LEGISLATIVE COUNCIL

Thursday 27 May 2010

The PRESIDENT (Hon. R.K. Sneath) took the chair at 14:18 and read prayers.

GOYDER INSTITUTE FOR WATER RESEARCH

The Hon. P. HOLLOWAY (Minister for Mineral Resources Development, Minister for Urban Development and Planning, Minister for Industrial Relations, Minister Assisting the Premier in Public Sector Management) (14:19): I lay on the table a copy of a ministerial statement in relation to the Goyder Institute made today by the Premier.

ADELAIDE OVAL

The Hon. P. HOLLOWAY (Minister for Mineral Resources Development, Minister for Urban Development and Planning, Minister for Industrial Relations, Minister Assisting the Premier in Public Sector Management) (14:19): I lay on the table a copy of a ministerial statement in relation to the Adelaide Oval redevelopment made today by the Deputy Premier.

COMPULSORY THIRD PARTY PREMIUMS

The Hon. P. HOLLOWAY (Minister for Mineral Resources Development, Minister for Urban Development and Planning, Minister for Industrial Relations, Minister Assisting the Premier in Public Sector Management) (14:19): I lay on the table a copy of a ministerial statement on compulsory third party premiums made today by the Treasurer.

QUESTION TIME

ADELAIDE OVAL

The Hon. D.W. RIDGWAY (Leader of the Opposition) (14:20): I seek leave to make a brief explanation before asking the Minister for the City of Adelaide, and custodian of our Parklands, a question about the Adelaide Oval redevelopment.

Leave granted.

The Hon. D.W. RIDGWAY: In the first sitting week back in this place after the election I asked the Minister for the City of Adelaide a question in relation to the design brief for the redevelopment of Adelaide Oval and the size of the wider precinct. She failed to answer that question, but I asked a supplementary question as follows:

> Are you advising this council that, as the Minister for the City of Adelaide, you have not been advised on the extent or size of the footprint of the precinct proposed for the Adelaide Oval redevelopment?

The minister went on to say:

> I have answered the question. I have said that these matters are still under consideration, they are still under development, and negotiations are still taking place. When the plans have been finalised, all will be revealed.

On radio 891 this morning former Crows CEO, Mr Bill Sanders, gave a relatively lengthy interview to Matt and Dave. Towards the end of the interview he said:

> I was fascinated to read the other day that…the western stand at Adelaide Oval is going to…have to be pushed out some 50 metres into the Creswell Gardens…little issues like this, I think, that we're still in the dark about…

My questions are:

1. Can the minister confirm that pushing the footprint of the oval some 50 metres out into Creswell Gardens is one of the proposals being considered?

2. The War Memorial Oak, planted by His Excellency the former governor, Sir Henry Galway, on Wattle Day in 1914, is on the eastern side of the oval. It is the only heritage-listed tree in the precinct. Will the minister advise what is to become of that particular tree?

The Hon. G.E. GAGO (Minister for State/Local Government Relations, Minister for the Status of Women, Minister for Consumer Affairs, Minister for Government Enterprises, Minister for the City of Adelaide) (14:22): I thank the honourable member for his most important questions. This Adelaide Oval redevelopment has the potential to be a truly amazing project for South Australia, and it is an exciting breakthrough after 35 years of what has been a bitter divide

between cricket and football. This project has the potential to bridge that great divide and build a fabulous facility here in South Australia.

In terms of the work being done on it, I believe treasurer Foley made a ministerial statement yesterday giving an update on the progress of that development, and he indicated that the government would make more time available to the SMA to enable it to complete its work. The SANFL and SACA must now reach agreement, and the SMA will report to the government by the end of August. Following that report, the government will conduct its own due diligence on the designs, cost estimates and financial modelling, etc. No doubt those details will be discussed and included in the report for us to consider.

BACKYARD CAR DEALERS

The Hon. J.M.A. LENSINK (14:24): I seek leave to make a brief explanation before asking the Minister for Consumer Affairs, who is also Minister for State/Local Government Relations, a question on the issue of backyard car dealers.

Leave granted.

The Hon. J.M.A. LENSINK: Honourable members may recall that we changed the Second-hand Vehicle Dealers Act 1995 last year to amend and bring up to date some of our legislation. I note that the minister issued a press release in February this year in which she stated that the Office of Consumer and Business Affairs would target backyard car dealers using data held by other government agencies and private organisations to determine where they were operating.

There has been some consternation in the press in relation to new by-laws which have been issued by the Onkaparinga, Mid Murray, Port Augusta, Robe and Yankalilla councils, which are seeking to ban movable signs, such as 'For sale' signs in cars. The by-law apparently makes it an offence to park not just on council property but also on roads. My questions are:

1. Has the minister had discussions with local government and OCBA in relation to this issue?

2. Is there any relationship between the proliferation of council by-laws and OCBA's activities?

The Hon. G.E. GAGO (Minister for State/Local Government Relations, Minister for the Status of Women, Minister for Consumer Affairs, Minister for Government Enterprises, Minister for the City of Adelaide) (14:26): I thank the honourable member for her most important questions. Indeed, the issue of 'For sale' signs in parked cars has received some media attention recently. However, to the best of my knowledge, our office is yet to receive a complaint by a member of the public, that I am aware of at least. Nevertheless, I do accept that it has attracted some attention.

Some councils have adopted by-laws that regulate the display of advertising in parked cars. The City of Onkaparinga has stated that the by-law was adopted following complaints from residents about cars for sale parked in prominent places, particularly on busy thoroughfares, where it is deemed to be unsafe to have people pulling in and hopping out of vehicles and checking out cars for sale.

The Local Government Act does allow for such by-laws to be made. In May 2009, the LGA circulated a model by-law to councils. The movable signs by-law included a provision that allows councils to regulate vehicles being offered for sale on road verges where councils wish to do so. The provision states that a person must not, without the council's permission, display those movable signs.

The LGA informed councils that the proposed provision captures only those vehicles parked primarily for the purpose of advertising. Accordingly, any vehicle, no matter what the advertising, that has simply pulled over or is parked for any ordinary reason obviously would not be captured by this by-law.

I met with the LGA quite recently, and this issue was discussed at that meeting. We have agreed that the government and the LGA should sit down and develop some guidelines to be made available to councils to inform them on a fair and reasonable way to apply the particular by-law. The LGA was very pleased and agreed to do that with us, believing that that would be a much simpler and quicker response than trying to amend a by-law to reflect those sorts of more subtle intentions. After all, the intention of that particular by-law is really primarily focused on public safety

and not obstructing traffic flow. As I have said, the LGA is more than willing to assist the agency with developing guidelines to reflect that quite clearly.

I am happy to then apply those guidelines and monitor how councils operate under those guidelines. Clearly, the guidelines would be voluntary but, if there was an indication that some councils were still being too heavy-handed or what I consider to be unreasonable in the way in which they are applying the by-laws, I would look for other mechanisms to rectify that. I believe that councils generally have applied this by-law, as I said, mainly around issues of public safety and maintaining good traffic flow.

In relation to second-hand car yards, I am not absolutely sure of the intent of the question. The issue of private property came up, such as an office block that has an empty car park over the weekend and a number of individuals park their cars in that private lot for the purpose of selling those vehicles privately.

There are a number of scenarios. Sometimes there are individuals who want to sell their own vehicles privately, and it just so happens that the private lot is in a particularly visual position, so lots of locals might use that lot over a weekend. So, you might have a collection of vehicles in one location. There is also the issue that second-hand car dealers are sometimes moving some of their vehicles into those lots as well, which, of course, is improper use of that private property.

