, Minister for Defence and Space Industries, Minister for Climate, Environment and Water) (14:40): I am delighted to talk about this, which was at the beginning of last week. In fact, the Monday followed the very successful exposition up here in South Australia on the Friday, Saturday and Sunday immediately after our last sitting week when we had the Navy and Shipbuilding Careers Expo where we had not only HMAS *Warramunga* and a Collins class submarine for people to go around but a fantastic expo of job and training opportunities for young people. It was extremely well attended at Outer Harbor.

Then on the Monday commenced the Indo Pacific International Maritime Exposition, often called Indo Pac, which was as I understand it the most successful to date. There were apparently a little over 27,000 attendees, which is up from the previous one which was only 25,000, which is already an extraordinarily large exhibition. There were 832 participating exhibitor companies from 21 nations, and I understand that there were 25 international chiefs of navy or their counterparts—a very important step for Australia in our time of making sure we are drawing closer to our allies and also preparing our Navy for defending Australia.

For South Australia we took the largest contingent we have ever taken which was around 80 exhibitors as part of the Defence SA showcase. One of the great pleasures I had on the day and a half that I spent there was to be able to spend time with those companies—not only myself to spend time with those companies but also for a while to have the Deputy Prime Minister Richard Marles join me and spend some time with those companies.

One, for example, that particularly drew his attention was AML3D. That is a company that has developed a machine that is capable of doing the 3D printing in metal that means that they can produce entire parts or pieces of rudders and other parts of steering equipment for very large ships, including for the US Navy. They are able to do it with a rapid turnaround rather than having to wait for components to be made elsewhere and to come back.

Richard Marles was very impressed with that and even more so when I pointed out that some of the proofing up of that work was done at the Factory of the Future in Tonsley, run by Flinders University, which of course has been the recipient of some money from South Australia specifically for the purpose of enabling smaller companies and startup companies to be able to trial their services or their creating their products so that they are able to prove up for the defence sector what they are capable of doing—and that was a very good example.

Fleet Space was also there. The nexus between space and defence, of course, is a reasonable overlap, so it was excellent to have that very successful company there. Prism Defence; DEWC Services; and the Defence Teaming Centre, naturally, were there.

I took the chance while I was there not only to catch up with the Deputy Prime Minister, of course, but also to meet with some of the primes who are the crucial companies that purchase from our supply chain. It is so important that they are aware of the capability in South Australia and also participate in developing it. Lockheed Martin, SAAB Australia, Babcock, Nova Systems and Kongsberg were the companies that I spent time with. They had very complimentary things to say about the supply chain in South Australia and also Defence SA's longstanding effort in making sure that our supply chain is well exhibited and understood by the primes. Altogether it was a very successful expo.

SA HOUSING AUTHORITY

Mr TELFER (Flinders) (14:44): My question is to the Minister for Human Services. Has the minister taken action to address concerns raised about living conditions for SA Housing Trust tenants at a property in Henley Beach and, if so, what? With your leave, sir, and that of the house, I will explain.

Leave granted.

Mr TELFER: On 8 November, Channel 10 reported that residents of an SA Housing Trust property at Henley Beach had been without washing machines since June this year, despite raising this concern with the government on 19 occasions.

The Hon. N.F. COOK (Hurtle Vale—Minister for Human Services) (14:45): Thank you very much for the question. In fact, I followed up today to check that the washing machines were installed as promised, and they have been. The washing machines had been stolen by people who couldn't give a toss about who lives in public housing and what they need. I think the anger should be taken out on those people who are stealing washing machines and belongings—

Members interjecting:

The SPEAKER: Order! The minister has the call.

Mr Telfer: How many times does it take?

The SPEAKER: Order!

The Hon. N.F. COOK: Well, you know very well how many. I think the anger, as I said, should be taken out on those who wilfully steal or damage public property, public property like washing machines that are being used by people who are on low to no income and can ill afford to be without those amenities.

In order to be able to secure the washing machines more effectively, a deal of work had to be done in the laundry area. I acknowledge that laundries external to people's units are also not ideal, but they are, at the moment, what that particular site has got. So hardened doors, replacement of frames, changed locks, and locks that are unique and only available to the people in certain tenancies allocated to those individual laundries have been put in place.

I have spoken directly with the executive team at the SA Housing Authority to ask them to ensure that they put in as many measures as they possibly can to secure the facilities across not just that site but others so that this sort of behaviour that happens that leaves people without those amenities is mitigated.

The rough synopsis of what had happened at this particular site was several episodes of theft, other episodes of damage, and waiting to get that repair level to a point where we were satisfied that the most risk had been reduced as possibly could be to prevent the repeated occurrence, which would be another theft.

Those washing machines had been ordered and, as I understand it, last week when media attended the property, the washing machines were actually at the shop waiting to be installed. They have been put in. I can't tell you the exact day, but if you are interested I can find that out. The information I had been given last week was that that was going to happen during the week coming.

I have followed up today, anticipating that a question might be asked about this, and I am pleased that the washing machines have gone in and the upgrade to the laundry facility has happened. I hope that other people respect the property and those people in that property are able to use those laundries and not be inconvenienced.

We have made it clear as well to people who have asked that if people are out of pocket or inconvenienced when something like this happens, please communicate with your housing officer. If this sort of event happens, please report it through the appropriate mechanism through the housing maintenance report line.

SA HOUSING AUTHORITY

Mr TELFER (Flinders) (14:49): My question is to the Minister for Human Services. Is the minister satisfied with the resolution of the concerns that have been raised at the SA Housing Trust property at Henley Beach? With your leave, sir, and that of the house, I will explain.

Leave granted.

Mr TELFER: The opposition was contacted yesterday by a resident of the Henley Beach property to advise that the doors to the northern laundry block had been locked and keys had been provided for the southern block, which now has washing machines but no power. Residents are concerned that even if electricity is provided, only three machines will be available for tenants from at least 33 separate units.

The Hon. N.F. COOK (Hurtle Vale—Minister for Human Services) (14:49): Thank you very much for the question.

Members interjecting:

The SPEAKER: Order! The minister has the call.

The Hon. N.F. COOK: I will refer to my previous answer—

Members interjecting:

The SPEAKER: The member for Unley is warned.

The Hon. N.F. COOK: —in terms of the details that I have at hand. I am happy to follow up again directly following question time to see why or what situation you are reporting on.

Members interjecting:

The SPEAKER: Member for Unley! Order!

The Hon. N.F. COOK: But I certainly followed this up today. I have been assured that there are washing machines available onsite for use—

Members interjecting:

The SPEAKER: The member for Unley is warned.

The Hon. N.F. COOK: —and I will follow that up again.

Members interjecting:

The SPEAKER: Order! The number of interjections to my left of course are contrary to the standing orders.

MULTICULTURALISM

The Hon. A. PICCOLO (Light) (14:50): My question is to the Minister for Multicultural Affairs. How is the Malinauskas Labor government showcasing multiculturalism in South Australia?

The Hon. Z.L. BETTISON (Ramsay—Minister for Tourism, Minister for Multicultural Affairs) (14:50): I thank the member for Light for his support of our multicultural communities; in fact, many of the people in the caucus support me to attend the many events we get invited to, and I thank them very much for their support.

We are committed to making South Australia a place that is inclusive to live, work and thrive. We know that in Australia 50 per cent of us are either born overseas or have a parent born overseas, so multiculturalism is us. We want to make sure that we can continue to acknowledge that, recognise it and celebrate it. Coming to government, we made a substantial additional commitment to multicultural affairs of $16 million over four years.

One of those commitments was to make the Multicultural Festival an annual festival. I am so thrilled to say that we had the biggest Multicultural Festival attendance of all time: 10,200 attended on Sunday 12 November. We showcased 55 cultures across 29 performances, 13 activities and 35 stalls. It is an opportunity, a free community event, for people to come along to see new, emerging and established communities, to share their culture and invite people in to talk about what is important to them for their traditions in a safe, positive and family-friendly setting.

We had a special addition this year, the inclusion of the Community Language Schools SA performance on stage, as well as various engagement activities. As we have spoken about in the house, we have 99 community language schools teaching our young people more than 47 languages, but they had never been as included as they were at this Multicultural Festival. We had a wonderful opportunity, a rap, for them to talk about how important it is to speak different languages, particularly as we connect. We are very much an exporting country. We want to continue to sell ourselves to the world, therefore having a second language is incredibly helpful when we do that.

I am really pleased to have worked with the Assistant Minister for Autism, the Hon. Emily Bourke from the other place, to improve the inclusivity of this annual event. This year, we supported the Hidden Disabilities Sunflower, which provided a sensory space for those that need a quiet break from the vibrant displays. It was a very busy atmosphere at Victoria Square. A lot of people came and went throughout the day. They enjoyed the free performances that we had.

We also had quite a few government departments there, taking the opportunity to engage with people who were there. SA Police, of course, are encouraging diversity in their recruitment practices. SA Health were there as well, talking to people about immunisation, vaccinations and also about the supported health proactive testing that we have across many different ways.

To the credit of the opposition, in 2021, this festival was moved to Victoria Square from Rundle Mall. I have to say that that move was a good move, and when I attended in 2021 that convinced me—supported by the team here—to make this an annual festival. It was a wonderful event. We were able to bring people together. I have had many emails, text messages and people coming up to me to say how much they enjoyed it and that they can't wait to participate again next year.

TEACHERS DISPUTE

The Hon. J.A.W. GARDNER (Morialta—Deputy Leader of the Opposition) (14:54): My question is to the Minister for Education, Training and Skills. Can the minister assure the house there will be no further disruption to school during term 4 due to industrial action?

The Hon. B.I. BOYER (Wright—Minister for Education, Training and Skills) (14:54): Thank you, member for Morialta. I am very happy to provide an update to this house about the events of last week around the enterprise bargaining negotiations that have been ongoing now.

As members of this place would no doubt be aware, there was a second day of industrial action last week, which does cause disruption to school communities and families as well who, in many cases if their school is one of the schools that was closed instead of being open or open with a modified program, are needing to find alternative childcare arrangements. I know that is hard for many South Australian families and it is not lost upon us.

The department did the best it could last week. In fact, the week before, on the Friday as I understand it, given that there was the spectre of strike action as threatened by the union, we sent out comms packs to schools to say that if the strike does go ahead—which in the end it did—here are the comms packs that you need to communicate with parents in a timely fashion. So we gave them as much time as possible to make alternative arrangements for the strike date.

Where are we at in terms of the offers that have been made by the government? Well, since the log of claims, the official document setting forth what the union wanted from the government as part of this enterprise bargaining agreement was given to the government on, I think, about 21 July.

Three offers have been made by the government. The first was around about $1.2 billion, and I understand a record for any offer made as part of an enterprise bargaining agreement here in South Australia. Offer No. 2 went up again and surpassed offer No. 1, and then the most recent offer, No. 3, again surpassed offer No. 2.

We have moved our position on salaries on each occasion. We had 3 per cent and then we added $1,500 payments at the request of the union. They were removed for offer three. The union was very clear with the Premier and me that they wanted a higher salary increase in the first year, particularly around cost of living, and of course to make sure that that was factored into future increases as well. We did that.

The union was very clear though that, as part of their claim for this enterprise bargaining negotiation, the priorities were twofold. The priorities were salary and the priorities were workload, and we are now agreed on the one hour of extra non-instructional time to be rolled out across the South Australian public system here in South Australia.

What we are not agreed on is how long it will take us to do that. Of course, as people in here have no doubt realised, the only way to provide our teaching staff in the public system with an extra hour of NIT—or non-instructional time—without actually reducing the quantum of education that young people in the public system receive is by backfilling that teacher with another teacher to make sure that there is someone standing in front of that class while the other teacher has their additional hour of NIT.

That comes with a hefty price tag. I think that under our proposal, by the time it would be fully ramped up with all schools it would be about $70 million or more per year, but it also comes with a very hefty ask in terms of workforce—more than 500 new teachers.

Of course, part of the basis of the union's claim this time around is a teacher-shortage crisis, and we are 60 short here in South Australia—nothing like the numbers in Victoria of around 2,500 and New South Wales more, but of course it does speak to the difficulty that we would have in rolling out NIT further.

The government continually is willing to stay at the table and do everything we can to answer your question, member for Morialta, to avoid any disruption, but I won't have any suggestion from any quarters that we haven't done everything in our power to come to a final agreement, and we will continue to do that.

EXPORT DELAYS

Mr WHETSTONE (Chaffey) (14:59): My question is to the Minister for Trade and Investment. What is the government doing to address export delays as a result of the DP World cyber attacks? With your leave, sir, and that of the house, I will explain.

Leave granted.

Mr WHETSTONE: On Friday, Australia's largest ports exporter, DP World, suffered a cyber attack that saw them offline for four days resulting in major delays, with some exporters having some 300 containers stuck in port and others being told no cargo would be accepted for a further two weeks.

The Hon. N.D. CHAMPION (Taylor—Minister for Trade and Investment, Minister for Housing and Urban Development, Minister for Planning) (14:59): I haven't received a briefing from my department that there's any role the state government can play. This is an issue that is very serious and it's being addressed by the national government. The minister for cybersecurity—I forget her exact title—Clare O'Neil, and the national parliament, has made a number of statements about assisting DP World about overcoming this cyber attack and about returning normalcy to our ports. But clearly it is a national issue. I will seek a briefing from my department and I will brief the opposition as well.

EXPORT DELAYS

Mr WHETSTONE (Chaffey) (15:00): Supplementary: minister, what measures will the state government put in place to ensure South Australian exporters do not experience similar conditions?

The Hon. N.D. CHAMPION (Taylor—Minister for Trade and Investment, Minister for Housing and Urban Development, Minister for Planning) (15:00): Well, I'm not sure what we can do. Obviously, I will seek advice from my department about whether there are any measures we can take. Sometimes, cybersecurity is primarily an issue for the company. Obviously, there are a number of attacks that companies can come under: some are state-based, some are ransomware-type attacks. Obviously, there is a limited role that the state government might be able to play in this area. It's more likely to fall under the national government, but I will seek a briefing from my department and, as I said before, I am happy to offer the opposition a briefing as well.

ENERGY DRINKS

Mr FULBROOK (Playford) (15:01): My question is to the Minister for Health and Wellbeing. Can the minister update the house on the sale of highly caffeinated energy drinks in South Australia?

The Hon. C.J. PICTON (Kaurna—Minister for Health and Wellbeing) (15:01): Thank you very much to the member for Playford for his question. This is an important question because we know that unfortunately we have detected a range of energy drinks being sold in Adelaide that have almost twice the maximum regulated level of caffeine under the Food Standards Code. This is obviously at a time when South Australian students have been studying for their exams, and we are particularly concerned with the number of young kids who are consuming energy drinks in large numbers and particularly the potential health effects that that has. When you particularly see these energy drinks coming onto the market that are actually illegal, because they breach the Food Standards Code, that is obviously of concern.

We have seen a number of these that breach the Food Standards Code, specifically Standard 2.6.4, which says that the amount of caffeine allowed within these energy drinks can only be 320 milligrams of caffeine per litre. Compare that to some of the worst offending energy drinks that we have found. One that is being sold called G Fuel—which is available in a number of Adelaide stores—has flavours really attractive to kids called Fazeberry, Blue Bomber, Tetris Blast, Slushee. All of these sorts of things—

The Hon. A. Koutsantonis: Who's the Blue Bomber?

The Hon. C.J. PICTON: —that's right—are not targeted at adults, they are targeted at kids. Some of these have 300 milligrams of caffeine in a 473 millilitre can, so that's nearly double the allowable amount under the Food Standards Code. That's the equivalent of drinking nine cans of

Coke or three or four coffees in the one go. That's why we are taking action. I was recently joined by the Minister for Education and the member for Cheltenham in his local electorate. We met with a number of the students at Woodville High School who raised concerns around this issue, and these are not the only ones that we have detected.

There are other ones called C4 performance energy, there's Ghost Energy Drink—that comes in flavours like Warheads, Sour Watermelon, Bubblicious, Strawberry Splash—and these contain more than is allowed legally. So because of this, SA Health have now been visiting businesses. Nineteen businesses have had inspections from the food standards team, 13 of which have been found to be selling these non-complying energy drinks. They have taken an educative approach and talked to the people who said that they weren't aware of these prohibitions in place. Most of them have taken them off the shelf; however, there are a number where follow-up enforcement is taking place, and now four warnings have been issued by SA Health officers to businesses.

They are also working with local government environmental health officers to make them aware of the situation. They are also providing information to interstate counterparts across the country. Importantly, they are also working with the federal Department of Agriculture, Fisheries and Forestry, who are in control of the import controls over these. They have undertaken a number of actions, including that the federal government have now undertaken a holding order for future shipments through a number of these identified manufacturers. Therefore, the department has issued holding orders for six branded products. They will be taking action to prevent these from coming into the country.

We know the health effects of these, and we were joined by a dietician from UniSA, Dr Mantzioris, who raised concerns for under 18 year olds, particularly issues around insomnia, anxiety, depression and potentially some more serious impacts, including heart palpitations and cardiovascular problems, and ulcers and seizures can even be formed.

VICTOR HARBOR ROAD

Mr PEDERICK (Hammond) (15:05): My question is to the Minister for Regional Roads. What does the Minister for Regional Roads have to say to regular users of Victor Harbor Road? With your leave, sir, and that of the house, I will explain.

Leave granted.

Mr PEDERICK: The opposition has been informed that the planned overtaking lane on Victor Harbor Road at Hindmarsh Valley, which was part of the South Australian Rural Roads Package to improve safety on regional roads, has been cancelled.

Members interjecting:

The Hon. A. KOUTSANTONIS (West Torrens—Minister for Infrastructure and Transport, Minister for Energy and Mining) (15:06): Yes, it is; congratulations. I am glad the member for Flinders knows where Victor Harbor is.

Members interjecting:

The SPEAKER: Order!

The Hon. A. KOUTSANTONIS: There has been a lot of Liberal Party traffic to and from Victor Harbor. Obviously, there are a lot of issues with land acquisitions and cost escalations, so we are looking at that body of work. We were planning to do as much as we possibly could with those overtaking lanes but, given the commonwealth government review and the uncertainty within it, until we know the final outcome—

Members interjecting:

The Hon. A. KOUTSANTONIS: I think the 90-day review is into its 130th day. As we are attempting to look at the best ways of dealing with the overtaking lane, what we are doing is working out the costs of exactly how much land we would need to acquire. We are concerned about tree loss, and we are obviously concerned about road safety as well, so we are doing what we can to try to get

an accurate picture of what it is that we can achieve. In the meantime, we will do more planning to see what it is we can—

Mr Pederick: You've cancelled the last link.

The SPEAKER: Order!

The Hon. A. KOUTSANTONIS: We are working hard and doing more planning to see if we can't alleviate some of the concerns of the local community down there. I do point out to the members opposite that this work wasn't completed when they were in office. It's all very well to complain now—

Members interjecting:

The SPEAKER: Order! The minister has the call.

Members interjecting:

The Hon. A. KOUTSANTONIS: Shovel ready, was it?

Mr Pederick interjecting:

The SPEAKER: The member for Hammond is warned.

The Hon. A. KOUTSANTONIS: I think that long list of energy drinks might have done its work.

Members interjecting:

The Hon. A. KOUTSANTONIS: Bubblicious.

The SPEAKER: Order!

The Hon. A. KOUTSANTONIS: It would take more than two Bubbliciouses to take him down.

The SPEAKER: Order!

Members interjecting:

The Hon. A. KOUTSANTONIS: I'm not joking, but I'm joking about you drinking energy drinks. I will look at all these questions the shadow minister has asked. I will check to see how many times he has written to me, or to the department, about this issue.

Members interjecting:

The SPEAKER: Order!

The Hon. A. KOUTSANTONIS: I know. I am just trying to gauge his level of concern.

An honourable member interjecting:

The Hon. A. KOUTSANTONIS: What was that?

The SPEAKER: Order! The minister will not respond to interjections.

The Hon. A. KOUTSANTONIS: But I really want to this time, sir. What was that? No? Nothing? I didn't think so.

An honourable member interjecting:

The SPEAKER: Order!

The Hon. A. KOUTSANTONIS: It is true. I am a minister of the Crown. I would like to thank members opposite.

Members interjecting:

The SPEAKER: Order!

The Hon. A. KOUTSANTONIS: It is a serious question and I will get some information for the member and get back to him about it.

The Hon. J.A.W. Gardner interjecting:

The SPEAKER: Member for Morialta, order!

The Hon. A. KOUTSANTONIS: I will get an answer for the member. I know he is concerned about the cancellation, but we are doing more planning to see if we can't find another location, but it seems to me that the location that was chosen would be inadequate.

Grievance Debate

REGIONAL HEALTH SERVICES

Mr TELFER (Flinders) (15:10): I rise today to speak about one of the most important subjects to my community of Eyre Peninsula and the West Coast, and that is regional health delivery. As the member for Flinders, I have been especially concerned with what seems to be a lack of attention and a lack of awareness from this Labor government and this minister about the unique health challenges that are faced by regional South Australians and the level of health care that we need for sustainable communities. We need a health system in our regions that is suitable for our needs both now and into the future.

We need proper GP services within our regional areas if we are to truly maximise the opportunities that we have. I, for one, have been a strong advocate and I sure hope that the federal and state governments can consider some of the initiatives of the Northern Eyre Peninsula Health Alliance and give some funding to deliver some of these projects. This alliance sets out some of the unique community health needs faced by their communities across the northern Eyre Peninsula and also some of the steps and programs that could be put in place to deliver on those health needs within regional communities.

Obviously the ideal for health delivery is to do it as close to home as possible, but those of us who live in regional South Australia know that at times it is necessary to travel to get to that health care, especially specialist care. That is why I want to speak today on the concerning and, from my perspective, unacceptable state of affairs currently with the response times of the Patient Assistance Transport Scheme, known as PATS to those of us who use it.

I am calling on the health minister to act swiftly to put more resources into the administration of that scheme to ensure that waiting times are back to where they should be. Health patients from within my electorate in particular rely on an effective PATS system, as the specialist health delivery within my community is very limited, and thus those patients have to travel a significant distance, usually to Adelaide, which is 500-plus kilometres away, to receive that care. I note the health minister's response to a question during the last sitting week's question time:

> If there are issues in terms of the processing time, then we will look into that with some urgency and take what appropriate action needs to happen.

I am here to say that my office has received a significant escalation in community concerns in recent weeks on the extended response times, with reports of patients waiting several weeks, up to several months, for any response to their PATS applications. Through the assistance of my office, a follow-up process has been put in place for many patients, and they have received correspondence from PATS officers admitting that the wait time for processing amounts to several weeks. They complained of workload and they complained of the structure within the system. Several weeks and up to several months should not be acceptable for response times for these PATS patients.

I also have many constituents who are waiting for multiple PATS claims to be returned, with further upcoming medical visits necessary soon. We are talking about several hundred dollars for each overdue claim, and if you multiply that for patients who have several claims outstanding, then you can soon see why this is a significant issue for individuals.

With the cost-of-living crisis being faced all around our state, especially pointed within regional areas, with such a considerable issue that we are all facing, some patients who are waiting for these PATS claims to be returned, especially those who are waiting for multiple claims, are seriously considering whether they can afford the significant up-front cost of the travel necessary for that treatment. This is not me being alarmist; these are stories which I hear regularly from members of my community.

I do not even have time today to speak of the need for a review into the adequacy of the accommodation allowance, the paperwork process which is in place or the transport flexibility needs for my community, but there is an obvious backlog of claims within the PATS system currently and we still have not received an explanation by the minister as to the reasons why. What I do know is that this is a significant issue for my community, thus I am imploring the minister: allocate more short-term resources into the processing of these claims. These PATS arrangements are in place for the most isolated people within regional South Australia, and the government should be doing what they can to expedite this delayed process.

EAGLES LACROSSE CLUB

Ms HOOD (Adelaide) (15:15): I rise today to speak about the Eagles Lacrosse Club, of which I am patron and have been since the start of 2022. I would like to take this opportunity to congratulate the Eagles and North Adelaide lacrosse clubs on their outstanding win on 16 September this year in the Men's State League competition, the state's highest level interclub competition for men. I also wish to congratulate the global lacrosse community on reaching its goal of rejoining the Olympics for 2028 and beyond.

The Eagles and North Adelaide lacrosse clubs combined to form the North Eagles lacrosse team for this competition and defeated the reigning champions, Brighton Lacrosse Club, in a thrilling match 17-8. I would particularly like to congratulate goalie Jordan Cox from the North Eagles lacrosse team on winning the President's Medal for best player on the field.

The Eagles Lacrosse Club was established as the West Torrens Lacrosse Club in 1914, and in 2014 moved to its current location at Parndo Yerta, Charles Cane Reserve, in the City of Prospect council area. Next year, the Eagles Lacrosse Club will be celebrating its 110th anniversary, which is an incredible achievement. The City of Prospect Mayor, Matt Larwood, has ably led the Eagles Lacrosse Club as president for more than 10 years up until the start of 2023, when he stepped down to let Andrew O'Callaghan, current president, and Andrew Glazbrook, deputy president, take the reins.

The Eagles Lacrosse Club runs on the smell of an oily rag, but is ably supported by its passionate committee: Andrew O'Callaghan, Andrew Glazbrook, Merry Brown, Robin Pearce, Nola Bellenger, Bec Kennedy, Malcolm Frith, Phillipa Sharpe, Chris Larwood, Elle Larwood, Oliver North and Lauren O'Callaghan. I wish to place on the record my appreciation of the voluntary work that these people contribute to their club and to thank them for always warmly receiving me every time I visit their club or attend a game. Again, I congratulate the men's North Eagles lacrosse team on winning the 2023 Men's State League competition.

With the time I have left, I would also like to congratulate the organisers of this year's Feast Festival, which is now in its final week. I attended the Picnic in the Park last weekend and it was great to see all three levels of government at the Rainbow Labor stall: myself, representing the state government; David Elliott, representing Adelaide City Council; and Senator Karen Grogan, representing the federal government.

It was an amazing day to celebrate our LGBTIQA+ community. It was also timely given that the Feast Festival coincided with me, along with my colleagues in the other place, the Hon. Michelle Lensink and the Hon. Robert Simms, establishing the Parliamentary Friends of LGBTIQA+ group. It is going to be a group where people from the community can come together and advocate and share their issues and also celebrate and acknowledge the work of that community. I would like to thank Becc Galdies from the SA Rainbow Advocacy Alliance for her efforts in helping us establish this parliamentary group.

I hope they enjoy the rest of the Feast Festival. I know a lot of people had sore heads at the Picnic in the Park on the Sunday, having attended the Marys in the Park pop festival/concert the day before. It was a gorgeous weekend of celebrating inclusion, accessibility and coming together as a community, and I congratulate the organisers again on a very successful festival.

EAST TORRENS BASEBALL CLUB

The Hon. V.A. TARZIA (Hartley) (15:19): I rise today to wish the East Torrens Baseball Club all the very best for their 100-year celebrations. It is an absolutely amazing feat to reach

100 years. It is an absolutely exceptional club. I want to thank all the sponsors, the volunteers, the players past and present, and the friends and family who have supported those players. It is an extraordinary effort in reaching 100 years. The club has achieved amazing success during those 100 years and has even had players represent minor and also major league clubs. It was a tremendous weekend that we celebrated just recently in November.

The East Torrens Baseball Club is better known as the Redsox and it is located in the electorate of Hartley at the moment. It celebrated 100 years as a club on the weekend of 4 November. Many celebrations were held in Felixstow and also surrounding areas. There was a gala dinner that was held on the Friday night at San Giorgio club in Payneham. There was a historic display and a 100-year division 1 game which I attended with my young son, Leonardo, who is now two. He is very fond of baseball already. There was also a Hawaiian family night, special interviews with past and present players, and the opening of a memorabilia exhibition.

The weekend was embraced by past and present players, families and the wider community. There were amazing scenes where we saw three generations, sometimes more, of club members with seniors and juniors also in historic uniforms. In 2023, the Redsox won the South Australian Club of the Year at the 2022 Good Sports Awards. I do want to take this opportunity to thank all the administrators at the club—President Damien Norsworthy, along with the 100-year steering committee of Jared King, John King, Paul Chandler and Angela Probert—for organising what was a truly wonderful weekend.

The East Torrens Baseball Club is a club of family, junior development and senior social baseball, and is also a really loyal place. I would also like to give a big shout-out to Glenn Simmons who this year played his 800th game—800 games is just phenomenal. What an extraordinary feat that is.

