LEGISLATIVE COUNCIL

Tuesday 29 October 2013

The PRESIDENT (Hon. J.M. Gazzola) took the chair at 14:17 and read prayers.

The PRESIDENT: We acknowledge this land that we meet on today as the traditional lands for the Kaurna people and that we respect their spiritual relationship with their country. We also acknowledge the Kaurna people as the custodians of the Adelaide region and that their cultural and heritage beliefs are still as important to the living Kaurna people today.

HOUSING AND URBAN DEVELOPMENT (ADMINISTRATIVE ARRANGEMENTS) (URBAN RENEWAL) AMENDMENT BILL

His Excellency the Governor's Deputy intimated the Governor's assent to the bill.

NOT-FOR-PROFIT SECTOR FREEDOM TO ADVOCATE BILL

His Excellency the Governor's Deputy intimated the Governor's assent to the bill.

STATUTES AMENDMENT (ATTORNEY-GENERAL'S PORTFOLIO) (NO. 3) BILL

His Excellency the Governor's Deputy intimated the Governor's assent to the bill.

ELECTORAL (MISCELLANEOUS) AMENDMENT BILL

His Excellency the Governor's Deputy intimated the Governor's assent to the bill.

STATUTES AMENDMENT (POLICE) BILL

His Excellency the Governor's Deputy intimated the Governor's assent to the bill.

EVIDENCE (DISCREDITABLE CONDUCT) AMENDMENT BILL

His Excellency the Governor's Deputy intimated the Governor's assent to the bill.

ELECTORAL (FUNDING, EXPENDITURE AND DISCLOSURE) AMENDMENT BILL

His Excellency the Governor's Deputy intimated the Governor's assent to the bill.

PAPERS

The following papers were laid on the table:

By the President—

Reports, 2012-13—
- District Council of Cleve
- Legislative Council
- Supplementary Report of the Auditor-General concerning Agency Audit Report

By the Minister for Agriculture, Food and Fisheries (Hon. G.E. Gago)—

Reports, 2012-13—
- Architectural Practice Board of South Australia
- Department for Manufacturing, Innovation, Trade, Resources and Energy
- Director of Public Prosecutions
- Distribution Lessor Corporation
- Generation Lessor Corporation
- Local Government Finance Authority of South Australia
- Motor Accident Commission
- SA Lotteries
- South Australia Police
- Superannuation Funds Management Corporation of South Australia (Funds SA)
- Super SA Board
- Super SA Select
- Transmission Lessor Corporation
- WorkCover Ombudsman SA

Regulations under the following Acts—
- Community Titles Act 1996—Pre-sold Lots—Deposit and Contract Money

Construction Industry Long Service Leave Act 1987—Services
Liquor Licensing Act 1997—Dry Areas—Elizabeth Area 1
Listening and Surveillance Devices Act 1972—Records and Warrants
Trans-Tasman Mutual Recognition (South Australia) Act 1990—Temporary Exemptions—Synthetic Drugs
Review of the Fire and Emergency Services Act 2005

By the Minister for Sustainability, Environment and Conservation (Hon. I.K. Hunter)—

Reports, 2012-13—
Adelaide Convention Centre
Adelaide Entertainment Centre
Adelaide Festival Centre
Adelaide Festival Corporation
Adelaide Film Festival
Art Gallery of South Australia
Australian Children's Performing Arts Company (Windmill Theatre)
Disability Information and Resource Centre Inc.
Dog and Cat Management Board
History Trust of South Australia
JamFactory Contemporary Craft and Design Inc.
Libraries Board of South Australia
South Australian Motor Sport Board
South Australian Museum Board
South Australian Tourism Commission
State Opera of South Australia
State Theatre Company of South Australia
Vulkathunha-Gammon Ranges National Park Co-management Board
Witjira National Park Co-management Board
Regulations under National Schemes—
Education and Care Services National Law—Amendment Regulations 2013

By the Minister for Water and the River Murray (Hon. I.K. Hunter)—

Technical Regulator—Plumbing—Report, 2012-13

INNER CITY REVITALISATION

The Hon. G.E. GAGO (Minister for Agriculture, Food and Fisheries, Minister for Forests, Minister for Regional Development, Minister for the Status of Women, Minister for State/Local Government Relations) (14:23): I table a copy of a ministerial statement relating to the issue of housing in the city made by the Premier, Jay Weatherill.

QUESTION TIME

FOOD AND WINE PROMOTION

The Hon. D.W. RIDGWAY (Leader of the Opposition) (14:24): I seek leave to make a brief explanation before asking the Minister for Agriculture, Food and Fisheries a question regarding a missed opportunity.

Leave granted.

The Hon. R.L. Brokenshire: Which one?

The Hon. D.W. RIDGWAY: There are thousands, I know, but I'm going to focus on one today.

The PRESIDENT: Is that part of your explanation? The Hon. Mr Ridgway, you have the call.

The Hon. D.W. RIDGWAY: Thank you, Mr President. In 2012, Labor signed an agreement which would, we were promised last year, open trade links and gateways for South Australian premium food and wine. The minister had herself photographed with a prawn, to mark the announcement, which involved spending $2½ million of taxpayers' funds to open shops for South

Australian products in the cities of Zhangzhou and Nanping in Fujian Province. However, I understand that no shop is yet open; in fact, in Zhangzhou the building has not even been built.

Having led a recent delegation to China, I have seen for myself the opportunities for premium food and wine in the world's second biggest economy, and I have seen South Australian food and wine entrepreneurs establish retail outlets in a fraction of the time it has taken the minister to get her shop open. Those South Australian businesses made a smart commercial decision, and that was to operate out of Shanghai, the largest and wealthiest city in China, and Wuhan, with a population of some 10 million on a major trade route—not Fujian, where the retail market is nowhere near as strong. My questions to the minister are:

1. What due diligence was done before the decision was taken to open in Fujian Province, and will she share that due diligence with us?

2. Who provided the minister with the recommendations to open in Fujian?

3. What other cities and provinces were investigated before the decision was taken to open in Fujian?

4. Why were other cities rejected?

5. Why does it take the minister more than a year to open an outlet when private enterprise can do it in just months?

The Hon. G.E. GAGO (Minister for Agriculture, Food and Fisheries, Minister for Forests, Minister for Regional Development, Minister for the Status of Women, Minister for State/Local Government Relations) (14:26): I thank the honourable member for his most important question. As they say, a little knowledge is a dangerous thing. It is obvious that the Hon. David Ridgway has learnt very little from his trip to China, and he has certainly failed to listen to the detail of the information I have given in this place on numerous occasions.

Not just myself but a number of members of this government have visited China and other countries on numerous occasions, taking with us numerous delegations to explore opportunities across a wide range of different areas and sectors, including China. We have visited a number of different provinces and cities. I have visited several cities, including Shanghai, Beijing and numerous other cities.

This government has worked very hard to forge strong relationships throughout China, not just in the primary cities but also in the second-level cities, where often in the markets there is less competition and a greater opportunity for a state like South Australia to be able to enter that marketplace. In these second-level cities, we are still talking about hundreds of millions of people being involved in these markets. By South Australian standards, when we talk about second-level cities, all we are really saying is that they are slightly smaller than Shanghai and Beijing.

We have worked very hard to position ourselves in those first city opportunities, but we have also cast our net more broadly than that and have looked at second-level cities as well, and Fujian is a very prominent second-level city, so we have sought opportunities there. That is not the only city, not by a long shot. I have visited many different cities, not just in China but also in Hong Kong and Japan. Many other ministers also have visited different cities and sought different opportunities.

In terms of the food safety centres I have talked about in this place before, the development of those centres is a project run by the China-Australia Entrepreneurs Association Incorporated (CAEAI), and it is the primary industry responsible for the building of these outlets. So, the Hon. David Ridgway misses the point altogether: the South Australian government is not building these facilities.

The Hon. D.W. Ridgway interjecting:

The Hon. G.E. GAGO: We are not building these facilities. We are working with private industry in China to build these facilities. The MOU that was signed—and obviously the Hon. David Ridgway hasn't read it—indicates, if you like, a willingness to pursue business negotiations, to forge strong relationships and pursue opportunities on that front.

I was very pleased with the moneys that have been set aside in our latest budget. It shows how serious South Australia is in pursuing opportunities in China. There was additional money put aside in that budget for China opportunities. Nowhere did it say 'Fujian building any buildings' or doing anything specific in Fujian. It was part of our China strategy and, again, the Hon. David

Ridgway clearly hasn't even read that project proposal because he has that completely the wrong way around. That money is about being able to establish, if you like, case managers—people on the ground to be able to take up business opportunities and keep building those business relationships and keep looking for other investment and business opportunities, because there are many.

In terms of the work the China-Australia Entrepreneurs Association Incorporated had been involved in, I have reported in this place before that there were three different sites that the CAEAI had purchased. There is no South Australian money in that purchase; this is money from this particular group. They have purchased, I understand, three sites. Two of the sites have since been cleared; there was previous construction on the sites. They have been cleared and they are ready for building, and I have reported here before that, in terms of the Zhangzhou initiative, which involves a theme park and retail food and wine aspects, construction has already commenced at that site.

As I said, the advice I have received is that the centres are progressing. Obviously, I am not in a position, and this state government is not in a position, to be dictating to a private Chinese company about their construction schedule, but obviously we offer every encouragement for those projects to proceed. Our part of the project is to line up those businesses here in South Australia that wish to, and have the capacity to, or would like to explore the capacity to be able to participate in retailing their products through these outlets once they are established.

I have reported in this place that we have done a great deal in that space in terms of calling for expressions of interest from businesses here in South Australia, setting up a database, working with Food SA to establish that database, and making connections. When Chinese delegations come here, we have used that database to set up specific appointments between those businesses from China and their particular interest here in South Australia to try to streamline those processes.

We have been extremely successful in developing export potential in our premium food and wine, not just in China but also in Hong Kong. I have reported in this place that we have come back from these delegations, from these trips, with contracts signed with our primary industry people and other South Australian businesses for local produce coming here from South Australia involving our local farmers—contracts that have been signed. Since those delegations, there have even been further contracts developed and signed as well, so there has been a flow-on effect that we are still seeing the benefits from.

The feedback I get from primary industry—those people who have expressed interest and been involved in these delegations, whether they have come with us overseas or received appointments here in South Australia—has been overwhelmingly supportive. Primary industry get that this government is working hard to make those connections and we are delivering on the ground. We are delivering contracts here in South Australia for South Australian local produce—we are delivering it.

FOOD AND WINE PROMOTION

The Hon. D.W. RIDGWAY (Leader of the Opposition) (14:35): A supplementary question: when will these centres open—a date or a month? What due diligence was done to choose that this particular proposal was the best proposal for South Australia to partner with?

The Hon. G.E. GAGO (Minister for Agriculture, Food and Fisheries, Minister for Forests, Minister for Regional Development, Minister for the Status of Women, Minister for State/Local Government Relations) (14:35): He just doesn't get it. His question was based on missed opportunity. We will seek to explore any opportunity that is presented to us.

The Hon. D.W. Ridgway: Answer the question. When will they open?

The Hon. G.E. GAGO: The opportunity in relation to—

The Hon. D.W. Ridgway: You can't answer it.

The PRESIDENT: The Hon. Mr Ridgway!

The Hon. D.W. Ridgway: You can't answer it.

The PRESIDENT: The Hon. Mr Ridgway will come to order! The minister has the call.

The Hon. G.E. GAGO: The CAEAI presented an opportunity for us and they have indicated—

The Hon. D.W. Ridgway interjecting:

The PRESIDENT: The Hon. Mr Ridgway will try listening to the answer.

The Hon. G.E. GAGO: Is Mr Ridgway suggesting that the CAEAI is not a reputable organisation? That's outrageous! That's our China-Australia Entrepreneurs Association Incorporated and that is an outrageous assertion that he is making. They have indicated an interest; they have been involved in the purchase of three separate properties and have indicated a willingness to progress this.

The Hon. D.W. Ridgway: So when will they open?

The Hon. G.E. GAGO: The CAEAI has not indicated a completion date, so the Hon. David Ridgway would have to ask them. We have done everything our end so we are ready to go and have lined up businesses. We have kept our part of the agreement; we are ready to go. But we are not standing still. The Fujian and these food safety centres are not the only things that we are looking at. There are many other opportunities that we have explored, including the signing of just under a $5 million contract when we were in China last, and that was to do with a Red Lion business who signed up a fabulous contract while we were there.

The Hon. D.W. Ridgway: You signed a contract?