The local council does not have jurisdiction over that private space, so it is not able to police, if you like, the use of that parking lot. A complaint would have to come from the owner of the actual property—they could pursue a complaint of trespass, for instance. So, unless the private property owner does that, there is not a great deal that can be done about people selling vehicles in those private lots. We did discuss that as well. However, in terms of people parking their vehicles on roads, that is within the purview of local councils, and we are looking to ensure that we have by-laws in place that operate in a sensible way and are not heavy-handed.

BACKYARD CAR DEALERS

The Hon. J.M.A. LENSINK (14:32): Does the minister have an expectation of when the guidelines will be completed, and did she request that the LGA have a moratorium on the issuing of fines until the guidelines are completed?

The Hon. G.E. GAGO (Minister for State/Local Government Relations, Minister for the Status of Women, Minister for Consumer Affairs, Minister for Government Enterprises, Minister for the City of Adelaide) (14:33): The guidelines should not take very long. It is a fairly simple mechanism. No time frame has been set at this particular point in time. We have asked the agency to meet and go through and scope it, and look at what it thinks is possible. It would be quite a simple and straightforward process, so I cannot imagine that it would take a great deal of time.

At this time I do not believe a moratorium is necessary. As I said, my office has not received—to the best of my knowledge—one complaint on this matter. The issue has received a high public profile, and the LGA is also very aware and sensitive to the way councils are applying these by-laws. I think there is a very clear message that it is expected that councils apply these by-laws in a sensible way and not be heavy-handed.

BURNSIDE COUNCIL

The Hon. S.G. WADE (14:34): I seek leave to make a brief explanation before asking the Minister for State/Local Government Relations a question relating to the investigation of the Burnside council.

Leave granted.

The Hon. S.G. WADE: As the council is aware, the Minister for State/Local Government Relations launched an investigation into allegations of corruption at the Burnside council in July last year. The investigation was then said to be of 12 weeks' duration; it is now approaching 12 months in duration.

The opposition is also keen to be clear about the costs. On 13 May, in answer to a question by the Hon. John Darley in this council, the minister said that the fees involved were already on the public record and that she would provide details to the council. That is two weeks ago. No details have been provided. However, the minister has assured the council that we should refer to her previous statements regarding the cost of the investigation and that that would be an indication of current costs.

I have not been able to find any estimates of cost offered by the minister on the public record. However, the minister's departmental staff attended and advised the Budget and Finance Committee on 14 September 2009 that the investigation was due to last for 12 weeks and would cost $250,000. This included provision for four staff in the department and the fees and costs for the independent investigator, Mr Ken MacPherson. Mr MacPherson was said to be on a contract of $1,200 per day for the length of the investigation.

As I have said previously, the minister has advised the council that the costings previously supplied provide an accurate foundation for the estimates of the expenditure on the investigation so far. So, based on the costings provided in September, and the extensions of time since, the investigation could be estimated to have cost $937,500, that is, if the investigation is finalised and concludes tomorrow.

Given that the natural justice period has not yet commenced, the investigation will no doubt drag on for some time yet at an estimated cost of $21,000 per week. My questions are:

1. Can the minister confirm that the cost of the investigation is already more than $900,000 and is likely to cost more than $1 million?

2. When will the minister fulfil her commitment to the Hon. Mr Darley and this council to provide an update on costs?

The Hon. G.E. GAGO (Minister for State/Local Government Relations, Minister for the Status of Women, Minister for Consumer Affairs, Minister for Government Enterprises, Minister for the City of Adelaide) (14:36): It is like a worn-out old record, isn't it? What a bone lazy opposition we have. They cannot come back to this chamber with a new or fresh question, they have to keep dragging out the same old, same old.

I have been very clear on this. I have put the figures on the public record, some of which have been read out here in the council today. I have said I will do a cumulative costing on this and bring that back, and I will. This will be a very—

Members interjecting:

The PRESIDENT: Have we all finished talking? The honourable minister has the call. If you want to waste your question time, it is entirely up to you.

The Hon. G.E. GAGO: Thank you, Mr President. That's the problem—they don't listen and we get the same question again and again. The honourable member read out the information I have put on the record, and it is there in the public arena. I have agreed to do a cumulative calculation and bring that up to date.

We know that this is going to be a very, very expensive exercise and that a number of staff have been involved from various agencies to provide support in kind to Ken MacPherson. I have already put on the record here that on two occasions I offered extra resources, and the investigator has taken me up on that offer, so on two occasions we have provided additional support and staffing. All of that is on the record, and I have been completely open about what has been involved in—

The Hon. S.G. Wade interjecting:

The PRESIDENT: The Hon. Mr Wade will put a sock in it.

The Hon. G.E. GAGO: Thank you for your protection, Mr President. I have been completely open and transparent about it. It will be an extremely expensive exercise, and if that is the cost of maintaining the integrity of democracy, then so be it.

I do not know what the honourable member is implying. Is he suggesting that I should have put a cap on this and said to Ken MacPherson, 'You can only spend $50,000 on this and that's it'? So, 'I want an investigation that is only going to cost $200,000 and no more—you cannot spend a penny more.'

What is he saying? What is he getting at? He is suggesting that I somehow shackle the work of the investigator and put parameters around his work which would hinder the outcome of this investigation, which could restrict the outcome and affect the quality of this investigation and the report, and which could, in fact, undermine the very integrity of this investigation. So, we get a $200,000 (or whatever he thinks is a fair thing; I don't know) capped report and it is not worth a pinch of salt because it has no integrity.

What does he want? We have had a number of public complaints about the behaviour and conduct of this council and we have had it investigated. We have said that all matters within the terms of reference must be investigated thoroughly and with a high degree of integrity so that any outcomes can be upheld, that I will be able to use them in a way to effect real change, if necessary, so that this does not happen again, and that we send a very clear message to all other councils that this is what will happen if conduct is inappropriate or improper. Of course, that is if the findings warrant such an outcome—I am not pre-empting the report in any way. That is what we need to do. We need an investigation result which enables me to do that.

Of course, it will be expensive—this is going to cost—but the cost is not the real issue. The issue is to ensure that we have a transparent and fully accountable local government: that is what is important and that is what my job is. It is going to be costly. I have been up-front and open about the costs. I have told you what rates we are paying and have put it on the public record. The investigation is not complete so we do not know what the final result is going to be. If you want a cumulative—

Members interjecting:

The Hon. G.E. GAGO: You can do the figures. What are you, an idiot? I have put on the public record the rate that we are paying the investigator and it is there for everyone to see. The investigation has not yet been completed so we do not know what the final outcome will be. However, I can assure you that it is going to be expensive. I can also assure you that it will be worth every cent because we will then be able to rest easy in that the public complaints raised were investigated to the highest level of integrity and that any outcomes that arise will be upheld when and if needed.

BURNSIDE COUNCIL

The Hon. R.L. BROKENSHIRE (14:43): I have a supplementary question: will the minister please advise honourable colleagues where on the public record or any other record we can find the expenditure to date (given that she said it is there and available) because I cannot find it?

The Hon. G.E. GAGO (Minister for State/Local Government Relations, Minister for the Status of Women, Minister for Consumer Affairs, Minister for Government Enterprises, Minister for the City of Adelaide) (14:43): Truly, Mr President, it is incredible. The Hon. Stephen Wade has just read out what I put on the record in terms of estimates. I have also put it on record in a number of media outlets because I have done considerable media on this and discussed it some time ago. It is there on the public record.

What is the real concern? This is really about the opposition going on a witch-hunt. It is a personal vendetta against the investigator, Mr Ken MacPherson, because he, in a former role, found some very improper conduct occurring by the former government—and lots of it.