As I speak about another club, obviously as a courtesy I will not be further contributing to the uni bill with my registered interest and also residing in Magill. I will move on to another sport, which is hockey. Hockey has certainly expressed a desire in the past to be able to utilise grounds if they do come up down the track. That allows me to segue into hockey and some recent achievements in the hockey sector.

I would like to congratulate two South Australian representatives who have been selected in Australia's Under 21 Women's Team, the Jillaroos, for the upcoming FIH Hockey Junior Women's World Cup in Chile later this month. What an amazing achievement for Katie Sharkey from the Seacliff Hockey Club and Lucy Sharman from the Dartmoor Hockey Club and Riddoch Strikers down in the south. Katie and Lucy are also firing up this season in the Hockey One League with Adelaide Fire and they have showcased on the national stage how they earned their spots on the international stage.

It was fantastic recently to watch the Hockeyroos play against India. It is a huge feat to host that game here for South Australia in May at the State Hockey Centre. I would like to wish Katie and Lucy all the best for their World Cup campaign representing the Jillaroos, and also cannot wait to watch them in the near future playing for the Hockeyroos.

In the remaining time, I might also talk about a giant of soccer, of the football community, who we have just lost here in the Campbelltown area. Vale to Giuseppe (Joe) Natale. The board life members and members of Campbelltown City Soccer Club, all of us, extend our heartfelt condolences to the Natale family on the passing of Giuseppe (Joe) Natale.

Joe Natale was born on 1 January 1927 in the town of Sulmona in the Abruzzo province of central Italy. He migrated in the early 1950s and lived locally in the morning shadow of the beautiful Black Hill of the Mount Lofty Ranges, which continues to overlook his beloved Campbelltown City Soccer Club. He was instrumental in floating the idea of establishing a football or a soccer club. I would like to acknowledge his outstanding service as a coach, as a player, as an administrator and as a supporter. Vale Guiseppe (Joe) Natale. May he rest in peace.

DAVENPORT ELECTORATE

Ms THOMPSON (Davenport) (15:24): I rise to celebrate the incredible advocacy efforts of some young people in my community. Firstly, I would like to speak about Madison who is a student

at Aberfoyle Park High School. She recently advocated for a new bus shelter at the back of the school. She had been seeing many kids standing out in the rain, and being burnt during the summer months, so she raised it with her school who then raised it with my office, and fortunately we have been able to work with the Department for Infrastructure and Transport to deliver on that bus shelter for her.

Madison is a year 12 student, so unfortunately she is going to knock off before she sees this shelter erected, but she has been able to be involved in the design processes. We have been able to pop up a nice sign on the site so that she can see her advocacy at work, and I am sure she will be popping down next year after the summer school holidays to see her vision become a reality.

Next I would like to give a shout-out to Sid, local skating legend, from Flagstaff Hill who for some time has been the strongest advocate for the skating community in my area. His latest advocacy efforts have been regarding the surface of the skate park, which has become quite slippery with some of the council's maintenance efforts, so he has been advocating via me to the council to try to see that that surface is renewed and made safer for the skating community. He has been successful with that, and council will be coming through in the next couple of weeks basically to sand back the surface of the skate park, returning it to a much safer surface for our huge skating community we see filling up that park every night of the week.

Next we have Sophia and Brodie from Happy Valley who advocated for a half-court basketball court in their local reserve, which is Serpentine Reserve at O'Halloran Hill. Sophia wrote to me a little while ago and then I went and spoke with her and her brother who were able to paint the picture of this half-court basketball court that they would like to see for local kids and teenagers to come and enjoy. Sophia then pushed for an additional netball ring, so we now have basketball and netball available for young kids in the O'Halloran Hill community. It is absolutely packed on a summer evening there now.

Then we have the Candy Road BMX Crew. This is a new group of kids who have been speaking to me about their vision for some new BMX jumps, also at O'Halloran Hill. I met with them recently so that they could talk myself and the council through what they are hoping to see down there at Serpentine Reserve. I would like to give a special shout-out to Nate Dog, who is now my very good friend on Snapchat, and he and his friends Jasper, Will, Jayden, Logan, Ben, Shan and Olive have all contributed by drawing their own pictures of how they would like to see these BMX jumps developed and sending them through via Snapchat, which I am still getting used to. It is really amazing to be able to work with these young kids and hopefully help them to see their vision become a reality with the support of the local council. Watch this space to see that vision come to life.

While we are also on advocacy efforts in my community of Davenport, I would also like to provide special thanks to Judith Ellis from Aberfoyle Park who has been advocating for defibrillators at the Happy Valley Reservoir. She came and had a chat with me and my team at Aberfoyle Park and we have been able to work with SA Water to see four new defibrillators installed at the Happy Valley Reservoir, which are life-saving devices and a great suggestion from our community, so a big thankyou to Judith, who I am sure who has saved a life with her advocacy.

With the time I have left, I might provide an update on the Majors Road on-off ramps at the Southern Expressway. We are full steam ahead with this project. The DIT project team have set up next to the Riding for the Disabled on Majors Road and they have developed a beautiful relationship with Riding for the Disabled. They have been helping them out with some local projects as well, so a big thankyou to the Department for Infrastructure and Transport for that relationship and support they are providing.

We are on track with this project with a completion date of 2025. People in my community and surrounding communities will absolutely start to see major construction starting in the next few weeks, with site offices already erected. There are some minor works happening on the road including a new lane that will help the vehicles access the site offices, and there might be some minor speed restrictions but most of those will be limited to outside of peak periods, so hopefully very minimal interruption to our community and a very exciting project.

SCHOOL CROSSINGS

The Hon. D.G. PISONI (Unley) (15:29): Today, I would like to report on a meeting I had with representatives of the Department for Transport. Thank you to the minister for working with me to set up these meetings. I had meetings with a representative of Goodwood Primary School and with representatives of Walford School—Goodwood Primary School being on Goodwood Road and Walford School being on Unley Road.

Both schools have identical problems when it comes to their concerns about the safety of students crossing the road. Both schools face major roads where there is no speed limit restriction. There is no audio warning that comes through modern cars' audio systems to warn you that you are in a school zone, and there is no visible warning that you are coming through a school zone and so there have been near misses.

I have been told that cars have missed the red light and gone through as students were starting to walk across the road at both of those intersections. I am reliably informed that the speed camera and red light camera at the Goodwood crossing is one of the most lucrative for the Department for Transport. Some may say that is a good thing, you are catching people, but what it actually tells you is that it is happening a lot: a lot of people speeding through that intersection and a lot of people going through red light cameras at that intersection, competing with people who are crossing the road to get from east to west or vice versa.

What came out of that conversation was that I wrote to the minister and this is an extract from the letter I wrote to the minister detailing the discussions that we had with the department. His ministerial adviser was there also and basically what the schools would like to see is the declaration of designated school zones adjacent to each of the schools on Goodwood Road and Unley Road. In other words, it being recognised that you are actually entering a school zone.

What the schools would also like installed are road based alerts, such as the introduction of prominent visual and audio alerts as you move onto the pavement closer to the intersection. In some parts of Australia there is a slight raise in the road and in other parts there is some rumble on the road that warns you that there is a change in the use of the road ahead, and if you are in one of those phases where you might be on automatic mode as a driver it is enough for you to snap back to attention and see what has caused the change in the environment you are in.

One of the things that we do not see on main roads in South Australia but that you see on main roads interstate are the GPS warnings that come through your audio system on modern cars. You will hear it if you have a car that is probably up to 10 years old. As you are going past a school zone or even past a red light camera, an audio message comes through to tell you that you are in a school zone. We do not get that on main roads. Unley Road does not have it and Goodwood Road does not have it. Not only is it those two schools, but Mitcham Girls High School up the road also has that problem, Adelaide High School has that problem on West Terrace and I think as you drive past Adelaide Botanic High School you would not be told that you are in a school zone.

The schools have asked that the minister consider a solution there with a red light and speed camera being installed at the Walford site and reduction of speed limits. Again, we have speed limit reductions in feeder streets and side streets but we do not have any speed limit reduction at these intersections on Goodwood Road and Unley Road. I know the member for Bragg is interested in this as well and we do not see this happening at the newly upgraded crossing on Kensington Road outside Marryatville High School.

Things have changed: there is a lot more technology available now. I would like to see a much more comprehensive program, if you like, or comprehensive things put in place to warn drivers that they are approaching a pedestrian crossing where children will be crossing.

LIGHT ELECTORATE

The Hon. A. PICCOLO (Light) (15:34): Today, I would like to bring to the house's attention a few matters and events that have taken place in my electorate of Light. Of course, Saturday was Remembrance Day, and the town of Gawler and the Gawler RSL held the traditional Remembrance Day service. The RSL was supported by the Air Force Cadets, the Gawler Town Band and the various schools who laid various wreaths at the service itself.

This year, in laying the wreath on behalf of the Light electorate, I was accompanied by a student, Macey Brouwer. She is a year 12 student at Gawler and District College. She gave me the honour of accompanying me to lay the wreath on behalf of the community. The other thing about Remembrance Day this year was that a number of schools now also have their own services on their own sites. This year, Mark Oliphant College held a service that was also attended by the Playford mayor and a number of defence personnel.

It was a great service. It was a little bit warm—it was about 38° outside when the service was held—but we seem to have all survived that. Trinity College North and Trinity College South campuses also had services this year, both on the Friday, and also Gawler and District College had a service on the Monday to honour those who fell during World War I. That event was also attended by the Town of Gawler mayor.

When you talk to veterans at Remembrance Day and ANZAC Day, one thing that is a common theme of all the things they say—these are people who have actually served—is the futility of war and what a senseless waste of people it is. It is incumbent on us as people in the public arena to make sure that when conflicts do arise we do not stoke those conflicts but use language and approaches that help to engender peace rather than cheering one side or the other.

I think it is very important that if we are to really remember and honour those who have served we do that by making sure that future generations are not lost on battlefields as well. As mentioned also, it is not only remembering those who have fallen but also remembering those who have returned but in a way that is damaged, either physically or emotionally. Those sorts of wars continue.

On Saturday the 11th, when we were commemorating Remembrance Day, I got a notification that one of the local residents, Mr Jeff Turner, had passed away on the morning of Remembrance Day. Jeff was a former officer in the Metropolitan Fire Service, formerly of Gawler but more recently he lived at the Tanunda Lutheran Home. I have been told Jeff was hardworking and a proud dad. He had not only served the fire service in South Australia but also our country in the Navy. He was a successful businessperson, developing and running his own registered training organisation.

Jeff also volunteered in the community as a junior tennis coach for many years—in fact, since the 1980s—and also volunteered as a football coach in Gawler for a number of years. He was a volunteer at the National Trust and also wrote a book about the experiences of migrants at the local hostel at Willaston. He was awarded an Order of Australia medal in 2019 for his work for the National Trust and community. Jeff cared for his wife for the past three years and then developed the cruel disease of MND himself. Despite having that illness, he never complained. He will be sadly missed by not only his family but the community of Gawler.

Also, on 4 November, the two Rotary clubs in Gawler, the Gawler Light and Gawler Rotary clubs, held their annual village fair. This event is designed to help all the other community organisations and charities in the town to fundraise. The two service clubs put together the fair, and the stalls are held by various local charities that raise money for the works they do. I would like to commend the two service clubs for putting this on because a lot of work is involved in setting them up.

Resolutions

OMBUDSMAN

The Legislative Council passed the following resolution to which it desires the concurrence of the House of Assembly:

That a recommendation be made to Her Excellency the Governor to appoint Ms Emily Strickland to the Office of the Ombudsman.

The Hon. N.F. COOK (Hurtle Vale—Minister for Human Services) (15:40): I move:

That the resolution be agreed to.

Motion carried.

Bills

ADELAIDE UNIVERSITY BILL

Second Reading

Adjourned debate on second reading (resumed on motion).

Mr Odenwalder: Commend the bill to the house.

The Hon. J.A.W. GARDNER (Morialta—Deputy Leader of the Opposition) (15:40): I thank the member for Elizabeth for the suggestion.

The SPEAKER: This is the concerto. I think the member for Morialta has already given his magnum opus, but this is significant nonetheless. I make those comments only to assist future researchers, which the member for Morialta earlier referred to.

The Hon. J.A.W. GARDNER: I will tender all future matters on which I am speaking to the member for Elizabeth for his suggestions.

Prior to the break, when discussing the bill, we discussed matters in relation to unintended consequences—although certainly foreshadowed consequences—relating to Flinders University and the broader South Australian higher education sector.

We have dealt with matters relating to regional and rural South Australian students, and both those students in the southern suburbs and students in regional and rural South Australia, obviously, will be in a better situation after the next election with the ascendency of the new Liberal government after 2026.

Further matters need consideration. Related to the passage of the bill is also the consequential sale of the land at Magill and Mawson Lakes to the government. The government sees this as a budget-neutral endeavour, which I suppose it may be according to certain accounting techniques, albeit in reality the government is giving $115 million to the university and in return is obtaining land of that value but an asset that the government does not need. Effectively, it sits on the balance sheet with very minimal impact on the long-term bottom line, but nevertheless the university needs the cash, it does not need the land.

With respect to the situation at Mawson Lakes, I believe the government is acquiring a golf course. Clearly, the government I do not think is seeking to establish a mechanism to use the golf course for any particular purpose but it will be owned by the government and sit on the books. The member for Florey, I am certain, will be keen for the community to be consulted if the government ever intends to dispose of it.

However, it is adjacent to and theoretically at the moment part of the University of SA's Mawson Lakes site and, well, there it is. It is really no more complicated as that as best I can tell. It is an odd sort of thing, but the university gets its $50 million in ready cash and the government acquires a golf course but it sits equally on the budget bottom line.

Magill is probably of a higher level of immediate interest and concern because there is a proposal to dispose of the land at Magill. East of St Bernards Road is in the electorate of Morialta, and I obviously take a strong interest as the local member. I put it to the government, and encourage them very seriously over the next 2½ years as they seek to—as I think Rick Persse from the Department of Treasury put it—realise as much of the value as possible from the purchase of the land.

Renewal SA will be working to dispose of the land on the eastern side of St Bernards Road. Renewal SA described the development of housing. We certainly need a level of housing, but there is an opportunity here. Bearing in mind that this is a community that has experienced pretty much the highest level of urban infill of any patch of land in South Australia and metropolitan Adelaide in particular over the last decade as a result of the work of John Rau, the land there represents one of the last pieces of open space in that community.

There are significant new developments at the old seminary, at the old Magill Training Centre, and infill on almost every street in Magill and Rostrevor has had an impact, and that land is

used every day. A proposal from the Campbelltown council has been put forward. I urge the government to take that proposal very seriously. A recommendation was put forward in the majority report in relation to the land at Magill in relation to community consultation. The majority view was:

> Public consultation in relation to the use, development or sale of land at Magill and Mawson Lakes should commence at the earliest reasonable stage and councils with an explicit interest in the disposal of land should be involved in the master planning processes.

That is fine in as far as it goes. The Hon. Jing Lee and I went further and urged:

> (6) As part of the public consultation recommended by this report, in relation to the Magill campus land, Government should include an offer to deliver on Council's suggestions for the development of community facilities on the Eastern part of the land.

Council is willing to put some money in, council is willing to invest in the community and council is willing to assist in meeting the government's burden of trying to realise some financial value from this land. I recognise council's offer may not be the maximum financial benefit to the state government for the land, but it will considerably alleviate community anxiety about what would otherwise be seen as another high-density housing development. It is only a couple of kilometres up the road in relation to the Woodforde site and the Hills face, where you have a five-storey apartment building that has been put in place next to narrow streets and minimal street parking at the Woodforde development.

That sort of proposal I think would be extremely poorly received in the community—a community where the local high school has about double the enrolments expected within the next five years compared to what it was when I was elected in 2010. There were about 1,200 students at Norwood Morialta High School in 2010; there are about 1,800 at Norwood International today; and there are 200 at Morialta Secondary College, and in five years that will be 1,200. That is based on no further development at Magill, so that is an issue. If we were talking about a portion of the land, if we were talking about a particularly sensitive development—retirement living, for example—then that is a different kettle of fish. Council's proposal for community and sporting facilities would go a long way, and I encourage the government to it.

In relation to the western side of the land, there is more time for that. The western side of the land is, of course, where most people would think of when they talk about the Magill campus. A lot of people would not even realise that the eastern side of the road is part of the Magill campus. On the western portion of the campus is Murray House; we understand the heritage protections there are strong enough to keep it. The committee has recommended, I think I can say unanimously, that the government enter into negotiations and discussions with the childcare centre—the Magill Campus Community Children's Centre—as soon as possible to ensure that its lease can be renewed.

I actually take the minister at her word that the government has said they have no intention of stopping work going on there, so that work can take place soon; and other community assets can be protected there. I urge the government to do so, and the Liberal Party certainly will if elected in 2026. I seek leave to continue my remarks.

Debate adjourned on motion of Hon. S.E. Close.

Auditor-General's Report

AUDITOR-GENERAL'S REPORT

In committee.

(Continued from 2 November 2023.)

The CHAIR: I declare the examination of the Report of the Auditor-General 2022-23 open. I remind members that the committee is in normal session. Any questions must be asked by members who are on their feet. All questions must be directly referenced to the Auditor-General's Report 2022-23 and Agency Statements for the year 2022-23, as published on the Auditor-General's website. I welcome the Minister for Local Government and the member for Flinders. Are we ready to go? Member for Flinders, the floor is yours.

Mr TELFER: Minister, can you start by outlining the dollar figure that you are responsible for as the minister?

The Hon. G.G. BROCK: Could I ask the member for Flinders what section of the Auditor-General's Report he is referring to for that question, if he does not mind?

Mr TELFER: I am trying to ascertain the total dollar figure that you as minister have decision-making capacity over. Obviously, this Auditor-General's Report looks at all expenditure of government.

The CHAIR: Member for Flinders, can I suggest you try to find one of the expenditures that you can reference, or rephrase your question.

Mr TELFER: Sure. If that number is not known, I can move on. I will perhaps then look to the reference in Part A: Executive Summary, page 57. There is commentary, minister, around the CWMS review by the Auditor-General, referencing Berri Barmera and Yorke Peninsula, with the conclusion that:

> …fundamental areas of the Berri Barmera Council's management of its CWMS network were not operating effectively. Consequently, the Berri Barmera Council is not able to demonstrate that its CWMS network is being managed in a way that is financially sustainable over its useful life. This increases the risk of its CWMS network failing to provide a safe and reliable level of service in the medium to long term.
>
> We concluded that some key areas of the Yorke Peninsula Council's management of its CWMS network were not operating effectively.

Minister, what action is the Office of Local Government taking in response to these findings from the Auditor-General on council CWMS systems?

The Hon. G.G. BROCK: Thank you, member for Flinders, for the question. I am advised that, on 30 May 2023, the Auditor-General tabled a report on his review of the CWMS services provided by the Berri Barmera Council and the Yorke Peninsula Council under the Public Finance and Audit Act 1987.

The Auditor-General's review, which covered the period from July 2018 to November 2022, assessed whether the councils managed their CWMS networks effectively in a way that demonstrated that a safe and reliable service was provided, and financial sustainability over the network's life. The Auditor-General concluded that the council successfully removed and treated wastewater collected from properties to their CWMS networks, and some fundamental areas of the council's management and their CWMS networks were not operating effectively.

The Auditor-General has also identified areas that were operating effectively within each council. The Auditor-General has made a range of recommendations to the Berri Barmera Council and also to the Yorke Peninsula Council. I have also been advised that the councils have indicated they will implement all of these recommendations.

Mr TELFER: Is there any action that the Office of Local Government is taking in conjunction with what you have set out—actions from the council?

The Hon. G.G. BROCK: I have been advised that the councils have indicated to the Auditor-General that they will implement all the recommendations that have been provided and suggested by the Auditor-General's Report. Bearing in mind that they are independent of all of us here, but certainly from my information I have been advised that the councils will implement all of those, and they have advised the Auditor-General of such.

Mr TELFER: So, to clarify, there is no role for the Office of Local Government?

The Hon. G.G. BROCK: As we all know, councils are independent, and also it is the responsibility of the councils to implement management of the CWMS systems across there, and they have indicated that all the recommendations and suggestions made by the Auditor-General will be implemented by both councils.

Mr TELFER: Part C: Agency Audit Reports, pages 510 and 511 refer to the Local Government Infrastructure Partnership Program. The reference says:

> The program was fully subscribed, with $106.9 million in grants approved for 57 projects across 58 local councils…
>
> As at 30 June 2023:

- six projects were completed
- three projects were terminated by councils
- 33 projects were in progress, with grant deeds for three projects yet to be finalised.

What role does the Office of Local Government play in the Local Government Infrastructure Partnership Program?

The Hon. G.G. BROCK: I have been advised that, while the Auditor-General's Report notes that the Office of Local Government participated in the assessment of the projects submitted by councils for funding under this program, the delivery of the program is undertaken through the Department of Treasury and Finance as their then treasurer was responsible for the program itself. If I can, through the Chair, I would suggest that any questions about this program be directed to the Department of Treasury and Finance.

Mr TELFER: So you are saying the Office of Local Government has no role in the Local Government Partnership Program?

The Hon. G.G. BROCK: Through the Chair, can I just repeat the answer I gave: whilst the Auditor-General's Report notes that the Office of Local Government participated in the assessment of the project submitted by councils for funding under the program, the delivery of the program is undertaken by the Department of Treasury and Finance, as the then Treasurer was responsible for these programs and things like that. Again, I reinforce that I have been advised that any questions for that should go through the Department of Treasury and Finance because they processed the whole lot from then on.

Mr TELFER: So the minister is not aware of the outstanding amount of over $60 million in total payments from what was allocated? There is no awareness from the minister about what is happening with those local government grants?

The Hon. G.G. BROCK: I have to reinforce that I have been advised that any questions about this program, including finances, should be directed to the Department of Treasury and Finance, who handle the lot after the assessments.

Mr TELFER: The Agency Audit Reports, Outback Communities Authority: let's see whether we can find something that the minister is responsible for here. Regarding the budget figures there for the Outback Communities Authority, on page 3, there is a $700,000 increase in revenue from the South Australian government. Can you explain that increase, minister?

The Hon. G.G. BROCK: Through the Chair, can I just ask the member exactly where in the report or what page number and things like that, if you don't mind?

Mr TELFER: As I said, page 3 of the Outback Communities Authority audit report.

The Hon. G.G. BROCK: Can I ask the member again: you say page 3, but what section? Is it A, B, C, or a page and a relevant area?

The CHAIR: I understand it is the Agency Statement online.

Mr TELFER: Sir, thank you. In the Outback Communities Authority agency statement on the second line down, there is a line that says 'Revenue from SA Government.' In 2022 it is $1.6 million; in 2023 it is $2.3 million.

The Hon. G.G. BROCK: Through the Chair, I will need to take that question on notice and get back to the member.

Mr TELFER: There is another line there, minister, that talks about grants and subsidies. There is a $1.25 million increase in grants and subsidies. Can you explain that?

The Hon. G.G. BROCK: Through the Chair, I will have to take that on notice, member for Flinders. We do not have that here with us at the moment.

Mr TELFER: Minister, is the additional budget allocation to the Outback Communities Authority a recognition of the department's inability to progress future service and governance

arrangements for outback communities by not implementing anything substantial from the Outback Futures Report?

The CHAIR: I remind the member for Flinders that a question is a question, without the commentary embedded in the question.

Mr Telfer interjecting:

The CHAIR: No, there is commentary embedded in that question, so I ask that you just ask the questions.

The Hon. G.G. BROCK: Through the Chair, thank you to the member. I have been advised that in this budget, this government has tripled the funding to the Outback Communities Authority—the OCA—so that they can provide extra resources and facilities for people, not only for the outback but also for the visitors up there. We are very proud of that. From the Outback Futures Report we have been able to do that without putting any levies on the outback communities, and that will be the case in the term of this government.

Mr TELFER: What further resources have been given to the Outback Communities Authority, in reference to the answer?

The Hon. G.G. BROCK: I have been advised that the budget has been increased from $600,000 to $1.8 million, which is the recommendation of the Outback Futures Report that came in, and this is to provide for services and facilities for people in the outback areas. Again, I reinforce that the recommendation previously, from my information, was to put a levy on the outback people, but we have been able to do this without any levy. As I say, there will be no levy on the outback peoples through the OCA in the term of this government.

Mr TELFER: What additional services and facilities have been delivered with that $1.25 million?

The Hon. G.G. BROCK: I have been advised that the $1.8 million, that extra funding, is to provide better community services across all of the outback areas—things like toilets, rubbish bins, open spaces, and towards airstrips. The thing is, the OCA are currently looking at all the opportunities that we can improve on and provide extra money for in the budget. I am happy to liaise with the member once I get all the totals of the projects and the number of projects.

Mr TELFER: I appreciate you taking that part of it on notice. The OCA report on page 13 sets out employee remuneration. There was an employee within the band of $180,000 to $200,000 in 2022. In 2023, that single employee goes from that band up to the $320,000 to $340,000 band. Can you give an explanation as to why, minister?

The Hon. G.G. BROCK: I thank the member for that question. I have been advised that there is no position in the OCA that carries a remuneration of the $340,000 that you have indicated there. However—

Mr Telfer interjecting:

The Hon. G.G. BROCK: If I can finish, what we will do is get more information on that and take that on notice. To my information, I have been advised that there is no one single position in there that has a remuneration of $340,000. Again, to the member, I will take that on notice and get it back to him as soon as I can.

Mr TELFER: For your reference, that is on page 13 of that Agency Statement, the band between $320,000 and $340,000. On page 10 there is a reference to the federal government's Local Roads and Community Infrastructure grant funding, which councils from all around the country got. There was $2.85 million allocated for the OCA. Can you, minister, let me know what the grant money of $2.85 million was spent on?

The Hon. G.G. BROCK: That $2.85 million was for a range of projects across there, including some roads and also outback facilities as I indicated earlier. The OCA are working through a lot of those issues, but we will certainly get a detailed project-by-project for you and bring that back to you as soon as we can.

Also, I want to reinforce that the amount of money we have been able to give the OCA in the last budget is triple what it was before. We have been able to get that money without having to put any levies on any of the outback communities out there. I want to reinforce that. We are proud of that and proud of the fact that we are not going to have any levies in the term of this government.

Mr PEDERICK: I refer to the Independent Auditors Report, Outback Communities Authority, page 8, 1.2 Objective and programs, dot point 5. Are outback roads being managed to an appropriate standard?

The Hon. G.G. BROCK: If I may, because we are just changing advisers, if you don't mind, can the member for Hammond please repeat that question?

Mr PEDERICK: Are outback roads being managed to an appropriate standard?

The Hon. G.G. BROCK: Can you repeat the page number, thanks, member?

Mr PEDERICK: Yes, okay: page 8, 1.2 Objective and programs, dot point 5.

The Hon. G.G. BROCK: I have been advised that the funding that is in there for outback roads has been consistent with previous years, previous budgets. Also, I have been advised that, we all know, in that period of time there has been a lot of unusual weather, wet weather and things like that. But to answer your question 100 per cent: outback roads are being maintained to the best condition they can under the circumstances with the prevailing weather and all that. Certainly, if you want any more information, if you want more detail, I can get some more detailed information and get it back to the member.

Mr PEDERICK: Have the outback road maintenance gangs been reduced from 10 to three?

The Hon. G.G. BROCK: Whereabouts in the Auditor-General's Report is that mentioned?

Mr PEDERICK: Page 8, 1.2 Objectives and programs, dot point 5 of the Outback Communities Authority report.

The Hon. G.G. BROCK: I have been advised that the permanent crews now have been reduced from four to seven.

Mr Pederick interjecting:

The Hon. G.G. BROCK: Sorry, I apologise—from seven to four. That was a decision on the commercial basis of the maintenance contractor themselves, but they are doing a lot of subcontracting work to subcontractors. So, even though it has gone from seven to four, they are using a lot of subcontractors to carry out other works up there.

Mr PEDERICK: Has money from the outback road maintenance program been transferred elsewhere in the state?

The Hon. G.G. BROCK: I have been advised that there has been a reallocation of $1 million for money from outback roads to other areas of regional South Australia on to regional roads, and that is for more pressing projects from other areas; but it has been transferred for that. It is only for this year; it is in this Auditor-General's Report. Certainly, it is a reallocation but it is going from outback roads into regional roads across other parts of the regions.

Mr PEDERICK: So, minister, what is your opinion on not just losing three road gangs but also the reallocation of money throughout the rest of the state? It is obviously starving part of your electorate.

The CHAIR: Member for Hammond, you are asking for an opinion there rather than a factual answer, so could you rephrase the question please.

Mr PEDERICK: Has the minister lobbied to get those four road gangs back up to seven and also get that million dollars back into that vital outback road funding?