The Hon. G.E. GAGO: The government doesn't enter into private sector contracts. The Hon. David Ridgway hasn't got a clue!

The PRESIDENT: Minister, you will just ignore the Hon. Mr Ridgway.

The Hon. D.W. Ridgway interjecting:

The PRESIDENT: Order!

The Hon. D.W. Ridgway interjecting:

The PRESIDENT: Order! Minister, you will ignore the interjections of the Hon. Mr Ridgway.

The Hon. G.E. GAGO: Thank you, Mr President, for your protection. The Hon. David Ridgway just doesn't get it at all. The state government does not sign—

The Hon. S.G. Wade interjecting:

The PRESIDENT: The Hon. Mr Wade, that is not an invitation for you to take up interjections.

The Hon. G.E. GAGO: —food contracts with the private sector.

The Hon. D.W. Ridgway interjecting:

The Hon. G.E. GAGO: I never claimed that. That is outrageous! We have signed an MOU.

The Hon. S.G. Wade interjecting:

The PRESIDENT: Order!

The Hon. G.E. GAGO: The role of government is to assist in bringing partnerships and business connections together and that is exactly what we have achieved in assisting our private industries through delegations either to enter into international markets or bring international markets here to South Australia. We have assisted in making those business connections.

The South Australian government doesn't sign contracts. We encourage parties to come together and for contracts to be signed. In the Asian markets, particularly China, having government imprimatur is critical to accelerating business relationships in that country. The private sector simply going over to China and trying to set up appointments and sign contracts is a much more difficult and slower path to go down than it being part of a government delegation with government representatives there. The Chinese in particular, but many of the Asian markets, put a great deal of weight and importance on having government representatives present in a delegation. That is our role: to try to accelerate these relationships, speed up the investment arrangements and speed up opportunities. I have indicated time and again that I am very willing to help any of our sectors fulfil that. If I am available, I am always willing to go along and help out.

SA WATER CUSTOMER SERVICE

The Hon. J.M.A. LENSINK (14:40): I seek leave to make a brief explanation before directing a question to the Minister for Water and the River Murray regarding SA Water's contractor customer service standards.

Leave granted.

The Hon. J.M.A. LENSINK: Last week, I was contacted by a constituent regarding some weed spraying undertaken by an SA Water contractor on 19 October. The constituent's property backs onto the Sturt Creek near Immanuel College. On that day, in the morning, the contractor sprayed a number of the constituent's fruit trees, which are at least three feet back from his fence, which sits at approximately seven feet high. Upon this gentleman's wife approaching the contractor, he apparently sprayed in her direction and displayed inappropriate behaviour.

At this time, the constituent attempted to contact SA Water through their emergency contact number. They were instructed to leave a name and number and someone would call them back, which did not take place. They tried again that day, with no response. On Monday, they tried again and received a call back and were instructed that SA Water will investigate the matter and send someone to look at the fruit trees but refused to provide them with any information. Some week later, the gentleman still has not heard back from SA Water regarding this investigation, no-one has been out to inspect his trees and nearly all of the fruit has fallen off one of the trees, with branches also turning brown. My questions to the minister are:

1. Will he ensure that this matter is investigated?

2. Can he advise whether the behaviour is within contractor customer service standards and, indeed, SA Water's standards for responding to such matters and, if not, what action will he take?

The Hon. I.K. HUNTER (Minister for Sustainability, Environment and Conservation, Minister for Water and the River Murray, Minister for Aboriginal Affairs and Reconciliation) (14:42): I thank the honourable member for her most important questions. My answer is: yes, and I will investigate the matter and bring back a response for her.

LOCAL GOVERNMENT, CONSTITUTIONAL RECOGNITION

The Hon. S.G. WADE (14:42): I seek leave to make a brief explanation before asking the Minister for State/Local Government Relations a question relating to constitutional recognition of local government.

Leave granted.

The Hon. S.G. WADE: The 2009 High Court case of Pape v Commissioner of Taxation found the commonwealth does not have the power to directly fund local government. In September 2010, the then federal government announced that it would pursue recognition of local government in the Australian constitution as part of a prenuptial agreement between the Australian Greens and the Australian Labor Party. On the eve of the federal election, the Labor government abandoned the proposed referendum. My questions to the minister are:

1. Does the state government consider that federal funding of local government continues to be at risk?

2. If so, does the government intend to take any action to protect local government funding?

The Hon. G.E. GAGO (Minister for Agriculture, Food and Fisheries, Minister for Forests, Minister for Regional Development, Minister for the Status of Women, Minister for State/Local Government Relations) (14:43): We were obviously disappointed that the constitutional recognition did not go ahead. We had indicated, in principle, our support for constitutional recognition. We give constitutional recognition at state level and, although we were never satisfied with the wording that was put by the federal government (we had concerns about the actual wording that had been developed), nevertheless, in principle, we supported it.

In terms of the current funding arrangements, I have not been advised that there is any great threat to those arrangements currently, and the area that we have been concerned about has been the supplementary funding that South Australia receives and the fact that the new federal government had not given an indication about whether it was prepared to honour the previous arrangements for that supplementary funding. So we are still waiting on that. The last I was advised

was that the federal government had not determined a position, so I urge the Hon. Stephen Wade to write to his colleagues and urge them to make sure that this state receives its fair share of road funding.

SEAFOOD INDUSTRY

The Hon. R.P. WORTLEY (14:45): I seek leave to ask the Minister for Agriculture, Food and Fisheries a question about the South Australian seafood industry.

Leave granted.

The Hon. R.P. WORTLEY: The minister has spoken before about the importance of seafood to the government's premium food and wine priority. Can the minister tell the chamber about the national seafood conference currently being held in South Australia?

The Hon. G.E. GAGO (Minister for Agriculture, Food and Fisheries, Minister for Forests, Minister for Regional Development, Minister for the Status of Women, Minister for State/Local Government Relations) (14:46): I thank the honourable member for his most important question. Another coup for South Australia: Port Lincoln has become the focal point of Australia's seafood industry as host of the 2013 National Seafood Industry Conference—Seafood Directions. For Port Lincoln and South Australia to host this premier national fishing industry conference, which is about setting the future direction for the seafood industry, really recognises how well regarded our industry is as a premium seafood producer from our very clean aquatic environment.

Australia's commercial fishing and aquaculture industry is worth more than $2 billion annually and employs just under 12,000 people. When total and indirect outputs are calculated, South Australia's commercial fisheries contribute more than $690 million to the state's economy, so it is a very important economic driver. With only 2.2 per cent of the state's population, Eyre Peninsula produces more than 60 per cent of South Australia's seafood which is quite amazing—2.2 per cent of the population produces 60 per cent of our seafood.

Our clean waters mean that we are home to some of the world's most sought after seafood including our famous rock lobster, tuna, oysters, prawns, and the list goes on. The protection of our aquatic environment through our environmental monitoring, aquatic animal health programs and strict zoning requirements ensures South Australia's seafood retains a very high standard and very strong environmental credentials.

In South Australia our seafood industry has tremendous opportunities and that is why one of this government's key strategic priorities is premium food and wine from our clean environment. The government is working hard to further grow this important sector and increase its reputation as a producer of premium seafood both here in South Australia and nationally, as well as internationally. For example, the government has worked with industry to reduce red tape. The tuna 90-day project will make it easier for fishers and fish farmers to meet their regulatory requirements so that they can concentrate on what they do best which is producing and harvesting fabulous seafood.

These new administrative arrangements will streamline licensing, monitoring and reporting, and have resulted in a 50 per cent time saving and 20 per cent cost saving on tuna licence applications. The industry estimates that the benefits for these new arrangements will be in the vicinity of saving about $700,000 a year. We have also developed a commercial reporting smartphone application to assist our producers and make it easier for commercial fishers to report their catch.

On Sunday I was very pleased to attend a number of events associated with the Seafood Directions conference where the celebrations commenced at the Port Lincoln marina with the Family and Fishers Trade Show Day. It was a lot of fun. I took the opportunity to take part in another premium food and wine from our clean environment public panel discussion. The community discussion was hosted by wine identity and South Australian premium food and wine from our clean environment ambassador Paul Henry. It featured fellow ambassadors Andrew Puglisi from Kinkawooka Mussels and Hagen Stehr from CleanSeas. Our Hong Kong based South Australian premium food and wine from our clean environment ambassador Mr Wong Wing Chee and Port Lincoln based food identity Sandy Harder provided an opportunity to celebrate our premium seafood with a cook-off demonstration.

I was very pleased to be able to attend the conference itself, which involved industry awards. These awards celebrated the achievements of some of our great seafood success stories,

and I congratulate the winners of those awards. I would especially like to congratulate the award winners from South Australia, which include Del Giorno's Cafe in Port Lincoln, the winner of the National Industry Restaurateur Award; the Australian Southern Blue Fin Tuna Industry Association, which won the National Research Development and Extension Award; and the association's Samara Miller, who took home the People Development Award.

This year, for the very first time, the seafood industry inducted 32 industry icons into our Seafood Hall of Fame in appreciation of their contribution to this important industry. Many have dedicated the whole of their working lives to the industry and I congratulate each and every one of them.

I would also like to take this opportunity to particularly congratulate Gloria Jones on being the first female ever to be inducted into the Hall of Fame. Members of this chamber would be well aware of the significant contribution Gloria has made to the seafood industry in South Australia. In particular, she and her husband Henry Jones were instrumental in helping the Coorong and Lower Lakes fishery achieve the Marine Stewardship Council certification, the first multispecies fishery to do so.

Members interjecting:

The Hon. G.E. GAGO: Not that I acknowledge interjections, but I note that members of this place have indicated through their interjections knowledge of both Gloria and Henry Jones and acknowledged the incredible contribution they have both made. They are, as honourable members have indicated, quite amazing people and we are very grateful for their efforts.

I look forward to hearing about some of the outcomes of the conference and am sure that everyone who attended will come away from the event with a greater awareness of our premium seafood from our very clean environment.

GOVERNMENT INVOICES AND ACCOUNTS

The Hon. A. BRESSINGTON (14:52): I seek leave to make a brief explanation before asking the minister representing the Treasurer a question about the late payment of government debts.

Leave granted.

The Hon. A. BRESSINGTON: We all know that we will be reviewing legislation here on the matter of the government's late payment of debts. Cabinet has approved a scheme that will also speed up payments from a weekly to a daily basis and will consider an online payment portal and force departments to report monthly on their payment performance.

The Advertiser revealed that the government had failed to pay $1.5 billion of its bills on time last year, forcing many businesses to delay payments to their own staff and suppliers. If the government had been forced to pay interest of 10 per cent on this figure, it would have cost about $400,000 a day.

The government paid $410 million late in 2006-07 and more than $750 million late last financial year, inflated to $1.5 billion when all government agencies are included. This was despite a government policy of a 30-day turnaround on invoices. Public sector minister Michael O'Brien has already introduced changes that include taking action on invoices left untouched for six days. *The Advertiser* of 11 February states:

> The state government must introduce laws it promised before the end of last year to reduce late payment of bills to small businesses, the opposition says.

We know that there is a bill before the parliament, but that bill is not just about late payments. Can the Treasurer explain why, after the public sector minister proposed to introduce changes before the end of last year as the Prompt Payment Bill for a 14-day turnaround of bill payment, we are now proposing legislation to potentially turn small businesses and other suppliers into pseudo-banks that are required to provide loans to the government at an interest rate determined by the government without the government making a loan application? Can the Treasurer also explain why this is simpler and easier than just focusing on policy and procedures to ensure the prompt payment of bills?

The Hon. G.E. GAGO (Minister for Agriculture, Food and Fisheries, Minister for Forests, Minister for Regional Development, Minister for the Status of Women, Minister for

State/Local Government Relations) (14:55): I thank the honourable member for her most important questions. I will refer them to the Treasurer in another place and bring back a response.

CLIMATE CHANGE

The Hon. CARMEL ZOLLO (14:55): My question is to the Minister for Sustainability, Environment and Conservation. Will the minister advise how South Australian communities and regions are adapting to the potential impacts of climate change?

The Hon. I.K. HUNTER (Minister for Sustainability, Environment and Conservation, Minister for Water and the River Murray, Minister for Aboriginal Affairs and Reconciliation) (14:55): I thank the honourable member for her most important question. Sir, the Intergovernmental Panel on Climate Change released its Fifth Assessment Report—which you would be only too aware of—of its working group on the science of climate change on 27 September 2013.