Members interjecting:

The Hon. G.E. GAGO: Yes, and it involved a government that the Hon. Robert Brokenshire was a member of, so it is no wonder that he is squealing like a stuck pig. No wonder! It is a witch-hunt. It is a vendetta against a man of extremely high integrity because he found out about and divulged some improper conduct of those sitting opposite me as a former government. He found them out and exposed them for what they were, and they are still bleeding and squealing like stuck pigs. That is what this is about.

They are not really at all interested in ensuring that this investigation is done properly. In fact, they probably have their hands on their hearts wishing that it would all fall in a heap. They have tried every tactic in the book to try to undermine not only the investigation itself but also the investigator, Mr Ken MacPherson. That is what this is about. That is what is underlining all this—a personal vendetta against a man of extremely high integrity who is doing the job he is paid to do and doing it extremely well.

HOUSING AND EMPLOYMENT LAND SUPPLY PROGRAM

The Hon. R.P. WORTLEY (14:46): My question is to the Minister for Urban Development and Planning. Can the minister advise this chamber of the state government initiatives to ensure that a steady supply of land is available for new housing developments and also to support employment?

The Hon. P. HOLLOWAY (Minister for Mineral Resources Development, Minister for Urban Development and Planning, Minister for Industrial Relations, Minister Assisting the

Premier in Public Sector Management) (14:46): I thank the honourable member for his question. The Housing and Employment Land Supply Program is a critical tool supporting the implementation of the government's 30-Year Plan for Greater Adelaide. The government has set an ambitious policy to ensure a 25 year supply of land for future development which includes a 15 year supply of zoned land.

The Housing and Employment Land Supply Program will be vital for the successful implementation of the 30-Year Plan for Greater Adelaide which is the most comprehensive planning strategy ever adopted by a state government, and it maximises South Australia's capacity to benefit from the opportunities arising from the growth in population over the next three decades.

Importantly, the Housing and Employment Land Supply Program will assist the 30-Year Plan for Greater Adelaide with the land required, providing for steady population growth of 560,000 people, the construction of 258,000 additional homes, economic growth of $127.7 billion and also the creation of 282,000 additional jobs.

The zoning and release of sufficient land to the market is vital to the efficient and coordinated function of the land and housing development industry, the timely provision of vital infrastructure and the delivery of affordable housing. Through the annual monitoring of land consumption, population forecasting and market demand, the Housing and Employment Land Supply Program will enable progress towards meeting the 15 year zone supply target to be tracked and identify further opportunities for potential land to be rezoned.

Given that there are about seven to eight years of current zone supply, in its initial operating period, the Housing and Employment Land Supply Program will be a key information source assisting to drive rezoning. This program replaces and builds upon the previous metropolitan development program which was published periodically in various formats by planning departments since the 1980s, and the Metropolitan Adelaide Industrial Land Strategy. The program will therefore cover land supply for residential development and, for the first time, the employment needs of industrial and commercial activity.

Unlike those programs, the Housing and Employment Land Supply Program will be produced annually, enabling government to respond to emerging opportunities and constraints. The employment-related component of the program builds on the government's initiative in producing the Metropolitan Adelaide Industrial Land Strategy released in May 2007 representing the first attempt to set a policy framework to meet industry's short-term needs and to plan for longer term needs. That program, which included detailed modelling of land consumption rates as well as development-ready land, was strongly supported by industry.

The core aspects of that program will be replicated within the Housing and Employment Land Supply Program. The program's fundamental role is to ensure that there is sufficient land capacity to meet the annual housing and employment targets and that capacity is spread equitably across the regions to avoid market volatility. In addition, the Housing and Employment Land Supply Program will:

- identify the total amount of land needed, with information about land that has been or is to be rezoned to meet the supply targets;
- assist in planning by infrastructure agencies and utilities to ensure that infrastructure and new urban development is effectively and efficiently matched;
- provide direction to the housing and land development industry in respect of their investment decision-making to be better placed to respond to changes in market demand; and
- provide a spatial guide to local government that assists in aligning regional strategies with the 30-Year Plan for Greater Adelaide.

The first report of the Housing and Employment Land Supply Program is nearing completion. Once finalised it is intended to undertake a targeted consultation process with industry to validate certain data sets and identify any gaps in the forecasted development activity over the next five years. The Housing and Employment Land Supply Program as part of the 30-Year Plan for Greater Adelaide will ensure we maintain our strong economic growth, our lifestyle and housing affordability.

This program will ensure we have enough land for houses and jobs to remain competitive in the labour market and to ensure Adelaide's future as a vibrant, liveable, climate change resilient city.

WORKCOVER CORPORATION

The Hon. R.L. BROKENSHIRE (14:51): I seek leave to make a brief explanation before asking the minister responsible for government business a question about WorkCover.

Leave granted.

The Hon. R.L. BROKENSHIRE: We are now in the second year since the draconian WorkCover legislation was passed by the government. Many people have received redemptions; however, many people are now being seriously affected by this legislation. As an employer myself I keep getting this propaganda from your department, which frankly does little to assist employers when it comes to equity and WorkCover levy rates. My questions are:

1. Does the minister still claim that the Labor government 2008 draconian WorkCover legislation is fair to injured workers?

2. Did the government intend to see families seeking food hampers as a result of their anti-worker legislation?

3. Where is South Australia positioned as of today against other states re the percentage of WorkCover levy in the wages dollar?

4. What is the amount of money spent in the last year by WorkCover on television, radio and print of the insulting campaign 'Return to work, recover your life'?

The Hon. P. HOLLOWAY (Minister for Mineral Resources Development, Minister for Urban Development and Planning, Minister for Industrial Relations, Minister Assisting the Premier in Public Sector Management) (15:42): It is coming up (I think at the end of this year) to two years since the introduction of changes to the WorkCover scheme, and of course the honourable member would be well aware that the legislation requires a review to begin at the end of this year, and that will be an opportunity to examine its impact.

The honourable member asked: is it fair to injured workers? The changes to the WorkCover legislation, as the honourable member will well know, were to seek a balance between the needs of injured workers and to have a competitive workers compensation and rehabilitation scheme. When I say 'competitive', that is, competitive with other states so that the higher levels of levy rates we have had in this state did not act as a deterrent to employing workers in this state relative to those in other states. What we do know is that the previous WorkCover scheme was an expensive scheme to employers. It still has a higher cost than some other state schemes, and part of the reason for that—almost entirely the reason for that—is that it had a very poor return-to-work record.

The honourable member's last question is: how much has been spent on the return-to-work campaign? I am happy to get that information for him, but I want to stress the fact that what we know, categorically, is that the longer a worker is away from the workplace and the support mechanisms that apply there, the more likely that worker is to become depressed and suffer other mental illness.

It has long been recognised that the best thing we can do for workers is to get them back to work safely as soon as we possibly can—and that has been the focus of the advertising campaign—and everyone here should fully support that. It will be good for workers to get back to work as soon as they safely can, because we know it will reduce the level of depression and other mental illness associated with their coming to terms with being out of the workforce. It will be not only good for the worker but also good for the financial health of the scheme. That is simply what it was all about: we need a workers compensation scheme that is fair to injured workers, and the best way to achieve that is by ensuring, first, that we reduce injury in the workplace.

We need to do everything we can, and there are a number of measures in the occupational health and safety area to reduce the incidence of worker injury, but once workers are injured the best thing we can do is ensure that those workers return to work as quickly as they possibly can in a safe manner. I will examine the honourable member's question and see what information I can provide on the cost of it, but I defend the emphasis of the scheme in getting workers back to work as quickly as possible as that is clearly in their interests and in the interests of the WorkCover scheme generally.