The Hon. G.G. BROCK: Roads represent one of the largest groups in the state government's assets. As we all know, it is a massive area. The government of South Australia manages a range of road-related assets, including 13,000 kilometres of sealed roads, 10,000 kilometres of unsealed roads—

Mr PEDERICK: Did you lobby for this money to go back into outback?

The CHAIR: Member for Hammond, the minister is getting to the core of the question.

The Hon. G.G. BROCK: The total road maintenance expenditure for 2022-23 was $176.9 million. This includes expenditure of approximately $98 million in 2022-23 for routine road maintenance such as regular inspections of the network, pothole repairs, rubbish collection, maintaining signs and so on. Over half of the South Australian road maintenance budget is spent in regional and remote areas. To answer your question, yes, I have lobbied and I will continue to lobby to get more money and also for the reinstatement of those road gangs.

Mr PEDERICK: I refer to regional roads, Annual report, Part C: Agency Audit Reports—I will make sure I get the right page—page 293, 'Capital works in progress'. Did the minister have any involvement in the decision to scrap the planned overtaking lane on Victor Harbor Road at Hindmarsh Valley, which was part of the South Australian Rural Roads Safety Package?

The Hon. G.G. BROCK: I think that was a question you asked the Minister for Infrastructure today in question time. At the end of the day, it is an infrastructure question that you asked and Minister Koutsantonis, the Minister for Infrastructure, gave an answer in the parliament today.

Mr Pederick interjecting:

The Hon. G.G. BROCK: I am just saying the question was asked today in parliament. It is an infrastructure project and the Minister for Infrastructure has given an answer today. I will get more information for you if you want me to take it any further. But certainly, the Minister for Infrastructure, who is responsible for that sort of work, answered the question in parliament today.

Mr PEDERICK: I go to regional roads, Annual report, Part C: Agency Audit Reports, page 296, 'Road maintenance backlog'. In 2022-23, the road maintenance budget was roughly $160 million while the asset renewal depreciation was $405 million. The Auditor-General notes:

> Ideally, asset renewal depreciation is matched yearly with maintenance expenditure…to ensure that optimal asset life and service levels are achieved.

Does the minister concede that the current state government has failed to adequately invest in our road network?

The Hon. G.G. BROCK: I am advised that total road maintenance expenditure for 2022-23 was $176.9 million. This includes expenditure of approximately $98 million in 2022-23 for routine road maintenance, such as regular inspections of the network, etc. Over half of South Australia's road maintenance budget is spent in regional and remote areas. Failure to intervene in road pavement surface issues at critical times results in damage that becomes more extensive, that is it increases the road asset backlog while maintenance costs to remediate road assets increase tremendously.

The backlog keeps increasing because annual deterioration across the network exceeds the rate of renewal. The road maintenance budget has not kept pace with the growth in road assets. I understand that over the past two years there has been around a 23 per cent increase in the construction price index, impacting the quantity of maintenance works that can be delivered. I am advised also that since 2022, the department has treated 453 kilometres of roads and also a pavement backlog. Between 2017 and 2022, the road pavement backlog grew from $723 million to $1.9 billion.

I can recall the previous Minister for Transport saying in 2021 that that government at the time had inherited a $750 million backlog in maintenance works from the former Labor government, saying that they were continuing to chip away at this backlog. Far from chipping away at that backlog, the previous government were instead walking away from it, outsourcing the government's road maintenance contract from late 2020. The result is that between 2020 and 2022, that $750 million grew by almost three times. You are right: this government inherited the $750 million. When they came in, we asked for an audit, and it was over $1.96 billion.

The CHAIR: The time allocated for the examination of this section of the Auditor-General's Report has expired. I call on the Minister for Human Services.

Mr TELFER: I am going to first look at the South Australian Housing Trust items in Part C, pages 392 to 410. Minister, what was the total expenditure on South Australian Housing Authority maintenance in the 2023 financial year?

The Hon. N.F. COOK: Per page 402, the expenditure is listed as $97 million, but that does not include capital maintenance.

Mr TELFER: Sorry, that does not include—

The Hon. N.F. COOK: That does not include capital maintenance.

Mr TELFER: Last financial year, I believe that $97 million was $107 million. Why is there a reduction in that number?

The Hon. N.F. COOK: I think it is important to provide you with just a small amount of context in regard to how the maintenance contracts are undertaken and maintenance services are delivered for people in public housing.

As you know, our stock is owned by the public but split into both community and public housing. We are responsible for the ongoing maintenance of our public housing stock, and the numbers are around about 36,000 properties, or thereabouts.

The way maintenance is undertaken and has been undertaken since, I guess we can say, Jesus played fullback for Jerusalem, is with private contractors in the community, private tradies in the community, picking up jobs. But what has changed over time is the movement to a head or lead contracting model, which has happened over the last decade.

I understand that happened in about 2013. Yes, it was 1 October 2013, and that contract continued for a number of years. However, over time, as you would be aware, contracts date and age and need to be reviewed and updated. I understand that under the previous government that process was commenced, but the program review and amendments were not completed.

The contracts were extended on 1 February 2020, and they were extended again—I understand because the work had not been done to get those contracts ready for procurement—on 1 July 2021. Those head contracts were given an end date of 31 December 2022.

On coming into government we were briefed, as you are, in the first weeks and informed that the procurement process for the new model of the multitrade contract was in the very late stages. There had been a lot of work undertaken by all of the contractors, and we spent time considering whether it would be feasible to make significant changes to that process or that model, I guess it is fair to say.

However, given all the hundreds of thousands of dollars that had been invested by contractors to put in submissions to lead a new model with different zones and different areas of control of this maintenance contract, we decided to get an independent review done on the contract itself, the model, to make sure that the procurement was going to be the best deal we could possibly get given that process for the South Australian taxpayer and, importantly, for the tenants themselves.

That review was undertaken very early in the piece—I think in May of last year, or thereabouts, would be an approximate time—and we were in receipt of that report around the middle of the year to say that there were no major red flags, that there was some confidence that that was in fact an appropriate model moving forward, and we then proceeded to the final assessment phase of the contracts, which were awarded in the latter half of last year.

A phase-in approach was then required because we went from five contractors over three areas down to three contractors. Basically, there was a change in the actual people who would be leading the contract and also the areas at which some of the people who remained providing the service would then be delivering.

We now have one contractor delivering for the entire metropolitan area, and the rest of regional South Australia is divided into two sections delivered by two different contractors. In some of those regional areas—not specifically yours, although your area as you know has a different head contractor now—the head contractors swapped areas, so we have allowed quite a lot of support and

leeway to occur in terms of the communication between the department and the contractors to get this underway.

The date for transition, being the end of 2022 to 1 January 2023, has happened, and we would attest that the reasoning around the lower expenditure during this financial year as compared to recent years would be absolutely in the main because of the onboarding of new head contractors to areas. Also, within the head contractors, we would attest that there has been obviously the need to onboard subcontractors to the new head contractors. So there has been a range of challenges in the first six months particularly. I understand the Auditor-General covers across both the old and the new contract.

It is also fair to say it was not just a challenge for a new head contractor and a new set of subbies, but it was a challenge as well for the previous head contractors knowing that they were leaving the delivery of that service to maintain their subbies to deliver the work in the previous areas. I hope I am explaining that simply enough. I am happy to take more time with you on another occasion, but there have been significant challenges for head contractors and subcontractors with the onboarding and the capacity for them to build those relationships, and in a highly competitive market.

One thing that we know has been reported to us from the head contractors or the multi-trade contract leads is the overheated market. This has obviously been related to a number of pressures, none less than the federal government's stimulus program that injected millions and millions of dollars into providing funding for new homes but private homes, and also for funding upgraded bathrooms.

Mr TELFER: Chair, we have done nine minutes of an opening statement but we only have half an hour to actually look at a few of these items.

The Hon. N.F. COOK: I can wrap up where I was—

Mr TELFER: The question was: can you give an explanation as to why in 2023 the maintenance expenditure was $97 million, in 2022 it was $107 million and in 2021 it was $122 million? So it is down by $25 million from 2021. The question was as to why.

The Hon. N.F. COOK: I will wrap that up quickly for you. There is a range of pressures, there is an overheated market, there is difficulty just for Joe Blow in the street to get a tradie to do a job. It is even more challenging for head contractors to onboard a whole bunch of trades to meet certain needs especially in regional areas, as you well know.

In terms of what is happening this year, we actually expect the expenditure this year to be much bigger because obviously things will improve, but excluding the Public Housing Improvement Program in which we were investing originally about $135 million for new homes and maintenance upgrades—and that has been increased due to budget investment of about $55 million and the federal investment as well, which is currently $136 million or thereabouts, plus the HAF—we expect to spend around $127 million.

What you will see over time is the money being spent on all forms of maintenance, which is broken down into a whole range of programmed and other types of maintenance. It is very hard to answer a simple block question of what money is going to be spent on what, but we are going to increase—

Mr TELFER: It is a simple question: why is it down by $10 million?

The Hon. N.F. COOK: I gave you a pretty simple answer, I thought, in regard to that. We had the maintenance contract that the previous government extended twice. Then we did the review of it and we put it in place at the end of the year. They had trouble in getting trades to stick with them while they were finishing off their contract to 31 December 2022. Regarding the new contractors, some of them had to start cold, and we had to onboard a whole range of tradies from 1 January 2023. I think that is probably the nub of it. I think you will be very pleased with the new numbers as the momentum gathers.

Mr TELFER: Thank you. I will wait for the momentum of the next Auditor-General's Report. On page 397 it talks about managing the underperforming HCMS (Head Contractors for Maintenance

Services). What actions is your agency actually taking to rectify the underperformance of your contracts?

The Hon. N.F. COOK: As the member knows, I do try as much as I can to communicate openly and directly, not just with tenants but with members such as yourself, and with many others on both sides and all sides of parliament. There is no difference when it comes to the work that our team is doing with such a massive amount of public money that is being invested into public housing.

I cannot find anyone who can tell me whether or not the minister has sat down with all the head contractors before—and I have done that. I have made it really clear to them that we are absolutely committed to making sure that we do the best we can for tenants, who need the best support all of the time and who rely on their houses to be running and operating safely and with dignity. I have met with all of them to ask them to consider the rights of the tenant and put the person at the centre of everything they do in terms of the work that they do.

For the first six months of the contract—under the establishment of the onboarding of their subcontractors, and of course their own staff, to manage these contracts that are huge—of course we and our leadership team worked really closely with all those contractors to make sure that they were providing the reports that they needed to and were communicating directly.

The key to these contracts—which was something that attracted me to supporting the contracts—is that there are incentives and some penalties built into the contract. So, if you underperform or you do not deliver in the prescribed times or do not meet the KPIs, there are penalties (otherwise known as abatements) that are put against the contracts, which means the head contractor, who is obligated to pay their trades' quoted amounts as a minimum, which is also built into the contract, is penalised so that they lose money. The incentive is to perform at the optimum, and the benefit of doing that is that you are also incentivised positively if you achieve things.

The public housing leadership team closely monitors the performance. They have worked on refining the reporting dashboard so that we are able to monitor closely and validate their performance against all the measures to make sure that what we are being told is actually happening and we can see trends in their performance. There is enforcement of the performance management framework abatements. After the end of the grace period—I can get you the exact date, but it is around the nine-month mark—there are process reviews and changes to the procedures to make sure that the efficiencies can be achieved.

The head contractors, with guidance and support, have been onboarding additional subcontractors, and also doing internal reviews of their staffing structures with the guidance of our team to make sure that they can actually fulfil the requirements by recruiting additional resources—at their own cost, not at our cost. It is at their cost, they put the contract in and they need to manage it. There has been an IT system change to expedite processing and claims, so that is the charges that they are putting to us, and to also improve the reporting.

There have been additional training sessions held, I believe, on processes and on policies, and also on procedural awareness. So how the contractors engage with tenants is very important. There is commitment to collaborative contracting, and changes to the work order portal for subcontractor reporting in order to improve accuracy of commencement and completion dates. There is the authority approval to schedule rate price increases. So that responds to inflationary pressures to some degree because when the contracts were done, it is a different world now.

There is a head contractor service delivery shift from use of subcontractors to self delivery. We have had direct hire of trades as well to address subcontractor capacity concerns. So the head contractors have directly employed some trades themselves to be able to respond, I think, to maintenance priorities, particularly in regional areas. Sorry, it is six months.

Mr TELFER: You are talking about the abatement period, the grace period, which is what you are about to hop up on again. At the bottom of page 397, it states that the contracts are no longer in the abatement grace period which ended on 30 June.

The Hon. N.F. COOK: Correct.

Mr TELFER: Has your agency applied any abatements to underperforming HCMS?

The CHAIR: Is this for the period to 30 June 2023?

The Hon. N.F. COOK: Yes. There is a sentence in there. I am happy to respond to it, it is important, but I cannot and I will not respond with actual amounts. But, needless to say, we are following the contract. We've been very forgiving in that contract to make sure people are getting the best possible opportunity to deliver this service, this big machine that is required across tens of thousands of homes. But there are now processes in place. Since the grace period, which I understand was at the end of June-ish, there is now a process in place just to work around.

Again, I think the member would understand, we want this to work. We want this to work for the tenants, the head contractor and the subbies, so it is important that any abatement process is well communicated and supported by our team to make sure that this is a sustainable process going forward.

Mr TELFER: The Auditor-General notes that there are a high number of overdue tasks for urgent high priority work. Can you confirm that this includes tasks which, according to the agency's definition, are immediately dangerous and may affect someone's health and safety such as exposed electricity wires? What is the maximum number of outstanding Priority 1 tasks at any one point?

The Hon. N.F. COOK: I am happy to provide an answer on notice in regard to numbers. Of course, these numbers bounce around. Over what time frame? So what was the maximum number of P1s?

Mr TELFER: Yes.

The Hon. N.F. COOK: In terms of the P1s, obviously we take it really seriously. Sometimes additional support with the contractors and additional communication does need to happen in order to provide some support around the understanding of some of the consequences to the tenant. That comes as well with some of this education around the policy, the procedure and also the face-to-face contact with the executive teams of the head contractors, and I have made it really clear we need to get those jobs attended to.

Mr TELFER: Minister, what are the requirements for either Housing SA or the HCMS to keep tenants informed about the status of their work requests and/or work orders?

The Hon. N.F. COOK: Again, it is a general response, but certainly built within the contracts are expectations related to appropriate, effective communication with tenants to let them know if there will be any interruption to any of their services, whether or not they need to be off the site in order for work to be done, any of those sorts of occ health and safety issues and comfort issues that need to be done. There are certainly expectations built into the contracts.

I do not have all the contracts in front of me and, as you can imagine, some of these matters would be in confidence, but there are absolutely expectations in terms of the tenants being kept informed and understanding of the work going on. That is our expectation and we spell that out. If a tenant comes to us with any issues, or comes to their housing officer with any issues around this or the maintenance team, that is fed back to the contractors. We spell out very clearly what our expectations are, and if they are not being met, then again we would advise that that is the case.

Mr TELFER: Referring to page 404, minister, there is a statement from the Auditor-General:

> Other movements in total income for 2023 included:
>
> - a net gain from disposal of assets of $30 million ($28 million). Proceeds from selling properties support the SAHT's financial viability strategy…

You have previously talked about the fact that your government is not selling more SAHT properties, but the Auditor-General Report says otherwise. Can you explain it?

The Hon. N.F. COOK: We refer to the 30 houses as the Marshall-Lensink sales plan. They were sales that were already baked in and well underway. We stopped 580 of them over four years. We went to the election with a commitment of $135 million to build the 400 homes, to bring 350 vacant homes up to standard—some of those empty for the whole of the last government—and 3,000 small maintenance jobs to increase the amenity and the affordability of the homes. We are well underway and we are well on track with that. However, as you would know, a big animal like

this, a business, is like a Mack truck, and you just have to put the brakes on a little bit and slow it down gradually—

Mr Telfer: I wouldn't drive a Mack truck. I would drive something a bit better than a Mack.

The Hon. N.F. COOK: What sort of truck do you drive?

Mr Telfer: I will talk to you about that afterwards.

The Hon. N.F. COOK: Show me pictures. I like a truck. So the big truck comes to a quick stop and it jackknifes and causes chaos, and the chickens fly everywhere and there is rubbish all over the road and people die. It is terrible. So we brought the big truck to a gradual stop and that stop was much gentler.

There were 30 homes that were sold in that first little period in the Marshall-Lensink viability plan, but I am very pleased to report that we do not have to sell homes to maintain the viability of the trust. We have also, as I have explained a number of times, put that $136 million, plus another $55 million in the budget, now we have $136 million from the feds—sorry, the total is $177 million. About $135 million is on houses and the rest is maintenance and stuff. There is hundreds of millions of dollars of new money into the account.

This is not funny money. If you wish, you might want to have a look back into history and see the funny money where the so-called generous Treasurer with ice in his veins brought the money forward from a few years in advance and pretended—and they all pretended—that there was extra money, but there was not. It was funny money; it was money on paper brought forward so that they had this supposed pipeline to deliver.

They went to the election with 80 words, which in summary was, 'We'll keep doing the same sort of stuff.' That did not include increasing the numbers of public housing; it did not include increasing the quality of the public housing. We went with a comprehensive plan, we are now delivering it, and we do not need to have viability sales at all in terms of the trust.

I have been very careful to not say, 'We won't sell public houses,' because sometimes there is public housing in spots that is not appropriate: it is not going to work for the future of the South Australian Housing Authority, it is not in a spot where families can take their kids and go to school, it is not in a spot where people can access the shops without having to spend bucketloads on cabs and other transport. We have changed how we are doing it. We are not going to have viability sales. There were 30 that happened; that is the 30. It is the Marshall-Lensink sales plan.

Mr TELFER: I was going to go to some disability questions in the last couple of minutes, but perhaps I will continue on with housing. I will save those others for question time. Page 404 talks about the utilisation of tenanted properties, and there is a worrying number about the underutilised three and four-bedroom properties. What is the government doing about these underutilised properties? Does the government have a strategy on better utilising these?

The Hon. N.F. COOK: Yes, people are ageing in their homes. There is quite a number of single, older tenants; in fact, you would be aware of those in your own backyard. These people need probably small, two-bedroom properties with virtually no backyard. Then we have a bunch of vulnerable families who are on our waiting list that need to get into good-sized homes with plenty of bedrooms.

We have switched up our mix of what housing stock we are building. We are focusing on building a lot of two-bedroom homes with the hope that people might find that attractive and want to move into them—much easier to maintain. We are focusing as well on building fours, so there is a combination of twos and fours.

Mr TELFER: That is the only strategy you have for addressing the underutilisation?

The Hon. N.F. COOK: No, but that is the only time I have left, sorry.

The CHAIR: The time allocated for the examination of that part of the Auditor-General's Report has expired. We call the Minister for Small and Family Business, and I assume the member for Heysen is next.

Mr TEAGUE: I indicate at the outset appreciation for the presence of those here in the chamber accompanying the minister in the context of this analysis of the Auditor-General's annual report. Perhaps a question at the outset about the structural rearrangements that have occurred within the Attorney-General's Department consequent on the minister establishing those separate areas of ministerial responsibility. I am at page 14 of the annual report Part C: Agency Audit Reports.

In relation to the establishment of the office with agency responsibility for small and family business, the separating of CBS and the definition of the minister's office, is it the case that CBS is continuing to operate under AGD and therefore does not get a mention at page 14? Is there anything the minister can indicate to the committee in relation to the establishment of the Office of Small and Family Business that might be relevant to what the Auditor-General is addressing as key points there at page 14?

The Hon. A. MICHAELS: Consumer and Business Services remains within AGD, so there is no change in that to what there was prior. The Office of Small and Family Business is a small team within the Department for Industry, Innovation and Science. Adam Reid is my CE in respect of the Office of Small and Family Business. It did have creative industries. That has now moved over into DPC, so DPC now has arts and creative industries together; that is a recent change. CBS remains where it was and that is in AGD. My ministerial office and my connections are through to Caroline Mealor as CE of AGD, but I obviously have Damien as the DPC CE and Adam Reid and Caroline Mealor.

Mr TEAGUE: Thanks, and I had not gone to Arts but Arts is shrouded in a similarly—within a DPC frame, it perhaps might be described as an unusually below the radar combination of portfolios that are comprised therefore partly of the DPC side and partly within AGD. Perhaps to underscore that—and I am at page 1 now—I wonder in terms of the Auditor-General's reference to agencies not included in this report, the Auditor-General has given the usual expression in terms of discretion to exclude some agencies. Is there anything in respect of particularly small and family business which I understand not to be the subject of the Auditor-General's annual report that is addressed or that the minister anticipates is going to find its way into any current or subsequent assessment by the Auditor-General? When are we going to hear financial reporting in that respect in particular?

The Hon. A. MICHAELS: So the entire Department for Industry, Innovation and Science is not referred to in here. As a small agency, DPC as an entirety is, AGD as an entirety is, DIIS is left out in terms of this. It does have financial statements on the Auditor-General's website, I believe, from memory, so that is available but not included in this. All of Department for Industry, Innovation and Science is excluded. My bit is the Office of Small and Family Business; the Deputy Premier has the rest of it.

Mr TEAGUE: I had a bit of a look in that direction as well. So that is then the context within which we are here. I am at page 16 of Part C: Agency Audit Reports. On the CBS side, the Auditor-General has addressed the Residential Tenancies Fund and makes observation that bonds lodged as at 30 June total $284 million. You might get there quicker than I do. I think there has been some growth, I think if we go to about point 7 on the page, there is an observation:

> CBS implemented actions throughout the year to manage and reduce the balance of unclaimed bonds. Even with these actions, the unclaimed bonds liability for bonds greater than 12-months old increased by $1.5 million from the previous year.

Can the minister explain the actions that have been taken and whether or not there is then the prospect of turning that trajectory around?

The Hon. A. MICHAELS: In terms of the actions that have been taken, some were commenced under the former government in terms of an unclaimed bonds portal. That is part of the CBS website where you can go and put your address in and see if you have an unclaimed bond. That had a soft launch in January 2022 and communications have been sent since. I think March 2022 was the first lot of proactive communication to get people aware of that bonds portal.

The second phase involves an update of the CBS bonds management system. That allows CBS to contact individuals where they have either a mobile phone number or an email, so they are communicating by text or email. If you have an unclaimed bond for seven days or more, there is some proactive reaching out to those tenants to try to get them to claim through that process. That

was started in May 2022. That is much more proactive than what CBS has been in the past. Of course, if people do not have an up-to-date email address or a mobile phone number with CBS that causes difficulties.

The last phase that is underway is contacting those with historical bonds, so they may be many years old. Again, we are looking for mobile phone numbers or emails and CBS is proactively contacting those people where they have that information on file to get them to claim those historical bonds.

We have done a marketing campaign to promote the ability to go and search for your bonds and encourage people to go and make claims on their bonds. There is a software digital solution OneCBS, which is in progress to be implemented to manage unclaimed bonds. There is also some work being done in the bill that is before the house at the moment in relation to bonds to try to get the information that we need to be more proactive. I will not talk about that because it is before the house, but that is being done.

In terms of the increase, I would say it is a combination of factors. One is that rents are increasing and therefore a bond amount that you pay is four weeks of your rent, which is a higher amount. That is causing an increase.

Mr TEAGUE: I wonder then just for the record is it to hand what the amount of bonds lodged was as at 30 June 2022?

The Hon. A. MICHAELS: Total bonds lodged is the $284 million referred to on page 16.

Mr TEAGUE: That was 2023.

The Hon. A. MICHAELS: No, that is a total figure. What was lodged in that financial year?

Mr TEAGUE: No, what was the figure as at 30 June 2022?

The Hon. A. MICHAELS: It was $248 million at 30 June 2022.

Mr TEAGUE: While we are proceeding on the increase, we have gone from $248 million to $284 million, and that is contributed to by those factors; I appreciate that. Just to flesh it out in terms of those actions, firstly, the minister has indicated a particular focus on those historical bonds. Is there an identified number of such tenants who have been contacted, or attempted to be contacted, and is there a sense of the proportion of the total? How successful has been the process of contacting historical bonds depositors?

The Hon. A. MICHAELS: I do not have figures as to how many people have been contacted. I am not even sure we can get that information. I can give you some figures of unclaimed bonds over 12 months, just to give you a comparison figure. For 30 June 2022, it was $14.3 million in unclaimed bonds over 12 months old. At 30 June 2023, it was $15.7 million in unclaimed bonds over 12 months old.

Mr TEAGUE: Again, perhaps pushing a point or seeking to understand, if there has been an effort to focus on those historical bonds, there might not be a number available in terms of the number of people contacted, but what sort of methodology has been applied to try to zero in on that particular subset?

The Hon. A. MICHAELS: I can come back to that. I will just give you some further information in terms of the total bond applications that have been made. As at 27 October 2023, in the 21 months prior, there were 15,990 applications, of which 84 per cent have been paid out and the rest are being finalised, with issues around validation or requiring further information. So in terms of numbers of applications, it is almost 16,000 for that 21-month period. In terms of what we are doing for those historical bonds, it is what I said earlier, which is if we have a mobile phone number, there is a text; if we have an email, we will email. Otherwise, it is the proactive marketing and our social media campaign to try to get people to engage and make their bond claims.

Mr TEAGUE: Apart from the dollar figure outstanding on a time basis, there is really no other more particular way of measuring the success. The real measure is: what is the dollar figure for that particular age of outstanding unpaid bonds?

The Hon. A. MICHAELS: Coming back to that 21-month figure up until 27 October—since we have started this unclaimed bonds project, which is about three years, we have returned $19.1 million.

Mr TEAGUE: I think the minister has referred to it, and I notice it is also there at the fourth dot point at about point 9 on the page, still at page 16: the marketing campaign to promote unclaimed bonds. Is there a cost to the marketing campaign, and what sort of form has it taken?

The Hon. A. MICHAELS: Social media on the CBS website, Facebook—I assume it is largely Facebook—and Twitter/X. I have done media on it, a press release. The commissioner has done separate media on it. So that is social media and traditional media.

Mr TEAGUE: Yes, but not TV advertising, radio advertising—a marketing campaign in that sense?

The Hon. A. MICHAELS: No.

Mr TEAGUE: I have asked about cost. I mean, it is possible to have paid advertising on social media, or to boost posts and that sort of thing. Has there been actually any money spent on marketing as such?

The Hon. A. MICHAELS: We don't think so, but we will take that on notice and if there is an amount we can provide that to you.

Mr TEAGUE: I think mention has already been made of OneCBS, the digital solution, and I note that the Auditor-General refers to the planned implementation of OneCBS by 30 June 2024. Is that on track to commence on time?

The Hon. A. MICHAELS: Yes, that is on track to commence by 30 June 2024.

Mr TEAGUE: Is there an indication as to the cost of preparation and implementation, and is it running so far in line or in excess of budget?

The Hon. A. MICHAELS: I might take that on notice. I am not actually sure I can answer that not being in the 2022-23 year, but I defer to the Chair on that.

The CHAIR: Which year are you referring to?

Mr TEAGUE: Sorry, chair. I was at page 16, point nine on the page and directing my question to the progress towards implementation of OneCBS digital solution. The minister has indicated that is on track to commence on 30 June 2024. My question relates to costs, and I might say costs incurred in the relevant year if that is helpful. I would perhaps submit that it is a reference in the report to being on track.

The Hon. A. MICHAELS: The advice I have been provided is to 30 June 2023. That is the relevant period, and I am happy to do that. Also, the OneCBS project is beyond bonds: it is an entire CBS digital solution as well.

Mr TEAGUE: Yes, so that we are clear about that. We look forward to seeing all of that in all its glory. There will therefore be an opportunity to analyse the cost of all of that process in due course, but I appreciate the indications as to the end of the 2023 year for the time being.

I would just like to address some questions to the administration of gaming machines, and I refer to page 24 of Part C, and time permitting I will go to the Residential Tenancies Fund just in the same couple of pages. That is where I am for the balance of the time permitting.

I notice that the Auditor-General indicates that in the case of what we will call aged machines there is a requirement to return winnings not less than 85 per cent, and that is ticked up to 87.5 per cent in the case of machines installed after that. Is there an indication of the number of such aged machines pre 2021 and the more recent captured by that slight increase?

The Hon. A. MICHAELS: I will have to provide that information to you. I do not have it with me at the moment, but we can provide that on notice.