The release of the Intergovernmental Panel on Climate Change's Fifth Assessment Report shows that warming of the climate system is unequivocal and that human influence on the climate system is clear. The release of this report should, once and for all, end the debate on whether climate change is occurring and instead focus our attention on action. Key findings of the report are: each of the last three decades has been successively warmer at the earth's surface than any preceding decade since 1850; heatwaves are very likely to occur more frequently and last longer; and the global mean sea level will continue to rise and at a faster rate than experienced over the last 40 years. The strength of the conclusions of the Fifth Assessment Report highlights the risks that climate change brings for South Australia.

With a shifting national policy environment, South Australia is getting on with the job and leading by example. In August 2012, our government launched 'Prospering in a changing climate: a climate change adaptation framework for South Australia'. This framework is being driven in partnership with South Australian communities, including local government. This regional approach empowers local leaders to manage the real risk of climate change and has recently received the 2013 Resilient Australia Award.

The Resilient Australia Awards are a federal government initiative, sponsored by the commonwealth Attorney-General's Department, in conjunction with states and territories. Under this award-winning framework, adaptation plans for regions are being developed and crucial vulnerability assessments are being undertaken. Such a plan for the Yorke and Mid North region was released earlier this month during the Greenhouse 2013 conference here in Adelaide. This region has shown great leadership to be at the forefront of preparing for the impacts of climate change.

The Yorke and Mid North Regional Climate Change Action Plan outlines the strategies and steps by which this important agricultural and economic region of South Australia is adapting to the threats posed by climate change. Central to the development of this plan has been a former member of this place, the Hon. Caroline Schaefer, who is, of course, the presiding member of the Mid North and Yorke natural resources management board; mayor James Maitland, of the Wakefield Regional Council; and Ms Kay Mathias, Chair of the Yorke and Mid North Regional Development Australia Board. I would like to congratulate them, and everyone else involved in its preparation, for the leadership they have demonstrated on behalf of their communities and their willingness to take that leadership to the climate change area.

Their work and this plan began back in September 2011 when the Yorke and Mid North regions signed a sector agreement with the government of South Australia. Members will be aware that sector agreements are the key mechanism under the Climate Change and Greenhouse Emissions Act 2007 for establishing formal arrangements between government and specific industry sectors or regions across the state. Sector agreements include: actions to reduce emissions, adapt to climate change, develop appropriate technologies, reduce energy use, and increase the use of renewable energy. They have proved to be immensely successful and popular and, in fact, earlier this month another sector agreement was signed in the Western Region Climate Change Alliance.

The Western Region Climate Change Alliance is a partnership between the City of Charles Sturt, the City of West Torrens and the City of Port Adelaide Enfield. This alliance entered into an agreement with the key outcome being the development of the Regional Climate Change Adaptation Plan, and this will include undertaking an integrated vulnerability assessment of the area and mapping out strategies for the region in tackling climate change over the next five years,

in addition to longer term aspirations of the community. This agreement will assist the Western Adelaide Region community, which has a combined population of about 315,000 people, to adapt to the impacts of climate change, such as heatwaves or flood risk, and to prepare for the costs associated with infrastructure capacity building.

In addition, just last week I signed our second sector agreement with representatives from the Local Government Association. This builds on the successes of a first agreement from June 2008. That agreement set out a number of strategies to begin our cooperation on matters of climate change. This included progressing more efficient public lighting, including street lighting, improving energy efficiency, collaboration on green power procurement and climate change adaptation, and risk assessments. This new sector agreement shows a commitment to continue the very valuable support provided by the LGA.

This new agreement has several key areas of focus. One area is to progress regional adaptation planning right across the state; a further is supporting the development of building an upgrade finance scheme in South Australia. This mechanism is a loan scheme designed to help property owners to overcome a number of market barriers to invest in improving the energy and water efficiency of existing commercial buildings. This is a practical action which will support energy efficiency through the adoption of low carbon technologies, and I look forward to working with the LGA to progress this in our state.

Finally, the LGA has expressed an interest in assisting and understanding the nature and complexities of achieving effective integrated coastal zone management in South Australia so that decisions are made in a coastal zone that do not place communities and assets at risk of coastal hazard. This will prove particularly useful for the western region, where there is a well-documented history of flood events due to the geographical location and the nature of physical development over many, many years.

The impact of seawater inundation is a significant future risk for the western region, and it requires appropriate assessment and management; so it is pleasing to hear that the LGA is helping to address this, in conjunction with the state government. These sector agreements provide a foundation for a transition in our economy and the community to one that is able to mitigate the effects of climate change, and they do this by ensuring that we work as collaboratively as possible.

Climate change is a global phenomenon, but we must remember that the effects of climate change most certainly will be felt at local and regional levels. What might apply in the north of Queensland as a mitigation strategy certainly will not apply for Yorke Peninsula. That is why it is important to develop such local and regional responses—responses that understand the area, responses that use the best available science, and responses that bring communities together. This is exactly what these regional plans and sector agreements have sought to do.

This state Labor government aims to develop and implement more regional sector agreements across all state government regions of South Australia. I congratulate all those involved in sector agreements and adaptation plans, and I encourage all members of this place to engage with their communities in the implementation of further plans and agreements.

KOALAS

The Hon. T.A. FRANKS (15:03): I seek leave to make a brief explanation before asking the Minister for Sustainability, Environment and Conservation questions on the topic of koalas.

Leave granted.

The Hon. T.A. FRANKS: In August, I wrote to the minister's office concerning the thousands of koalas facing injury or death in forestry operations in the south-east of Australia. I asked what action was being taken over the disturbing revelations made first on the *7.30* program, on the ABC, and to ensure that action was being taken to ensure that logging operations in South Australia were not threatening the health and welfare of the koala population in the region.

Since then, the report of the international auditor, Rainforest Alliance, has been released, finding significant failures in the Australian Bluegum Plantations' (ABP) management of wildlife during forestry operations. It has been issued with six major nonconformances. The ABP has now been stripped of its Forestry Stewardship Council (FSC) certification and has had to suspend harvesting operations in some operations, as the auditors noted that they were 'not taking sufficient steps to recognise the extent of the issue and address the issue'. My questions are:

1. Will the minister advise the council what steps his department has taken to investigate the Australian Bluegum Plantations' forestry operations in recent months?

2. What steps have been taken to ensure forestry operations are not in contravention of the Animal Welfare Act or do not continue to threaten the health and welfare specifically of the koala populations in these affected regions?

3. What assistance is the government able to provide to wildlife carers dealing with the injured koalas, carers who to date have been entirely self-funded?

The Hon. I.K. HUNTER (Minister for Sustainability, Environment and Conservation, Minister for Water and the River Murray, Minister for Aboriginal Affairs and Reconciliation) (15:05): I thank the honourable member for her most important question. I understand, and we all probably know, that there have been reports in the media of koalas being injured in western Victoria and the South-East of this state when timber plantations are being harvested. Following these media reports, the Department of Environment, Water and Natural Resources conducted an investigation into the matter, and I am advised that it found no evidence of koalas being injured in timber plantations within this state.

I have been advised by my department that it has not received any specific reports of koalas being injured in timber plantations within South Australia. In South Australia koalas are a protected animal within the definition of the National Parks and Wildlife Act 1972. Where koalas are reported to have been injured or killed in South Australia, wardens appointed under the act will investigate the matter. Where there is sufficient evidence, the Department of Environment, Water and Natural Resources will prosecute.

I am advised that in recent years Primary Industries and Regions South Australia, in consultation with my department, have provided information to timber industry members regarding best practice harvesting operations. The government takes the protection of all our native animals across the state quite seriously, and I will be monitoring this situation quite closely.

I have charged my department with reviewing current legislation, policy and codes of practice that protect animal welfare in our state and that regulate the interaction between forestry operations and koalas to ensure that these effectively minimise the impacts of blue gum timber harvesting upon koala populations and any other protected species in those environments. I have also charged my department to work closely with PIRSA and the forest industry to develop policies for privately-held forests to ensure the industry meets its responsibilities under the National Parks and Wildlife Act 1972 and the Animal Welfare Act 1985.

I am advised that the timber industry, through its Green Triangle Regional Plantations Committee, has established a working party to develop best practice guidelines to minimise harm to any wildlife during harvesting operations. Membership of the working party includes Victorian wildlife protection organisations, I am advised. I am also advised that the Green Triangle committee recently released an industry-wide koala management policy for plantation harvest operations. I have recently been given advice from my department on these issues that include the Green Triangle committee's koala management policy, and I am currently considering this advice.

The ABC's *7.30* program recently highlighted the findings of a published compliance audit, which had been undertaken on the Australian Bluegum Plantations in the Green Triangle region of south-west Victoria by the Forest Stewardship Council of Australia. The compliance audit was conducted following concerns raised by local stakeholder groups regarding the welfare of koalas in blue gum plantations in south-western Victoria.

The compliance audits were conducted on the operations of the company, Australian Bluegum Plantations, in south-western Victoria, and the audit report found a number of nonconformances with the standards set by FSC International. These standards are the criteria used to determine whether or not a company can obtain FSC certification. FSC certification is a valuable branding tool for the timber industry, as many overseas timber markets will not accept timber products which do not carry FSC certification.

In line with the FSC International's standards, the occurrence of five or more major noncompliances in one surveillance evaluation is grounds for a certificate to be suspended. ABP has received a notice, I am advised, of suspension of its FSC certification. This provides ABP with a 30-day notice period that its certification will be suspended, giving it the opportunity to manage its affairs, such as contacting customers and removing the FSC brand mark from its products and marketing material.

Given the economic value of the FSC certification, ABP will no doubt be undertaking the many steps necessary to ensure it is compliant and can regain its FSC certification as soon as possible. Having said that, my department will work very closely with PIRSA and the industry to make sure that the situation with koalas, as reported on the ABC, in western Victoria will not happen in South Australia.

HOSPITAL PARKING

The Hon. R.I. LUCAS (15:09): I seek leave to make a brief explanation before asking the minister representing the Minister for Health a question on hospital car parking.

Leave granted.

The Hon. R.I. LUCAS: Two or three years ago the government, as a budget measure, announced the sale of hospital car parks. Whilst no official figure was ever confirmed, the suggestions were that a budget revenue figure of up to $90 million was speculated by the government in terms of the potential sale of hospital car parks. Mr President, it will not surprise you that that has engendered some controversy, with some people supporting the proposition and a number of other stakeholders opposing it. Since that announcement, there has been little further information provided by the government in terms of the implementation of that particular policy position, so my questions to the Minister for Health are:

1. Can the minister update the government's position on the budget announcement of some two to three years ago on the sale of hospital car parks in South Australia? In particular, can he outline the proposed timing of the sale process and the arrangements for it; and, whilst clearly he will not indicate the expected revenue from the sale process, can he also indicate in which particular budget years in the forward estimates Treasury and Health are assuming the proceeds will be received by government?

2. Given the recent announcements in relation to the move of the Women's and Children's Hospital, and the ongoing controversy about the inadequate car parking for nurses and families at the Women's and Children's Hospital, can the minister indicate what action, if any, the government is now going to undertake in relation to resolving the car parking problems being experienced by patients and families at the Women's and Children's Hospital particularly in the period between now and 2023 when supposedly, if re-elected, the government is going to complete the new Women's and Children's Hospital on North Terrace?

3. Given the government's announcement in relation to a possible move of the Women's and Children's Hospital, if the government was re-elected in 2014, will it be doing nothing to resolve the car parking problems at the Women's and Children's Hospital over the period between now and the potential move to the North Terrace site?

The Hon. I.K. HUNTER (Minister for Sustainability, Environment and Conservation, Minister for Water and the River Murray, Minister for Aboriginal Affairs and Reconciliation) (15:11): I thank the honourable member for his six most important questions and I undertake to take those to the Minister for Health and Ageing in the other place and seek a response on his behalf.

ABORIGINAL AND TORRES STRAIT ISLANDER WOMEN

The Hon. G.A. KANDELAARS (15:12): I seek leave to make a brief explanation before asking the Minister for the Status of Women a question regarding the empowerment of Aboriginal and Torres Strait Islander women.

Leave granted.

The Hon. G.A. KANDELAARS: The State Aboriginal Women's Gathering was held on 22 and 23 October at the Grand Chifley Hotel in Adelaide. The theme of this year's gathering was empowerment. Can the minister inform the chamber about the 2013 state women's gathering?

The Hon. G.E. GAGO (Minister for Agriculture, Food and Fisheries, Minister for Forests, Minister for Regional Development, Minister for the Status of Women, Minister for State/Local Government Relations) (15:12): I thank the honourable member for his most important question. I was pleased to be able to speak at the 2013 State Aboriginal Women's Gathering dinner held on Tuesday 22 October. This is the fifth year that I have attended and it is always a night of very frank, open and honest exchange and passionate conversation. I have to say that I always enjoy those forums.