WORKCOVER CORPORATION

The Hon. A. BRESSINGTON (14:56): By way of a supplementary question, will the minister outline for the chamber what improvements, if any, have been made to return-to-work initiatives, and is he aware of any injured workers who have requested retraining for the workplace and have been denied that retraining?

The Hon. P. HOLLOWAY (Minister for Mineral Resources Development, Minister for Urban Development and Planning, Minister for Industrial Relations, Minister Assisting the Premier in Public Sector Management) (14:57): Given the number of cases involved in WorkCover, I am sure there will be many instances where allegations will be made—and probably some will be true—in relation to refusals, and the like, for various requests.

Members interjecting:

The Hon. P. HOLLOWAY: WorkCover has to run its scheme in a way that is consistent with legislative requirements and gets workers back to work as quickly and safely as they possibly can, and protects the viability of the scheme. At the end of the day it is not in the interests of workers, injured or otherwise, to have a workers compensation and rehabilitation scheme that is not financially viable in the long term. In relation to what is happening with the return-to-work scheme, the evidence to date has been that there has been an improvement, which is why the WorkCover board presumably made the decision to reduce the levy. Clearly it would not have done so unless there was some improvement in the scheme.

As I indicated in answer to an earlier question, there will be a comprehensive review of the scheme beginning towards the end of this year, which will enable those factors to be properly examined. I know that a number of new measures were introduced in the legislation in 2008—medical panels and the like. The information I have is that some of the cases now before the tribunal have yet to necessarily set a pattern of behaviour that might allow those decisions to be interpreted. That is evolving as cases come before the relevant tribunals, and that will set the standards. The government will monitor them to see that they are fair to injured workers and that they act within the spirit of the scheme, and that is evolving.

Yes, 18 months have passed since the legislation came in, but some features of it increasingly have been put in place during that period. When we have the review of the scheme beginning later this year we will be able to more accurately estimate the impact of those changes. In the meantime, I will see what information I can get for both honourable members in relation to their specific questions.

WORKCOVER CORPORATION

The Hon. A. BRESSINGTON (15:00): I have a supplementary question arising from the last answer.

The PRESIDENT: Just be careful with it.

The Hon. A. BRESSINGTON: Will the minister confirm that it has now cost WorkCover Corporation some $4 million for fly-in IMEs who, according to the legal profession, are very pro WorkCover, rather than using the medical examiners we already have in South Australia?

The Hon. P. HOLLOWAY (Minister for Mineral Resources Development, Minister for Urban Development and Planning, Minister for Industrial Relations, Minister Assisting the Premier in Public Sector Management) (15:00): I will see what information can be provided in relation to the cost of medical panels. However, it is very easy to use this inflammatory language. Where workers have been unable to return to work for reasons of workplace injury, particularly if it has been a longstanding injury, one can understand why they become frustrated with that situation—I think anyone in that situation would become frustrated—and it is easy to make accusations about biases these panels might have. We have to ensure that those panels act in a fair way. I am sure the vast majority of injured workers do not rort the system; unfortunately, we know that there is a small proportion who do, and that is why any scheme needs protection. I do not accept the accusation that panels are necessarily unfair, but these are all matters which will be—

The Hon. A. Bressington: Fly-ins, the IMEs are flown in at a cost of $4 million.

The Hon. P. HOLLOWAY: I will check that information and bring back a response for the honourable member.

CONSUMER PROTECTION

The Hon. CARMEL ZOLLO (15:02): I seek leave to make a brief explanation before asking the Minister for Consumer Affairs a question about dubious salesmen.

Leave granted.

The Hon. CARMEL ZOLLO: This week the minister told us about the efforts of the Office of Consumer and Business Affairs to ensure that consumers get what they pay for and that retailers are doing the right thing. However, OCBA has another important role: keeping the public informed about dodgy sellers. Can the minister provide members with information which our constituents need to be aware of?

The Hon. G.E. GAGO (Minister for State/Local Government Relations, Minister for the Status of Women, Minister for Consumer Affairs, Minister for Government Enterprises, Minister for the City of Adelaide) (15:02): I thank the honourable member for her important question. The Office of Consumer and Business Affairs (OCBA) does indeed play a very important role in keeping South Australians informed, and I would like to put on record that South Australians need to watch out for a suspicious crew of fairly dubious salesmen offering cheap electrical goods from—would you believe it—the back of a black van, a Hyundai van, in fact.

OCBA has received reports of two men setting up shop selling cheap TVs, projectors and sound systems from the back of this black van, which carries Queensland registration plates. These operators are mobile and could turn up anywhere around Adelaide, so consumers are urged to be on their guard and report sightings to OCBA as soon as possible. This will be of enormous help to OCBA in stopping their antics.

I understand the salesmen work in groups of two or three to find suitable targets, and drive a minivan or sometimes a commercial vehicle displaying a company logo. The van operators set up their con in moderately trafficked areas such as car parks, shopping centres and petrol forecourts, and I am advised that these dodgy operators have so far been plying their trade in Queenstown and Mile End retail car parks, approaching shoppers and attempting to sell them what they purport are cut-price electrical goods. They use the line that the goods are surplus stock which has been over-ordered by mistake and they are therefore selling them off at a fraction of the usual price.

I am advised that distributors rent a warehouse and obtain licences and distribution rights, and then import large quantities of what are often very cheap and poorly made goods. They ship these goods to local warehouses in major cities and hire salesmen to then distribute the shoddy goods locally.

The salesmen are on our streets and back in business, and these people appear to be operating in breach of door-to-door sales provisions set out in the Fair Trading Act 1987. The law is an important protection for both consumers and reputable traders, giving a 10 day cooling-off period, which means that the trader must not provide any goods or services or accept payment until the cooling-off period expires. Obviously, these distributors are in breach of that provision.

Door-to-door trading is defined under legislation as 'the practice under which a person goes from place to place to sell goods'. Again, I encourage members to be vigilant and remind members of the public that if they are approached to contact the Office of Consumer and Business Affairs straightaway.

Obviously, these are often very poor quality goods and often people are paying prices that are much higher than the goods are actually worth in reality. When those goods break down, the opportunity for someone to pursue their warranty entitlements is obviously quite limited when the trader is not able to be contacted. So, people are often left out of pocket and very disappointed with the goods they have purchased.

PUBLIC TRUSTEE

The Hon. A. BRESSINGTON (15:07): I seek leave to make a brief explanation before asking the minister representing the Attorney-General questions about the practices of the Public Trustee.

Leave granted.

The Hon. A. BRESSINGTON: A constituent has approached me concerning the case of a very level-headed young 15 year old, who has the opportunity to set himself up for the future. This young man recently lost his godmother in a tragic motor vehicle accident. Prior to her passing, she

bequeathed in her last will and testament one-third of her estate to her godson, which was nearly $90,000.

Her will appointed the Public Trustee as the executor and required the Public Trustee to hold in trust his portion until he reaches the age of 21. His plan for his future is to purchase a piece of land adjoining his parent's property in Murray Bridge. This land is currently for sale and reportedly holds excellent development potential, with the possibility of subdivision.

Seeing this potential and the future benefit for him, his parents and grandmother approached the Public Trustee about using a portion of the money held in trust, which now amounts to over $135,000, to purchase this land. It is important to note that, if the Public Trustee did purchase this property, it would still remain part of the trust until he turns 21.