Mr TEAGUE: Apart from a breakdown of the machines we see, I think, set out in the table on the next page the relevant figures in total in terms of turnover and amount won. It might be

mathematically possible to determine the breakdown by reference to those figures—I am not going to attempt to do it on my feet—but, if that comes in at about 86 per cent or something, then one would know fairly quickly what the breakdown on the numbers is. I might just ask the minister to confirm that what we see in the table on page 25, in the row described as 'Amount won', is the relevant 85 per cent or 87.5 per cent?

The Hon. A. MICHAELS: Yes. As a total of all machines, that is correct; that amount won showing through 2020 to 2023.

Mr TEAGUE: Going to the top of page 25, we know that under the trading system the purchase price of a gaming machine entitlement is not fixed. Is there an indication, perhaps call it a 2023 year indication, of the going price for a machine and has that fluctuated greatly over the course of the year?

The Hon. A. MICHAELS: For the latest trading round, which happened to be in November 2023—slightly outside of the Auditor-General's Report—I can give you that figure of a purchase price of $48,333.33 and a seller price of $36,250. That was slightly higher than the last trading round, which was November 2022, which was $40,000 as a purchase price and $30,000 as a seller price. For 2023, that involved 33 being sold; in the November 2022 one there were 76 sold. Nine were cancelled in 2022, eight were cancelled in 2023, so that is the one in four that comes out as part of the trading scheme.

Mr TEAGUE: In the table immediately below on page 25, the number of machines installed has remained relatively steady. I note that there is a material decrease from 2021 to 2022 and a similarly material increase in 2022 to 2023. Is there a way to understand that in the context of the cancellations the minister has just referred to?

The Hon. A. MICHAELS: It is hard to say for what reasons the market wants to buy in at different points in time. I suspect some of that has to do with coming out of COVID and the increases there. I am not sure I can give you much more information as to why those numbers have jumped around other than that. We are currently looking at some trading round reforms on GME tradings. There was a public discussion paper. Consultation has now closed—I think on 3 November—and the commissioner is looking at that to make recommendations to get down to the statutory number that is legislated.

Mr TEAGUE: To round out references that I will make to the table, I look at the row just below the row headed 'Turnover'. We have seen a really quite material increase in turnover from 2020 to 2023, more particularly a material increase from 2022 to 2023. Is there any particular reason for that 2022 to 2023 increase?

The Hon. A. MICHAELS: I have been advised that the increase in activity from 2020 through to 2023 follows an unusual period of time. As we are aware, there were COVID pandemic impacts and also a substantial stimulus of cash being put into the economy by governments through that pandemic period. That obviously had an effect on people's behaviour in terms of gambling and people not being able to travel overseas for an extended period of time, who may have instead spent that money on travel within Australia and on other forms of entertainment, including gambling.

In the first quarter of 2023-24 (again outside of the Auditor-General's Report) there has been a slight decline of 1½ per cent in revenue, compared with the same quarter in 2022-23. It has gone from $246.7 million down to $242.8 million in those comparison quarters.

Mr TEAGUE: I turn to the Residential Tenancies Fund. I note that the fund is administered by the Commissioner for Consumer Affairs, among a small number of other things that are going on. We have addressed the security bonds. Regarding other amounts paid to the Residential Tenancies Fund, is there an indication of any other material funds that are paid, as referred to by the Auditor-General? It is in the first paragraph under the heading.

The Hon. A. MICHAELS: Sorry, was the question about amounts?

Mr TEAGUE: All other amounts—are there any other significant contributors?

The Hon. A. MICHAELS: Just the bonds and the interest and earnings on that money.

Mr TEAGUE: We see reference to income from investment. I would come back to that question about other amounts paid into the RTF. The Auditor-General seems to be drawing a distinction between that and income derived from investment. I would ask that you might revisit that question. I will go on to ask: are the costs of administering and enforcing the Residential Tenancies Act—as well as the costs of educating the stakeholders, landlords and tenants and other functions—less than the income derived from investing the funds? Is it operating at a net increase? If so, is that possibly an explanation for the other amounts that are received by the fund?

The Hon. A. MICHAELS: I can give you some information on that. In terms of recouping from the fund for administering the Residential Tenancies Act, CBS recouped $2.4 million in the 2022-23 year. There was some additional recoupment for SACAT to fund that part of SACAT's work. That was $3.3 million recouped from the fund by SACAT, based on the number of matters received relating to proceedings under the Residential Tenancies Act and also under the Residential Parks Act and the Retirement Villages Act. So that is recouped from the Residential Tenancies Fund.

In comparison, we have investment income recognised by the fund. For 2022-23, we had interest and investment income which amounted to $8.5 million, which is substantially higher than 2021-22 which was $4.3 million. I suspect that might be some interest rate increases as well as other things. We had a net loss on the revaluation of investments of $4.2 million, again for 2022-23, compared with $4.4 million of that net loss and revaluation for 2021-22. So certainly more income in terms of $8.5 million versus $5.7 million total recruitment out of the fund.

The CHAIR: The time allocated for the examination of this part of the Auditor-General's Report has expired. I call on the Minister for Trade and Investment and the member for Chaffey.

Mr WHETSTONE: Thank you to the minister and staff. I will start off with the Department for Trade and Investment, machinery of government changes, Report 8, Part C, page 489. Minister, how has the transfer and functions from the Attorney-General's Department impacted on Trade and Investment's operational efficiency and budget?

The Hon. N.D. CHAMPION: Essentially what is happening is that Planning and Land Use Services come into Trade and Investment. They are a single department but, if you like, there are two different sections. Planning and Land Use Services has not changed dramatically in its size and composition. Trade and Investment has changed a little but I can run you through the exact figures, if you like. Do you want me to do that?

Mr WHETSTONE: Are they in the report?

The Hon. N.D. CHAMPION: Yes.

Mr WHETSTONE: Thank you, minister. Will the additional functions divert any resources away from Trade and Investment's core business?

The Hon. N.D. CHAMPION: No.

Mr WHETSTONE: What performance metrics are being used to assess the impact of the services on South Australia's Trade and Investment? Obviously Planning has come in through the Attorney-General's Department. What metrics are used to assess the merge?

The Hon. N.D. CHAMPION: In terms of the machinery of government changes, there has been no impact on Trade and Investment and no impact on Planning either. Essentially, what is happening is that with Trade and Investment, we have obviously invested in Invest SA. We have made some extensions to the overseas offices. We are still running all of the services that we did beforehand. We have the South Australian wine ambassadors and a whole range of services, and Planning continues to run all of their services as well. In terms of the machinery of government changes, I do not think the public, business, consumers or anybody else has really noticed that there has been much change. It is an administrative change to run a department.

Mr WHETSTONE: Minister, moving on to functional responsibility. Page 490 states Trade and Investment's 'functions include facilitating economic growth in South Australia by helping to attract local investment…' Can you tell me how much investment in the last 12 months has been attracted into South Australia?

The Hon. N.D. CHAMPION: I think we had a press release out saying over a billion dollars. That was done through Invest SA and I am happy to send you a copy of that. Obviously, we want to maintain investment in South Australia. It is really important. We have a growing economy. We have added growth in exports as well, and the lowest unemployment on record. In terms of trade and investment, I think we are doing well and the department is providing all the services that it did beforehand.

Mr WHETSTONE: Minister, it says 'enhancing export opportunities'. Is that nurturing new exporters, or is that assisting existing exporters to grow, or all of the above? Can you give me an understanding of what 'enhancing export opportunities' means?

The Hon. N.D. CHAMPION: It is all of the above. Obviously, what you want the department and the trade and investment arm of it to do is if someone wants to export, you want them to nurture that and give expertise and advice. Likewise, when we have investment coming in—and that is why we have created Invest SA. We want to have officials from Trade and Investment—Chris Wood, who I think you or one of the other members of the opposition asked me about last year. We have recruited Chris Wood to run Invest SA, and the reason why we did that is because we think he is well qualified to court investment from around the world.

Mr WHETSTONE: That same paragraph there states 'creating employment opportunities'. Are you able to tell me whether there is a number of employment opportunities that have been created? More so with new exporters or opportunities, what evaluation do you put on existing businesses or new businesses that travel on trade delegations? Are there criteria that you put on an invitation to a trade expo or a trade delegation to trading countries?

The Hon. N.D. CHAMPION: Obviously, it depends. There are a number of trade and investment opportunities such as conferences, whether they be on wine, hydrogen, renewable energy, tech or defence. There are a number of them around the world. What we do is we invite companies that we think are best qualified and best ready to make the biggest impact on behalf of South Australia. So they apply, the department does an assessment and then assists them to go to event X or conference X or industry event X in the country. Of course, we have overseas offices which assist companies as well when they are there.

Mr WHETSTONE: Finally, on the trade side, obviously you must have a brief or a list of exporters or traders out of South Australia that go with your trade delegations. Is there a list that is an ongoing invitation, or is there a new evaluation, on an annual basis or on an ad hoc basis, to ask businesses to travel with you?

The Hon. N.D. CHAMPION: There is no set list because, for instance, with BIO USA there are only a select number of companies that might be interested in doing that. I think we had a record number of companies this year go to BIO USA. It was a very successful conference for us. We will invite the industry and then we will best select who might be best able to make an impact there. But obviously, we are here to assist South Australian business and we do our best to do that. We are not in the business of playing favourites; it is done on whoever is going to make the biggest impact for South Australia in terms of exports, investment and economic activity.

Mr WHETSTONE: If I can, I would like to move into Planning. I refer to the ePlanning system in Part C, page 491. Can you elaborate on the vendor performance monitoring weakness in the ePlanning system?

The Hon. N.D. CHAMPION: You have given me a technical question. I might take that element on notice. Essentially, there were 14 audit findings. There were no high-risk findings; there were some medium-risk ones and some low-risk ones. As part of running an ePlanning system—I might add, we are the only state in Australia that has an ePlanning system. We have a very good planning system, judged by the Business Council of Australia to be basically the best in the country. But obviously, if you have an ePlanning system that means you have to be pretty aware of cybersecurity. There is a team within PLUS who attend to those. Obviously, we have taken note of the Auditor-General's Report and will act on those findings.

Mr WHETSTONE: I have asked you about the vendor performance monitoring and you have said that this is an overall type of monitoring system. What about job monitoring or the patch management weakness within the system?

The Hon. N.D. CHAMPION: Basically, that is a software—something that IT people understand. Essentially, you want to test something before you go live with it. Within PLUS they test before they go live. They are rigorous. It is an ongoing process, because the nature of cyber threats is that you have to constantly update systems. That is the process that they undergo. Obviously, we are happy to take the Auditor-General's findings and act on them, but there is already a pretty comprehensive set of work that goes on.

We are up to nearly 500 changes in the ePlanning system from its inception to now, and obviously it has gone over previous governments. It was conceived of in one government, enacted in another, and it is now ongoing, so it is the product of the good work of the parliament and the good government here in South Australia. It is a system that is constantly updated and refined, and that is the only way you can protect yourself against cyber threats.

Mr WHETSTONE: Are you able to give me an understanding of how often the planning system is patched? Is that the 500 number?

The Hon. N.D. CHAMPION: The 500 is enhancements to the system. Sometimes it is just updating and making things more user-friendly. I think when we launched the Greater Adelaide regional paper, you had to go through a few links to get to it and an enhancement was to make that more straightforward. As to the remainder, I think probably the best thing to do, given it is cybersecurity, is to offer you a briefing on that and also to take the question on notice.

Mr WHETSTONE: Minister, am I covering it when I ask: is there any process weakness in dealing with disaster recovery or backup restoration through that process?

The Hon. N.D. CHAMPION: We have a robust system with some pretty comprehensive contingency plans, but it has been running for three years and—touch wood—it has not had a failing yet. Obviously, cybersecurity is an ongoing challenge. It is an ongoing challenge for every government department, for every system in every jurisdiction across the world and so PLUS has been rigorous. They have a rigorous approach to making sure that the system is robust and secure.

Mr WHETSTONE: Minister, with the Auditor-General's Report this year he has stated that you have not identified the weaknesses in last year's report and they have not been addressed. Will they or when will they?

The Hon. N.D. CHAMPION: The work to date includes two medium-risk items related to disaster recovery testing across two systems, and one medium-risk item with regard to software updates, which are patches, and one low-risk item with regard to change management. Basically, we are working through those findings and they are expected to be completed by March 2024.

Mr WHETSTONE: Are you aware of any breaches regarding the system to date, any actual breaches?

The Hon. N.D. CHAMPION: No.

Mr WHETSTONE: If we can move to page 492 and the financial performance table, as the department's expenses exceeded its income in 2023, what measures will you put in place to ensure that better budget management and financial stability does not watch this continue?

The Hon. N.D. CHAMPION: What that relates to is at the moment the fees that we raise for running the planning system are not equal to the costs of the planning system, so obviously that is an imbalance. At the moment that is borne by the government. There is only one other way of doing that, which is to charge users more.

Mr WHETSTONE: Obviously, you have spoken a lot about savings measures, especially in estimates. Given the income increase of $135 million from 2022, how were these additional funds utilised?

The Hon. N.D. CHAMPION: So that is just an appropriation coming in for the MoG, basically.

Mr WHETSTONE: I will move on to urban renewal, if I may. Page 514, Part C, how many of the developments that have a component of affordable housing will require federal funding to make them financially viable?

The Hon. N.D. CHAMPION: The 15 per cent, which is already in the planning system, there is a requirement on private developers to do 15 per cent affordable and it is also a requirement on Renewal SA, so that is not something that is contingent on funding from the federal government. What the HAF funding will mainly do is to back in projects where we might partner with a community housing provider. Essentially, it will be about driving higher levels of affordability. There are two types of affordability: affordable sales and affordable rental.

The state has been doing a lot of affordable sales. It has been a component of the system for some time now. Affordable rental is being done a little bit but that needs to be a growing category and obviously that is what the federal government funding will facilitate.

Mr WHETSTONE: Are any of the projects that we talking about here not viable without federal funding?

The Hon. N.D. CHAMPION: No. What the federal funding will allow us to do is to drive greater levels of affordability. Obviously the HAF has currently passed the Senate. It is currently in its construction in terms of regulations and the actual facility, but what that will do is allow us, particularly in future projects as well, to drive greater levels of affordability and, like I said, expand the affordable rental category, which is the element that, if you like, is a missing part of the puzzle of the housing market at the moment.

Affordable sales are no good if people cannot afford to save a deposit. If you are in a rental market that has low vacancy and high rent, then that obviously prevents some people from getting enough money in their bank account for a deposit. That is what it will allow us to do.

Mr WHETSTONE: I will move to page 518, Part C. Of the land projects held by URA, do any have a negative net realisable value?

The Hon. N.D. CHAMPION: No, post the last valuation.

Mr WHETSTONE: Are you prepared to table the net realisable value of each project? Or, can you list the sites that are the most commercially valuable?

The Hon. N.D. CHAMPION: I would not want to do that because I do not think it serves the interests of the state. The reason being is that we enter into commercial arrangements on many of these projects and the release of information might affect our ability to get the best possible deal for the taxpayer and also the best possible outcome. Obviously, I am happy to talk to the opposition about that and provide briefings and the like, but I think one must be cautious about these sorts of valuations, particularly as we are going out into the private market.

Mr WHETSTONE: Why has the government approved the decision to nearly double URA's debt ceiling?

The Hon. N.D. CHAMPION: The answer is: we are in a housing crisis and the housing crisis touches every area in South Australia, including the member's electorate where we are doing a project.

Mr WHETSTONE: Not enough.

The Hon. N.D. CHAMPION: You would say, 'Not enough.' I am sure then you will back a bigger debt facility for Renewal. The reality is we are making land acquisitions, and along with land acquisitions obviously you have to have investments to get the development on those land acquisitions. You have to do civil works, you have to engage with builders and a whole range of things, and it varies from site to site. Obviously, regional South Australia has particular needs. So does outer suburban South Australia and the city.

We are seeing a great arc of projects, from Bowden, which we are finishing off, right the way through to the West End Brewery. You will be able to go right round the city to Keswick. That is a massive undertaking. It is being done in response to the housing crisis because we have to drive a

number of things. We have to drive the overall market because there is a greater demand for housing because of falling household formation rates.

We have a growing economy. We have positive population growth. We have a falling household formation rate. They are all big drivers, so we need to have a big drive into the market. We have to drive particular segments of it. Obviously, we have to cauterise the great losses that have occurred in public housing and grow public housing. We also have to grow affordable rental in the city, the suburbs and the regions. We also have to drive affordable sales along with driving an overall market outcome.

The West End Brewery will not just be an affordable housing project: it will be a market project, and it will be a great place to live. It will be like one of those premium places to live because it will be a community that will have everything from KCs to cleaners, which is a good thing. That is the heart of Australia. We want to live in mixed communities with mixed incomes, with great urban design, with life in them, good amenities, in mixed-use communities. I think that when we complete these projects, they will be seen to be very wise investments.

Mr WHETSTONE: You mentioned the West End Brewery. Where does the West End Brewery sit in the order of realisable value compared to other projects, like the Franklin Street bus station and others? I could name a number, but I will not. Let's stick with the West End Brewery. Where does that sit in the order?

The CHAIR: The West End Brewery is in the audit report, is it?

The Hon. N.D. CHAMPION: Along with Franklin Street and a range of other projects, obviously we get independent market valuations, then we master plan these sites and we bring them to market. There is a bit of talk around the place about, 'Why Renewal SA?' I would argue an urban renewal authority has to do urban renewal. Franklin Street is our first project in the city in the history of the urban renewal authority. We cannot just be out there planning outer suburban communities: we have to play a role in the city. We have to play a role particularly at the edge of our city, and the West End Brewery site is a critical component.

You can see, like I said before, that arc from Bowden right round the edge. Port Road has had public transport on it and has had rezoning now for five years, and nothing has happened on that road. That is not good enough. There is not a better boulevard in South Australia. It is sensational. It is a real opportunity, and I want to see private investment pour in there. It is a catalyst site. We think it will be a great investment for South Australia, but these investments are not just financial investments. It is not just about numbers. It is about the nature of the city, it is about urban renewal and it is about great civic spaces with life and ultimately great urban communities.

Mr WHETSTONE: Minister, would it be practice for you to meet with developers prior to the sale of any of these sites that the government have purchased?

The Hon. N.D. CHAMPION: It would not be. Obviously, being planning and renewal minister you do meet with developers, but all those meetings are in my diary which I think you have FOI'd, so you would be aware of them. Obviously, I seek probity advice from the urban renewal authority, from Mr Menz and others, prior to meeting with anybody. If the probity advice is that I should not meet with them I do not.

Mr WHETSTONE: Moving on to the Regional Key Worker Housing Scheme on page 526 of Part C, why is the government focusing only on government employees with some of these regional housing schemes or the housing scheme? It appears that the government are focusing only on government employees. What is the government doing for industries that also require housing, agriculture and related supply services? Currently, education, health and the like are a priority for the government to supply regional housing.

The Hon. N.D. CHAMPION: The government has taken a number of actions to assist regional communities. I grew up in a regional community so I think I know something about regional South Australia. The answer is we have done a huge amount of change. In planning, we have changed regulations regarding workers' housing and made that easier to access. We did some changes for Viterra, which triggered off some requests from the council up at Goyder, so we have made some changes there.

In terms of the Office for Regional Housing, we are doing two things. We are doing 35 houses in a range of areas, including the member's own electorate, which are focused on government employees, to build a model that we might expand. This has not been done in some time. The policy cupboard was bare when I got there, so I had to engage with Renewal to create this office, and obviously we have had to create this model. It is the first time we have done it in some time.

So we are building that model to expand it. The second thing we are doing is we are talking to councils, because they also have not been doing much on housing—thinking about housing or undertaking housing. Many of them have pretty good balance sheets or landholdings of their own, but they are unaware of how to bring those to market. There are some vulnerabilities for councils if they get that engagement wrong and so they are often reluctant to do it.

One of the secondary things we have been doing is engaging with councils and giving them advice, discussing with them about particular pieces of land that they might have in their inventory, or Crown land that might be in the towns, and just running that all through an assessment process through the Office for Regional Housing.

Bordertown gives you an example of a project where we have merged, if you like, the government employee aspect of it, because we are putting in a contribution and getting five allotments out of it. Those five allotments kick off the first 15—and there is a great deal of interest from the employers big and small out in Bordertown to provide that 10—and that 10 might kick off a development of 60, which is a block in the middle of the town.

That was done because we engaged with Tatiara council. It was probably one of the first things I did as minister when I went down to country cabinet in Mount Gambier. The member for MacKillop, who at that time was I think the opposition spokesman on regional affairs, wanted me to see some of the challenges facing regional South Australia in his area. I went out with him, we engaged with the council a year later or so, and the outcome is the Bordertown announcement which we did with Tatiara council two weeks ago.

The CHAIR: The time available for the examination of this section has expired. The committee has completed its examination of the 2022-23 Auditor-General's Report.

Sitting suspended from 17:59 to 19:30.

Bills

ADELAIDE UNIVERSITY BILL

Second Reading

Adjourned debate on second reading (resumed on motion).

The Hon. J.A.W. GARDNER (Morialta—Deputy Leader of the Opposition) (19:30): I will be brief in concluding my remarks on the Adelaide University Bill. As I said at the outset of this second reading contribution, I direct those members of the community who wish to understand the Liberal Party's position on this bill, in full and in great detail, to the joint committee report and the minority report written by the Hon. Jing Lee and myself. I encourage people to have a look at the *Hansard* of the debate in the last sitting week, where, in the noting of that, I went into some detail on the Liberal Party's position on this matter, ostensibly to save us from having to go through it all again today. So today I have endeavoured to be succinct and to the point in identifying the key issues pertinent to the bill.

I have not gone through the bill clause by clause, the Deputy Premier will be pleased to note. We have an opportunity tomorrow to go through the committee stage, and we can highlight a couple of key points going through there. I should not think it will be an inordinate amount of time, but I think there are a couple of key issues around the nature and the framing of the bill that need to be teased out.

The Legislative Council debate of course had a great opportunity to go through the bill clause by clause, in great detail. I understand there were a large number of amendments moved by different members, some of which were supported and successfully incorporated into the bill. I thank the government and other members in the Legislative Council for their support for a couple of key

amendments to the bill, moved by the opposition, in particular highlighting the social aspect of what a university seeks to achieve. In my speech earlier in the day I sought to elucidate some of the key reasons why we thought that was important.

In relation to the audit of the university, the original bill as framed gave the university council power to choose their own auditor. The Liberal Party suggested that it was more appropriate that the practice of using the Auditor-General be required of the university, especially considering the significant amount of investment from the state government that we see in this report. It is absolutely no reflection on the sort of audit that the university council might have sought; it is just that the Auditor-General is of a standard that is anticipated and expected by the people of South Australia in relation to government agencies.

This brings us to the question of whether a university is a government agency. If not, is it a business? If not, is it a non-government organisation? It is none of those things. It is a university, as the Deputy Premier has said. But kind of, in some ways, it is like a government agency: it is established through an act of the state parliament, and it exists in its funding through enormous numbers of different things, such as bequests, research earnings, its own earnings, fee for service and hundreds of different mechanisms for revenue. But, at the end of the day, most roads lead to a treasury, either here or in Canberra—mostly in Canberra, in the university's case.

We think that the investment of state government funds means that it is not unreasonable to expect the Auditor-General to do that work, even if the audit from the Auditor-General comes in at a potentially somewhat higher fee than might be found through the non-government sector. The Auditor-General provides the same service to the state government at a cost to the state government, and agencies have that information provided for members of the community. We felt that was important. It turns out that other parties agreed, and I am grateful for that.

I will conclude by summarising the key points. Firstly, we recognise that there was an election commitment from the government for a university commission. We recognise that a merger, a reduction in the number of universities—from three to two, or even to one, but certainly a reduction—was the desired outcome of that commission for the Premier and for the government. Where we are at is an outcome that is certainly a not unanticipated one from the election commitment, but we do not believe it was the election commitment.

Therefore, that highlights the important policy work that was done by the joint committee, and I certainly thank those other members of the committee and the staff of that committee for doing that work. It had a series of suggestions, and I encourage members of the public, the community and the parliament to read them, particularly the Deputy Premier whose job it is to implement many of these things. The process, I think, warrants the government's consideration of the recommendation moved by myself and Jing Lee in our minority report that it comply with Treasurer's Instruction 17 in spirit as well as detail in all things.

Our support from the Liberal Party for the bill—as we will vote for it, in the circumstances I outlined earlier—is because we want it to succeed and we will help support it to succeed, but we on the opposition benches retain significant concerns in relation to some aspects that have not been fully thought through or, indeed, could be improved. We continue to hope that the government will deal with some of those, both in terms of impacts on the community through Magill, which I outlined in my second contribution today, and on country areas and Flinders University, which I outlined in my first comments today.

I reiterate the support the Liberal Party will provide those three avenues of communities in the eastern and north-eastern suburbs, in the southern suburbs and in our country and regional areas, should we be elected to government in March 2026. I highlight particularly the opportunities for AUKUS, agtech and health science research that Flinders University has to offer, and the support that we believe our government will provide to Flinders and what it will enable them to unlock, not just for Flinders but for the state.

Finally, in relation to the new institution, there is an enormous number of people whose lives are impacted by this merger: the students, the staff, the people who feel a deep connection to the university, alumni, the leadership, the academic staff, future students and the businesses who engage with the university. We want this to work. It must work. It is getting the endorsement of the

parliament and it is a significant enterprise with a dramatic impact on the people of South Australia going forward.

We, as the Liberal Party, will work very hard in opposition and in government to identify challenges where they exist and opportunities for improvement, and we particularly look forward to talking about the review in due course to see what impact it might have on the future of the institution. We will hold the government to account as challenges arise, but we do so in a spirit of constructive opposition and we will seek to add to the outcome that the government is seeking to create. With that, I conclude my remarks.

The Hon. S.E. CLOSE (Port Adelaide—Deputy Premier, Minister for Industry, Innovation and Science, Minister for Defence and Space Industries, Minister for Climate, Environment and Water) (19:37): I am delighted to close the debate on the second reading in such a bipartisan and convivial way. I am grateful to the Deputy Leader of the Opposition, who I think has probably always had a view that this might be the right thing to do and was able to test that and form that more firmly through the process of the committee that was established in this parliament.

A number of issues have been raised by the deputy leader in his reasonably substantial second reading contribution, most of which I think will be addressed when we go through the committee stage and, therefore, I will not exhaustively respond to all of them. I will just pick out a couple. One is about the interest in the way in which risk management will be approached from the government's perspective.

It is important to note that we have stated that there will be someone with a strong university background who will be used to act as an independent voice on behalf of the government, to be part of the process of the merger and to be able to do testing from the state's interests of how that process is working. We made that announcement when the two crossbenchers in the upper house agreed to support the principle of the bill, and I think it is an important point that although we did not go through a commission process, we nonetheless recognise that the state's interests are not always identical to the interests of individual institutions.

I will very briefly pick up the point made by the deputy leader on the Auditor appointment. We were pleased to support the Liberal amendment in the Legislative Council. In fact, the existing legislation at present requires the universities to use the Auditor-General. We had in our original drafting attempt to do some futureproofing to enable, should that legislation ever change, a process whereby the Governor could approve a process, but given that it is currently the Auditor-General, and there is no prospect of that changing, we were pleased to support that.

The Leader of the Opposition has raised the question at reasonable length, not only in his contribution to this bill but also in his response to the report from the committee, about the importance of treating the Magill site in particular with some care, and particularly focusing on community consultation. I understand why he raises that, and we have given many assurances to that end—equally for Mawson Lakes—and no doubt there will be some more specific questions asked during the time that we go through the committee stage.

The leader has frequently raised the question of Flinders University, and I have probably talked about this previously, but if the chamber will indulge me to understand the extent to which Flinders is important to me personally as well as to the state. I am South Australian because of Flinders. I am Australian because of Flinders. My parents came here in early 1967. The university opened in 1966 as a sort of extension of the University of Adelaide at that point. My father, having freshly finished his doctorate, was employed when History was added to the disciplines that Flinders University offered.

My mother was finishing her doctorate, not being quite as speedy as my father who is unnaturally fast at that kind of work, and discovered once they arrived that she was expecting a baby—me—and therefore took a bit longer to finish her doctorate, but the family story is I was such an excellent baby that that was easy; I am pretty sure that is not entirely true. Nonetheless, after she completed her doctorate, she was employed in the French department, and the two of them worked their entire working lives at Flinders University. In honour of that, both my brother and I studied at Flinders University, and I obtained my PhD there. Flinders has in every way you can think of shaped who I am. Now, that of course does not mean that I make particular choices in policy terms; it is

simply to indicate the extent of my respect for that institution and the way in which it shapes people's lives.

I raise all of that because there is an understandable concern that when we have two universities, not three, or we return to having two universities rather than three, that they are treated in a way by the state government that enables both of them to prosper. I think we can say that there is this bipartisan view that that will always be the case.