This year, more than 40 Aboriginal women came together in Adelaide and it was fantastic to see so many there who had travelled from very remote and country areas to attend, such as Mimili, Mount Gambier, Yalata, Ceduna, as well as metropolitan Adelaide. That was for two days of workshops, presentations, networking and community planning. The gathering heard presentations from the Commissioner for Aboriginal Engagement, Ms Khatija Thomas, South Australian Commissioner for Equal Opportunity, Ms Anne Gale—on the National Racism Strategy—and South Australian NAIDOC Week award winner, Kaylene O'Loughlin. I understand they also enjoyed an oration from my colleague the Minister for Aboriginal Affairs.

As the honourable member mentioned, the theme of this year's gathering was empowerment. I was very pleased to be able to speak to the women in attendance who were taking a lead in empowering their communities and themselves as leaders. It is of the utmost importance that all women are given the opportunity to take on leadership opportunities within their community, to participate, to contribute and to make a difference.

The relationship between women's empowerment and their ability to enter positions of leadership is not one that can be understood either in a professional context or within communities. The State Aboriginal Women's Gathering not only encourages knowledge and skill sharing but also supports women in being able to take up the challenges in their communities and continue to work towards organisational and social change.

The gathering is a key event for government, non-government and community to come together each year to acknowledge the gains and achievements that have been made and also to focus attention on the things that still need to be done—and there are many. It also provides a platform that facilitates more Aboriginal women in leadership positions and brings us closer in our pursuit of closing the gap on Aboriginal disadvantage.

Also in attendance at this year's gathering was Ms Pat Waria-Read, the inaugural recipient, from 2011, of the Women Hold Up Half The Sky award and Lucy Evans, the 2013 recipient of the same award. Women Hold Up Half The Sky is an Australia Day Council of South Australia award acknowledging the contribution of outstanding women in the community. It is the only award within the Australia Day awards that specifically recognises the contributions that women make to the community. The award acknowledges inspirational South Australian women and forms part of a strategy to increase the nomination of women to national and state awards and honours.

Ms Waria-Read is a Ngadjuri woman, and she was honoured with the Women Hold Up Half The Sky award for her contribution to her community at a local, state and also national level. Ms Evans, a Narungga woman from Port Pirie, was honoured for her involvement in Aboriginal health in the region for over a decade.

I would like to take this opportunity to remind honourable members that nominations for the 2014 Australia Day Council of South Australia Women Hold Up Half The Sky awards are now open and to put forward outstanding women you know who make a significant contribution to their community. I am advised that nominations for this award close on Friday 6 December 2013, so there is plenty of time. I am sure that everyone in this place would know at least one exceptional person who would be suitable to put forward as a nomination.

As I said, I would also like to encourage members to put forward deserving women who would like to develop their leadership capabilities to the YWCA SHE Leads program. I have previously spoken in this place about the state government's financial support for the YWCA SHE Leads Conference, which was held in August. I am advised that the SHE Leads program has been a fantastic success in progressing the personal and professional goals of young South Australian women, and nominations for that particular program close on Friday 8 November.

The State Aboriginal Women's Gathering—Delegate Elected Working Group and Office for Women have been working together to provide opportunities to develop and discuss the tools that enable women to empower themselves, their families and their communities, and I would particularly like to thank and acknowledge them for their very hard work over the last 12 months to ensure that this year's gathering was the great success that it was.

WASTE MANAGEMENT

The Hon. K.J. MAHER (15:18): My question is to the Minister for Sustainability, Environment and Conservation: will the minister advise how the government is assisting South Australia's regional areas recycle resources and ultimately reduce waste going to landfill?

The Hon. I.K. HUNTER (Minister for Sustainability, Environment and Conservation, Minister for Water and the River Murray, Minister for Aboriginal Affairs and Reconciliation) (15:19): I thank the honourable member for his most important question. As most members will be aware, recycling is something that we do particularly well in South Australia—particularly those on the other side of the chamber who recycle their ministers and shadow ministers over and over and over again. We see the same old ministers. The same old faces have been put forward as a new team, of course—we have the Chapmans, the Evanses, the Lucases—and, of course, they were all failures in their day and they are being recycled once again to fail once more. That is not the recycling that we on this side like to engage in. We like to actually talk about waste reduction.

The Hon. G.E. Gago: We're a hothouse of growth and innovation.

The Hon. I.K. HUNTER: Absolutely right. My leader reminds me that we are a hothouse of innovation and leadership—

The Hon. G.E. Gago: Vision.

The Hon. I.K. HUNTER: —and vision, and we lead for this state. But let me come back to the question about recycling. Our state's rate of waste diversion currently sits at just under 80 per cent. That is a fantastic outcome.

Every year since 2003 the amount of material being recycled or diverted from landfill has grown by about 8 per cent. Despite this great and ongoing success within our state as a whole, the rate of waste diversion in regional areas when compared to that of metropolitan Adelaide has been significantly lower. There are, obviously, a number of reasons for that, the most predominant being that recovering and recycling waste in regional communities presents a number of challenges not shared by larger metropolitan communities. That also means that there is room to improve, and that is exactly what the state Labor government has set out to do under our South Australia's Waste Strategy 2011-2015.

Earlier this year, I spoke in this place about the Regional Implementation Program whereby Zero Waste SA was working with councils to progressively implement waste reforms to continue to improve the recovery of materials from country areas. I am pleased to advise the council that the state government has awarded just over $1.3 million in funding to help councils and recyclers within South Australia's regions complete a number of projects that will help meet this strategy.

This funding will enable the upgrade or establishment of new transfer stations and other improvements, such as the construction of sheds and compost pads. Transfer stations and resource recovery facilities have a critical role to play in diverting waste from landfills and recovering materials. The funding is stimulating further investments in regional waste management, with grant recipients contributing a further $5 million towards these projects.

Some of the projects awarded funding include a citrus packing shed for Foodbank SA in the Riverland and a number of waste transfer station upgrades for the Mid Murray Council's facilities at Swan Reach, Blanchetown and Cadell. In the South-East, moneys have been provided for a recycling depot at Penola Recyclers and additional funds have been awarded for the expansion of the Tatiara District Council's waste transfer station.

On Kangaroo Island, money has been awarded for an upgrade to the composting area at Kingscote; and, at Roxby Downs, funds have been awarded for the construction of a new resource recovery and waste transfer station. These are only a few of the examples of the great work that we are continuing to do in partnership with regional areas. Applications were assessed against broad criteria in recognition of the different set of challenges regional councils face but, ultimately, were selected on their ability to divert the greatest amount of waste.

I am also pleased to advise that, in support of these projects and the wider strategy to reduce waste in the regions, seed funding has been awarded of up to $261,000 towards four regional waste coordinators in the Fleurieu, Adelaide Hills and Central, and South-East areas. Jointly funded with and employed by councils, these roles will assist in waste and recycling education within the regions, manage the coordination of contracts, and update regional waste management plans.

As I said earlier, dispersed population centres across the state, fewer people and considerable transport distances create additional difficulties for achieving viable recycling outcomes in many regional areas. We as a government understand that, but it does not mean that it is impossible for regional communities to reduce, re-use and recycle their waste. We have seen some outstanding improvements in waste recovery and diversion from landfill across our state over

the last few years, and we have seen some great infrastructure constructed right around the state for the benefit of everybody. I am sure these projects will also make a considerable reduction in waste heading to landfill and, most importantly, assist in continuing to place South Australia where it belongs—as a world leader in recycling and the diversion of waste from landfill.

I am told that $1.45 million was awarded in February this year for round 7 of the Regional Implementation Program, and this funding under any grant infrastructure program delivered by Zero Waste SA will differ from year to year, but it depends on the number and quality of projects submitted and also on the type and cost of these projects. At the end of the day, we will end up with quality infrastructure for regional as well as metropolitan South Australians.

FIRST HOME AND HOUSING CONSTRUCTION GRANTS (ELIGIBILITY CRITERIA) AMENDMENT BILL

Adjourned debate on second reading.

(Continued from 16 October 2013.)

The Hon. R.I. LUCAS (15:28): I rise on behalf of Liberal members to support the second reading of the First Home and Housing Construction Grants (Eligibility Criteria) Amendment Bill. The Housing Construction Grant was first introduced in October 2012 and was to run initially until 1 June 2013. The government then announced an extension for a further six months until 1 January 2014. The Housing Construction Grant, which is $8,500, is available for new homes where the market value does not exceed $400,000 and phases out for new homes with a market value between $400,000 and $450,000 at a rate of $17 for every $100 in excess of $400,000.

Under this scheme it was intended that only one grant was payable in relation to each new house. One of the problems has been that, evidently in practice, both owner-builders and purchasers are eligible to apply for the grant. Under the current act, the grant can be paid to either. What has occurred is the result of a number of cases—and the advice from the government is five cases to date—where there has been a conflict arising from both the owner-builder and the purchaser applying for the grant in relation to the same property. There is actually some conflict as to whom the grant should be paid, so the purpose of this short bill is to clarify the eligibility criteria in order to avoid it happening. The intention of the government was for the grant to assist the purchaser, and this bill seeks to amend the act to ensure that that is what occurs.

The owner-builder will still be able to receive the grant in certain circumstances, but the intention and the first priority is given to the purchaser if there are conflicting claims in relation to the same property. Just to be explicit, the bill does not allow the parties to a transaction to agree between themselves as to who should receive the grant. The shadow treasurer, who has the carriage of the bill for the Liberal Party, has indicated that the Liberal Party will support the legislation, and we are happy to do so this afternoon.

The Hon. G.E. GAGO (Minister for Agriculture, Food and Fisheries, Minister for Forests, Minister for Regional Development, Minister for the Status of Women, Minister for State/Local Government Relations) (15:30): I thank the honourable member for his contribution. I understand that there are no further second reading contributions and we look forward to this being dealt with expeditiously through the committee stage.

Bill read a second time.

Bill taken through committee without amendment.

The Hon. G.E. GAGO (Minister for Agriculture, Food and Fisheries, Minister for Forests, Minister for Regional Development, Minister for the Status of Women, Minister for State/Local Government Relations) (15:33): I move:

That this bill be now read a third time.

Bill read a third time and passed.

FIRE AND EMERGENCY SERVICES ACT REVIEW

The Hon. G.E. GAGO (Minister for Agriculture, Food and Fisheries, Minister for Forests, Minister for Regional Development, Minister for the Status of Women, Minister for State/Local Government Relations) (15:33): I table a copy of a ministerial statement relating to the review of the Fire and Emergency Services Act 2005 made earlier today in another place by my colleague the Hon. Michael O'Brien.

WORKCOVER CORPORATION (GOVERNANCE) AMENDMENT BILL

Adjourned debate on second reading.

(Continued from 17 October 2013.)

The Hon. R.I. LUCAS (15:34): I rise to speak to the second reading of the WorkCover Corporation (Governance) Amendment Bill. I think the sad reality of WorkCover as a scheme—as the Hon. Mr Brokenshire indicated in his contribution during the last sitting week—is that we are confronted with a cot case. We have had almost 12 years of significant mismanagement by the Labor government and in more recent years, the Jay Weatherill Labor government. Mr Weatherill, of course, Mr President, as you know, has been a senior member of the Labor government since 2002, so he shares collective responsibility, and then as Premier in the last couple of years, key responsibility in terms of the tragedy of what is unfolding before South Australia as we speak.

It is hard to contemplate actually how bad a scheme we have. The scheme has the highest levy rate for employers of any scheme in the country. We have an unfunded liability of approximately $1.3 billion. Mr President, I remind you that in 2002, when Mr Weatherill first became a part of the government, the unfunded liability was less than $100 million, so it is a billion dollar blowout in unfunded liability under the 12 years of mismanagement by Labor governments. The funding ratio rate of the scheme, which obviously should be in and around 100 per cent, is now as low as 64 or 65 per cent.

What is even more tragic is that, as a workers compensation scheme, we have in South Australia the worst return-to-work rates of any equivalent scheme in the country. One could understand why the levy rates were almost double that of the average of other employers in other states in the country and our costs were extraordinarily high if we were delivering a Rolls Royce scheme in terms of both benefits to injured workers and, more importantly, for the benefit of early return to work for injured workers; then at least a Labor government could have some argument to justify the excessive costs in the scheme. But, what we have is the absolute mess of the highest costs in the nation for employers and for injured workers the worst return-to-work rates in the nation.