However, the Public Trustee, in response, has refused to allow the purchase of this land, as it does not consider it a prudent investment and stated in a letter it was not authorised to purchase property for investment purposes. This is despite the fact that the will provides the Public Trustee with the discretionary powers to apply the funds in the trust as it sees fit and the purchase would otherwise be compliant with its obligations under the will and the Public Trustee Act 1995.

The grandmother, who is advocating in this matter, reports that, despite providing other examples of where property has been purchased by the Public Trustee and highlighting the sound investment prospects afforded by this parcel of land, she has been treated with contempt. She believes that the Public Trustee is acting as though the money held in trust for her grandson is actually theirs. My questions are:

1. Will the Attorney-General confirm that the Public Trustee is afforded the discretion by the proforma wills and by the Public Trustee Act 1995 to take into consideration the purchase of property, particularly when there are valid reasons for doing so and, as such, the once in a lifetime opportunity of purchasing land with potential for future development?

2. In this period of financial insecurity, how can the Public Trustee justify saying that it is not a valid purchase when it is a solid asset, such as land, in the booming city of Murray Bridge and how could it not be considered prudent?

3. Given that there is now a sufficient amount available in the trust to both purchase the land and still meet the Public Trustee's obligations, will the Attorney-General inquire into why the Public Trustee refused to consider purchasing this property?

4. Why has the Public Trustee imposed a condition that bequests be held in trust until the beneficiary attains the age of 21 instead of 18, the age of legal maturity?

5. Will the Attorney-General inquire into the perceivable level of self-interest in the Public Trustee's refusal to invest in this property?

The Hon. P. HOLLOWAY (Minister for Mineral Resources Development, Minister for Urban Development and Planning, Minister for Industrial Relations, Minister Assisting the Premier in Public Sector Management) (15:10): The honourable member has raised a number of questions. I would have thought that the latter question about whether the age should be 18 or 21 is probably a matter for this parliament ultimately to settle. That is something that perhaps the Attorney can contemplate, and I will refer the question to him.

I am sure that, if the Public Trustee did make an investment that subsequently lost money, we would have people roundly condemning it for that course of events. Obviously, the Public Trustee will have to take a conservative attitude towards investment; it is really required to do so. The honourable member raised a question of policy, and I will refer that to the appropriate minister—the Attorney-General—for his consideration.

TRAVEL COMPENSATION FUND

The Hon. J.S. LEE (15:11): I seek leave to make a brief explanation before asking the Minister for Consumer Affairs a question about the Travel Compensation Fund.

Leave granted.

The Hon. J.S. LEE: On Friday 21 May 2010, the *Travel Today* magazine raised concerns from the travel industry about the Travel Compensation Fund. I will quote from the article:

> The Travel Compensation Fund has warned that any changes to its regulatory functions could put the health of the industry at risk and expose consumers to financial turmoil.

The Travel Compensation Fund (TCF) is an essential organisation that enforces financial stability and consumer security in the Australian travel industry sector. TCF compensates any eligible consumer who has suffered loss as a result of financial collapse of participating agency businesses. However, the Australian Federation of Travel Agents has proposed to abolish the services of TCF and for it to be replaced with an accreditation scheme, which will bind all travel services, including suppliers and intermediaries.

According to the minutes of the Ministerial Council on Consumer Affairs dated 30 April 2010, the objective is to 'improve consumer wellbeing through consumer empowerment and protection'. In the *Travel Today* magazine on 21 May, it was reported that the chief executive of TCF opposed the replacement of the Travel Compensation Fund functions with an accreditation and self-regulation scheme. He said that, without the stringent financial checks, more travel companies will be put at risk and consumers will not be protected. My questions are:

1. If the Travel Compensation Fund is abolished, how will consumers be considered empowered and protected when they are unable to financially claim against a fault in travel agencies?

2. What amendments would the minister take into account to ensure that consumers are protected and the operation of travel agencies can remain financially sound within the Australian travel industry sector?

The Hon. G.E. GAGO (Minister for State/Local Government Relations, Minister for the Status of Women, Minister for Consumer Affairs, Minister for Government Enterprises, Minister for the City of Adelaide) (15:13): The future of the Travel Compensation Fund is a matter that the Ministerial Council on Consumer Affairs has been considering for some time, and it has directed the Standing Committee of Officials of Consumer Affairs (SCOCA) to commission a review on the effectiveness of current consumer protection measures in the travel-related services market.

The travel industry's current national cooperative regulatory scheme dates right back to a framework that was established in the 1980s, I think, or something like that. It has been around for a long time, so it is not surprising that it has become a bit outdated in a number of ways, given the advances in technology, particularly with activities such as consumers using online services rather than going through travel agents. I think all of us here have probably gone online and booked ourselves into something, somewhere.

A key aspect of the cooperative scheme is the Travel Compensation Fund (TCF). The TCF, as the honourable member mentioned, is a mandatory industry-funded scheme for compensating consumers in the event of a loss of prepaid moneys to intermediaries. The cooperative scheme has been an effective model for nationally harmonised regulation of the travel services industry. However, there have been, as I said, significant changes in travel services markets since the 1980s, particularly in relation to purchasing processes and the use of online services.

Following the public tender process, the Ministerial Council on Consumer Affairs has engaged PricewaterhouseCoopers to undertake the review to examine and make recommendations for improving the existing industry-specific consumer protection law and administrative arrangements for the travel industry. It is expected that PricewaterhouseCoopers will present that ministerial council with the report in June this year.

WORK-LIFE BALANCE

The Hon. I.K. HUNTER (15:16): My question is to the Minister for Industrial Relations. Will the minister provide the chamber with details of the new South Australian advisory committee on work-life balance?

The Hon. P. HOLLOWAY (Minister for Mineral Resources Development, Minister for Urban Development and Planning, Minister for Industrial Relations, Minister Assisting the Premier in Public Sector Management) (15:16): I thank the Hon. Mr Hunter for his important question. This government is committed to providing greater flexibility to enable South Australian employers to maximise workforce participation by young workers combining work and study, men and women struggling to combine work and family, and older workers who remain in the workforce as they move towards retirement.

In 2007 South Australia's Strategic Plan was revised and established a new target—Target 2.12, Work-life balance—Improve the quality of life of all South Australians through the maintenance of a healthy work-life balance. SafeWork SA is the lead agency for that target.

In April 2008 the report from the parliamentary Select Committee on Balancing Work and Life Responsibilities, chaired by the member for Hartley, the Hon. Grace Portolesi, recommended the establishment of an advisory committee to drive the promotion of work-life balance across South Australia.

I am pleased to inform the house the first meeting of the new Work-Life Balance Advisory Committee was held in March this year. The primary objective of the committee will be the engagement of employer and employee representatives to promote target 2.12 and to provide the government with advice specifically linked to the achievement of key initiatives of the work-life balance strategy.

The committee has been established for a fixed term of three years and will be chaired by Professor Rosemary Owens, Dean of Law and head of the University of Adelaide law school. The membership of 10 consists of eight women and two men, with four nominated representatives from employer and employee organisations respectively, and a further four direct appointments from government, academic and community representatives.

The issue of work-life balance has been an emerging industrial and social issue during the past 10 years. South Australia is now in a position to capitalise on the new federal government priority of work and family. The Hon. Julia Gillard, Minister for Employment and Workplace Relations, recently announced that Senator Jacinta Collins has been appointed special adviser to the minister on work and family balance and pay equity, to develop new policy initiatives and promote family friendly work arrangements.

The formation of the Work-Life Balance Advisory Committee offers the government the opportunity to work with business, unions, academics and the broader community to address the need for flexible work options to combat our ageing population, low female workforce participation rates and predicted skills shortages.