It has been particularly demonstrated through the creation of a student fund for Flinders University of $40 million in order to ensure that disadvantaged students are able to choose subjects, degrees, at Flinders University without being cut off from the support that is currently on the table, and will through this legislation exist for the new Adelaide University, but that is not the extent and the limit of the support that this government—nor I gather an alternative government—would offer to either Flinders or to the new Adelaide University.

What is important is that both sides have expressed support for a strong university sector, and that requires, when there are two, both universities to be strong, independent and capable of obtaining government support as well as, of course, private support at times, and to get a large number of students. That is in all our interests, and I hope we are never in a political situation where either major party thinks that it is worth stepping away from that.

There has been some mention of the election commitment that was made to create a commission. As one of the people who was one of the architects of that policy in opposition, I can say that the reason that we created that device, that institution, however temporary, to address this issue is that from opposition it is very difficult to say that one configuration is superior to another. It is dangerous for any government, let alone an opposition, to simply declare that a certain outcome with major institutions that have an enormous economic as well as social impact on this state, that one solution is the only solution that is possible.

Recognising that and allowing for a mechanism that established that we felt that a merger was likely to be useful, when you have two of the three significant institutions saying that they want to go through a process of determining if they ought to merge, it would be beyond arrogant for a new government to nonetheless say, 'Hold your horses. We're going to have our own process. Don't do anything.' We therefore allowed that process to happen, as it had started to happen in 2018. Although it has never previously gone as far as what occurred in 2018, until recently, there have been these discussions that have been in the background for decades.

Flinders University declared that it was not interested in going into a merger with the University of Adelaide. The University of South Australia and the University of Adelaide said that they were interested. Respectfully, we allowed that to happen, but we have never lost sight of the importance of the state's interests being protected, that although the state's interests are frequently aligned with the universities' interests, and we can only prosper if the universities are strong, nonetheless, we need to make sure that we maintain our own view about what is right or what is wrong in the configuration of higher education.

So we did, through the process of observing their relationship and our engagement with that, our involvement in memorandums of understanding and heads of agreement, and that will continue in the way in which we do a risk management process that will run alongside the merger process. That is the mature way in which to deal with institutions that are large, important and dearly loved.

Let's not forget that international students alone are the biggest export that South Australia has. I do not believe that there is another state that can boast that. Wine comes second. Occasionally, over the past several years, wine has come first and international students have come second. They are our big exports and that is only part of what universities do. With research and teaching of domestic students, they have an extraordinary impact and we have always regarded that as something that needs to be treated with respect, as I now believe the opposition have chosen to do as well.

The fact that the opposition have now chosen to support this means that the two universities as they become a new university can have confidence that this is a bipartisan long-term view. For that I am very grateful because while sometimes in politics it is easy to want to be the one side that

has seen the right thing to do, and done it in spite of the views of the opposition, in this case, as in some others, this is more important than party politics. The micro-economic reform that is represented by creating a new university of these two is not to be underestimated. It will transform our economy over time.

I am someone who has grown up in a university, studied at one university, worked at another, who has friends throughout all three universities, and I have constantly heard about this idea of whether we should have two rather than three after the creation of the University of South Australia. I had been sceptical or at least open-minded to different views about that. I have genuinely formed the view that we will deeply regret not doing this if we do not do it now.

In 20 years, a university system of small universities with some excellent work but nothing with scale would be to the detriment of South Australia. While it will be painful and at times we will find ourselves wondering if it is worth all the effort, it is something that is essential if we want to have a modern, complex, sophisticated and high standard-of-living economy, which I believe everyone in this chamber wants. For that reason, I welcome the Liberal Party, the opposition, choosing to join with the government now to support this effort.

The words of the deputy leader are of good cheer for me, and I suspect of the people who are involved in the merger, that they want to see this as a success. That is essential. If both sides of parliament do not want to see this fail for political advantage, but see this as something that is of value for the state collectively, then that can give great confidence to those two great institutions and to Flinders, which must continue to succeed, continue to grow and continue to teach people.

With that, I simply thank everyone who has been involved. We have not had long second reading speeches and we have had very few people speak. Most of the debate has occurred in the Legislative Council already and in response to the report of the committee. That does not suggest a lack of engagement or interest in this chamber—quite the contrary. I look forward to going into the committee stage and, within I hope the next few days, being able to deliver the University of Adelaide Bill. It will be one of the most important things that any of us have been involved in in this parliament for the long-term future of this state.

Bill read a second time.

Committee Stage

In committee.

The Hon. S.E. CLOSE: Such is the device of parliamentary procedure, I now wish to report progress.

Progress reported; committee to sit again.

RESIDENTIAL TENANCIES (MISCELLANEOUS) AMENDMENT BILL

Second Reading

Adjourned debate on second reading.

(Continued from 1 November 2023.)

Mr TEAGUE (Heysen) (19:52): I rise to address the bill and at the outset indicate that I will be the lead speaker for the opposition. I indicate that the opposition opposes the bill and I will make some remarks in relation to the reasons for that view. I also indicate, as I have to the government, that as presently advised the opposition is not moving amendments in this place, and consider that with a view to the possibility of doing so in another place in due course. I look to flesh out the areas of particular concern in the course of my contribution on the second reading.

Such is the nature of the amendment bill that it is perhaps particularly suited to the consideration of the various discrete topics that are the subject of the bill in the course of the committee process. I flag, therefore, the opportunity in committee to go through those discrete topics, although, as I say, with a view to moving any ultimate amendments in another place in due course.

Perhaps at the outset, I just make the observation by reference to the Residential Tenancies Act 1995, the principal act that this bill would amend, that it is a reasonable body of legislation but

quite straightforward in many ways as well. It is structured according to nine parts, or 10 if you include part 5A dealing with the database, but really concerning itself with firstly the administration and the oversight responsibilities for the legislation. It is consumer protection legislation in large part. It spells out the jurisdiction of SACAT in part 3 and provides for various specific aspects of the enforcement of obligations as between tenants and landlords.

The primary purpose of the act, I just make the observation, is to underscore the mutual nature of the relationship between tenant and landlord; in fact, part 4 bears that title. The bulk of the body of the act is concerned with the rights and obligations of landlord and tenant, and indeed part 5, dealing with termination, is very much characterised in terms of the mutual rights of landlord and tenant, including in some key respects really mirroring the rights of landlord and tenant, one key example of which is the obligation on both sides, as it presently stands, to give 28 days' notice of the termination of a fixed-term tenancy at the end of such a fixed term.

I come in a moment to deal with the changes. We now move to a circumstance in which, for want of a better term, the dial is very much shifted by the provisions, particularly with respect to termination, in favour of the more unilateral rights of a tenant.

There can be no doubt about the fact that, in this environment, there is a healthy dose of consumer protection and there is the need to ensure that, so far as is reasonably possible to facilitate by ameliorative legislation, parties to this particular kind of contract are as equal in their bargaining power as can be in order to make good one of those basic foundational aspects of the law of contract: that parties come freely, they form a consensus, and they contract with relatively equal bargaining power. I underscore the importance of the fact that we are talking about a contract between willing parties and the emphasis in the current legislation on the mutuality of the rights and obligations as between tenant and landlord.

The changes that are the subject of the bill, as I have indicated, shift the dial, and quite deliberately on the face of it, to increase the rights of a tenant when dealing with any individual tenancy contract. The merits of that can be debated, and it is important that we think carefully about making sure that there is no disadvantage as between one party and another, but I just come back to that foundational point: we are dealing with a contract between parties freely entered into, and we ought not impose more than is necessary in order to ensure that that arrangement can indeed be entered into freely.

The bigger picture concern is what happens outside the four walls of the legislation: the impact that legislation of this kind can have on those broader drivers for investment, for the availability of rental property and the individual decision-making of landlords in particular, who will see as the result of the legislation their freedom of contract really substantially constrained by the provisions of these amendments.

To be really clear, having identified the structure of the act as it currently stands, section 115 in part 9 makes it very clear that these are not only guiding provisions to be adjudicated upon by SACAT. They are core to any residential tenancy, and any attempt to exclude the provisions of the act will be void. In fact, to be clear, section 115 provides that, under the heading 'Contract to avoid Act':

> (1) An agreement or arrangement that is inconsistent with this Act or purports to exclude, modify or restrict the operation of this Act, is (unless the inconsistency, exclusion, modification or restriction is expressly permitted under this Act) to that extent void.
>
> (2) A purported waiver of a right under this Act is void.
>
> (3) A person who enters into an agreement or arrangement to defeat, evade or prevent the operation of this Act…is guilty of an offence.

And there is a very substantial penalty associated with it. In that very direct sense, the provisions of this act ought to be read as mandatory terms of the contract between tenant and landlord.

There are a range of provisions here that invoke reasonableness in one way or another by different words. There is the introduction of the concept of what might be disproportionate with respect to a rental review—and I will come to that in a moment—that will require ultimately

adjudication by SACAT. But it ought be borne clearly in mind that these are effectively unavoidable provisions of a contract between landlord and tenant.

In a highlight kind of way, they really set significantly on rails the whole subject matter of rent, the question of housing standards and the consequences of housing standards, termination and notice of termination as I have addressed at the outset, and, in a very critical way, rights in relation to termination and of notice that go together and, importantly as well, the vexed balancing topic about pets and the regulation of permitting and managing risks associated with pets. They are high-line, central core issues to any tenancy agreement that are addressed, the subject of the bill.

I will come back to it perhaps when stepping through the relevant provisions, but it is worth noting that the bill adopts a structure of requiring a particular trigger in the nature of breach or some other circumstance in order for the exercise of rights to be permitted but, in several respects, there is then reserve to regulation the particulars of the relevant trigger to exercise ordinary rights. That might be ameliorative. It might make more rigid the circumstances in which rights including termination may be exercised. So I just want to be very clear about those baseline parameters.

The concern that the opposition has about the consequences going forward should the bill in its present form be enacted goes to both the particular consequences in terms of those provisions of every residential tenancy and the macro: the effect that it will have on the incentive to invest and make available properties for residential tenancies in the future.

That bigger question we can all have arguments about, both economic and ideological, and everywhere else in between. There is a certain amount of speculation about the consequences of shifting the dial in this way across the board towards constraining the freedom of contract by these means, but what we know is that there is now to be a really very significant change to the landscape, a very significant change to the nature of the relationship between a landlord and a tenant.

Just to illustrate the status quo by what was a relatively recent amendment to the act, an amendment, as I understand it, by act No. 13 of 2013 in part 5 of the act that provided for the continuation of a fixed-term lease that was not terminated, converting it to a periodic tenancy, and then by mirroring provisions in division 1 and division 2 respectively, sections 83A and 86A, we saw the right and the obligation of both the landlord and the tenant to give appropriate notice of intent at the end of a tenancy.

As I said at the outset, it goes to what is at the core of the act, which is the establishment of a mutuality of rights and obligations between landlord and tenant, which is very important in terms of maintaining the principle of freedom of contract.

To address concern about where this will leave administration and enforcement, there are to be now a number of circumstances under which the South Australian Civil and Administrative Tribunal (SACAT), with jurisdiction to deal with disputes or differences or matters of necessary interpretation, will be called upon to either be a much more necessarily early point of recourse for a landlord or a tenant or, in certain circumstances, needing to be called upon to make some law in terms of determining what has been, until now, subject matter that is hardly touched upon by the existing act.

That includes determination, for example, the subject of clause 16, the amendment of section 56, and the concept that is introduced there of what disproportionate might mean in terms of assessing a proposed increase in rent from time to time.

The headline point is that SACAT will become, I think, a body that is much more familiar in terms of the day-to-day life of landlords and tenants should these amendments be applied because we will be moving away from that mutuality of right and obligation. We will be moving away from the capacity for these two particular parties to an otherwise private agreement to freely contract between each other.

It is not only me saying this and it is not only the opposition bringing these concerns to the house and to the parliament. I do want to emphasise that this is not a rash or hasty set of provisions that has been brought to the parliament. I recognise there has been considerable work done over a period of many months to determine that, right, this is what we want to bring.

We have seen a first tranche of amendments prior to this really much more substantial bill coming to the parliament now and it has been the subject of detailed consideration, in particular by the Real Estate Institute of South Australia, but I think it is probably fair to observe—and the minister might be able to in a more detailed way particularise that in the course of the committee or subsequently—and I get the impression that those in the industry, those involved in oversight of these agreements on behalf of both tenants and landlords, are well aware of the subject matter that is being traversed here.

To the extent that there is controversy about how the dial is being shifted and to what extent, then those differences are well known. It might ultimately be a matter, as we have become used to over these recent months, that the government will have its way here in this house at least and the government will need to satisfy a small number of members in another place, and that will be how the outcome ensues.

I do not pretend that some clumsy remarks from me in the course of the debate are necessarily going to be particularly persuasive, but nonetheless the concerns both as to the capacity of two particular parties freely to enter into a contract with mutual rights and obligations, so far as possible with an equality of bargaining power and with relevant protections, is an important matter and, to the extent that we are derogating from that, then we ought to do so only very carefully.

As to the broader consequences, in terms of the availability of tenantable properties, the extent to which investors will wish to invest in residential property and all the rest of it, again, I will readily concede there will be a range of views about it. I fear that the result of the legislation will be to reduce incentives and to create an atmosphere of concern for landlords about the nature of their exposure to risk in a whole variety of circumstances, and I will address that, but I think it is safe to say that there is a widespread awareness of the process that has been undertaken over recent months.

One individual observation to perhaps make that good before I get to some of the industry bodies that have given some careful consideration to the proposals and expressed their view might be just to refer to an email that was sent to my colleague earlier this year of what at that point was in consideration in draft, and this from a professional property manager, expressing concern about that core point about the freedom of contract but then addressing some of the practical issues that have already been experienced in the industry and then are certainly feared should the bill proceed in its present form.

The property manager indicates that he writes on behalf of the 20 staff specialists in that particular business and makes the observation that together they have 140 years or so of experience in the industry and make the confident observation that they know what they do and they do it very well, so much so that there are here referred a number of steps that have been taken by this particular property manager and his firm unilaterally, as it were, to attempt to see what might flow from applying different notice periods and so on. I will get to that and let his words speak. He says, and I quote:

> We are concerned with the amendments to the South Australian Residential Tenancy Act and the effects this may have on the rental market in South Australia. Although some changes are fair—

and I pause here to indicate that that is true to the opposition's observation as well. There are a number of reforms here that are uncontroversial and, to the extent that they might be controversial, they are supportable and meritorious.

Again, this is already a rather portmanteau approach to the second reading, but all the more so when we step through those individual provisions in the committee. I think we will find that there is a particular number of topics that will emerge, the subject of a small number of clauses that are highlighting those core concerns. There are a number of meritorious changes and that is important to observe. He goes on, and I quote:

> We feel the South Australian government isn't seeking proper advice and can't see the negative effects of these changes—

and there are two in particular—

> that they will have on tenants and on future investment in South Australia.

The first of those two that is highlighted is firstly, no-cause evictions, and he makes the observation:

It's worth noting that we do not evict tenants. Only SACAT can evict a tenant. As property managers and landlords we enter into a fixed-term contract with the tenant to rent the house for a period of time. Forcing a landlord to sign a lease renewal to someone that isn't filling their contractual obligations will cause issues from the beginning steps of tenant selections. If the landlord is forced to renew to a tenant that is constantly in arrears, etc., the selection process will become tougher.

I pause here again to say that the retort might be, 'Well, if there's a tenant who's in breach of the agreement, there's a sure means of having a pathway to termination.' But it is not quite as simple as that as a matter of practicality. He goes on:

Landlords will be more selective with new tenants and we fear this will create a situation where young tenants entering the rental market, new arrivals to the country, will be looked over and not given opportunity.

Secondly: increasing notice periods. He makes the observation:

As the department manager, I implemented a 42-day notice period for our tenants to vacate due to the lack of available rentals on the market. This was done unilaterally.

However, he makes the observation:

It's already caused many problems. Once notice has been given and a vacate date set, an increasing amount of tenants have ceased rental payments as soon as the vacate notice is received, and this has prompted us to go back to the 28 days' notice to lower the losses to the landlord. This means that by the time the vacate date has been reached, the tenant is six weeks in arrears, plus any damages which the bond doesn't cover.

With the bond amount now being four weeks and the new proposed notice period being almost eight weeks, we pre-empt the wait time for a SACAT hearing increasing to secure an order for the bond and remaining four weeks plus any damage. As the bond will not cover the total, we also pre-empt cases going further to debt collection and the Magistrates Court, clogging up South Australia's legal system. As an office, we have already seen a growing number of SACAT hearings and extended wait times for these hearings.

This particular property manager's perspective highlights the key concern that if a landlord does not have the right to enter into a fair, legally binding contract with a tenant, including a reasonable period of time to rent the property, the vulnerable will become more affected, as landlords will not give new renters a fair go, on the rare chance the tenant defaults and the tenancy cannot easily be ended.

Secondly, if the tenant will not sign a new lease agreement, the lease will become periodic and the no-cause eviction will apply. If the landlord needs to refinance their mortgage and they cannot do that without a fixed lease, it remains unclear the extent to which that has been considered. Concerns about the amount of the bond exacerbating that are then raised, and the property manager, rather concerningly, cites that already—and this goes back to the middle of the year—20 landlords have indicated they would sell their properties in the course of the year. Twelve of those sold for non-rental purposes, for residents, with the result that from this rather contained sample there is then that many reduced number of tenancies needing to find a rental, the effect being to exacerbate the crisis.

The property manager has conducted a survey, making contact with 500 landlords, with the result that 20 per cent said that they would sell if these particular provisions were altered. That results, should that come to pass, on the maths, in 100 fewer rental properties being available. I draw that example to attention, having outlined concerns about the nature of the effect on the contract on the one hand and the perceived or foreshadowed effect on the broader question of the health of the market investment and the offering of tenancies.

That is just one series of observations from the perspective of experienced and practical property managers, whose interest of course is ensuring that there is availability of tenancies at prices that are fair for tenants, and that there is fairness also for landlords. Of course, it is just their particular experience, and it is one that we ought well have particular regard to when considering changes that are not just setting a regulatory landscape or providing for oversight but are really very particularly applying themselves to each and every contract, each and every tenancy.

I referred to those headline topics of particular concern. I think just to restate them: rental, rights of termination and notice; the uncertainty of the provision of regulations in a variety of respects; the question of regulation of the keeping of pets on the premises; and the issue of compliance with minimum housing standards and the consequences that flow, responsibilities as defined by the bill. I propose to concentrate on those areas and one other I might say as well, and that is the subject of

part 7 of the bill as it currently stands: providing for rooming houses that is the subject of clause 70 of the bill and on.

The particular concerns that have been raised by the Property Council of Australia in relation to drawing a necessary distinction between the very particular nature of what is termed purpose-built student accommodation, or PBSA, on the one hand, and rooming houses on another and the concern that the Property Council has raised about the incompatibility of PBSA accommodation with rooming houses and otherwise the so far inadequate, as they put it, provision for PBSA accommodation that is the subject of the bill. I understand that the Property Council has written to the minister as recently as today about that and it may be that there can be some further work in that regard or consideration, but I flag that that is one particular matter that has been drawn to attention by the Property Council.

I will step through in a moment the contribution of the Real Estate Institute of South Australia. There is what seems to me to be a high degree of courtesy and complimentary expression, I think, on the face of these contributions. I think we do not want to be too quick to misread what appears to be a broadly complimentary set of observations about the bill as a whole, either from the Property Council or from the Real Estate Institute of South Australia, because they are both bodies that need to be in their nature the world's diplomats.

They will have priority issues and I do not want to put words in their mouth so I will stick to observations about what has been expressed, but we see the Property Council really quite deliberately focusing on the issue of the purpose-built student accommodation because that is an issue of acute concern. I would just caution against taking too much from opening observations about the agenda, perhaps bearing in mind that we might take it as a given that we are all working constantly towards enhancing the accessibility of rental housing across the state as the Property Council observes. That has to be the common objective. The test, really, is whether or not changes are going to have that desired outcome.

I also recognise that it is fair enough to think in some ways that if the objective is enhancing accessibility of rental housing across the state, then you might think that goes hand in hand with improving the circumstances in which tenants are able to access and enjoy that rental housing. They do not necessarily go together, and it may be that certain provisions here are shifting the dial of rights in the tenants' favour. The government might concede that that may well reduce the accessibility of rental housing across the state, but we are willing to do that because we think the tenants who are occupying on terms more unilaterally to those tenants' advantage will benefit sufficiently as to outweigh any detriment that flows from a broader detriment in terms of reduced availability of rental housing that might follow.

So I recognise the tension as well, and I think the goal must be towards a mutuality of obligations and rights and, in turn, as the Property Council says, towards the enhancement of the accessibility of rental housing across the state.

The Real Estate Institute of South Australia is to be commended, I respectfully observe. With respect I note with appreciation the work of Paul Edwards, who is the REISA's Legislation and Industry Adviser, who has led the preparation of a really quite careful and thorough submission clause by clause on the bill.

As I have indicated the Real Estate Institute of South Australia expresses support, if not wholehearted support, for quite a range of the measures that are the subject of the bill. But in a really quite neatly structured gradation of observations, where it does not support a particular provision it has applied a measure commencing with reserving support and then moves to opposing, strongly opposing, and in a number of cases very strongly opposing, measures that were, at the point of the submission that I am referring to, the subject of the consultation paper.

Regrettably from the point of view of the opposition and, I expect, from the point of view of the Real Estate Institute of South Australia as well, many of those who are in the very strongly opposed category appear in the bill we are now debating, so those observations at the time of the circulation of the consultation paper remain apposite, and that work has proved to be valuable, if only recording what is no doubt going to need to remain a position in case the bill is not amended now or in the course of its passage through another place.

There are a couple of passages of the Real Estate Institute of South Australia's submission that address themselves to those key headline topics that I have addressed and that I bring to the house's attention and would refer to quite specifically. The first is with respect to section 56 of the act and the amendments under the heading 'Excessive rent'.

For those following, we are here talking about clause 16 of the bill. I have made reference already to the introduction of the term 'disproportionate' when considering the amount of a proposed increase in rent. For context, as is presently provided in section 56 of the act it is for the tribunal to consider and make any declaration in relation to rental payable under a residential tenancy being excessive. That is a provision of some long standing, and the power of the tribunal to make that determination is also uncontroversial and longstanding.

In subsection (2) of section 56, the tribunal is provided with a series of matters to which it is to have regard in determining this question of whether or not a proposed rental increase in particular is excessive. I will not stay to rehearse all those considerations, but it is at that point that the new proposed paragraph (fc) would be inserted as additional to the other specific considerations that the tribunal is already to have regard to. I might say that the tribunal is not constrained; there is a catch-all provision, and the tribunal can determine its own destiny to a pretty broad degree because it is empowered to consider any relevant matter outside of those that are more specifically identified.

What we have introduced—which is the first of the key points of opposition of the Real Estate Institute of South Australia as well—is a new provision that provides:

> …if the rent has been increased—whether the increase was disproportionate considering the amount of rent payable…

This follows on from and is connected to the preceding paragraph:

> (fb) if the rent was purportedly increased under section 55(2a)—

which is the previous section—

> whether the tenant was put under any undue pressure to agree to the increase...

So the addition of what would be a new section 56(2)(fc) might be described as introducing unnecessary uncertainty in circumstances where there is already a very thoroughgoing range of identified factors. Nobody has set out to me what 'disproportionate' might mean in those circumstances. Should it be introduced by this amending bill, then it is one of those areas for which the tribunal would be required to make some law and apply what it considers 'disproportionate' to mean in those circumstances.

I stress, as the Real Estate Institute of South Australia does, that there are already, if you like, proportional measures or relative measures that are the subject of section 56(2) including, perhaps chief among them, 56(2)(a) which is a mandatory provision:

> (2) …the Tribunal must have regard to—
>
> (a) the general level of rents for comparable premises in the same or similar localities…

So the introduction of disproportion might overlap. It certainly introduces a fresh uncertainty in relation to the setting of, in particular, an increase in rent and it is a first, or if not first, it is a key point at which the Real Estate Institute opposes the particular measure.

The Real Estate Institute makes the observation, and I quote here from part of the contribution:

> Allowing the Tribunal to consider whether the rent increase is disproportionate to the current rent being paid does not take into consideration the circumstances when a landlord may not have increased the rent for a period of time for whatever reason but now wishes it to return…to a more relevant market price.

It goes on:

> To allow the Tribunal to consider this factor will ensure that landlords stay financially protected by increasing the rent every 12 months thereby denying the tenant an opportunity of a small increase or no increase for a period of time.

As I observed perhaps a moment ago, the proposed amendment would also seemingly contradict section 56(2)(a) where the tribunal must have consideration to 'the general level of rents for comparable premises in the same or similar localities'.

The objective here—to come back to the point about mutuality, rights and obligations—has got to be one of creating the circumstances of freedom of contract that are enlivening and enhancing that engagement between both parties, in the interests of both parties, and so it would be a mistake to simply look at a critique of provisions only from the point of view of some sort of wrestle between the interests of one party, on the one hand, against another and to say, 'Which one's got the upper hand? Which one is coming out of this with more rights?'

The more productive position from which to consider the circumstances, in my view, is to consider how the measure may enhance the quality of the bargain and the robustness, if you like, of the willingness and capacity of both parties to participate in that bargain. So if there is an unnecessarily introduced uncertainty or if there is an unnecessarily introduced rigidity, then there will be a combination of unintended consequences and disincentives.

In terms of this particular uncertainty, I think the concern expressed by the Real Estate Institute of South Australia is that one unintended consequence might be that there is likely to be a more thoroughgoing resort to rights at that one and only occasion at which they may be exercised, if only to protect against the vagaries of uncertainty—circumstances where otherwise matters might have proceeded on a mutually agreeable basis in some more flexible way.

The Real Estate Institute goes on, and again I will not stay to rehearse the entirety of those observations. Again, I know and am confident that the government has had the benefit of the observations of the institute, and I commend those observations. For the benefit of those who are following the debate, I commend the submission as a whole as a companion to those documents that have sat alongside the bill to support its interpretation in the course of the debate. It is a 40 or so page document and, as I have said, reflects a really very careful consideration of the bill in its entirety.

I will come back, perhaps, to pets because that has been the subject of consideration in the first round. It has been the subject of consideration by not only the Real Estate Institute of South Australia but by lots of others over an extended period of time. The way in which the keeping of pets on premises is regulated will, I suspect, remain a balancing act about which there will perhaps be a need to continue to revisit, but the Real Estate Institute has made particular observations about those matters.

From the opposition's point of view, again I just make the observation that where parties to a residential tenancy have freedom with which to determine matters like the suitability of particular pets to particular premises, then an ideal outcome is that within the range of circumstances that we are all very familiar and an environment in which pets are often part of the extended family, for want of a better description, the desirability of providing for pets in a way that is appropriately managed is a good thing to work through.

But, again, should there be unnecessary rigidity, unnecessary lack of mutuality about those arrangements, then unintended, undesirable consequences can follow and we just need to be particularly conscious of that. As I say, the Real Estate Institute of South Australia addresses that in particular detail both in this submission and in its prior submission.

I move next in terms of dealing with those headline matters, the subject of the bill, to really a more technical area about which the Real Estate Institute of South Australia is really particularly well placed to provide informed observation. It is one that attracts the Real Estate Institute of South Australia's very strong opposition—that is the highest on the scale from the Real Estate Institute of South Australia, at least in this submission—and that is the insertion by clause 27 of a new section 67A that deals with occupation of premises that do not comply with minimum housing standards.

I say this is a technical matter. It may be that the observer might regard it as a matter of commonly accepted practice that minimum standards of housing ought to be maintained. It might be therefore instructive to consider the Real Estate Institute of South Australia's observations in this regard. The institute notes that it understands that safe and secure housing is essential for all South

Australians and comprehensive minimum housing standards are appropriately set out in the Housing Improvement Act 2016. The institute observes:

> The legislation clearly sets out the policies and procedures in relation to substandard properties and these are clearly understood by property managers. The legislation already provides protection, process and remedies such as rent reductions where the landlord does not comply. [The institute] would support education for landlords and tenants concerning housing improvement matters.

Again, right in the midst of part 4 and this emphasis on the mutuality of the rights and obligations of landlord and tenant, section 68 of the act as it stands provides that:

> (1) It is a term of a residential tenancy agreement that the landlord—
>
> (a) will ensure that the premises, and ancillary property, are in a reasonable state of repair at the beginning of the tenancy and will keep them in a reasonable state of repair having regard to their age, character and prospective life; and
>
> (b) will comply with statutory requirements affecting the premises.