As the shadow treasurer highlighted in a recent public statement, we also have the highest number of disputes in the country, take the longest to resolve disputes, and spend three times the proportional cost on rehabilitation than any other scheme in the country. This does not all just happen. It takes a conscious effort by Labor governments over 12 years to create the cot case that we have before us. It takes Labor governments and Labor ministers, including the Hon. Mr Weatherill, to ignore the advice of stakeholders, commentators, experts and others who have criticised over a 12-year period the fundamentals of the scheme that the Labor government here has sought to impose on workers and employers.

From the very early days under minister Michael Wright and the Labor government, including the Hon. Mr Weatherill, we have had this policy which basically said they were not prepared to support redemptions, that in some way redemptions promoted what they referred to in a pejorative sense as a redemption culture, as something which was bad in the scheme. The government and the minister, via directions and other mechanisms, sought to impose over a period of years their ideological view that injured workers should not be given the option or should have it significantly restricted in terms of redemptions.

Amongst many other inquiries that have been commissioned by the government, the parliament itself has had at least two recent looks—and 'by recent' I mean over the last handful of years—at the WorkCover scheme. The Statutory Authorities Review Committee of the parliament, under the chairmanship at that stage, I think, of the Hon. Carmel Zollo, produced a report, tabled in February 2010, just prior to the 2010 election, after an inquiry running some two to three years. There has been significant work done by the Legislative Council committee on statutory authorities.

In more recent times, under the chairmanship of the member for Ashford, the occupational health and safety committee of the parliament has also looked at, in particular, rehabilitation and return-to-work rates in our scheme compared with other schemes. For those members who want to look at the mess that has been created by Labor governments in South Australia, I would suggest that they have a look at both of those reports.

Returning to the issue of redemptions, that first report highlighted the ideological position adopted by the Labor government in relation to redemptions over a period of time. Ultimately, we saw encapsulated in the 2008 WorkCover legislation, which went painstakingly through the

parliament in that year and, I think, in 2009, major changes to the legislation with respect to further restrictions on redemptions. In essence, that was the pinnacle of the Labor government's attack on redemptions as part of a workers compensation scheme. In essence, their policy position was that they were virtually banned, except in supposedly extenuating or extraordinary circumstances.

Yet, five months before the election, we have not only this legislation but now—conversion on the road to Damascus almost—we hear from management and leadership within WorkCover and we hear from the minister the notion that we have to address the issue of whether this is a capped scheme or whether it is a pension scheme. Whilst it does not solely relate to the issue of redemptions, it significantly relates to that issue. After 12 years of pillorying the notion that redemptions be part of a scheme, we now have ministers and managers and others in leadership positions saying, 'Do we want a capped scheme or a pension scheme?' 'The problem with the WorkCover scheme is the long tail in the scheme.' 'The problem is the fact that it is a pension scheme.' 'The problem is that too many people are staying on the scheme for too long compared with other states.'

'Well, strike me pink!' to quote Ken Cunningham, they have actually woken up, supposedly after 12 years, to what people have been saying for years and years and years—to the deaf ears of the Premier, to the deaf ears of former minister Michael Wright and others—that one of the problems within the scheme in South Australia, one of the reasons for the extraordinary growth in the unfunded liability, was the long tail in the scheme, was the fact that it was a pension scheme, was the fact that injured workers who, if given the option of taking a package early enough, would have taken the package and gone about their life and returned to work in another role or another position or another job in another way, or gone about the rest of their life with a package to set themselves up.

But, no, the ideological position of the Jay Weatherill government and those who preceded it was that this was in some way to be pilloried, that this in some way was something that was wrong because it promoted a redemption culture in South Australia. They appointed people who had that view to do various reviews. The Stanley review supported the position that the Labor government wanted in relation to this. Various reviews appointed over the years supported what the government wanted to support, and that was a view that we should get rid of redemptions.

Now, a conversion on the road to Damascus: 12 years down the track and just before the state election, they want us to believe that they have the solution at last to the problems of the WorkCover scheme, that they and they alone know how they will fix it, and that we now need to address the issue of redemptions and whether or not this is a capped scheme or a pension scheme at all. I do not know how silly minister Rau, Mr Weatherill and the government think the people of South Australia are, or how silly they think the employers in South Australia are, or how silly they think the injured workers, who fought them for years in relation to this particular, are, but I assure them that they are not that silly, that they will not be fooled by this conversion on the road to Damascus, that after 12 years of mismanagement and after 12 years of ignoring the advice they have received, all of a sudden they have seen the light and they now know the solution to fixing WorkCover.

They went down the extraordinary path, which could only be of logic to a Jay Weatherill Labor government, or a Labor government of which Mr Weatherill was a significant part, and their fellow travellers, that in some way removing competition in the provision of multimillion dollar services was the best way to provide an efficient service and to reduce costs. One of the first decisions they took was to provide a monopoly contract to a claims management provider.

For illustrative purposes, I advise members to look at the 2007 to 2010 inquiry into WorkCover by the Statutory Authorities Review Committee, because this issue was canvassed intensively by that particular committee. We saw the extraordinarily inept decision by the government and the WorkCover board at the time to, in essence, convince themselves and try to convince the public that it made sense to have no competition at all in terms of claims management, and that in some way that would reduce costs.

Look at the Statutory Authorities Review Committee's report, in particular look at the position that was adopted by the Labor government members on that committee as opposed to the position adopted by Liberal members. I refer to the minority report by the Hon. Terry Stephens and me, signed in late 2009/early 2010. That particular report highlights that at the December 2008 meeting of the committee we first questioned WorkCover representatives about industry concerns that WorkCover was renegotiating a five-year monopoly claims management contract it had entered into with EML in 2006. We raised the concerns that the industry was

buzzing with rumours that less than halfway through a five-year contract WorkCover and the government were renegotiating the terms of that monopoly deal with EML.

The minority report indicates our concerns about the evidence we received when we were told by WorkCover that EML would not receive windfall financial benefits from the government's 2008 legislative changes under the original contract. Then we took evidence from the most recent chair, Mr Bentley, who made clear that the earlier evidence given by the board chairman was not correct. We indicated that we strongly opposed the view that WorkCover should keep secret the details of potential multimillion dollar benefits to EML from the renegotiated contract.

The renegotiated contract was finally signed in April 2009. It was made retrospective to July 2008 and, in the first year under the renegotiated contract, which was 2008-09, EML received $48.9 million or an increase of $17.2 million over the 2007-08 payments. EML, as the monopoly claims provider, in my view, bid and bid low, undercut the market and then less than halfway through the contract—in the tradition of monopoly contracts having bid low—went back in and argued, 'We need to renegotiate this contract to better reflect our costs,' and managed to increase their total payments from 2007-08 to 2008-09 by $17.2 million. That is not a bad negotiation if you happen to be a monopoly claims provider in EML.

All through that period, we said to the Labor government members on the committee—the Hon. Carmel Zollo, I think the Hon. Ian Hunter was there at varying times and other members—that this stank, that this arrangement of having a monopoly claims provider made no sense at all. What you needed at the very least was some competition of a couple of claims providers so that you could not be held over the barrel as we believed the monopoly claims provider was holding WorkCover and the scheme over the barrel in relation to its operations.

But the government refused to listen. The Hon. Carmel Zollo and the other Labor members on the committee refused to listen. They followed the mantra of the Hon. Mr Weatherill and the Labor government at the time that a monopoly claims provider contract was the right way to go. It would save costs; it would deliver efficiencies. What do we know now? We now know that, years after having been advised, again the government changes its position and says, 'Okay, we now need to have more than one claims management provider,' and we now have the changes that have been implemented in the last 12 months where a second claims management provider has been introduced into the scheme.

How much money could we have saved if this decision had not been taken in the first place? How much more efficient could the scheme have been and how much better would the treatment of injured workers have been if there had actually been some competition between claims management providers? The Hon. Ms Bressington and myself and others took considerable evidence both within the committee and outside the committee from injured workers who were appalled at the treatment they had from case managers, caseworkers and others, in terms of the management of their claims. If you are the monopoly claims provider, where does the injured worker go? What is the alternative for an employer who wants to see a return-to-work scheme that works for them and their injured workers?

You have a monopoly provider who does not have to worry in relation to the standard and provision of the services that have been provided to the injured workers and to the employers. There is no competition in the marketplace at all in terms of efficient delivery of claims management services, and who suffers? The injured workers suffer through frustration and anger. We have all heard the stories of injured workers in tears with frustration at the responses they were getting from caseworkers, claims managers and others and how they were being treated.

We are all aware of the frustration and anger of employers who could see their costs going through the roof, could see their injured workers not being treated properly, and could see the mismanagement of the claims management process. The logic of that escapes me. Not only did they do it in the claims management area but they did it in the legal services provision as well. They made the extraordinary claim that they were going to save, I think, up to $30 million or something over five years or so through going to a monopoly legal services provider—the same logic again. Eventually, after years of seeing that that did not work, they should move to an alternative system.

There are so many examples of that. In the last couple of years during the period that I had responsibility for the portfolio, I spoke on any number of occasions to any number of groups indicating that, rather than just look at the 2008 amendments, what the government needed to do was to look at the structure of the board because the way the board was constructed was in itself

part of the problem. We needed to learn the experiences of others such as the Victorian equivalent authority where people with commercial compensation and insurance business experience were the ones charged with the responsibility of managing the equivalent to WorkCover in Victoria. It just makes sense to anyone with any understanding of how you run a business.

The fact that it is a representative body (which was accepted at the time, I acknowledge) where every stakeholder group that could get a place in the sun was represented: the employers, the unions, and someone from a rehab background, etc. They all had their place on the WorkCover board and you put them all together to try and run the scheme. As I said, the reality is that for the last couple of years or so those of us on this side of the house have been loudly proclaiming that one of the things that needs to change and change quickly was to bring in a commercial board.

Again, five months before the election, conversion on the road to Damascus: the minister has rushed into the house and said, 'I hear you, I hear you. I am now going to institute a commercial board. What a good bloke am I? I've thought of this all on my own and this is now going to solve the problems of WorkCover.' The reality is that this change in and of itself will not solve the problems of workers compensation in South Australia or WorkCover but we certainly see it as an important part of the solution.

Members will be aware through the SARC inquiry and the occupational health and safety inquiry that one of the concerns that I have had in terms of this stakeholder group has been the significant issue raised by the rehabilitation industry particularly relating to perceptions of conflicts of interest in relation to arrangements on the board. The evidence in the WorkCover inquiry for SARC is littered with complaints from stakeholders indicating their concerns, in particular concerning companies associated with Sandra De Poi, a member of the WorkCover board, where the evidence on the record for that committee indicates their significant concerns.

Years later—last year and early this year—this report concluded that, when the occupational health and safety committee took further evidence on rehabilitation and return to work, various stakeholders from the rehabilitation industry continued to indicate their concerns at the position of Sandra De Poi on the board and the perception of conflict in terms of her position on the board and as a rehabilitation services provider.

In the period from 2007-09 when the first inquiry was held to 2012-13 when the second inquiry was held, the concerns expressed by those in the rehabilitation industry had not dissipated at all. It is interesting to note just going through the Auditor-General's reports that up until Ms De Poi resigned from the board in January of this year, the companies associated with Ms De Poi had received over $33 million in contracts from WorkCover for rehabilitation services and medical expert services—$33 million-plus in contracts. To be fair to Ms De Poi's companies, the Auditor-General notes that the terms of those contracts (I think these are the words the Auditor-General uses) were 'no more generous', or words to that effect, than other companies in the field.

That, of course, is not the complaint that the competitors of Ms De Poi raised in both the committee inquiries. The concerns they raised were not the terms and conditions of the contracts vis-a-vis her other competitors: the concerns they raised were, from their viewpoint, the excessive number and value of contracts that Ms De Poi's companies received compared to others within the industry. Some rehabilitation providers who many stakeholders said had provided exceptional services to injured workers eventually found themselves forced out of business because they were not receiving rehabilitation services contracts via the then monopoly claims manager in EML. I have spoken before about, and raised in the select committee, issues in relation to connections—or linkages or relationships, perhaps—between Ms De Poi and senior people with influence within EML (the monopoly claims provider) at the time.

This is one of the concerns in relation to a board as it was previously constituted, that is, being comprised of stakeholders, for example, with very significant contracts. We have board minutes and subcommittee minutes through FOI. Again, to be fair to Ms De Poi, in relation to the most obvious issues before the board that would be a conflict, she absented herself from those particular meetings, and that was an appropriate part of the process. However, there are certainly other items on the agenda (and we were unable to get, under FOI, all the detailed board papers) which potentially, clearly, if you were a board member, would place you in an advantageous position in terms of knowledge of the future directions and planning of WorkCover and a series of discussions about five-year plans for WorkCover in the future.