COPPER COAST DISTRICT COUNCIL

The Hon. M. PARNELL (15:19): I seek leave to make a brief explanation before asking the Minister for Urban Development and Planning a question about The Dunes development and Copper Coast council.

Leave granted.

The Hon. M. PARNELL: Last night, the District Council of the Copper Coast Environment Advisory Committee approved changes to planning requirements in relation to The Dunes development at Port Hughes. This decision is almost certain to be ratified at a full council meeting next Wednesday, just in time for a visit by Greg Norman, who is the nominal designer of the golf course forming part of the development.

The changes were proposed by The Dunes development consultants, Connor Holmes, in order for bigger houses to be able to be squeezed onto the small allotments. The main changes approved by the council committee relate to the setbacks of houses from the street. For two-storey houses, the development plan (which was written only four years ago) requires an eight metre setback; however, council is now about to approve a five metre setback.

The main concern with these changes is not the merits of various setbacks but that the council, at the request of the developers, apparently believes it is appropriate to unilaterally rewrite planning policy that is in direct conflict with the development plan that was the subject of public consultation and ministerial approval.

As members will be aware, this is not the first time that the conduct of the District Council of the Copper Coast has been brought into question in this place, nor the controversial Dunes development. Before the Hon. Bernard Finnigan asks, I will say that, yes, Nick Bolkus is also involved. My questions are:

1. Is the minister aware of the use by this council, or any other council, of council decisions to relax or subvert planning policy set out in approved development plans without any public notification?

2. Does the minister support this practice?

3. Will the minister investigate whether or not the Copper Coast council is breaching its statutory responsibilities in relation to planning?

4. Will the minister consider transferring the council's powers in relation to development approval to the Development Assessment Commission until the council's fitness to act in this role is determined?

The Hon. P. HOLLOWAY (Minister for Mineral Resources Development, Minister for Urban Development and Planning, Minister for Industrial Relations, Minister Assisting the Premier in Public Sector Management) (15:21): I was not aware of particular allegations, if you can call them that, although I suppose they are not necessarily allegations but the set of circumstances. I am not aware that the Copper Coast council was considering decisions in relation to this particular development. I will undertake to investigate the matters raised by the honourable member, and I will reserve any further comment until I have the results of that information.

CREDIT (COMMONWEALTH POWERS) BILL

Adjourned debate on second reading.

(Continued from 11 May 2010.)

The Hon. G.E. GAGO (Minister for State/Local Government Relations, Minister for the Status of Women, Minister for Consumer Affairs, Minister for Government Enterprises, Minister for the City of Adelaide) (15:23): There being no further speakers, I will sum up. I believe that, when members spoke to the credit bill in their second reading speeches previously, they spoke to both the transitional arrangements bill and the commonwealth powers bill together.

Unfortunately, due to an oversight, the committee stage of this bill did not occur at the same time as the committee stage of the transitional arrangements bill, even though we all thought it had. I thank those who have contributed, and we look forward to the committee stage.

Bill read a second time.

In committee.

Clause 1.

The Hon. G.E. GAGO: I am just a bit concerned that the Hon. Robert Brokenshire is not here. He indicated that he wanted to speak to clause 1.

The CHAIRMAN: I cannot help who is going to be here and who is not here. I think you should carry on.

The Hon. G.E. GAGO: A number of questions were put forward during second reading speeches that I agreed to address in the committee stage, and I thank honourable members for their cooperation in those matters. The Hon. Michelle Lensink raised some concerns around responsible lending and referred to an article in the *Sunday Mail* on 25 April 2010. In response to that article, ASIC has advised:

> The responsible lending conduct obligations are designed to protect consumers by requiring: lenders to lend responsibly by ensuring that the credit they provide is not unsuitable to the consumer and the consumer has the capacity to repay; and brokers are to ensure that they do not suggest a credit contract that is unsuitable for the consumer. To ensure that a credit contract is suitable, lenders and brokers will have to make reasonable inquiries about the consumer's need, objectives and financial situation. Lenders and brokers may use these sources of information in making the assessment about the credit contract for the consumer. In complying with the responsible lending requirements, lenders and brokers would still be required to comply with privacy and antidiscrimination laws as they apply in each jurisdiction.
>
> For example, the Equal Opportunity Commission of South Australia makes it clear that it is unlawful for providers of goods and services including banks and finance companies to offer their services in a discriminatory way. It is unlawful to treat people unfairly because of their age, caring responsibilities, chosen gender, disability, marital or domestic partnership status, pregnancy, race, sex, sexuality, spouse or partner's identity. Lenders and brokers who choose to treat their clients in an offensive or discriminatory manner would no doubt expose themselves to formal complaints and the loss of future business.

The Hon. Ms Bressington asked:

> Could the commonwealth not have been involved, and agreements made between state regulators and the Australian Securities and Investment Commission, so that greater efficiency, consistency and expertise could result?

There is no doubt that harmonisation efforts would have continued to be pursued by the states in relation to the uniform consumer credit code had the proposal not been made to refer the

regulation to consumer credit to the commonwealth. However, it is far more difficult to achieve consistency of approach to consumer credit when multiple agencies that operate across all jurisdictions are concerned. After all, most financial institutions not only operate nationally but in fact internationally, so this is a far more consistent approach. The question should be as follows:

> Can greater efficiency of response, consistency of approach and improvements to expertise result if the regulation of consumer credit is vested in a single regulatory body that operates at a national level, particularly one that has a breadth and history of experience in financial industry regulation, as does ASIC?

The answer, I believe, is yes. These reforms are fundamentally about the most effective and responsive approach to consumer protection in the consumer credit environment, and also about regulating industry within a structure that does not impose unnecessary red tape burdens.

While there is always a risk associated with referring state legislative powers to the commonwealth government, the commonwealth powers bill has been ably constructed to minimise this risk to the extent possible. In the first place, the bill adopts the text of the commonwealth act and refers certain powers to make amendments to that act. I am advised that this is a more appropriate constitutional mechanism than referring the power to enable them to both make and amend the law. Secondly, the amendment power is limited by a number of specific carve outs from the referral of power. These carve outs ensure that the commonwealth cannot make laws in these areas that would have the effect of displacing state laws in relation to these matters.

The states fought very hard for those carve outs. The honourable member would not be surprised to know that the commonwealth was not particularly amenable to that proposal, but we fought hard and won those carve outs in the end. In fact, we won the original argument. The original referral powers were to be a subject-based referral power and not text, which meant that we would just agree to some general overarching credit concepts and then the commonwealth would fill in all the detail. We argued for a text-based referral so we can see the bill word for word in front of us, and that is what we are agreeing to or not. Again, that was a hard-fought effort by the states, and South Australia was right in there leading the charge at one stage to ensure we achieved a text-based referral and not a subject-based referral. All these serve to improve the protections the state has in ensuring ongoing protection for the states.

Thirdly, the commonwealth powers bill also ensures that the referral of power may be terminated by the Governor, if this is ever determined to be appropriate; and, fourth, the commonwealth act includes provisions that allow state laws to displace the operation of the commonwealth law where this is considered necessary. Finally, the national regime is backed up by an intergovernmental agreement that reiterates the carve outs to which I have referred and ensures that future amendments to the law are not made without the approval of state jurisdictions.

The Hon. J.M.A. LENSINK: I am grateful to the minister and her officers for providing me with a briefing on these bills. One of the questions I asked was in relation to payday lending, a topic that has come up over the years. I think that when the Hon. Jennifer Rankine was consumer affairs minister there were some proposals at that stage and various members have had private members' bills drafted to address this issue. I asked the officers what has happened to payday lending. Can the minister place on the record the situation and also advise on phase 2, which will include fringe lending?