I have made observations about the Housing Improvement Act 2016. That is there as a term of the agreement. The institute further notes that the vast majority of private landlords would be ignorant of these standards and certainly not deliberately renting out properties that did not fulfil these requirements. That might be a fairly ordinary sort of observation. The point I would emphasise here is that the institute observes that:

> The amending legislation will essentially require a landlord or property manager to do an audit of the property prior to the commencement of the tenancy to ensure that it meets minimum housing conditions. Landlords and property managers are not equipped or qualified to perform these audits and such matters should be undertaken by the Housing Improvement Branch…who already deal with these matters.
>
> Currently, it is open to the tenant to issue a Form 4 for breach of the housing standards [under the section I have just referred to] and remediation or indeed to refer the matter to the HIB for a housing assessment and consequent orders if appropriate.
>
> It is also noted that the new provisions relating to retaliatory evictions will also assist tenants in exercising the options available to them without fearing repercussions from the landlord.

So the institute makes the observation that there is no need for the provision, that it just creates another unnecessary obstacle and disincentive for landlords when tenants already have well-established access to remediation avenues as required.

The particular concern here—and there is a $25,000 penalty that attaches—is that by legislating in this way, and to the extent that it is both unnecessary and practically introducing a super-added process of, as the institution describes, auditing of a property prior to commencement, then again it will have the deleterious effect of disincentivising landlords from entering the market. It is both a matter of detail in terms of what it imposes on every residential tenancy and really goes to the broader question of how it will affect incentives or otherwise for participation in the market. I presume that is how it attracts that very strong opposition level in terms of those grades that the institute applies. That is then a matter of concern, both the particular contract and to conditions generally.

Next, perhaps in the interests of brevity, I turn to the question of termination and notice and the way those two come together. This, I suppose, might be anticipated to be the most substantial cultural shift that will affect tenants and landlords in an immediate and tenancy-by-tenancy way: changing the particulars of notice, changing very fundamentally the rights to both terminate and to bring to an end a tenancy and the exposure to regulations about the particular triggers. Again, it might be most convenient to address this by reference in part to the Real Estate Institute's observations.

The first of those provisions that I would draw attention to is at clause 36 and the introduction of this novel concept of a maximum liability for rent payable following a tenant's termination of a fixed-term tenancy. It attracts the opposition of the institute and applies what is a novel concept of a maximum liability for rent in the course of any one year and then a maximum over the course of any particular tenancy, and that would be the subject of the new section 75A. Section 75A(1) would provide that in circumstances where:

…a tenant under a residential tenancy agreement for a fixed term terminates a tenancy, the tenant will not be liable to pay more than 1 month's rent under the agreement for each 12 month period of the remaining term of the agreement (provided that a tenant cannot be liable to pay more than 6 months' rent in total under this section).

At this point, without previewing too much the committee stage, I just query how that might relate to the short fixed-term tenancy provided for in section 4, the typically 90-day fixed term. That might also be an interesting question in relation to the introduction of the 60-day notice. I have not found, and I might be corrected, any carve-out of the short-term fixed agreement, both for the purposes of the 60-day notice and the maximum liability. I just mention that in passing on the way.

The Real Estate Institute opposes that particular construction, and it provides an example. It says if a tenant signs a three-year lease and terminates after 2½ years, this amending legislation would stipulate that no rent is payable as there are fewer than 12 months remaining on the lease. I do not read this to be amended as per the suggestion, but the Real Estate Institute is particularly recommending that the 12-month period should be clarified to read 'for each 12-month period or part thereof of each 12-month period' so as to not negate altogether the amount of rent once one is below 12 months. That is something that might be a matter of technical interpretation, and it might be amenable to some questions in committee.

There is an overall acknowledged desire to augur towards longer term tenancies that is the subject of the reforms overall, and there has been some consideration of the discrete amendment to section 69 of the Real Property Act for that purpose. I am grateful for some consideration about the way that is proposed to work with the industry's support, but just to illustrate, there is this encouragement or endeavour to foster a culture of longer term tenancies. The institute makes the observation that not getting this particular aspect right will have the effect of undermining that desire because of the way in which they are limited to one month per 12 months remaining on the lease and that it might have the effect therefore of detracting from that objective: securing long-term leases for tenants.

I might just pause here to observe that I have had some, although not lifelong, years of experience in living in other parts of the world. Certainly, the culture of long-term rental that applies particularly in Europe is one that is of long standing and a core part of the way that people secure a home over the very long term.

The objective of fostering longer term rentals and the objective of providing a satisfactory form of home with all those aspects of certainty akin to ownership is one that ought to be explored, supported and all the rest of it, but I just emphasise again it must be brought along in an environment of mutuality, where it is not simply a matter of imposing a shifting of the dial, as it were, in favour of the unilateral rights of tenants as the means of securing that outcome. It needs to be an outcome that is achieved by enhancing mutuality rather than taking away from it, and this is one particular area in which that concern is raised by the institute.

The next in that suite of provisions that I have particular regard to is the amendment at section 80 that is the subject of clause 43. I just draw that to particular attention in the course of these remarks because it is one of these areas in which we are left to see what the regulations might contain before being able to determine what the outcome will be.

Clause 43 of the bill will provide for notice of termination by the landlord on grounds of breach of agreement and provides that the regulations may make provision in relation to matters to which regard may be had in determining whether a landlord has taken reasonable steps to mitigate any loss. It is one of several. I will not state a catalogue of all of the circumstances where regulations are made for particular purposes. That is just one example.

I then turn to clause 46 of the bill and really what is quite a fundamental shift. It might be too little to say that it is a shift in terms of the balance between landlord and tenant. It really is going to very dramatically alter the current arrangements, in that section 83 of the act as it currently stands is really specifically dealing with the right of the landlord to terminate without specifying a ground of termination in those particular circumstances.

It is really flipping that completely on its head, taking a provision that was really there for the purpose of providing for the circumstances in which termination could occur without specifying a ground, and introduces then what will be prescribed grounds and grounds prescribed by regulation.

So we see what they might be. I just highlight that it takes a provision of the act, that is there for that purpose of providing for termination without specifying a ground, and really flips it on its head and uses it for another purpose altogether.

I note and take onboard the institute's observation that there is a corollary here to retaliatory provisions and that there has been a meritorious amendment with respect to retaliatory provisions, and that the dismay of the institute is then in those circumstances where this is maintained, despite then the absence of any need to abolish the right to do so, and the institute expresses its concern. Again, this attracts that highest level of strong opposition to the amendments from the institute. The institute makes the more particular observation:

> The introduction of these amendments would breach fundamental principles of contract law and substantially disadvantage landlords. Effectively, this reform would provide tenants with the unilateral right to determine the length of a tenancy agreement and would prevent landlords having control over an essential contract term.

In this case, it is the duration of the tenancy agreement. Particular reference is made to section 49 of the act, which stipulates that the term of the tenancy agreement is an essential term of the said agreement.

We are here very much concerned, through the body of these termination provisions, with dealing with a fixed-term residential tenancy agreement and, as the institute points out—it would be unsurprising—the term of the tenancy agreement is an essential term where there is a fixed-term tenancy. So once one applies a mutual obligation giving, as it were, a heads up that the end of the term is coming and indicating an intent around that, that is a reasonable thing to do in the context of a fixed-term agreement.

To move beyond that—to say, 'Well, it's a fixed-term agreement,' but it's actually not a fixed-term agreement at all so far as the landlord is concerned, because you are actually going to introduce basically a new unilateral regime that renders the notion of the fixed term, really is something that we will have to move away from being any longer an essential term of the agreement if it is to apply. I do not think clause 10, in so far as it amends section 49, is moving away from that concept that the term remains an essential term of a fixed term contract.

So there is a key example of the principle of both freedom and certainty that is potentially really quite fundamentally derogated from and in a way that, on the face of the act, has to remain uncertain because we have to wait for regulation to see what those permitted grounds might be.

Let's be clear: this goes very much to the core of the terms of each individual residential tenancy agreement. As the institute indicates, it would appear to trammel those fundamental principles of contract and is of particular concern. The real estate institute is alive to the arguments in favour of, as it were, providing for the extension of a fixed term more or less, theoretically, in perpetuity and it makes the observation that the practical reality is that it really would render full control of the tenancy duration to the tenant and it would eliminate uncertainty for landlords.

I made some brief observations about the desirability to provide for and enhance a culture of longer term tenancy arrangements. Providing certainty for tenants and rights of control for tenants are certainly desirable goals, but you cannot go about achieving that desired longer term tenancy arrangement by simply dragging a tenant into an environment over which they are on notice from the commencement of any particular tenancy that not even the end of the fixed term contract, not even the bounds of the bargain, are providing parameters around which there can be certainty.

There may well be mutual desirability to extend and to continue and, of course, there is no constraint of the term upon which a residential agreement might be entered into in the first place, nor are there constraints on what parties might decide elevate the level of certainty, both in terms of renewal and the conditions upon which renewal or extension would not be permitted.

But to make it so one way and to leave landlords with no option but to be in the hands entirely of the tenant with regard to the term of the tenancy, again, may well have a response that is protective in nature, that is necessarily then a response to that shifting of risk and the ultimate effect might be to both disadvantage would-be tenants and to disincentivise landlords from participating in the market in the first place.

Again, as I repeatedly concede, observations beyond the point of principle in terms of the freedom of contract have to enter into some degree of speculation in terms of the way the market plays out. But that is why it is important to approach matters from a point of view of principle, so that those things that cannot be known in advance can be given at least the best environment in which to be tested.

For those following, I have already had reference to the Real Estate Institute's submission. This particular topic is one that is the subject of really quite extensive treatment by the Real Estate Institute and can be found in its submission. Again, in the interests of brevity, I will not stay to rehearse that part of the submission at any particular length. There might be occasion to do so in the course of the committee stage, but I certainly do commend it to those who are following the debate and certainly to all members of this place in considering the merits of that new regime that will be the subject of the amended section 83, the subject of clause 46.

Next is the related point about notice, and that is in the very next clause, in clause 47, and that is an amendment of section 83A. I am just looking for the parallel—I might come back to it. I said at the outset of my remarks that in the nine plus one parts of the Residential Tenancies Act 1995 as it currently stands, parts 4 and 5 are very much concerned with mutual obligations and rights of both tenant and landlord, and we know that there is a mutual right and obligation on 28 days' notice to a landlord and a tenant to give relevant notice.

So the amendment in clause 47, the amendment to section 83A, will do a couple of things. Instead of the 28 days, so far as the landlord is concerned, it will instead replace the 28 days with a period of notice to be at least 60 days.

As I have already referred to, in the contribution from the property manager who has provided a practical observation about practice in his experience, and even having unilaterally introduced a greater notice period beyond the 28 days, the concern with extending the notice period out to 60 days is that there is a tendency, in that particular manager's experience, for there to be issues around the payment of rent then over a longer period in the lead-up to the end of the tenancy.

But that becomes a moot point in the context of new section 83A because not only is there the introduction of a now 60-day notice period, substituting for the 28 days, but on the other side of that, on the 60 days' notice, the section will be amended so that a tenant in receipt of such notice would be required to provide not more than seven days' notice of an intention to give up possession of the premises, and would then be liable only for those seven days.

Whether by necessary unintended consequence, there is introduced a rigid requirement on the one hand that extends out the notice period, and it might have practical benefits in giving a greater period of notice in circumstances of scarcity of availability of tenancies and so on, and one can see that the greater period of notice the better in that first round kind of way, the practical consequences must be considered.

The super-added capacity of a tenant to then not only take matters into their own hands but to do so in such a particularly unequal way means that you have the very real prospect of the introduction of a notice-related penalty that applies even in the most otherwise benign of circumstances. So the landlord must provide the 60 days' notice, and the tenant then enjoys the benefit of the seven days' notice, but that might be applied as early as the 60-day notice period, leaving the landlord with a heretofore unheard of exposure up to the 53-day balance of that period.

It might be that there is a saving grace here, the subject of clause 47(4), in that if the regulations, the subject of that subclause, are sufficiently broad ranging and sensible, there might be a means by which the unfairness that might be predicted could be dealt with to some extent. At the very best, we are left to speculate about what those regulations might contain and how they might constrain that otherwise inequality of notice of 60 days on the one hand and a responding notice of intention to give up possession of seven days.

There are particular concerns about section 83A and the way that that will work in progress. Again, in the interests of brevity I commend the Real Estate Institute's further observations in that regard. By not addressing those matters in more particular detail, I do not mean any disrespect to the author or otherwise, to diminish the importance of that expression of opposition relative to the

areas that I have addressed or drawn from in more detail. The whole of the observations in this regard are of particular merit, in my view, and ought to be taken on board.

There is a more particular concern about notice of termination that is the subject of clauses 50 and 51 respectively, that would add a new section 85AA and a new section 85B in particular. They refer to notice of termination by a tenant for successive breaches of the agreement in the first case and notice of termination by the tenant due to the condition of the premises in the second, both of which attract the highest level of opposition from the institute.

Again, I caution not to be drawn into some sort of emotive tug of war between rights on the one hand of a tenant and rights of a landlord on the other hand, and rather look at the capacity of the legislation to foster and facilitate the greater availability of tenancies and the more productive, for want of a better word, mutuality between tenant and landlord.

These amendments the subject of clause 50 and clause 51 that have attracted this highest level of strong opposition from the Real Estate Institute are in that category. On the one hand, one might say that successive breaches and condition of premises ought to be core matters of concern, but when looked at from the point of view of the health of the agreement and the various forms of existing recourse for these matters it is a matter of not further detracting from mutuality—the institute uses the word 'reciprocity' as well—and raising the spectre of unintended consequences by legislating in circumstances where existing remedies are appropriate. Again, the institute addresses both of those matters in considerable detail and I commend those observations.

To return to the question of the reform as a whole, I observe that the various reforms that are the subject of the bill contain within them—many of them meritorious and supportable, and that has found voice in both the individual stakeholders and the institutional responses and I do want to be clear in that regard.

There are a range of reforms, the subject of the bill, that are to be supported and are meritorious and either uncontroversial and overdue and in that category, or are simply important reforms improving the circumstances of tenants in particular, but participants in residential tenancy agreements generally. Those are to be commended and there may be opportunity to address some of them in particular detail in the course of the committee stage. The amendments that are the subject of clause 52 of the bill are very much in that category.

At this point, I will perhaps just make some reference to the really very helpful summary provided by Consumer and Business Services and the government, and I am grateful to the minister for it. The amendment that is the subject of clause 51 in amending section 85D, and clause 52 amending section 89A, and related provisions section 90B and sections 66A and 66B, are all provisions to improve the security and access to recourse, including termination, to a tenant on grounds of domestic abuse.

Those amendments, it might be hoped, will have the practical effect of ensuring that a person who is in circumstances of domestic abuse is able to terminate a tenancy and to have SACAT oversee, relevantly in section 89A. The means by which a person in those circumstances can more easily exit a residential tenancy are to be commended.

There has been some consideration—and I am grateful to the minister for affording a briefing in this regard—of a circumstance in which a perpetrator is not on a lease. I have raised the question of whether or not it may be desirable to establish a fund. The retail tenancies fund is an existing mechanism that might be comparable. I just flag again that I have raised the question to the minister as to whether or not these are circumstances in which this is an insurable risk.

All of those matters I think are under consideration or have been considered in the course of bringing these provisions to the amending bill. To the extent that there is a novel pathway that is provided here, it may be that it is a matter of testing how effective these provisions are. I just make particular reference to them at this point.

I have addressed earlier in my remarks the particular concerns of the Property Council. Again, the Property Council has made those observations about the purpose-built student accommodation I think, the way I read it, not so much as a means of emphasising how much it loves the balance of the provisions but to zero in on this particular area of concern. Like the Property

Council, I do not stand here giving up all hope that some further consideration might be had to providing for a more suitable regime for purpose-built student accommodation. To the extent that that might yet be achievable, in the course even of this debate, then I certainly stand ready to work with the government towards addressing these concerns that have been fairly succinctly outlined in at least the Property Council's letter to the minister dated earlier today, 14 November.

Having touched on that variety of headline matters in the course of some otherwise more general remarks about the bill, I would perhaps just make some reference to the discrete amendment to section 69 of the Real Property Act 1886. That is the subject of the first of the related amendments that are provided for in clause 1 of schedule 1. I think there is only one schedule. The amendment to section 69 of the Real Property Act is one that, on its face, I understand certainly has the endorsement of industry and, more particularly, the Real Estate Institute. It has been the subject of some consideration and interpretation, and I am grateful to the minister for advice about it.

I understand that it is another one of those provisions that is intended to augur a culture of more long-term residential tenancies. Again, I have indicated that such a move is one that is laudable and to be desired. I would just explain—perhaps for the benefit of people like me who might be prone to being concerned about what the provision really does on the face of it—that the existing section 69(h) provides a qualification to indefeasibility among a whole range of other qualifications to indefeasibility for a residential tenancy, a letting, an occupation, provided it is not exceeding a year.

The effect of the provision is to grant that automatic qualification to indefeasibility to the title of the owner, and therefore there is no need for the tenant to protect that interest by taking some other security step on the title, such as lodging a caveat or otherwise. The amendment to extend that qualification to indefeasibility to at least not exceeding three years, rather than being intended to create the greater qualification to indefeasibility, which it clearly does, is a practical measure, by rendering that automatic, to not having as many tenants seeking the formal security by going and lodging a caveat over the title in order to protect the interest that would otherwise not be a qualification to indefeasibility because it is greater than a year.

I get where that might be coming from. It is an interesting, backwards way of going about improving a situation or removing a formality that would otherwise have to be more formally secured. If that has the effect of moving towards a more routinely longer term tenancy arrangement, then it will be good step. As I say, the effect of it, I am quick to confess, was lost on me on the face of it. The industry is in support of it, for reasons that I hope I have summarised accurately, and it is one of those further provisions that is designed to encourage those somewhat longer terms of tenancy.

With some concluding words, I might say that by reference to part 4 and part 5 of the act in particular, but by reference to the free and contractual nature of residential tenancy agreements as a core starting point and by recognising that this is one of those pieces of legislation that is very close to walking alongside as an additional party to such a free arrangement, we ought to be very careful not to create unnecessary rods for the backs of tenants or landlords. We should always be very careful to ensure that measures that are contained in the legislation enhance the mutuality of arrangements as between tenant and landlord so as to give both parties as mutual a capacity to chart their own course in myriad different and various circumstances that will be encountered by landlords and tenants in a whole variety of circumstances.

The concerns that I have expressed amounting to the reasons for the opposition's opposition to this bill, I hope, have been tolerably clear. I have not stepped through or directly addressed some of those other discrete aspects of the bill providing for provision in various alternate and particular circumstances of accommodation: parks, granny flats and so on. I hope there is an opportunity to do so in the course of the committee process. Otherwise, with those words of contribution, I hope, to the second reading debate, I indicate again the opposition's opposition to the bill. I look forward to analysing it further in the committee stage.

Ms THOMPSON (Davenport) (21:58): I rise to speak to the Residential Tenancies (Miscellaneous) Amendment Bill. Before last year's election, the Malinauskas Labor team laid out our plan for a better housing future and, overwhelmingly, the people of South Australia backed that plan in. Central to our housing commitments was a promise to improve outcomes for renters and

prospective renters living in our state and, as we have right across the board, we moved quickly to deliver on those promises.

Earlier this year, we commenced the Residential Tenancies (Protection of Prospective Tenants) Amendment Act 2023 to provide South Australian renters with immediate and lasting relief. We banned rent bidding and introduced penalties of up to $20,000 for landlords and agents who solicit bids. We better aligned the bond threshold with today's rental prices, a decision which has already saved South Australian tenants millions of dollars. And we have delivered renters much needed security through the outlawing of cruel and emotionally taxing 'no cause' evictions.

Right now, South Australia is experiencing unprecedented rental demand, with the state's residential vacancy rate sitting at just half a per cent in August this year. And it is important to note that these pressures, which impact both existing and prospective tenants, are the driving force behind this change. This is not about restricting the rights and freedoms of our landlords; this is about ensuring there is appropriate balance within our housing legislation.

In the interests of brevity, I will not go into all of the details of the bill. The changes included in this bill are important, but our commitment to serious reform will not end upon this rubber stamping. The Malinauskas government recently announced its intention to explore rental opportunities for additional dwellings, like granny flats. These structures already exist in backyards across our state, but right now they can only be used to provide housing to family members of the owners.

We want to unlock accommodation wherever we can to ensure that South Australian families have roofs over their heads, whatever those roofs may look like. We are leaving no stone unturned, and we are working tirelessly to address the demand that exists in our thriving state and economy today.

I extend my sincere thanks to the renters and landlords living in my electorate who contributed so significantly to this process, along with the community organisations that worked with us to ensure we struck the desired balance in delivering this legislation. I look forward to seeing these changes implemented for the good of all in the sector, and to the good of our state more broadly. I commend the bill to the house.

Ms CLANCY (Elder) (22:02): I am really proud to stand here tonight in support of the Residential Tenancies (Miscellaneous) Amendment Bill 2023. Almost one third of my electorate are currently renting, and it is incredibly hard. Data published by the South Australian Housing Authority shows just how much private rentals have increased in the last five years, with the smallest increase in median household rent being found in my electorate in Clarence Park, at almost 30 per cent.

In the past five years, rents in my community have increased by at least 40 to 50 per cent, reaching as high as 68 per cent in Westbourne Park. These increases are not sustainable, they are not healthy, and they are keeping South Australians out of housing and all of the benefits that a secure home provides. This is a crisis that only those of us on this side of the house are committed to addressing. Crossing your hands behind your back and hoping the market will do your job for you is not in the best interests of South Australians. And some of the arguments being made by those opposite is just nonsensical.

The Australian Housing and Urban Research Institute shows what is very important to investors in deciding to sell is that it is a good time to sell and realise capital gains and wanting money for another investment. But if someone did choose to sell, let's be clear those properties still exist—they do not cease to exist—they will be sold to somebody else who may choose to live in it or choose to rent it out. There is still housing being used in our community. And I guess the real question is: will these reforms make the opposition leader sell one of his 14 properties? It will be interesting to see.

We have also seen in New South Wales and Victoria that tenancy law reforms have not stopped rental investment. We can, and we must, do more to support South Australians who are going through this current crisis, and it is shameful that those opposite cannot see that. We as a parliament, and as a society, as a community, need to acknowledge just how difficult things are getting for people.

The Malinauskas Labor government is acting decisively to address the rental crisis by improving security for tenants and addressing rental affordability. The bill before us this evening

includes the most significant reforms to South Australia's residential tenancy laws in a generation. Our reform of the act will put an end to no-cause evictions, extend the end of the tenancy notice period from 28 days to 60 days, make it easier to rent with pets, protect tenants' information, ensure rental properties comply with minimum housing standards and provide additional support for victims of domestic and family violence.

These are all opportunities, opportunities to reduce the stress on renters, improve safety, and foster a more even playing field. It is an opportunity for a healthier and safer community. It is not the doom and gloom that we have been hearing about for the last two hours. All of this follows our initiatives earlier this year to address rental affordability by banning rent bidding, protecting tenants' information and raising the bond threshold, which have already saved South Australian tenants more than $11.5 million since being introduced in April.

The successful passage of this bill would allow landlords to only end a periodic tenancy or to not renew a fixed term lease for a prescribed reason such as breaches by the tenant or wanting to sell, renovate or occupy the property. It would also increase the minimum notice to end a tenancy from 28 days to 60 days so tenants have more time to secure a new home and make the necessary and often difficult arrangements to move.

Even 60 days is not a gigantic amount of time, given the current rental market, but it is a hell of a lot better than 28 days. A few months ago, I had a woman in my community whose lease was coming to an end, she was given the 28 days' notice and she applied for more than 15 properties but was unsuccessful. When her 28 days were up—and this was a woman who was working full-time, she has an income, she could pay rent somewhere, but the rental availability was not there—she and her teenage son moved into a caravan park. These are the kinds of situations that are happening in our state and why our government wants to take action to make things fairer.

These amendments are crucial to promoting the security currently not afforded to most renters in this state. Renters in South Australia have every right to feel secure in their homes and know that they will have enough time to organise themselves and their families should they need to move.

A very common request I have received both as the member for Elder and as the Premier's Advocate for Suicide Prevention is to support legislation that would allow renters greater rights when it comes to pet ownership. We know pets can play a huge role in the lives of all South Australians who are lucky enough to own one. Pets provide companionship, reduce loneliness and promote better mental health. They provide emotional support and strengthen the sense of home, which can be lost to many renters.

Pets, particularly dogs, also promote healthier lifestyles, physical activity and a greater sense of responsibility for children in the family as well. A quick shout-out to my pup, Pepsi, who I wake up at 5.15 most mornings to walk—I am sorry sweetheart, you might miss out tomorrow morning, given the time. Thank you for getting me out of bed and into the fresh air in the mornings and for the cuddles in the evenings.

I am so proud tonight to support reform which will for the first time in South Australia allow renters to keep pets with reasonable conditions to be set by their landlord, such as keeping the animal outside or having the carpets cleaned at the end of their tenancy.

In closing, I would once again sincerely like to thank the Minister for Business and Consumer Affairs and everyone in her team. I would also like to thank each and every single South Australian who participated in the YourSAy consultation reviewing the Residential Tenancies Act or who wrote to me in support of these important reforms. I hear you, the Malinauskas Labor government hears you, and we are getting on with the job of immediately addressing the rental crisis in our state.

The Hon. J.A.W. GARDNER (Morialta—Deputy Leader of the Opposition) (22:08): I rise to speak on the government's proposed reforms to rental laws that change the balance in terms of the relationship between tenants and landlords. The proponents of the bill have described it in terms of, I think I quote accurately when I say they said that it will get the balance right, and they talk about fairness. Certainly, fairness and balance is an aspiration to which we all aspire.

We take into account the considerations of people who are renters and we take into account the considerations of people who have put their hard-earned money into purchasing property. Many such people in my electorate, sir, as you would be well aware, particularly people who migrated to Australia in the 1950s and 1960s, worked hard through their lives and it is a fact I am very well aware of that many choose to invest in property rather than shares, if that is something in their capacity to do.

Many have based their retirement around such arrangements, and certainly when we were having the land tax debates a couple of years ago that was a cohort of people whose interests were very much at the forefront of the consideration of every member in the house at that time—not always the case any more as it appears. The balance right: a balance of laws that are fair for renters and fair for landlords as well is certainly a desirable outcome.

Since the minister introduced this bill some 10 or 12 days ago, I have had constituents raise some specific issues with me. I will briefly read a couple of excerpts, which are not the only letters I received but are characteristic of a greater number. In the interests of time I have chosen two, which raise different issues, but issues which have been identified by a number with some of the laws. Constituents write:

> I write to you today to explain why it is all too difficult to be a Landlord today…At our age—

and I indicate the constituents are of retirement age—

> why would we want to rent out our properties with all the changes occurring with new rental laws and rates and taxes going through the roof? You may ask, but house prices are on the increase. I think house prices will steadily slow down. Furthermore, as a self-funded retiree and not eligible for senior's Heath Care Card, I believe the government should force banks to pass on interest rates on a savings account a lot sooner and avoid onerous and inconvenient conditions that suit the banks.
>
> I truly believe this may be a problem as to why there is a shortage of rental properties available in South Australia today.

The constituents go on to identify their financial circumstances, the situation that is on top of them in trying to serve the money to live from, and they have identified that they have decided to sell their properties and simplify their lives going forward. Hopefully, somebody may be able to buy their properties and be able to live in them, and that will be great for those families. Certainly for the tenants who have been looked after by these landlords for many years, their circumstances might be more difficult.

A very different case—and I think the member for Heysen highlighted to some extent the challenges the SACAT has in meeting the needs where there is a difficulty. It is highlighted by one constituent of mine's circumstances, and I quote from their correspondence:

> I am writing in regards to my opinion about the new proposed law for tenants and landlords.
>
> Firstly, I want to share my true experience with you.
>
> After 5 years of hard work, I bought my first house in 2021. However, I could not afford the mortgage…So me and my wife decided to live with my mother and put our house into the rental market to cover the cost of living.
>
> My first tenant was a mother with 3 children, who unfortunately lied to me in the application, which stated that she and her children would be the only people living in the house. She stopped paying the rent after 3 months. It took me nearly 3 months waiting for a SACAT hearing and another 4 weeks for the bailiff eviction. By the time they left the house and the garden were totally trashed. Even with landlord insurance, the total loss for me is more than 5 figures and there is no way to recover it as the process in the Magistrates Court is time consuming and hopeless if the tenant receives Centrelink payments.
>
> What I want to point out is that the current SACAT overwhelming situation is far worse than you can imagine. Changing the current broken law will hurt the landlord harshly. The landlords like me who used hard working money to buy the property are sitting in a vulnerable situation because of the overloaded SACAT. New laws will only be applied as designed if justice can arrive on time.