That sort of information, to someone within the industry, whilst it did not directly relate to rehabilitation services contracts, in my view, would place you in an advantageous position

compared to competitors. I guess from that viewpoint, my view is not the most important aspect of this. That was certainly the view of many of her competitors, that they believed access to that sort of general directional information on the WorkCover board and its committees placed her in an advantageous position when compared to rivals in that area.

For all those reasons, a central principle of this bill, which is to bring in a commercial board, is one which we support and one we have been supporting for a couple of years now. It does not mean that stakeholders such as employers, employee associations and rehabilitation service providers could not and should not have an appropriate role in providing advice to both management and the board of WorkCover.

There are any number of models where advisory committees or stakeholder forums could be used by the chief executive of WorkCover or, indeed, the board (if it wanted) of WorkCover or, indeed, the minister, or any combination of the above, in terms of ensuring that employers, employees, rehabilitation service providers, and others, have an opportunity to put a point of view on the future directions of WorkCover in South Australia.

So I want to put that on the record and indicate that the Liberal Party's support for a commercial board should not be taken as a position which indicates that employers, employees and other important stakeholders should not have the opportunity to provide advice and input in terms of future directions of worker's compensation in South Australia.

Concluding, I indicate that there is not unanimity of agreement in relation to this bill from all stakeholders. There are some who are still concerned at the potential impact of the bill. The government at one stage tabled an amendment to the bill in response, as they saw it, to some of these concerns. As of the last 24 hours we have been advised the government is no longer going to proceed with their amendment and will go ahead with the bill as it is. What we should indicate is that, as I said, there isn't unanimity of view out there that this is a good bill, that it should be supported. The majority view that has been put to the Liberal Party, I am advised, is to support the bill as it is, but there are important stakeholders who continue to express concern and would have liked to have seen further amendment by the government or the parliament to provisions in the legislation.

In response to those concerns, I say to those who express those continuing concerns that there are those of us in the Liberal Party who hear their concerns. We are certainly aware of those concerns. It is our view that post March 2014 whether it is a re-elected Labor government or a newly elected Liberal government this particular bill will not be the end of trying to fix the problems of WorkCover. I think minister Rau has already indicated that he is engaged in further consideration of further amendments to workers compensation legislation. From the Liberal Party viewpoint, whilst we will be mindful of what the Labor government suggests, I guess we will be wary on the basis that 12 years of their changes have only made the scheme much worse from every perspective.

If a newly elected Liberal government is there, there is likely to be consideration of further change. As I understand, WorkCover management in recent months has taken on a new look in the senior positions, not just in the chief executive position but in other senior management positions. People with experience of schemes which work more successfully in some of the eastern states have been brought on board and there is an active debate going on in relation to future direction of the scheme post March 2014 from injured workers' viewpoint and from employers' viewpoint. We can only hope that whoever is in government post March 2014 will start to make some of the necessary changes to fix the cot case or the mess that currently confronts injured workers and employers in South Australia after 12 years of mismanagement by the Labor government.

The Hon. T.A. FRANKS (16:09): I rise to put forward the Greens' position on the WorkCover Corporation (Governance) Amendment Bill 2013. This bill, as outlined, amends the WorkCover Corporation Act 1994. The Greens oppose this bill on the principle that, while it is a move from a representative structure of a governance board of WorkCover to a commercial board, we do so knowing that our voice will be in the minority on this but voicing that this WorkCover system is broken and this bill does very little to fix it. It is with great disappointment that we see this piece of legislation rushed before the parliament in terms that minister Rau can appoint a new board as of the expiration of the chair's position on 31 October without more wholesale reform of the WorkCover system.

This legislation is a very small part and certainly not the solution to fix WorkCover's problems. I think rather than a bill that tinkers around the edges, it would have been far more gratifying to have had a proper review of the WorkCover system within this term of government, debating reforms that would impact on the lives of injured workers and addressing the unfunded liability and other systemic issues that so plague the WorkCover system in our state.

The Greens are not convinced that this bill is therefore worth supporting or indeed the right step forward because it gives some false hope to people. Certainly it would be portrayed by the government as a great step forward, but we think it is possibly one step forward, two steps back because it is a missed opportunity.

The Greens also strongly oppose the removal of existing rehabilitation and occupational health and safety representatives from the board. We believe that the minister is undermining the knowledge and expertise that an experienced health and safety practitioner can bring to the board. Indeed, the Greens also oppose the reduction of the board's membership from nine to seven members and express our concern that the bill lacks clarity and transparency because the bill ensures that the act does not need to specify particular qualifications or criteria for membership of its board. This is a significant concern as it will be up to the minister's opinion about who should sit on the board.

You can have commercial boards but you can specify the type of qualification and the type of expertise that should be brought to the fore on that board. Certainly the parliament is missing an opportunity with this piece of legislation to ensure that that happens and that it is not left to a particular individual minister's opinion or whim, or indeed as we have seen in the past, the payback of political favours which can be exercised in the appointment of those on boards who perhaps should not be there. Certainly without that safeguard of at least ensuring that people are chosen with regard to their skills and expertise, we think it removes that particular safeguard on the behaviour of ministers. I do not slight any particular minister. I hope we would not have cause to bemoan the lack of those particular criteria being put in the legislation but I am certainly a cynic when it comes to these sorts of appointments to boards. I think it is far too important to be left to the individual minister in that case.

A minister's opinion should get some guidance from this parliament, and it is certainly a sad day to have seen this piece of legislation rushed before this place and proclaimed to be a great step forward. Indeed, the speech that minister Rau made in support of the bill in the other place gives rise to some concern. As he said, and I quote, 'It should as much as possible mimic the structure of a board that you might have for the ANZ Bank.' Well, we are not talking about a bank board: we are talking about injured workers and employers and we are also talking about a particular scheme that has been quite a challenge for this particular government and also controversial within this parliament. I think it deserves more respect than to be seen as simply just another board.

If you were running the car industry, you would have people on those boards who have the relevant skills and expertise to that particular industry. It is the same with WorkCover; we should be ensuring that we are picking a board that has the skills and expertise required. The minister has, I believe, marginalised the trade union movement with this bill and, coming from a Labor government, that is quite remarkable.

The Greens also oppose the amendment of section 6, which goes to the conditions of membership. The bill states that under this particular section it is possible to remove a member of the board from office on the recommendation of the minister on any other ground that the minister considers to constitute a reasonable cause. This is an unnecessary amendment because, under the current act, the minister does indeed have the power to give the board direction and guidance if the board is not performing. The minister also has the WorkCover charter for guidance.

We share some concerns that others have expressed regarding the precedent of this language. Certainly, we look and would recommend that the minister look to other jurisdictions, such as Tasmania and Western Australia, that do have representative frameworks for their boards, and certainly Canada has such a situation.

For those particular reasons the Greens will not be supporting this bill. We do not seek to divide on it. We recognise that the debate on this issue will not be covered within this bill and, in fact, that is the very problem we wish to raise by indicating our opposition to this bill. As I indicated at the beginning, the WorkCover system is indeed broken. This bill will not fix it.

The Hon. J.A. DARLEY (16:15): I rise to speak on the WorkCover Corporation (Governance) Amendment Bill 2013. In the previous sitting week, we were all urged to support a bill that had only been introduced two days prior. It should have come as no surprise to the government that this chamber would not agree to that proposal.

We have had a week now to digest what the government is proposing; that is, we pass a bill that has the sole purpose of replacing the representative board concept with a commercial board concept and ensuring that the chief executive officer is reasonably available to the minister, both in terms of assisting him or her in the administration of the act, and in terms of complying with any reasonable request by the minister to provide information about the operation of administration of the act. In March 2006, the WorkCover Corporation issued a press release stating:

> We are confident we have the right settings in place to achieve improved service and results in coming years for injured workers and employers who fund the scheme and we remain on target to achieve full funding by 2012-2013.

Clearly, they were wrong, so much so that in 2008 we were presented once again with a bill that was going to revolutionise the WorkCover scheme and get things back on track once and for all. By that time, the unfunded liability had spiralled out of control to the tune of $1 billion.

During the debate, the crossbenchers of this parliament urged the government to consider changes to the WorkCover bill. We all emphasised very loudly and very strongly our opposition to the government's proposals. We knew that the government's proposal was flawed. The experts we spoke to knew the government's proposal was flawed. From memory, something like 250 amendments were proposed and all but one of them were rejected by the government.

At the time, I recall moving a sunset clause amendment that would enable parliament to track the progress of the legislative changes that were made and require the government to take further legislative action as necessary. Reading through earlier contributions I have made on this issue, I warned that without such a clause we would be back here in two years' time debating the same issues. The government rejected that proposal as well. It has taken a little longer than I anticipated at the time, but here we are, five years later, trying once again to salvage what we can from a broken scheme.

During the subsequent debate on the WorkCover Corporation (Governance Review) Amendment Bill, I moved a further amendment aimed at changing the structure of WorkCover's management board, from one of stakeholder representation to expert representation. It was clear even then that there were more far-reaching problems with the WorkCover scheme that legislative reforms alone would not address and that WorkCover lacked the organisational capacity and leadership required to tackle the scheme's challenges.

The government was urged to address these underlying issues, starting with the constitution of the board itself. I must admit that at the time the Hon. Robert Lawson had me sitting on the edge of my seat thinking that the opposition may actually support that move, but the amendment was ultimately defeated.

There is absolutely no question that the WorkCover scheme has been an abject failure, and that this government should hang its head in shame for letting it get to this point. We now have an unfunded liability of some $1.3 billion. We have employers being driven to the wall because they cannot afford the exorbitant premiums they are required to pay. We have one of the worst return-to-work rates in the nation. We have workers who are substantially worse off prior to becoming injured. The Attorney himself has come out publicly and described the system as 'buggered'. At the same time, the Attorney is asking us to trust the government once again—that this bill is the first of a series of steps aimed at fixing the scheme.

None of us knows what the other changes will entail. We do not know whether there is a draft bill, we do not know whether the government proposes to make further changes before the March election. All we know is that this is supposed to be the first phase of a project that will ultimately entail a root and branch reconsideration of the scheme. It is not expected to result in any dramatic improvement to the scheme, but it is intended to prevent any further deterioration.

I know that I am not the only one who finds it extremely difficult to trust the government, particularly when it comes to the welfare of injured workers. Their track record is appalling. That said, I understand that the government has the support to get this bill passed this week. Clearly, there is no time for a detailed WorkCover debate. However, like the Hon. Robert Brokenshire, I think that the government needs to be a bit more up-front about what it is proposing and the time

frames for these proposals. In particular, I would like some further clarification on the in-house amendment that is being proposed by the minister.

During the Attorney's second reading speech, he cautioned the opposition very strongly against amending the bill to provide for any formal criteria for board members, suggesting that this would result in the exact opposite of what the government was trying to achieve through the bill. That being the case, I would like an explanation as to why it is that the government has now proposed that we insert a provision which appears to offer some sort of guidance in terms of the areas of expertise for board members.

Based on the consultation I have undertaken in the past week, there certainly appears to be some concern amongst those who specialise in the WorkCover area that this new provision has the potential to achieve precisely what the Attorney was trying to avoid insofar as it relates to stakeholder appointments. The insertion of workplace relations is one of the areas of expertise that has been highlighted as particularly concerning in this context.

In a nutshell, the concern is that this has been included to appease the concerns of union representatives and to ensure that they can still earn a place on the board. Unless the minister can provide me with some good reasons for this amendment, I will be seeking, at the very least, to have the reference to workplace relations deleted from the proposed amendment. I do have an amendment to that effect already drafted.

The Hon. A. BRESSINGTON (16:23): I also rise to speak to WorkCover Corporation (Governance) Amendment Bill 2013. I will state from the very beginning of my contribution that I also oppose this bill on principle as well as on content. I do not believe that this bill will deliver any more justice to injured workers than we already have.

I concur with everything the Hon. Rob Lucas said about the evidence we received on the Statutory Authorities Review Committee about this not only broken but corrupt system. It was not a pretty sight. During the course of that inquiry, it seemed to me that there was literally nobody, except, of course, some members of the board, who thought everything was cruising okay.

I am not going to go back and lament over the debate in 2008, but I will make a couple of points that have stuck in my head for five years. That was probably my baptism of fire in this place, the WorkCover debate—that is, realising how little people do care about the outcomes for injured workers, be they people of the Labor movement or the Liberal Party. Injured workers, and the outcomes for them, their quality of life and their right to exist well rarely seem to come into the debate when we are talking about reform to WorkCover. It is always about the bottom line, it is always about the cost to employers, it is always about employers not being able to afford the levies.