The Hon. G.E. GAGO: The answer to the question about payday lenders is that they are generally included. The credit code was amended in 2001 to capture fringe lending. Whereas previously short-term loans for less than 62 days were exempt from the application of the code, loans of under 62 days are now caught by the code where the annual interest rate of the loan exceeds 24 per cent and the fees charged for the loan exceed 5 per cent of the loan amount. The minimum loan amount caught by the code was also decreased from $200 to $50.

As is currently the case under the Uniform Consumer Credit Code, the national code does not apply to the provisions of credit if, under the contract, these three things all apply: the provision of credit is limited to a total period that does not exceed 62 days; and the maximum amount of credit fees and charges that may be imposed or provided for does not exceed 5 per cent of the amount of the credit; and the maximum amount of interest charges that may be imposed or provided for does not exceed the amount calculated as if the code applied to the contract equal to the amount payable if the annual percentage rate was 24 per cent per annum.

It is also important to note that the commonwealth will, as part of phase 2 of the credit reforms, consider the need for further changes to the law to address fringe lending issues. It is expected that the commonwealth government will soon release a green paper on short-term small

amount lending, and this will provide an opportunity for consultation and consideration of the need for amendments to short-term exemption provisions.

Payday lenders are generally captured by this, with all those technicalities. Basically, there are exemptions to some very short-term lenders. As to those that are currently exempt, those exemptions have been transposed, so there has been no change to those very short-term lenders.

The Hon. R.L. BROKENSHIRE: My question follows on from the Hon. Michelle Lensink's question. The minister will recall that my colleague the Hon. Dennis Hood introduced a bill relating to payday lending. The minister has highlighted the fact that payday lending that occurs for less than 62 days, with fees of less than 5 per cent of the principal and accruing no more than 24 per cent interest per annum, will be regulated under this bill. I think that is a good move, and I congratulate the minister.

As we see it, on a two-month loan of $1,000, the most you can charge the client and escape regulation is $90 for that two-month period. However, we note that there are some catches; I am alerting the minister to those, and I will raise two matters relevant to this issue. First, if the contract is breached, there is nothing stopping the contract being handed over or sold to debt collecting agencies, who can add their own fees, as well as court filing and service fees, to the debt. So, it remains conceivable that a payday loan that is outside regulation can still become a massive debt burden for that borrower.

Secondly, we hope that ASIC is sufficiently funded: can the minister confirm that ASIC will be sufficiently funded to investigate and clamp down on payday lenders who try to avoid these new laws? ASIC traditionally regulates large companies and, given that it will have this added responsibility, we hope not only that OCBA is replaced but that ASIC expands upon the service previously provided by the state Office of Consumer and Business Affairs to protect those categories of vulnerable borrowers I have just outlined to the committee.

The Hon. G.E. GAGO: There is some concern that the honourable member has misunderstood aspects around exemptions. So, just to clarify, the exemptions to certain short-term loans still apply as under the current code. The national code does not apply to the provision of credit if under contract all these three things apply: the provision of credit is limited to a total period not exceeding 62 days, maximum amount, and the 24 per cent. I have already read that into the record. However, the commonwealth has undertaken to consider as part of phase 2 further enhancements to address payday and other fringe lending.

In terms of debt collectors and charges, ASIC has issued guidelines on debt, and its view is that the debt collector stands in the shoes of the original credit provider, and ASIC would treat them in the same way as the original credit provider. So, if the code applied to the original credit provider, it then applies to the collecting agency. So, fees for services can be applied; however, if there are concerns about these fees, obviously they can be taken up with the commonwealth government during the discussion paper stage, and it can be pursued further there.

In relation to funding, the answer is, yes, ASIC has been adequately funded to investigate not just payday lending but all its responsibilities under the new provisions. It is funded to the tune of $66 million to implement these changes.

The Hon. R.L. BROKENSHIRE: Can the minister confirm that she is comfortable that ASIC will do at least as good a job as her department, the Office of Consumer and Business Affairs, which has traditionally had a role of protecting the most vulnerable borrowers, as I outlined in my question? How will ASIC actually run that in states like South Australia? Will people still go to the Office of Consumer and Business Affairs if they have a problem? How will they get assistance if ASIC is working from Canberra? I just need an explanation.

The Hon. G.E. GAGO: I can assure the member that I do believe ASIC is more than adequate and competent to do this job extremely well. It has a vast breadth and depth of experience that is really beyond this state's ability to provide. As I said, ASIC has an enormous breadth and depth of experience in financial regulation but also—let's be honest—it is financially loaded up pretty well. I believe $66 million is more than adequate funding to fulfil its responsibilities.

The Hon. R.L. BROKENSHIRE: I do not want to hold the committee too long, but it is a point because we are pretty concerned about these payday lenders, as in the past they have been ripping off the most vulnerable people. Will ASIC have an office here? How will people know, if they have a problem? At the moment they go to the Office of Consumer and Business Affairs and say, 'I am getting ripped off, can you investigate this?' If it is handballed over to ASIC, where will these

people go? They cannot afford to fly to Canberra because they are struggling to be able to make ends meet every week.

The Hon. G.E. GAGO: ASIC does have an office here in Adelaide. It also has a hotline. It will have a website, and it has a range of really good quality guidelines and information which will continue to be developed to assist members of the general public.

The Hon. R.L. BROKENSHIRE: Can the minister assure the committee that there will be? Most of the time I am opposed to advertising campaigns and the like, but on this occasion I think there may actually need to be some fairly substantial promotion of these handover powers that relate to and affect people on a daily basis.

Has the minister in ministerial council meetings discussed or been advised of transitional arrangements, one-off funding that will be made available for that material put out in the media etc., so that people will know where they go. I have been in South Australia for 52 years, and I do not know where the ASIC office is.

The Hon. G.E. GAGO: I am not aware of any particular advertising campaign, but I can assure the honourable member that a great deal has already been done, and I think a roadshow has already circulated around the nation. They have already put a lot of effort and resources into informing and involving appropriate stakeholders. I have been most impressed with the work they have done so far, and no doubt they will continue with that information dissemination as we get closer to the time.

Clause passed.

Remaining clauses (2 to 10) and title passed.

Bill reported without amendment.

Bill read a third time and passed.

CREDIT (TRANSITIONAL ARRANGEMENTS) BILL

In committee.

Clauses 1 to 4 passed.

Clause 5.

The Hon. J.M.A. LENSINK: I have a couple of questions on clause 5 which relate to the Consumer Credit Fund. Subclause (2) provides:

> Money standing to the credit of the Consumer Credit Fund may be applied by the Commissioner for any purpose authorised by the Minister.

Subclause (3) provides that the fund may be wound up and any remaining money applied for any purpose authorised by the minister. My questions for the minister are: can she provide some history of the outgoings of that particular fund, what its current balance is and what the intention is? If the fund is wound up, will those moneys continue to be applied to consumer issues or will they go into general revenue?

The Hon. G.E. GAGO: I am not able to give you a history of the outgoings, but I am informed that, as of 1 May 2010, the fund contained $27,684. I have sought advice from the Office of Consumer and Business Affairs on appropriate consumer protection options for the application of this money and I will be considering these options in due course.

Clause passed.

Remaining clauses (6 to 9), schedule and title passed.

Bill reported without amendment.

Bill read a third time and passed.

LAND TAX (MISCELLANEOUS) AMENDMENT BILL

Second reading.

The Hon. G.E. GAGO (Minister for State/Local Government Relations, Minister for the Status of Women, Minister for Consumer Affairs, Minister for Government Enterprises, Minister for the City of Adelaide) (16:00): I move:

That this bill be now read a second time.