The circumstances as described there I am sure could have been told from the tenants' side as well: a parent, three children, potentially a vulnerable situation, a very sympathetic story; landlord, hardworking, financially squeezed, interest rates rising like no-one has ever seen in my adult lifetime. I do not speak for others in the chamber, but at 44 the first interest rate rises I experienced as a home owner started early last year. Like many families around South Australia, mortgagees are suffering

significantly. That includes people who own properties and people who rent them out, whatever their circumstances may be.

Often if single people with homes move in together they might have a property, they might rent it out, that might be a source of income but it does not mean they are alleviated from the challenge of interest rates. A circumstance like this, where a family has identified the cost of meeting the mortgage being so significant that they would move back in with parents and rent it out are providing an opportunity for people to rent those premises. Getting the balance right, getting fairness, means understanding that there is a challenge from both sides.

In seeking to better understand and be informed of views of my constituents, both renters and landlords alike, this week I have been seeking feedback from members of my community. I sent an email out and made social media posts. In the first 24 hours, we had more than 300 responses. Certainly, in the next couple of weeks as we lead into the debate on this matter in the Legislative Council as well, with a view towards presenting to my party those issues on which we might seek to move amendments potentially, or potentially not, I will continue to take feedback from my constituents. I anticipate, based on the first day and a half, that we will probably have a very large volume of those.

I asked a number of questions, and I hope that I have represented the positions relatively fairly. I have taken information directly from the bill but, for the record, I identified:

1. The new laws propose that termination and non-renewal of tenancy agreements (including at the end of a lease) would not be able to see tenants evicted without providing a prescribed reason, such as damage to the property, illegal behaviour or breach of contract, unless the landlord requires possession to sell, renovate or occupy…

I asked, 'Do you support, or are unsure, or oppose,' and so forth.

2. The new laws propose that if the landlord does require possession, as described above, they must provide sixty days notice. When a tenant receives notice that their tenancy will not be renewed, they may vacate their rental property with seven days notice (within that sixty days period) and not be liable to pay rent after they vacate.

'Do you support, oppose, or other?'

3. The new laws propose that tenants can apply to keep a pet on the premises. Landlords may require certain conditions, such as that the dwelling be cleaned to a professional standard at the end of the tenancy, but grounds for refusal are otherwise quite limited…

4. The new laws propose that the landlord (or agent) may inspect the premises no more than four times a year. The current provisions allow an inspection as many as once every four weeks…

5. The Bill will clarify that a landlord or agent must not unreasonably withhold consent for a tenant to sub-let a property. These provisions also specify that a landlord or agent must not charge a fee for giving consent to a tenant to sub-let the property…

In relation to all of these, I have not reflected on the early feedback from my community because it was early. I will make an exception in this case: the early responses from the first 300 respondents suggest that this is a particular concern over and above some of the others, but I will certainly be happy to put on the record later, and certainly for my constituents, the final numbers prior to this bill being in the Legislative Council. Finally:

6. The Bill will require that rent increases not be 'disproportionate', with tenants able to make application to SACAT if they consider an increase to be excessive on this basis…

Those are six of the issues that were particularly identified to me by constituents as being of concern in some areas. Some people are very supportive of them as well. Certainly, I seek to serve my constituents by being informed by my constituents and raising in this place issues that they bring to my attention. I do so on this occasion. I am grateful to those constituents who have reached out to share their concerns. I am grateful to those constituents who have invested in the future of South Australia through providing housing opportunities to people who are their tenants, and I am grateful to those people who are renting in my community and adding to the community, as they do every day.

I look forward to the further consideration of this bill in the house and the committee stage, looking in some detail at some of these matters. I am confident that as we approach the Legislative

Council I will be able to pass on the views of my constituents, including the hundreds who have already responded to my office and the hundreds more who I expect will in the coming days, to ensure that their views are taken into consideration in what the Liberal Party puts forward.

Ms HOOD (Adelaide) (22:18): I rise this evening in support of the Residential Tenancies Act (Miscellaneous) Amendment Bill. Firstly, I would like to acknowledge and thank the Minister for Consumer and Business Affairs, the Hon. Andrea Michaels MP, to whom the residential tenancies responsibilities fall, for her significant work. She has been doing incredible work in this area of policy, first with conducting the recent review into the act and now, importantly, implementing the recommendations that come from it.

It is a huge task, but I believe these reforms will be transformative for many in my local community. During the Residential Tenancies Act review, I know many in my community put in their submissions, sharing their thoughts and feelings on the current system, including many renters who detailed very legitimate concerns. I have already spoken in this place about local constituents of mine, such as Ariba and Toby, who first raised the issue of rent bidding with me. As a result of sharing their story and their advocacy, rent bidding is now banned in South Australia.

When I am out and about, listening to members of our community, I often hear about the difficulties that people have with rental properties, whether it is the ability to have a pet, the sudden and unexpected termination of a lease or the difficulty having timely repairs made to ensure the house is livable.

I want to share the story of a local in my community who I had the privilege of meeting on the steps of parliament today. His name is Hugo. Hugo hails originally from Dubbo in New South Wales. He now lives in the CBD with his parents, Kitty and Nick. He works in the arts industry, performing in theatre productions, most recently *Legally Blonde* and the State Theatre Company's *Lady Day at Emerson's Bar and Grill*, as well as appearing in TV commercials. Hugo only weighs about three kilograms, and he loves going for walks around the CBD. If you have not guessed already, Hugo is a chihuahua.

Last week, Hugo's owners, Kitty and Nick, were left fighting to stay in their rental home in the CBD because they own Hugo. Previous assurances in writing that a pet was allowed at the rental property were reneged after discovering that Hugo was living at the rental. It left Kitty and Nick, who are exemplary tenants with a perfect rental ledger and glowing property inspection reports, heading to the tribunal to fight an order to vacate their fully furnished rental home in just 28 days. Kitty and Nick said this would have created extreme hardship, for them to find a property to live in and furnish the entire place in less than a month. As you can imagine, it has been a stressful time for the couple, awaiting the hearing, not knowing if they would have a home to live in.

Thankfully, Kitty and Nick utilised the services RentRight SA, who helped to advocate for them in the hearing, which they say was wonderful as they were inexperienced in the process. The RentRight team also helped them explore their rights and obligations and were really supportive. Last Friday, Kitty and Nick won the right to keep Hugo at their rental until their lease ends in May, after which they may have to find another home. It has been quite the battle for Kitty and Nick, all over a tiny puppy that weighs less than bag of baby potatoes. But having met Hugo today, I can say he is absolutely worth it, and I want to thank Kitty and Nick for sharing their story with me.

It is on behalf of locals in my community, responsible renters like Kitty and Nick, that I stand to speak in support of this bill this evening, because this bill will for the first time in SA give tenants the right to own a pet. Tenants will still be required to comply with any reasonable conditions imposed by the landlord, such as requiring a pet to be kept outside if it is not the type of pet ordinarily kept inside and that the carpets are cleaned professionally at the end of the tenancy. This reform is needed. Current estimates suggest that 68 per cent of South Australians have pets, but less than 20 per cent of rental properties are advertised as allowing pets.

According to the RSPCA, one in five animals surrendered is due to their owners being unable to find a rental property that allows pets. It is balanced reforms like this that will allow more responsible renters like Kitty and Nick to enjoy the love and companionship of a pet in their rental home.

The bill to amend the Residential Tenancies Act will also, importantly, increase the minimum notice to end a tenancy from 28 days to 60 days so tenants will have more time to secure a new home and make the necessary arrangements to move. It will also protect renters' rights, ensure rental properties comply with minimum housing standards and provide additional support for victims of domestic violence. This bill forms part of our government's commitment to take decisive action to improve housing outcomes for South Australians. These reforms will assist tenants in the current rental crisis while also balancing the rights of landlords. I commend this bill to the house.

The Hon. D.G. PISONI (Unley) (22:23): I take some time to make a contribution to this bill. It is most disappointing to hear those speeches from the government members—not a single solution to the housing crisis that we are in at the moment. We are hearing how this legislation will help cement people into existing properties, but we are not hearing how it will see more properties built.

There are more investors in the market; 70 per cent of the private housing market are mum-and-dad investors. People who are investing money that they may have chosen to put into a bank account maybe today could get a 5 per cent return or even better than a 5 per cent return. For a rental property they may only get 3 per cent, and 3 per cent is probably not bad these days for a rental property. So you ask yourself, 'Why are they doing that?' Because they do not have the cash. It is not cash that they are spending. They are borrowing money, they are taking risks and they are providing for their future.

People are benefitting from having more properties on the market because people are investing in retail real estate. What we do not want to see is a situation where it is more difficult for people who are not in business—people who are not used to dealing with regulations and having to comply with additional paperwork—to protect their investment and their retirement or the future for their children.

People invest in property for many different reasons and many of those people who invest in property are our newest Australians. At the citizenship ceremonies that I speak at, one thing that I observe and share with those new citizens is that many of them have been able to identify opportunities in Australia that those who are born here walk past. They understand the value of real estate and they feel safe investing in real estate, and those who are looking for places to live but are not in a position to buy, people who are described as renters, benefit from that. The more rental properties in the market, the more choice there is for renters, providing a broader environment from which to choose something that suits them.

I can remember when I first left home and entered the rental market. There were about half a dozen properties I looked at, and I was the only one looking at those properties. It was a different time I know, but that is where we need to be in order for there to be a better deal for renters. We need to have much greater supply. This legislation actually puts at risk seeing an increase in supply in the private rental market.

I just wonder how many fewer homes the Riverlea development is going to sell to people who are investing in residential real estate. Fewer houses will be built because there will be fewer investors: people who might already be investing, they have made a commitment in their 30s or 40s to build up a nest egg through real estate, who might decide, 'We are not going to buy a second investment property now. We are going to perhaps look at another way in which we might provide for our own retirement.' So that will be one less home that will be purchased and built in a development such as Riverlea.

Many of the provisions that are in this bill may very well be fine in a 0.03 per cent vacancy rate that we have at the moment in South Australia for landlords, and I am sure that it would not be a difficult task for them to get new tenants. Do not forget that people look at a long-term proposition when they invest in real estate; they do not look at short term. You just cannot look at short term because the first thing you have to recover if you sell property is the stamp duty that you pay. It requires a substantial amount of growth in the marketplace and the capital value of that home in order to retrieve that when you sell.

We are seeing people not getting enough rent to pay for the mortgage payments grow extraordinarily now where so many more people are now using negative gearing that they were not required to use before because they were simply able to get a tax deduction against the interest

based on perhaps the rent that they were receiving covering the interest they were paying. Now the rent they are receiving does not cover the interest they are paying, so they need more money. They need to invest their own money in that property for that situation to continue.

There was an article in the *Financial Review* just last week about how, particularly in the Eastern States, we are seeing record numbers of investors dumping rental properties because they simply cannot afford to continue servicing that growing gap between the rent they receive, the government charges and taxes that they pay and the interest they must then pay with the 13th interest rate rise in a row.

I do remember—and I think we were reminded of this when we saw the clip of this speech—when the current Prime Minister as opposition leader said he would bring the cost of housing down. Reduced interest rates, he said when he was in opposition. Since then, we have had I think about 12 interest rate rises. We have had the biggest and most rapid interest rate rises in Australia's history in the first 18 months of the Albanese government. This, of course, is not money you can just print to pay those increased interest rates when you are a landlord. It is another cost—another deterrent—for people to invest in housing and for people to rent.

On some of the provisions, yes, it is great to talk about soft, cuddly things like pets, but I think there are some unintended consequences of this. I know that many people have a philanthropic streak through them and if they are in a position to do so they will choose to support people less fortunate than themselves. Some people may be a category of people. I know a couple that prefer to rent their properties to middle-aged single women because statistically they are the ones who are disadvantaged the most in the housing market. They are the ones who find it harder to get a home.

What happens if somebody with a dog applies for the same house that that middle-aged single woman applies for and the couple decide, 'No, we want the single woman to get that house because we know it is going to be harder for her to get a house.' They take that person on as their tenant and then the person with the dog decides to take the couple to the tribunal arguing that they were discriminated against because they chose someone without a dog ahead of somebody with a dog. They may be wrong. They may not be able to pull that off, but that couple that owned that house have to go through that process. This is what happens when you manipulate the market with legislation that is bureaucratic and removes incentives for people to participate in that area.

One of the last times there were reforms in the real estate area, I was the shadow minister for consumer affairs and Jennifer Rankine was the minister. She described the real estate industry as robber barons—that was the language she used—and there were changes to the auction system. In those days, there was a fellow in the upper house called Nick Xenophon. The Labor Party had a firm view that they were not going to allow vendor bids.

The Liberal Party said, 'We think vendor bids, as long as they are identified as vendor bids, give potential buyers an indication of how far away they are for something that the vendor might be happy with, that they might consider.' Labor said, 'No, no vendor bids.' In the upper house, we said, 'We think there should be vendor bids,' and there was a stalemate.

Xenophon saved the day. Labor signed up to a deal that was put to them and that was that the legislation under his amendment would allow three vendor bids. So we had this ridiculous situation where you could do something for the first time, the second and the third time, but do it a fourth time and it is illegal. This is what elements of this legislation reflect; it is what they do. They have some unreasonable situations. For example, 60 days' notice for the landlord to the tenant, but then only seven days from the tenant to the landlord. Try to find tenants—even in this environment—try to get there to organise within a seven-day period.

There is going to be a cost to the landlord. The hardworking family that is postponing holidays, perhaps sending their kids to different schools than they would prefer to send them to, or making other sacrifices so that they can provide for their future and the long-term benefit of their family, are hit with extra costs because they are in a situation where they need to move into that house or the situation has changed and they are not going to renew the lease for that tenant and they have to give 60 days' notice but only receive seven in return if that tenant moves out before the end of the lease. Commercially, it is 14 days' notice when a tenant gives a notice of not continuing a

lease. Seven days guarantees that there is going to be an additional cost for a landlord in that situation.

Again, I remind this house that this legislation does not build one more rental property in South Australia—it does not contribute to building one more rental property. As a matter of fact, it makes it harder for landlords to actually manage their assets and for them to provide rental property for the private rental market.

We are seeing that there is a push for an expansion of the private rental industry, the build-to-rent industry that we have not really seen much here in Australia. It is very new, even in the Eastern States. It is a way of life in countries like Britain, for example. I can remember, in 2017, the member for Elizabeth and I joined the UDIA on a tour when I was the planning shadow and the member for Elizabeth was representing the government with the industry, and we went and visited these types of developments in the UK. Of course, they are big, private businesses.

So this nonsense that you cannot have businesses or private business opportunities or investment opportunities out of housing is a bit like saying you should not have people making money from producing food. Can you imagine if there were not profits in food? Where would it come from? I know an example where that happened: Zimbabwe. Remember Zimbabwe were a net exporter of food. Over the years of the Mugabe regime, there was government interference in the production of food and now, of course, they are a country that relies on international food aid. They used to export food to the world because it was run by the private sector but now, of course, they cannot even feed their own people because they were so opposed to profits being made from food.

That is how the economy works, and parts of this legislation interfere in that process and do not build one extra rental property here in South Australia. They do not put a house over a single head, and that is the problem with this, and yet those opposite—the government—think that they are going to save the world with this legislation.

It is about as useful as liking a post on a Facebook site as getting an outcome. It is not going to get the outcome that the government thinks it is going to get, that it is telling people it is going to get, because it does not address the housing shortage that we have here—or housing crisis that we have in South Australia.

The Hon. N.F. COOK (Hurtle Vale—Minister for Human Services) (22:40): I am wondering if it is still Tuesday or somewhere in some dark future where things are very different and laws are very different, but after that contribution I feel the need to put a few things on the record.

No, this policy is not about building houses, which is really fortunate because we need good, solid policy that looks after rental tenancies, renters and landlords. That is what this law will do. I will just put a few things on the record that actually will build some houses.

We have just watched a painful process this year of the obstruction of the passage of the Housing Australia Future Fund in the Senate, the federal parliament—the obstruction by the Liberal Party over there. What has happened with the Housing Australia Future Fund and what that will help to stimulate over time, providing a pipeline, is to invest $10 billion into this future fund. It will ensure houses are built over time, in our state and all the others.

You should listen, because you have clearly had your ears shut for a while. The HAFF is just one part of a really comprehensive suite of policies being offered up by the federal government. Some of those policies include a national target, a building target of 1.2 million homes; a $3 billion new home bonus; a $500 million housing support program; and a $2 billion social housing accelerator which will deliver thousands of new social homes across Australia being built to rent.

Actually, build-to-rent has been going on for decades. I think it is called social housing actually—build-to-rent. You can build-to-rent for private purposes. You can build-to-rent affordable homes, but build-to-rent has been going on for decades, and it is called social housing. In our world we understand this notion.

There is the National Housing Accord where there is federal funding to deliver 10,000 affordable homes over five years from 2024, being matched by another 10,000 homes—states and territories. There is an additional billion dollars in the National Housing Infrastructure

Facility (NHIF) to support more homes. I could go on, but I think I have started, so perhaps a little chat with Google—because it is getting late—and you might find a really good document on the DSS website.

Apart from that, I think we have had plenty of conversations in here—maybe pay some attention in question time. We have some stamp duty changes here. We have the release of land, so that more than 25,000 homes will be built on land at Hackham, Sellicks Beach, Dry Creek, Concordia, Noarlunga Downs, Aldinga, and Golden Grove—just a little land release package that we have been doing.

I talk every day about the hundreds of additional public houses that we are building. This government has done more in housing over 18 months than we have seen happen for decades. We are very proud of that. There are hundreds of millions of dollars for social and affordable housing; massive land releases; and help for homebuyers, with low deposit loans and stamp duty relief.

We are agreeing to implement new elements of the construction code to improve accessibility, adaptability and energy efficiency. Yes, I do believe these things altogether will change the world, change the world for particularly vulnerable people who rely on others to provide housing for them, people we care about and we talk to every day.

We are slashing bonds by a third for homes rented between $250 and $800 per week and expanding access to private rental support. We are making it easier to rent out granny flats. I have heard that; I have heard that being discussed. It is in the bill. It is very important. This was all before the bill before us was even introduced, to be honest.

I must give credit to Minister Michaels, because this bill is possibly the most important of the housing works that we are doing as a government. This is groundbreaking, and it will make a difference. What it will do is ensure people are secure in their homes, their rental properties. It will stop people having to enter homelessness unnecessarily.

There has been an incredible amount of work consulting with tenants, agents, owners, peak bodies and other stakeholders. I heard the member for Morialta talk about his extensive consultation in his electorate, and I applaud him for doing that. I would like him to share his consultation. I hope that he will share all of his consultation, as Minister Michaels has shared the consultation, making everything transparent and easy for us to make good decisions when we legislate.

Reform proposals have been negotiated in good faith, with a genuine desire to make the system better. There is so much good news in the bill, and I understand why the member for Unley was a bit disappointed. I do not even have time, really, to list off all the key changes, let alone explain the great impact that each of them will have. I have picked my top five, and I will leave it to others to go through, as have many before me. I am sure there will be other speakers.

First of all, the bill includes multiple provisions around ending tenancies, about ending leases. These include requiring landlords to give a prescribed reason for not renewing a lease, so people cannot lose their home without good reason; limiting homes being rented out shortly after a non-renewal if a landlord has used one of the prescribed reasons like needing to live in the home themselves; more than doubling the notice period at the end of a fixed term lease, so people have more than a week or two to find a new home in a rental market with almost no vacancies; putting in place greater protections against retaliatory behaviour, as when a tenant reports substandard or dangerous conditions to the Housing Safety Authority in my department; and allowing compensation for landlords in certain circumstances. These are balanced, fair and sensible. They reflect the deep work that has gone into preparing this bill.

Second is the longer leases. When a good landlord and a good tenant get together we should be making it easier to enter into long-term and more stable arrangements. I know that some real estate agents may get slightly lower fees from not renewing leases every six or 12 months, but this is a small price to pay for greater stability on both sides of the rental agreement. I am sure they will work it out. They are clever people, real estate agents; they will work it out.

We will now have an organised and reasonable approach to renting with pets. This is particularly important for people with disability. It is particularly important for older people. It is so important when loneliness is such a massive issue in our community. Many of the people linked to

my portfolio understand. Mr Deputy Speaker has held portfolios like this as well and is deeply connected to his community, so I am confident he totally understands where we are going. The people in our portfolios and our communities experience this social isolation, and often a pet is one of the very few connections to another living thing. Pets can bring comfort and purpose to people who are lonely or have experienced trauma. This is a very welcome change.

Third is about reasonable alterations to a premises. As I mentioned earlier, unlike the previous government, we have committed to making new homes more accessible and adaptable. Under this bill, it will be easier to make simple changes to a rental home that may assist with mobility for older people or those with disability and help with security when a person is escaping violence. Some of these benefits that you actually get as part of a public housing or a social housing arrangement, you will now be able to secure more safely and without such a fight in a private rental situation.

With more people renting for longer, it is important that reasonable changes can be made. A combination of longer leases and the ability to make small changes may also help us unlock additional federal funding under My Aged Care or the NDIS. Fourth is about sharing a home. There are multiple provisions that help both tenants and owners to use a rental home to house more than one person. In a tight market, this is a critical change to help get more people safely housed, and I applaud the minister for this.

Fifth on my list are provisions specifically linked to family violence or abuse. It is a sad reality that people face the trauma of violence far too often and, as a government, we have a responsibility to make their lives easier in any way we can. There are so many other provisions around protecting information, managing bonds and rent, dealing with drug contaminated homes—I do not have time to deal with them, we do want to go home tonight—but they are all part of the biggest changes to rental agreements and arrangements in a generation.

This bill is fundamentally about making our housing system fairer. There are well-off renters out there who choose to rent, but there are tens of thousands who cannot buy a home, cannot access social housing, so private rental is their only long-term option. We owe it to them to build a system that supports stability and mutual respect between parties and that acknowledges we are not just talking about land and buildings; we are talking about people and homes. I commend the bill to the house.

The Hon. A. MICHAELS (Enfield—Minister for Small and Family Business, Minister for Consumer and Business Affairs, Minister for Arts) (22:51): I genuinely want to thank all the members who have made contributions to this bill tonight, in particular of course the member for Hurtle Vale, Minister Cook; the member for Adelaide; the members for Davenport and Elder; and from those opposite—the members for Morialta, Unley and lead speaker, the member for Heysen. Thank you for your contributions.

This reform will make a difference. It is a generational reform for the Residential Tenancies Act. It is going to make a huge difference to the rights and obligations of tenants and, at the same time, we are looking at balancing the rights of landlords. It has been important to strike that balance and that has been done through extensive consultation with stakeholders. This process started in August last year with a roundtable. We had stakeholders including SACOSS, Shelter SA, Uniting Communities, REISA, and the Landlords' Association. We had representatives from SAHA and DHS. We had RentRight and we also had the Hon. Robert Simms, the Hon. Connie Bonaros and the Hon. Frank Pangallo in the other place attend that roundtable. That was the start of the conversation.

We then went to form a discussion paper which went out to public consultation. We ended up with over 5,000 survey responses to that consultation. We had over 150 written submissions. So I want to thank everyone again who participated in that consultation. We did pick out some immediate priorities off the back of that that has passed the parliament, interestingly with an amendment moved by the Greens but supported by the opposition in the other place, which was to allow the Residential Tenancies Fund to be used for a tenants' union. I thought that was an interesting amendment for the Liberals to support.

We are progressing with the tenants' advocacy service and I want to thank the Hon. Robert Simms for working with me very constructively in that regard. Residential tenancy laws have not

really been so significantly updated since the introduction of the 1995 act. This bill will deliver a number of initiatives, some outlined by previous speakers and outlined in my earlier second reading speech. I will not go through them now.

Any significant reform like this has its challenges. It is about extensive consultation. As the member for Heysen said, not everyone is going to be happy with everything that is in this bill, but these are significant reforms. They are worth pursuing.

The member for Heysen quite extensively referred to the REISA submission, and I want to thank Andrea Heading and Cain Cooke, who are here with us this evening, for working with me after that submission. From that submission there have actually been changes in the bill—off the back of REISA's work—and I want to thank them for that and for working with us. Obviously, their presence here is testament to the fact that we have worked collaboratively on this, and the end result of this bill is something that REISA has publicly supported, and I appreciate that.

We would not be here without that constructive input from a range of stakeholders. I do want to thank them all for supporting us, including other stakeholders who have participated throughout the process: SACOSS, Anglicare, Shelter SA, the Anti-Poverty Network, Uniting Communities and SA Unions as well.

I will just touch on a couple of the issues that primarily the member for Heysen raised in his contribution. He started by referring to this essentially residential tenancies law as a consumer protection mechanism, and it is. So all the issues that the member for Heysen raised in terms of privity of contract are valid but in the context of what is broader consumer protection legislation. Residential tenancies laws have been around in South Australia, around the country and around the world for many, many years.

In terms of the mutuality of the landlord and tenant relationship, that is exactly what this bill seeks to do. We are seeking to develop a sustainable rental environment. We know more people are renting. We know more people are renting for longer. These are their homes, and in these regulatory reforms what we are seeking to achieve is ensuring that landlords have the support they need to continue their investments and tenants have the support they need to be able to call these properties their home. That is the economic reality of the rental market, and that is what really was at the core of the end version of this bill.

In terms of some of the statements made by those opposite about landlords wishing to sell simply because of some regulation changes, there has been some extensive research undertaken. There is a paper, 'Regulation of residential tenancies and impacts on investment'. It was prepared by researchers from the University of New South Wales in Sydney, Swinburne University of Technology and the University of South Australia here. It examined very deeply what the factors were that shaped landlords' rental investment decisions.

I will briefly summarise the top three issues that impact mum-and-dad landlords and their investment decisions: 50 per cent said they would sell when it was a good time to sell to realise capital gains, and we can see that in the current market; 40 per cent said they were selling because they wanted the money for another investment; 36 per cent said they would sell because the rental income was insufficient—and that goes to the rent capping debate that has been aerated publicly in other forums.

None of those are actually the regulatory impact. In fact, last on the list was any consideration of dissatisfaction with tenancy laws as a reason under this research for why landlords would sell out of a property. We are certainly not expecting that to happen as a result of these reforms, because they have been carefully considered both with people representing landlords and real estate agents and with people representing tenants. They are very considered reforms in my view, and I hope to see them progress through the house.

Bill read a second time.

Committee Stage

In committee.

Clause 1.

The CHAIR: Member for Heysen, do you have any questions on clause 1, or would you like to move clauses 1 to 95 en bloc? It is up to you; I am in your hands.

Mr TEAGUE: I did not realise those were the only two alternatives. I was prepared to chart a somewhat different course. I do not have questions until clause 3.

Clause passed.

Clause 2 passed.

Clause 3.

Mr TEAGUE: In clause 3 we see the amendment to the definition of 'residential tenancy agreement' to expressly include—and I think this is expressly by the note, so I take it then that the drafting is capable of incorporating such premises as are more expressly described in the note. So maybe it is not a change as such, but it is making it clear. It might be a convenient way to raise the point again that we have had some consideration, in the course of the second reading debate, of this now regime of 60 days' notice from a landlord and a responding seven-day notice obligation on the tenant that would apply in these circumstances—and we will see it in respect of rooming and so on, and that will apply broadly.

Perhaps something that is not necessarily clearly understood is that this now will expressly incorporate into the regime the studio, the granny flat—a premises located, as it is described:

> …adjacent to or near the primary residence on the land and which the other person has exclusive access to, and possession of…

That is a residential tenancy agreement. The convenient point to stress here is that, by now being a residential tenancy agreement under the new arrangement, there is no capacity to terminate that tenancy, even at the end of the fixed term, except on the prescribed grounds. That is the consequence of it being a residential tenancy agreement. That is correct, isn't it? It is as straightforward as that. For any of these arrangements that are defined as residential tenancy agreements, we need to identify a prescribed ground in order to give the 60 days' notice. Absent any one of those prescribed grounds that we are yet to see and that will be the subject of regulations, there is no capacity to rely upon the end of the fixed term in order to simply allow the tenancy to come to an end.

The Hon. A. MICHAELS: In terms of that note, it is particularly to provide clarification around granny flats. It was first raised with us some time ago where, in the housing crisis, there were comments in the media saying, 'You can't rent out a granny flat,' and I obviously thought that was unusual because there was nothing in the Residential Tenancies Act that prevents it.