Rarely do we want to talk about or even put on the record stories about injured workers committing suicide because they are harassed, bullied, intimidated, threatened, or dragged through years and years and years of litigation rather than get what they are rightfully entitled to. We do not talk about the fact that WorkCover Corporation would prefer to spend maybe millions of dollars on a case—we will take Alex Mericka, for example—in the WorkCover tribunal rather than actually review this man's case and do what is right and save themselves the time, the money and the energy and deliver an outcome and get somebody the justice they deserve.

Mr Mericka (and I will use him as a prime example—he is not the only one, not by a long stretch of the imagination) has spent more than one and a half decades in the tribunal over a case that has implicated our Premier up to the eyeballs for unprofessional conduct, for signing off on a redemption agreement when he was not even the representative lawyer of Mr Mericka. We now have Mr Rau in the media saying that the system is buggered and that we have to do something about this, but will he give a tick to the charges being heard by the Legal Practitioners Disciplinary Tribunal against our Premier so that that particular case can proceed? Oh, God no! He won't even meet with the injured worker to discuss these matters.

I have the correspondence between the Attorney-General and Mr Mericka and it is pathetic, to tell you the truth. Ask a question one way, get a response from Mr Mericka, so ask the same question a different way, and on and on we go—anything other than acknowledge that it is perhaps necessary for the Premier to be able to go before the tribunal, have his case stated and give the opportunity for him to respond to that. But that probably would not be politically correct just before an election was to occur. So, excuse my cynicism about the motivation behind this.

In fact, on the Leon Byner show a couple of days ago, last week, Mr Rau was ever so accommodating, saying that 'the point is that the scheme has failed everybody, no point in me gilding the lily or not being frank with people about it'. He said that the scheme has failed employers, it has failed employees. Well, the one group of people the scheme has not failed is the legal profession. It has done very nicely out of this, thank you very much, and that is the shame of all of this.

I remember in the 2008 so-called debate—again deja vu, get it in, get it done, get it over and done with, push it through, rubberstamp it, let's not waste time on this, just get it over and done with. In that debate I remember the unions screaming out for the whole WorkCover system to be returned to common law, and that was their hue and cry: get it back to common law and allow injured workers to pursue damages if it can be proven that an employer has not complied with workplace safety, that an employer may have ignored warnings about unsafe workplaces.

The government argued against that. It argued against every suggestion that was put forward and stood by the draconian laws that it passed, and the opposition supported it. We were on a very tight time line and it had to be done by Thursday night. It all had to be over and done with.

Over the last five years, I have spent quite a bit of time speaking with legal practitioners from Queensland. There is no system that is perfect, and I get that, but in Queensland it is not an adversarial system as such. I have sat with a couple of barristers around a table and they have proposed a model that I have to say, to me, as a non-corporate person—someone who does not really give a crap about only the bottom line—makes more sense than anything that I have ever heard either of the major parties put forward. That is, give the tribunal some teeth. Make it a court of common law. Have a jury of 12 to hear the facts of the case. Have employees contribute to a fund for lost wages; have an employer contribute to a fund as a WorkCover levy.

If it is proven that an employer has been negligent, it can be pursued for damages in the WorkCover tribunal and a common law decision can be made and damages awarded. If it is proven that the injured worker failed to comply with workplace practice or ignored instructions on matters of safety, they call on the fund that they have been paying into to pay their wages, or part thereof, until they are able to return to work. We talk about the WorkCover act as if it is a compensation and rehabilitation act, or aspires to be, but it is actually not. It is legislation that covers the backside of a corporation that conducts itself very poorly and in some cases, I would even go so far as to say, in a criminal manner.

Apart from Mr Mericka, I have another case where Mr Bentley of the WorkCover board is on the record saying to the presiding member of the WorkCover tribunal, '...you know as well as I do that you are powerless to instruct this corporation to do anything, and if we lose this matter, we will simply appeal.' From Mr Bentley's mouth—the chairman, I believe, of the board of WorkCover—words to the effect that, 'It really doesn't matter if this man lives or dies. That is not the point that we're arguing here.' He is talking about an injured worker as if he were a piece of meat.

Does anybody honestly believe that the changes that the Attorney-General has proposed about the reduction in the number of the board or the composition of the board is going to change this culture within WorkCover—that injured workers are nothing more than pieces of meat? When somebody becomes an unproductive unit of the corporation, we tend to throw them on the scrapheap. There are a million things wrong not only with this scheme but with the accountability level of WorkCover, the conduct of WorkCover, even the lawfulness of what they do and how they do it—the number of times that they can appeal one particular case.

I would go so far as to say that in the future we should consider legislation against WorkCover or for WorkCover itself to comply with that of the criminal code that passed this place for the rights to appeal act. In fact, WorkCover should be limited to when it can appeal a case that it loses based only on fresh and compelling evidence, not on a point of law, but on fresh and compelling evidence—new evidence that has come to light that the injured worker has deceived the tribunal or deceived the corporation. It should not be based on a crummy point of law where we have our Premier on charges before the legal practitioners tribunal for unlawful professional misconduct, signing off on a contract when he was not representing that particular injured worker.

It is 'anything goes' with this scheme, with the corporation, and that is what has to change. The corporation must be made accountable for its attitude towards injured workers. It must be made accountable for its conduct towards injured workers. When an injured worker is genuinely

injured at work through no fault of his own, he should be entitled to access medical treatment and rehabilitation for as long as it takes for him to return to a certain standard or quality of life where he can go back and do a more menial task or a less demanding job within the business, or get another job with another business, or just move on with his life.

I work a lot with Rosemary McKenzie-Ferguson from Work Injured Resource Connection, and I have found myself over the last 2½ years funding Bags of Love—food parcels for injured workers who cannot afford to buy food to put on the table. How sad is that? These people are in pain, they are on medication, their lives have gone to crap through no fault of their own, and they cannot even afford to eat.

This winter, I had to pay for a load of firewood for Alex Mericka—a man who is permanently incapacitated and whose wellbeing depends on him being able to keep warm because his body aches from neck to toe and he shakes convulsively all the time. He and his wife were huddling up under a blanket, with the dog in the middle of them, to keep themselves warm because they could not afford even a load of firewood. This is a man who was living on instant noodles and bread.

We should hang our head in absolute shame that we stand here and debate the least important issues that need to be dealt with when we are talking about injured workers because none of what I have heard, as the Hon. Tammy Franks has said, is going to fix this or make one iota of difference to injured workers. I believe that someone like Mr Bentley who has said those words in the WorkCover tribunal should have been immediately sacked for expressing that level of contempt—that it does not matter whether this man lives or dies. That is not the issue we are discussing here.

I think we should be ashamed that we have set up a system where the tribunal cannot instruct and enforce actions to be taken by the corporation to ensure that injured workers get what they deserve, and I believe that their right to appeal should be limited and common law apply. Until those things are enacted, until we start to think of this as a humanitarian program, which is what it should be, rather than an economic exercise, then you guys will be back in 2016—I won't be back—doing it all over again, and good luck to you all. I hope all the people who were involved in the 2008 debate now sit back and look at the harm and the loss that was caused to many people through that piece of legislation. They are now prepared to sit in this place and waste our time and energy on debating yet another useless bill.

Mr Rau, the Attorney-General, on radio last week made it sound like this whole scheme was going to be overturned and the whole thing was going to be reformed and an exciting new WorkCover scheme would come out of this. He was going to decommission the scheme. Anybody out there listening who had not seen the crappy piece of legislation we have in front of us would have been getting really excited about that. But what does it really mean? Not too much, really. It is a good sound bite, just like last time, and a good thing to promote just before an election. We are in an election cycle, obviously, so let's build up people's hopes and then, when it really comes to the crunch, kick them in the guts yet again.

As I said, I oppose it. I will not be participating any further in the debate. I am not going to waste my time on this, and I am certainly not going to give it any oxygen or space in my head because it is not deserving of it. I hope that some in here will actually give some thought to that and maybe go back to their party rooms and take the opportunity to do something meaningful for injured workers.

The Hon. I.K. HUNTER (Minister for Sustainability, Environment and Conservation, Minister for Water and the River Murray, Minister for Aboriginal Affairs and Reconciliation) (16:42): I thank honourable members for their consideration of this reform of WorkCover governance. An effective workers compensation scheme is an essential part of our modern economy where there are protections for workers who are injured in the workplace and employers contribute according to their industry and workplace risk. While the current WorkCover scheme is effective in compensating workers with very serious injuries, as well as those 86 per cent of claims that are resolved inside three months, its real challenges are the remaining 11 per cent, which is responsible for so much of the unfunded liability and resultant business costs.

Clearly, more needs to be done to improve the scheme for both workers and employers. This bill takes a first step in addressing the governance of the WorkCover Corporation. The primary goal of the bill is to ensure that the WorkCover board is a commercial board, united through a business focus. Streamlining the board by reducing its size from nine to seven members and

increasing board membership accountability by enabling the minister to recommend the removal of a board member for any reasonable cause are also important steps.

Other key changes within the bill are bringing WorkCover more closely in line with other public corporations by applying sections 7 and 8 of the Public Corporations Act 1993 and requiring the board to ensure that WorkCover's chief executive officer is available to the minister to enable closer ministerial scrutiny of WorkCover's operations. This will also assist in providing the government with greater oversight and control over WorkCover. In conjunction with the recently reviewed WorkCover Corporation Charter and WorkCover Performance Statement, this bill represents the necessary steps in improving WorkCover for workers and businesses in this state.

In response to Mr Darley's question on the government's amendment, I can advise that the government will not be proceeding with its amendment. I commend the bill to the house.

Bill read a second time.

In committee.

Clause 1.

The Hon. R.I. LUCAS: Is it the government's intention to both gazette and announce the appointment of the new chair and board members on Thursday of this week should the legislation pass the parliament today?

The Hon. I.K. HUNTER: I don't have access to that advice.

The Hon. R.I. LUCAS: I think it is important that the parliament before it passes the legislation is aware of the government's intentions—that is, we are not left in a position where WorkCover does not have a chair and a board. Can the minister confirm that the current appointments expire on 31 October?

The Hon. I.K. HUNTER: My advice is that new board members will need to be appointed by the Governor on the recommendation of the minister, via cabinet of course. Corresponding transitional provisions in schedule 1 provide for existing board members to continue until the commencement of the transitional provision. This clause, as well as clause 7 in schedule 1(1), may need to be proclaimed separately from the rest of the amendment bill at the time that the Governor is asked to approve the appointment of a new board. I understand all positions expire on Thursday bar one member.

The Hon. R.I. LUCAS: Can the minister indicate which board appointment does not expire on 31 October?

The Hon. I.K. HUNTER: All board member positions will expire on Thursday except for board member White.

The Hon. R.I. LUCAS: Can the minister indicate regarding board member White? When does his or her term expire?

The Hon. I.K. HUNTER: My advice is the end of November.

The Hon. R.I. LUCAS: Can I clarify the import of what the minister responded to my initial question? Is the minister suggesting that, whilst the board members' positions (other than member White) expire on 31 October, the transitional provisions are such that all of those board members will continue in office as board members and chair of WorkCover with all the authority of board members and chair of WorkCover until some later stage when the government takes whatever action required to action the appointment of new board members?

The Hon. I.K. HUNTER: I might need to take that on a very short period of notice. I am asking for some further advice on that to bring back an answer for the honourable member.

The Hon. R.I. LUCAS: I am happy to put a series of questions on which the minister might want to take advice, rather than have him go back each time and check. What we have been advised as members is that the urgency of this is that the board expires on 31 October and that action needs to be taken by the parliament to pass the legislation this week to, in essence, allow the appointment of a new chair and new board members. I must admit that I had not appreciated that one member of the board (board member White) is not covered by that. He or she has a term that does not expire until the end of November, so we can put that person to the side for the moment.

Our understanding was that we needed to debate this matter urgently this week to allow that to occur. We assumed that the current board terms would expire on 31 October and that the government had an executive council on Thursday (or it could have a special one on Friday, but it makes sense to do it on Thursday) to appoint a new chair and new board members as from midnight Thursday, the appointments commencing on 1 November, with the exception of board member White, I assume. I suppose my question is: what is the government's intention in relation to board member White?

If the minister is saying that his advice is that there is a transitional provision which in essence allows these board members—other than board member White—to continue in office for a period of time before the government takes the action that has been authorised by this act, the obvious question is: for how long? Does this transitional provision allow the government to go for one week, one month, three months or six months?