I seek leave to have the second reading explanation inserted in *Hansard* without my reading it.

Leave granted.

This Bill contains significant land tax relief measures that were announced as part of the government's 2009-10 Mid Year Budget Review.

The Bill amends the *Land Tax Act 1936*.

The Government has decided to increase the land tax tax-free threshold from $110,000 to $300,000, adjust the subsequent land tax bracket to between $300,001 and $550,000 and introduce a tax rate for the bracket of 0.5 per cent.

The top band of the following bracket will be increased to $800,000 from $750,000.

The threshold increases and revised tax brackets and rates will provide land tax relief of up to $1,245 for land tax payers.

All land tax payers will benefit from the proposed threshold changes, with approximately 74,500 ownerships no longer liable for land tax in 2010-11.

From 2011-12, all land tax thresholds will be indexed by the average movement in land values from 2011-12 to provide ongoing relief to taxpayers from bracket creep.

The average percentage change in site values for a particular financial year will be determined by the Valuer-General having regard to the *Valuation of Land Act 1971* and the *Land Tax Act 1936*.

On or before 30 June in each financial year (commencing 2011), the Valuer-General will publish a notice in the *Gazette* setting out the average percentage change in land values and the index value applicable to the land tax year relevant to the adjustment of thresholds.

The Commissioner of State Taxation will, on or after the Valuer-General's notice, publish a notice in the *Gazette* setting out the adjusted thresholds relevant to the land tax year.

The index value is to be applied to the 2010-11 land tax thresholds, in years from and including 2011-12, only when the index value is higher than all preceding index values, otherwise thresholds remain unchanged. Reductions in thresholds are not permitted.

In addition, this Bill contains measures to provide a land tax exemption for land that is used as a residential aged care facility approved under the *Commonwealth Aged Care Act 1997* effective from the 2009-10 financial year.

Currently the *Land Tax Act 1936* provides a land tax exemption for not-for-profit associations supplying living accommodation, medical treatment, nursing or other help to persons in necessitous circumstances. Not-for-profit aged care facilities are eligible for a land tax exemption on these grounds. Aged care facilities that are owned privately and conducted on a commercial basis are not currently eligible for a land tax exemption.

This Bill ensures that both profit and not-for-profit organisations that operate approved aged care facilities will be exempt from land tax.

If only part of the land is used for the purpose of residential care for the aged, a partial exemption will be given based on the proportion of the land used for the exempt purpose.

Land tax exemptions for aged care facilities are available in New South Wales, Victoria, Queensland and Western Australia.

The Bill also provides for an exemption from land tax for up to three years in situations where an owner's principal place of residence is destroyed or rendered uninhabitable by an occurrence for which the owner is not responsible or which resulted from an accident. The owner must intend to repair or rebuild the building within a period of 3 years from the date on which the building was destroyed or rendered uninhabitable. An owner will only be eligible to claim one principal place of residence exemption in any financial year.

I commend this Bill to Honourable Members.

Explanation of Clauses

Part 1—Preliminary

1—Short title

This clause is formal.

2—Commencement

The Act will come into operation (or, if necessary, will be taken to have come into operation) at midnight on 30 June 2010. However, certain subsections of section 4, which provide an exemption for land used for the provision of residential care, will be taken to have come into operation at midnight on 30 June 2009.

3—Amendment provisions

This clause is formal.

Part 2—Amendment of *Land Tax Act 1936*

4—Amendment of section 5—Exemption or partial exemption of certain land from land tax

Section 5 of the *Land Tax Act 1936* provides for the granting of exemptions from land tax. Under the section, an owner of land may apply for an exemption or partial exemption from land tax and the Commissioner may wholly or partially exempt the land if satisfied that there are proper grounds for doing so.

Under the section as amended by this clause, there will be grounds for exempting land from land tax if residential premises on the land have been destroyed or rendered uninhabitable by an occurrence for which the owner of the land is not responsible or which resulted from an accident. In order for the exemption to be granted, the Commissioner must be satisfied as to various matters relating to the owner's intentions in respect of rebuilding or renovating, and occupying, residential premises on the land. An exemption under the new provision cannot apply for a period exceeding three years.

Under the section as amended, there will also be grounds for exempting land used for the provision of residential care from land tax. *Residential care* will have the same meaning as in the *Aged Care Act 1997* of the Commonwealth. The Commissioner will be authorised to wholly exempt land from land tax if the whole of the land is used for the provision of residential care by an approved provider (within the meaning of the *Aged Care Act 1997*). The Commissioner will also be able to partially exempt land from land tax if part of the land is used for the provision of residential care by an approved provider. The partial exemption will be achieved by reducing the taxable value of the land by an amount equal to the value of the part of the land that is used for the provision of residential care.

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

Section 5A, which provides for a waiver or refund of land tax in certain circumstances, is amended by this clause to make it clear that a person is not eligible for a waiver or refund under the section in respect of land in relation to which the person has had the benefit of an exemption under section 5(10)(ab) (inserted by clause 4) for a period of three financial years immediately before the land becomes the person's principal place of residence.

6—Substitution of section 8

Section 8 of the Act provides that land tax is calculated on the basis of the taxable value of land and includes a table that specifies the amount of tax payable in respect of different taxable values. This clause repeals section 8 and substitutes three new sections.

8—Scales of land tax—2009/2010

Proposed new section 8 specifies rates of land tax in respect of the taxable value of land for the 2009/2010 financial year. The rates specified in the table included in section 8 are the same as those that appear in the current section. The relevant thresholds for determining the rate of land tax payable are as follows:

- exceeding $110,000;
- exceeding $350,000;
- exceeding $550,000;
- exceeding $750,000;
- exceeding $1 million.

These thresholds will continue to apply only for the 2009/2010 financial year. The thresholds that are to apply for the 2010/2011 financial year will be specified in new section 8A.

8A—Scales of land tax—2010/2011 and beyond

Section 8A specifies rates of land tax for the 2010/2011 financial year and sets out the method for determining land tax in each subsequent year. The amount of land tax payable in respect of land is to be determined by reference to different thresholds. For the 2010/2011 financial year, the thresholds are as follows:

- Threshold A = $300,000;
- Threshold B = $550,000;
- Threshold C = $800,000;
- Threshold D = $1,000,000.

For the 2011/2012 financial year and for each subsequent financial year, each of these thresholds is to be adjusted to take into account increases in the site value of land. The adjustments are to be made in accordance with a formula set out in subsection (3). For the purposes of that subsection, the average percentage change in site values for a particular financial year is to be determined by the Valuer-General following the application of certain principles set out in subsection (4).

Under subsection (5), if the application of the principles set out in subsection (4) to determine the Index value for a particular financial year would result in the Index value for that year being less than or equal to an Index value that applied for a previous financial year, the thresholds for the later financial year will not be changed.

Subsection (6) requires publication by the Valuer-General in the Gazette, on or before 30 June in each year, of the average percentage change in site values and the Index value for the following financial year.

8B—Aggregation of land

The provisions of section 8B currently appear as subsections (2) and (3) of section 8. These provisions provide that—

- land tax is calculated on the basis of the aggregate taxable value of all land owned by the taxpayer: and
- if a taxpayer is liable to pay land tax in respect of land included in more then one assessment, the land tax is apportioned to and chargeable on the land included in the various assessments in the proportions that the taxable value of the land included in each separate assessment bears to the aggregate taxable value of all the land.

Debate adjourned on motion of Hon. J.M.A. Lensink.

At 16:14 the council adjourned until Tuesday 22 June 2010 at 14:15.