It turns out it is really a planning issue and councils are putting in conditions on development approval to say that only relatives can live in that granny flat. It actually had nothing to do with the Residential Tenancies Act, in my view, and the advice I have is if it were to be rented, if that condition was not imposed on councils, it would be a residential tenancy agreement, in any event. So this is really just clarifying that. Where that is the situation—where there is a granny flat or other property that is subject to a residential tenancy agreement—that will be subject to the act.

You touched on the prescribed reasons. They will come into regulations. I will just put on the record, again, the extensive consultation that we have had on those, and what some of those reasons might be, so they are on the record:

- where the tenant or their visitor intentionally or recklessly causes serious damage to the property, including safety equipment and common areas;
- where the tenant or their visitor puts neighbours, the landlord or the landlord's agent, contractors or employees in danger;
- where the premises are unfit for human habitation, destroyed totally or destroyed to the extent that they are unsafe;
- where the tenant or anyone else living at the property seriously threatens or intimidates the landlord, their agent or the landlord's contractors or employees;
- where the tenant fails to comply with a SACAT compliance order;

- where the tenant has already been given two breach notices—for example, paying rent late—and the same breach occurs for the third time—

In the comments of the member for Heysen, I think he referred to the perceived problem of where there is a breach of the tenancy and you would never be able to get that tenant out. That is, in fact, not the case. It would be covered by these prescribed reasons, absolutely, so that matter is already being dealt with. Other proposed reasons for a termination would include:

- where the property is being used for illegal purposes;
- where the tenant has brought in other tenants or subtenants without consent of the landlord;
- where the tenant has not paid the bond as agreed;
- where the landlord is a government housing authority and the tenant has misled the authority in order to qualify for social housing;
- where the tenant has been involved in an illegal drug activity on the property;
- where the tenant is keeping a pet without consent and SACAT has made an order to exclude that pet;
- where the tenant is renting a house from a charity or a community housing provider and the tenant no longer meets that charity or community housing provider's eligibility requirements to continue as a tenant;
- where the tenant has engaged in false, misleading or deceptive conduct, or concealed material facts from the landlord or the agent in inducing the landlord to enter into the agreement—

After some consultation, a couple of additional ones were included, predominantly for primary producers. Where there is employee accommodation provided as part of an employment arrangement and that employment arrangement ends, we are proposing that would be a cause to allow for termination. Also, off the back of some consultation with the Property Council that you referred to, we are proposing that where there is student accommodation, if the person who is in that accommodation is no longer a student, that would be a prescribed reason for terminating the tenancy.

Of course, all the reasons that are currently in the act, in terms of the landlord requiring the property for themselves or a family member or renovating, are still in there. So there are quite extensive reasons that we are proposing to be able to end a tenancy, and that would cover, as you mentioned, granny flats and studios. They would be covered by residential tenancy agreements.

Mr TEAGUE: Can I indicate that I appreciate the minister's fulsome response. That is helpful, and drawing as it was from the information that has been the subject of the briefing as well, which I appreciate. It is convenient to address it here in the context of this more particular definition of what a residential tenancy agreement is.

Just to be abundantly clear—and it might be because I have demonstrated that I have the capacity to be pretty slow, in particular in the context of the section 69 amendment of the Real Property Act, for example—so that we are abundantly clear, we are entering a regime in which there is a fixed-term residential tenancy agreement (one year, two years, three years, five years or whatever it might be), including in respect of this more particularised category of accommodation, and all the others that might be caught by a residential tenancy agreement. Absent identifying one of those prescribed grounds, there is no terminating of the agreement by the landlord? So the 60-day notice period is not even applicable because there is no prescribed ground upon which the landlord can rely, and so termination is just not permissible because none of these circumstances apply?

I might just make the observation that they are ranging from very high level antisocial, contrary-to-contract sort of behaviour, through to sort of transformative kinds of steps like renovation. So, yes, there is a wide range of circumstances, but they are the sorts of things that offend against what you would ordinarily expect to be the conditions of a tenancy. It is a fair characterisation, is it not, for better or worse, to say that we are entering an arrangement where the fixed term is actually of at least altered meaning and of limited utility while ever there is a tenant wanting to remain in their tenancy?

So absent whatever the range of prescribed grounds exist—and I concede; I think there is credit for the point about an employment-related tenancy, and good that the student accommodation point also might respond to the particular circumstances—in the ordinary course, while ever a tenant

is willing to pay whatever rent that SACAT allows to be charged, and everything else is peaceful, it is entirely in the tenant's hands how long they stay, and it could be basically tenancy for life with no other alternative except those transformative alternatives that involve taking back the property and, in those circumstances, a minimum of six months out of the rental market? Is all of that a fair characterisation of the new regime?

The Hon. A. MICHAELS: Largely. The intention, and I think you have touched on that, is to encourage longer tenancies. Where a tenant has done nothing wrong, the landlord does not need the property for anything else—it is an investment property for that landlord, they are not going to live in it—yes, it is the intention that that tenant would have the right to reside there for the long-term and create a home for these people. You mentioned longer term tenancies that are around in other jurisdictions and work quite well. It is the intention to create that sort of rental structure here, to allow those long-term tenancies, of course with those protections for landlords that I have mentioned. That absolutely is the intention.

Mr TEAGUE: Just to put it clearly on the record, one is left to ask the question: what purpose does the fixed term of any kind serve in that environment? Is there any relevant purpose for any fixed term beyond the fact that it is an agreement that meets the characteristics of a fixed term?

There is no real consequence that flows, apart from the section 69 Real Property Act stuff, from it being one year, two years, 20 years. Is there any other purpose for the notional fixed term to serve and if not, can we just make very clear to landlords that if you are renting your property in a residential tenancy arrangement, you have to be prepared basically to hand over that property for life to the willing compliant tenant?

The Hon. A. MICHAELS: I am just checking on the notice periods. I think it may be a difference in respect to landlords who might be moving into the property—those sorts of things—rather than those prescribed reasons may be different. Largely, it is going to be a market decision, so some landlords might want the security that they have a tenant there for a period of time: one year, two years, three years. They may choose that rather than have the uncertainty of a periodic tenancy.

I think that will come to the market to decide whether fixed tenancies are used as much as they have been in the past. I think tenants and landlords will make that decision. I suspect landlords will continue with fixed-period tenancies to have that security from the perspective of having a tenant who is there for that period of time.

I do think there might be some differences in the notice periods. I can clarify between the houses. I think the difference might be a 21-day versus a 28-day notice period for exiting on certain grounds that they leave on.

Mr TEAGUE: The periods of those tenancies relative to the amendments.

The Hon. A. MICHAELS: The period of a fixed-term tenancy? The security? That security issue from both sides, so I suspect the market will continue to go down that path, but I think the market will decide.

The Hon. D.G. PISONI: With reference to controlled drug, I notice in the act that the landlord is responsible for ensuring that the property is drug free when offering to tenants. Who is liable for the cost of that if it has been identified that the drug contamination is the result of the previous tenant?

The Hon. A. MICHAELS: Are you asking in terms of the definition or do you want to come to that when we get to that part of the—

The Hon. D.G. PISONI: We can cover it now. I have asked the question and it relates to the controlled drug reference.

The ACTING CHAIR (Mr Odenwalder): I take the minister's point. In clause 3, all it does is define a controlled drug as having the same meaning as in the Controlled Substances Act. It does not talk about anyone's obligations or anything in terms of those; it is a simpler definition. If you have a question about the definition of a controlled drug, you might want to ask someone else. You could save your question for the relevant clause.

The Hon. D.G. PISONI: There is a change in the definition of a 'rooming house'. I think it has moved from three to two rooms. Can the minister advise what is a 'rooming house' and what constitutes a room for that definition to be relevant?

The Hon. A. MICHAELS: Typically rooming houses are houses with three or four bedrooms, and you will have a separate tenant in each of those rooms. It is often used to some extent for students. It is being used more and more with the housing crisis where people cannot afford a house. They are renting a room in a particular property. Those rooms are the rooms we are referring to in the 'rooming house' definition.

Now, under this bill, if you have two or more rooms that you are renting out to different people, you will be caught under the rooming house. The reason for the reduction is to give people more protection. Often significantly vulnerable people are put in the situation of using rooming houses as their accommodation; they are not in a situation where they can afford an entire property. Particularly vulnerable people are being subject to the rooming house scenario as their accommodation answer, and certain protections are offered by the Residential Tenancies Act in that scenario. We want to capture more people to make sure they have those protections.

The Hon. D.G. PISONI: Why is the registration of a rooming house required at five rooms and not at two rooms?

The Hon. A. MICHAELS: It is an additional obligation. I think the policy position is that, once you get to five rooms, we want certain registration criteria satisfied, including being a fit and proper person to run a rooming house. When you have that many people—we have put it at five—we do not want the red tape of it being two or three rooms. We have decided on five. There are broader protections for rooming houses in the Residential Tenancies Act that would now apply for two or more rooms instead of three.

The registration system is really an additional consumer protection for those people where there are more significant, more substantial, properties and someone has five or more rooms available for rent, protecting those people through a registration scheme, making sure those proprietors are fit and proper people and are able to continue to hold that registration for that protection.

Clause passed.

Clause 4.

The Hon. D.G. PISONI: This clause refers to testing and remediation in relation to drug contamination. Who is responsible for the cost of that at the end of a lease? Is there a remedy for a landlord if the clean-up, for example, is not covered by the bond?

The Hon. A. MICHAELS: I will draw the attention of the member for Unley to the fact that the question he might be asking might relate more appropriately to section 67B. This clause is simply making it apply to properties under the South Australian Housing Trust. The SAHA properties will need to comply with those particular provisions. The balance of section 5 of the act is talking about the application of the act more broadly and exempting SAHA from certain obligations, and we say those obligations will apply to SAHA in terms of testing and remediation, but I think your question might come at a later point in time.

Clause passed.

Clause 5 passed.

Clause 6.

Mr TEAGUE: If you will indulge me at the point, this is an amendment of the penalty provision, essentially. Can the minister identify the process of notification to a tenant of the sale of the premises, and therefore what are examples of circumstances where the highest level of penalty is likely to be incurred as a result of the offence?

The Hon. A. MICHAELS: I am advised that the most likely scenario is where there is blatant or deliberate misleading of the prospective tenant. If there is in fact a sales agreement that has been entered into with an agency to sell that property and then a rental agreement has been entered into

or a prospective tenant has been encouraged to apply, in those deliberate scenarios it may be that the higher end of that penalty would apply if there is a prosecution. It is more likely to be an expiation fee in most cases, I would imagine.

Mr TEAGUE: I just note for clarity, and again with appreciation, I think there was a request at the briefing that there be a comparative table provided of penalties. That has been provided, and it is appreciated. My understanding is that this proposed new maximum penalty is not the highest of the new penalties; I think they run to $50,000 as a maximum pecuniary penalty. There is a maximum penalty of $20,000 or an expiation fee of $1,200, and there is no equivalent penalty as presently set out in the legislation, by reference to the table.

The Hon. A. MICHAELS: Yes. I think that is largely to be consistent with section 47B, which I think was in there under the first tranche of legislation. That was existing, so the immediate priorities bill had section 47B, and then there was a recommendation that we put in a consistent penalty for section 47A.

Clause passed.

Clauses 7 to 11 passed.

Clause 12.

Mr TEAGUE: Again, for those who are following along, we have been through largely a number of provisions that are amending penalties, and clause 12 is another one of those. Again, I take the opportunity to ask if the minister might be able to identify circumstances that would be likely to attract the maximum penalty pursuant to section 52. For the reference point, it is one of those where the maximum penalty has gone up very significantly. I just wonder whether there is an example of egregious behaviour that would justify that maximum.

The Hon. A. MICHAELS: A lot of the increases in the penalties more broadly are for consistency, having regard to parliamentary counsel's advice on penalties more broadly. It would have to be, I would imagine, fairly egregious to get to that maximum penalty point, where potentially a landlord has explicitly said, 'You're not getting this property because you have children,' but a court would decide what range of penalty they think is appropriate.

The Hon. D.G. PISONI: Minister, are you able to advise how many penalties have been issued over the last five years for that clause?

The Hon. A. MICHAELS: I am advised that none have been.

The Hon. D.G. PISONI: Has it ever been used?

The Hon. A. MICHAELS: I could not answer the question of whether it has ever been used, but I could answer, in recent times, none.

Clause passed.

Clauses 13 to 15 passed.

Clause 16.

Mr TEAGUE: I have addressed, at least to some brief extent in remarks in the second reading, this additional provision that adds to the catalogue of specific considerations that SACAT must have regard to and now precedes a catch-all 'any other'. I refer again to my appreciation for the opportunity for a briefing in this matter and for the narrative that is provided in a summary from Consumer and Business Services. This involves the insertion of a new reference, in the context of a rental increase, to SACAT needing to consider whether the increase was disproportionate considering the amount of rent payable.

I just ask whether or not there is any indication as to what, other than the ordinary meaning of the word, might be contemplated when SACAT is going to have to consider what 'disproportionate' means, particularly bearing in mind that there is (a) through (h), including things like comparative rentals. I just compare it with—I do not have it in front of me just now—I think section 76 that uses the term 'harsh or unconscionable'. We have that test elsewhere, 'harsh or unconscionable'. This is under the heading 'Excessive rent'. There is a bunch of criteria, and now we have this word

'disproportionate' added. Is there anything that provides us with any particular guidance as to where the government is coming from or what further achievement is anticipated by the addition of that word in that subclause?

The Hon. A. MICHAELS: I would expect the tribunal to take the ordinary meaning of that word. It would be an additional factor that they need to balance. For example, paragraph (a) talks about the general level of rents for comparable properties. If there was—I am picking numbers out of the air—let's say a general market increase of 10 per cent for that particular type of property, and there was suddenly a 50 per cent increase, that might be considered disproportionate. So it is an additional factor to be considered by the tribunal with all of those factors, and they will weigh up which factor they think is more important. There have been in recent times some quite substantial increases by some of the tenants who have put submissions in to us, where it may be regarded as over and above what the market would bear.

Mr TEAGUE: I think I understand then how 'disproportionate' might be applied as compared to some of the other measures and, if so, is there not a risk that there is more vice in that than there is merit? I have been fulsome in my recognition of the Real Estate Institute's contribution.

At this clause, where the particular example might be that for whatever reason a landlord has not changed the rent for a long period of time, and the market all the way surrounding all the various other factors steers towards rent being let's say double what it has been, and the opportunity comes to apply the increase—and there is a very substantial increase, albeit maybe still relative to the market under or reasonable or comparable—is there not a risk that SACAT would apply the ordinary meaning and say, 'Well, that is disproportionate; all the other rents have gone up by a tiny amount,' and you lead to a problem, an unfairness, because of some super-added attempt to be fair in whatever circumstances might have preceded it?

The Hon. A. MICHAELS: The comment I would make on (fc) being disproportionate to the existing rent, in your example where the market had gone up by some way and rent was kept low for whatever reason for a long period of time, is you have two competing factors in that looking at this provision. The tribunal would then weigh up which of those in its mind would cause the rent to be excessive as it is defined under this section. I would suggest that it would be up to the tribunal to determine in your situation, where the rent had not gone up for quite some time but actually it was being proposed to go up to market, which one would weigh up more.

In many cases, where there is a market appraisal there is actually a band. Realistically, you will get a real estate agent to come and look at your property and they will say, 'You can rent it at somewhere between $500 and $550,' for example. If you were jumping up—and that was presented, I presume, to the tribunal as evidence—potentially, if it was disproportionate, it might go to the lower end of that band. They are the factors the tribunal is quite accustomed to. Having had section 56 in its purview for quite some time, I think they are quite accustomed to balancing those various issues.

Mr TEAGUE: So here is where I say—and I prefaced the whole debate in this place, and I take responsibility for it, that this is not accompanied by an amendment at this time—I just wonder in the context of kicking that all around, and the concern that is expressed by the Real Estate Institute that I hope I have faithfully adopted, whether or not really it is actually not serving an additional purpose over and above what is there in the catalogue of section 56 considerations. I just put it no higher than that.

There is a risk on the one hand that 'disproportionate' must add something to what is there already and, if that is not to say to the landlord who has been renting out without amendment of rent for a decade and, who knows, the circumstances of the landlord might change, and the same tenant—the circumstances of the landlord might change and we have to go to market now; we have to go to the market all of a sudden.

Unless there is a specific intent to prevent that, that is, you have been on a concessional rent over a long period of time and no other circumstances have changed, you are therefore actually in these circumstances prevented from charging a market rent, that is, a 56(2)(a)-type adjustment. You are not in that category. That would be disproportionate. Okay, you are out. Absent a specific policy intent of that kind, I just wonder what the utility of the provision is.

The Hon. A. MICHAELS: I think we start with the beginning of subsection (2), which is that the tribunal must have regard to these factors and weigh them up. That is the intention that there is an additional factor in terms of considering disproportionality with the existing rent, balancing that factor with, for example, the general market rent and determining a rent that is excessive.

Of course, this is when the tenant makes an application to the tribunal for that and I can tell you that I am not aware of a substantial number of applications to the tribunal in the current market on this, but it is just an additional factor. It not only takes into consideration what the general market is, but what that particular tenant and landlord have as an agreed rent and where it ought to go to make it a fair rent and not excessive as the tribunal has been considering for quite some time.

The Hon. D.G. PISONI: How many orders has the tribunal issued over the last 12 months and how many of those orders have resulted in a penalty being issued?

The Hon. A. MICHAELS: We will take that on notice and provide that between the houses.

Clause passed.

Clause 17.

The Hon. D.G. PISONI: Here is an amendment to section 56A(5):

(2) A person must not charge or receive from a tenant a fee for the payment of rent by, or collection of rent from, the tenant.

There is a massive penalty for that. Does that include commissions? Businesses for some time now have been allowed to charge the actual cost of the commission of a credit card. If a tenant pays by credit card, many of those commissions are, if they are bank credit cards, Visa or Mastercard, between 1 per cent and 1.3 per cent, depending on how much business you do with the bank. Is that something that must be absorbed by the landlord or is that something that can happen with any other business where the customer can be asked to pay that commission?

The Hon. A. MICHAELS: Credit card fees would not qualify as a fee for the collection service. There are apps on the market at the moment where real estate agents will use that app and they will charge a fee to the tenant. I am advised there has to be one free electronic option, so a debit card with no credit card fees or an electronic EFT. It would not even allow credit card fees.

We are back to the credit card fee is not a fee for the collection of services. It is not anyone charging that for the collection of the rent, as some of these third-party apps are doing at the moment. We will confirm that between the houses, but it would include having an option that is fee free, so it might be that an EFT direct transfer where there are no charges needs to made available. There might be multiple options to pay the rent. One might include a fee, but there has to be at least one that does not have a fee, which might be an EFT transfer.

The Hon. D.G. PISONI: What I am not clear on is if somebody chooses to use their credit card despite the fact that they have other options, who pays the commission? Can the commission be added to the rent?

The Hon. A. MICHAELS: Provided there is one free option, a tenant could choose one of the other options that are available to them that does include a fee. There just needs to be one free option.

The Hon. D.G. PISONI: So if they choose the Visa card, the tenant pays the fee? Just a yes or no on that.

The Hon. A. MICHAELS: If they choose the Visa card, and there is a surcharge on it by a credit card provider, they will pay that.

Clause passed.

Clauses 18 to 25 passed.

Clause 26.

The Hon. D.G. PISONI: I foreshadowed my concern on this amendment in my second reading contribution, where if somebody has a perception that they were denied the lease of

residential property because they had a pet, firstly, the question is: does the landlord have to prove that that was not the case, or is the onus on the tenant to prove it was the case before the tribunal will act? Will the tribunal act on an allegation or will it require some evidence before it acts?

The Hon. A. MICHAELS: What is the specific clause you are referring to?

The Hon. D.G. PISONI: The specific question was: if somebody makes a claim to the tribunal that they were denied that rental property because they have an animal, does the tribunal act on that allegation or does it require some evidence from the applicant before they even bother the landlords with the allegation?

The Hon. A. MICHAELS: If I take you to section 66E, it requires a tenant to receive a notice under section 66C(4) refusing their application for a pet. They can view the tenancy application. A landlord can refuse a tenant's application for whatever reason.

The Hon. D.G. PISONI: This is if they are already tenants, though, is it not? Are you not referring to if they are already tenants? What I want to know is: there are 60 people who have lined up for a rental property; one group, whether it be a couple or a single person or whatever, are the lucky recipients, if you like, of the property, and somebody else who has a pet claims that they were denied that property because they have a pet. What is the onus of proof that they need to present before the tribunal will take any action on that landlord at that particular time?

The Hon. A. MICHAELS: What I am taking you through is the process. You apply for the tenancy and you also apply to keep a pet. You need to apply to keep the pet on the property. If you do get a notice from the landlord saying, 'I am refusing that pet,' that is the notice that is referred to under section 66E that the tenant can then take to SACAT. Without that notice, section 66E does not kick in to enable the tenant to seek tribunal orders.

The Hon. D.G. PISONI: So basically, if 60 people apply for that property, and the landlord has a view that he does not want pets and he just does not choose a person with a pet, then it makes no difference; this clause has no action. Is that what you are saying? In other words, the landlord has to self-incriminate himself or herself in order for this to comply. They need to say, 'You didn't get the property because you have a pet.' They did not say, 'You didn't get the property because I chose somebody else.'

The Hon. A. MICHAELS: It is absolutely the intention that landlords can choose the best tenant for their property. If there are 60 applicants and they choose the best person, that is absolutely open for landlords to do. If they give a notice to a tenant that they are refusing that particular pet—let's say, as an example, I say, 'You are the successful tenant but I don't approve that pet,' I have given a notice to the tenant to that effect and that is the notice that is required to take to the tribunal. Otherwise, it is absolutely open for landlords to pick whichever tenant they think is appropriate for their property.

The Hon. D.G. PISONI: How often do you think that is going to happen?

The ACTING CHAIR (Mr Odenwalder): Member for Unley, you have had your questions. Do any other members have any questions on clause 26?

Mr TEAGUE: This is a bit of statutory construction interpretation. I note that it is a pity in a way that we have here a whole catalogue of new clauses under one clause, so I will do my best to keep it within the three questions.

I note that the new section 66C sets out an unconditional right of a tenant, as I read it. It is not conditional on the face of it, even to the application in subsection (2). The application in subsection (2) is permissive—a tenant may apply for approval—but you have a standalone right in subsection (1). The machinery will work its way through, but I just make the observation that it is not as though the right arises from the giving of permission. The right is there in subsection (1).

The process of setting out conditions, refusing and so on, are things that have to flow on from an application or possibly by notice in subsection (7). I just note that it appears very much that that right is freestanding in subsection (1), and then a landlord has to start to get proactive in order to engage in a response to any application that might come and, secondly, absent an application possibly in subsection (7), the landlord has to get proactive in seeking to impose or vary or revoke.

But, again, that all seems subsidiary to the application, so I guess the threshold question is: is it actually intended that there is a freestanding right in subsection (1)? I might then, for the purposes of giving context to that, just indicate that in 66F(b) once you are a tenant, having established the conditions for that particular pet, then that goes with the life of the pet, notwithstanding any change, including a change of the landlord.

The Hon. A. MICHAELS: I will answer the first part. When you are talking about section 66C(1) standing alone, you might be not reading the words 'with the approval of the landlord'.

Mr TEAGUE: I have that as well. I suppose it might be regarded as a necessary consequence, but the point is that it is a standalone right.

The Hon. A. MICHAELS: It is clear to me, and the advice that I have is that it needs to have the landlord's consent, which is why subsection (a) talks about 'with the approval of the landlord'. So you cannot keep a pet without the landlord's approval, unless of course it is an exempt guide dog.

Mr TEAGUE: That was my next one.

The ACTING CHAIR (Mr Odenwalder): Member for Heysen, we are running up against standing orders now, so if you could be brief.

Mr TEAGUE: That was all part of one. I am on two now.

The ACTING CHAIR (Mr Odenwalder): No, we are running out of time.

Mr TEAGUE: Okay, that standing order.

The ACTING CHAIR (Mr Odenwalder): Yes, that is right. We are running up against the immutable laws of the universe.

Progress reported; committee to sit again.

At 23:57 the house adjourned until Wednesday 15 November 2023 at 10:30.

Answers to Questions

HIGH PRODUCTIVITY VEHICLE NETWORK PROJECT

100 Mr PEDERICK (Hammond) (30 August 2023). In reference to Budget Paper 4, Vol.3, page 118– Will the High Productivity Vehicle Network Project be completed by June 2024 as projected?

The Hon. A. KOUTSANTONIS (West Torrens—Minister for Infrastructure and Transport, Minister for Energy and Mining):

The Department for Infrastructure and Transport advises the development of a strategic business case for the High Productivity Vehicle Network, is expected to be completed by the end of 2023.

The final phase of this work will deliver specific project business case(s) that will inform potential future funding options, including partnership opportunities with the federal government. This work is scheduled to be completed by June 2024.

TRURO BYPASS

101 Mr PEDERICK (Hammond) (30 August 2023). In reference to Budget Paper 4, Vol.3, page 120— $40 million was budgeted for the Truro Bypass in the 2022-23 financial year but only $5 million has been spent. What is the reason for this?

The Hon. A. KOUTSANTONIS (West Torrens—Minister for Infrastructure and Transport, Minister for Energy and Mining):

The Department for Infrastructure and Transport advises that due to the complexity of the project additional time was required to complete design works, community consultation and seek environmental approvals.

ADELAIDE HILLS PRODUCTIVITY AND ROAD SAFETY PACKAGE

103 Mr PEDERICK (Hammond) (30 August 2023). In reference to Budget Paper 4, Vol 3, page 117– Will any aspects of the Adelaide Hills Productivity and Road Safety Package be completed in the current financial year? If so, please list them.

The Hon. A. KOUTSANTONIS (West Torrens—Minister for Infrastructure and Transport, Minister for Energy and Mining):

The Department for Infrastructure and Transport advises that in the 2023-24 financial year the construction works scheduled to be completed within the Adelaide Hills Productivity and Road Safety Package include:

- Safety upgrades on Onkaparinga Valley Road between Verdun and Woodside, which is expected to be completed late 2023, weather permitting.
- The construction of a new southbound overtaking lane on Long Valley Road between Gemmell Road and Hillview Road commenced in May 2023, and is expected to be completed June 2024, weather permitting.

YOUTH ABORIGINAL COMMUNITY COURT

132 Mr TEAGUE (Heysen) (30 August 2023). A two-year trial to implement the specialist Youth Aboriginal Community Court has been announced for Adelaide:

1. What are the 'protective factors' and/or services this funding will go towards to support young people interacting with the Youth Aboriginal Community Court?

2. Against what performance indicators will the government assess success of the Youth Aboriginal Community Court trial?

The Hon. N.F. COOK (Hurtle Vale—Minister for Human Services): The Attorney-General has advised:

The Youth Aboriginal Community Court will support eligible participants to have their sentencing deferred for up to six months, during which time they will participate in a culturally responsive and trauma-informed program. This program will implement various protective factors through a personalised support program for each young person. The program will include individualised learning, wellbeing and support, and pathways to education and employment. Further, the program will strengthen cultural identity, resilience, and address trauma support to the young person to desist further offending behaviours.

The government will assess the success of the Youth Aboriginal Community Court Trial through the agreed reporting requirements with the Courts Administration Authority (CAA). The CAA will report to the Attorney-General's Department (AGD) biannually for the duration of their contract. Reporting will include measures such as referral information, participation statistics, eligibility criteria and program participant trends. CAA will also report on the relevant data with respect to the review hearings, completion of the treatment programs and any other additional information agreed upon by CAA and AGD.

CAA is responsible for undertaking an evaluation of the trial program and informing AGD of the findings of this evaluation, no more than six months prior to its conclusion. The evaluation framework, including process and scope, is currently being developed.

Estimates Replies

SERVICE SA

In reply to **the Hon. V.A. TARZIA (Hartley)** (30 June 2023). (Estimates Committee A)

The Hon. A. KOUTSANTONIS (West Torrens—Minister for Infrastructure and Transport, Minister for Energy and Mining): The Department for Infrastructure and Transport provides the following approximate figures across South Australia, as at 18 July 2023:

Driver licences:

- total number of active learner's permits: 69,600
- total number of active provisional licences: 68,400
- total number of active full licences (including heavy vehicle licences): 1,198,600
- total number of active motorcycle (r-class) licences: 170,100

Vehicle registrations:

- motorcycles: 49,200
- heavy vehicles: 74,300
- light vehicles: 1,473,400