Just having a quick look at the transitional provision—the only one I can see is schedule 1—there does not appear to be a time limit on that. So, if that is what is being used to allow the flexibility that the minister is talking about, then it would seem to be indeterminate. Those are the series of questions: how this transitional provision would operate and what the government's intentions are in terms of appointing a new chair and a new board.

As I said, I think the impression given to all of us is that, come Friday, we would have the name of a new chair and new board members taking WorkCover off in a bold new direction. If that is not going to be the case then I think members in this chamber would certainly be interested in knowing why it is not going to be the case and, in those circumstances, when the minister and the government intends for those changes to be announced and to occur.

The Hon. I.K. HUNTER: Let me attempt this. The government's preference would be to announce on Thursday or Friday but, if necessary—and I have to emphasise that we would prefer to avoid this scenario—the board could delegate to the CEO and member White its decision-making powers but, as I said, our preference is to avoid that and to have the board appointed very soon.

The Hon. R.I. LUCAS: The minister's advice is that, although not preferred, there is the legal power in certain circumstances for the current board before it expires to, in essence, authorise or delegate remaining board member White as the sole chair and board member of WorkCover together with the chief executive officer. Can I just clarify: is the minister's advice that the chief executive officer would take on a board member's position? I suspect that is not what he is saying. I suspect the minister is saying, in essence, board member White would become 'the board' and in certain cases the current board could delegate the CEO to do certain things and either the current board would delegate to the CEO or board member White, sitting as the sole representative of the WorkCover board, would delegate to the CEO certain powers and authorities until the government could appoint the new board.

The Hon. I.K. HUNTER: My advice is that the WorkCover board believes it has the ability to delegate its powers to the continuing board member White. Clearly, there will be no quorum met, so it is our very strongly preferred position that we do not get into that position and that, in fact, we are in a position to announce the board and have it appointed by the Governor.

The Hon. R.I. LUCAS: It does raise a whole series of questions which I will not delay proceedings with like: will board member White be paid the chairman's position for one day? I will not delay the proceedings by asking those questions. It would seem to make sense, which is what we were led to believe, that the government would be in a position on Thursday at the normal Executive Council to gazette a new chair and new board members, and clearly these questions would indicate it would certainly be much easier from everybody's viewpoint if that was, in fact, to occur.

The minister has just said that his advice is that the board could delegate to board member White various powers and the CEO would obviously continue to have his current powers, but I am assuming the minister is now clarifying that it is not possible under the transitional provisions for the existing board members to continue for a period of time? To me it would seem logical that the only way current board members could continue for a period of time would be if the Governor and Executive Council appointed them for a short extension period of a week or a month or whatever it might happen to be, with all the possible legal difficulties that might entail. I want to clarify that the minister's advice to the committee now is that the transitional provisions do not allow the current board to continue in office beyond 31 October for a transitional period.

The Hon. I.K. HUNTER: My advice is that the legislation before us does not give us the power to extend a board member's appointment; the Governor would have to reappoint a member.

The Hon. R.I. LUCAS: I am thankful that, after a long confab with parliamentary counsel, parliamentary counsel's understanding and mine coincide. I have no further questions.

The Hon. R.L. BROKENSHIRE: I have a question for the minister regarding appointment of the new board and future boards. It is very relevant; it is the only question I have. What guarantees and what processes does the government have in place to ensure that not only this government but future governments do not make political appointments to the board and that the board will be full of the best possible people to fix the problems with WorkCover, based on the fact that political appointments in the past have done nothing but destroy the whole structure of WorkCover, including having a record unfunded liability? What guarantees can the minister give that board members will be appointed on merit and not appointed as mates?

The Hon. I.K. HUNTER: I just do not know where to go with that one. To an extent, all appointments are political appointments: they are made by cabinet and they always will be. The honourable member can take some comfort from the fact that our decision is actually to move the board to a more commercial operation.

Clause passed.

Clauses 2 to 4 passed.

Clause 5.

The Hon. I.K. HUNTER: My advice is that the government is withdrawing its amendments.

Clause passed.

Remaining clauses (6 to 12), schedule and title passed.

Bill reported without amendment.

The Hon. I.K. HUNTER (Minister for Sustainability, Environment and Conservation, Minister for Water and the River Murray, Minister for Aboriginal Affairs and Reconciliation) (17:07): I move:

That this bill be now read a third time.

Bill read a third time and passed.

VETERINARY PRACTICE (MISCELLANEOUS) AMENDMENT BILL

Adjourned debate on second reading.

(Continued from 26 September 2013.)

The Hon. D.W. RIDGWAY (Leader of the Opposition) (17:08): I rise on behalf of the opposition to speak to the Veterinary Practice (Miscellaneous) Amendment Bill 2013. It is a relatively straightforward bill that provides for mutual recognition for veterinary registration between the Australian states and territories.

Each state and territory in Australia has separate legislation covering veterinary practice, which is regulated under the relevant state or territory veterinary registration board, known as the VSB. Separate regulatory systems in each jurisdiction have hindered the mobility of veterinarians within Australia, hindered interstate competitiveness and inconvenienced clients with interstate or national interests, as well as those requiring particular veterinary expertise available only outside their own state or territory.

In 2008, the Primary Industries Ministerial Council endorsed the national recognition of veterinary registration. The move had been prompted by the industry in 2006 and has been supported by the Australian Veterinary Association and the Veterinary Surgeons Board of South Australia. Victoria, New South Wales, Tasmania and Queensland have all legislated to support the national recognition of veterinary registration.

Under the legislation, veterinary practitioners who reside outside South Australia but within Australia, and who are registered in another state or territory, can travel to work in South Australia on a part-time or locum basis but do not require secondary registration here. In South Australia these vets will have 'deemed registration'. The same will apply to South Australian vets travelling to work in another jurisdiction that supports the national recognition of veterinary registration.

Vets will no longer need to pay a secondary fee to practise elsewhere. Until now, they have had to register and pay fees annually in every jurisdiction in which they wanted to practise. This has been a major regulatory burden for vets, particularly throughout exceptional circumstances, such as natural disasters.

Veterinary practices in South Australia, if employing a locum from another state or territory, will be responsible for verifying identity and ensuring the registration is current with the respective state or territory board. The implication for veterinary practices is that, if they are employing a locum from another state or territory, it is their responsibility to verify their identity and ensure that they hold current registration with the respective state or territory registration board.

It should be noted that this is not a national registration scheme but a mutual recognition scheme. Among the majority of administrative changes, there are some other notable changes included in the bill. The Veterinary Surgeons Board of SA can recognise courses or veterinary education on the recommendation of the Australasian Veterinary Boards Council. Despite this being the Australasian Veterinary Boards Council's principal function, up until now the South Australian board has been independently approving such courses. The legislation removes this duplication.

It increases the quorum for the VSB by one person. This is to be a veterinary surgeon engaged in teaching veterinary science, nominated by the University of Adelaide. To the opposition, that seems a sensible addition. The VSB and the state and territory boards will be responsible for assisting vets and their clients to be informed of and understand the new arrangements. The boards will need to communicate any special conditions individually applied to primary registrations to other vet boards.

With those few words, I indicate the opposition's support. It is an administrative bill, it makes sense, and it sets up a mutual recognition scheme, so the opposition will be supporting this bill.

The Hon. T.A. FRANKS (17:11): I rise on behalf of the Greens to support the Veterinary Practice (Miscellaneous) Amendment Bill before us. As members are aware, this is a very straightforward bill. I had a similar take on it as the Hon. David Ridgway. The bill introduces a national recognition of veterinary registration. This bill will allow veterinarians, both general and specialist, who are resident in another jurisdiction and who are registered to practise in that jurisdiction in Australia, to be able to practise in our state without having to reregister.

Until now, as the minister has explained, a veterinarian who sought to practise in more than one jurisdiction had to reregister and pay annual fees even though they were already registered in an Australian jurisdiction and practising there. This bill is strongly supported by the Australian Veterinary Association, the Veterinary Surgeons Board of South Australia and the Australasian Veterinary Boards Council.

The introduction of a national recognition of veterinary registration is supported by the AVA, which represents approximately 8,000 members across Australia from all fields of that profession. Certainly, I was approached informally at the Companion Animals' Shelter Summit that I was pleased to co-host with the Hon. Michelle Lensink and Dr Susan Close in recent weeks. One of the hot topics at the lunch debate was whether or not this bill would indeed be passing this parliament in the near future. Those in the profession who were at that summit were pleased to hear that it was seen to be uncontroversial and high on the priority list for government.

One of the changes that will take place if and when this bill is passed is to the Veterinary Surgeons Board of South Australia, which currently holds seven members who are appointed for three-year terms by the Governor. Six members will be nominated by the Minister for Primary Industries and one will be nominated by the AVA. This bill expands the Veterinary Surgeons Board of South Australia to include a nominee from the University of Adelaide.

One of the major benefits of this bill that the Greens applaud and commend is that it will allow greater freedom of movement for veterinarians responding to national crises, whether that is a flood or a fire or some other natural disaster in our nation. The Greens pay our respects to those who come along not simply to address the initial crisis but to ensure that animals are not forgotten in terms of our care response.

This bill will allow veterinarians who operate in another jurisdiction where they are desperately needed to address a crisis in another state or in our state not to have to reregister and

pay annual fees before they come and do that important volunteer work. With that, the Greens support this bill and commend it to the council.

The Hon. K.L. VINCENT (17:15): I will speak very briefly this afternoon in favour of the Veterinary Practice (Miscellaneous) Amendment Bill 2013, which will improve the current operation of the Veterinary Practice Act 2003 and introduce national recognition of veterinary registration (NRVR). I would like to thank the Hon. Gail Gago as Minister for Agriculture, Food and Fisheries for her offer of a briefing on the bill, but since Dignity for Disability already supports the bill and has received a clear enough indication on the bill from the minister's second reading speech, it was not necessary.

I would also like to acknowledge the submission I received from the South Australian/Northern Territory Division of the Australian Veterinary Association (AVA) indicating their support for the bill and outlining the benefit that this will bring to this particular industry. AVA represents 8,000 members who work within all fields of the sector: from clinical practitioners in private practice to students of veterinary science and government public health and quarantine positions. They seem well placed to represent the industry on this matter.

As with any other occupations, vets are moving to a national registration system to recognise modern work conditions where we see people often working across state and territory borders. It is also important that the relevant industry qualifications are accepted across the nation. For those reasons and others already outlined by other members we support the bill.

The Hon. G.E. GAGO (Minister for Agriculture, Food and Fisheries, Minister for Forests, Minister for Regional Development, Minister for the Status of Women, Minister for State/Local Government Relations) (17:16): I thank honourable members for their second reading contributions and their support for what is substantially an administrative bill to introduce the national recognition of veterinary registration. It complements similar amendments already made in all other jurisdictions and allows veterinarians, both general and specialist, who are resident in other jurisdictions and registered to practise there, to be able to practise here in South Australia. I look forward to this being dealt with expeditiously through the committee stage.

Bill read a second time.

Bill taken through committee without amendment.

The Hon. G.E. GAGO (Minister for Agriculture, Food and Fisheries, Minister for Forests, Minister for Regional Development, Minister for the Status of Women, Minister for State/Local Government Relations) (17:19): I move:

That this bill be now read a third time.

Bill read a third time and passed.

NATIONAL GAS (SOUTH AUSTRALIA) (GAS TRADING EXCHANGES) AMENDMENT BILL

In committee.

Clause 1.

The Hon. A. BRESSINGTON: I rise to express my concern about what we are giving a rubber stamp of approval to in this house today, that being the sale of our natural gas supplies on the international market without securing any reserves for domestic use. Australia is the only country in the world that trades in natural gas and does not set aside a percentage of its gas for domestic use. A report from Manufacturing Australia, titled *Australia's East Coast Gas Crisis: Myths vs Facts*, states on page 2:

> Intervention is for wacky despot nations.
>
> The myth: Major advanced economies don't intervene in their gas markets.
>
> The reality:
>
> - Australia is the only country in the world that allows unrestricted exports of gas.
> - Regulation and government intervention is a reality of gas markets internationally.
> - All other comparable nations—including the USA and Canada—employ some form of intervention...to ensure a functioning domestic market spreads the benefit of gas resources throughout the domestic economies.

Here in South Australia we have an opportunity now to join with Western Australia and set aside a percentage of our natural gas for domestic use, and both the opposition and the Labor Party do not believe that it is necessary. I have been contacted by CSR, and they state:

> Australia is tripling its natural gas exports over the next 5 years as a result of the construction of LNG plants in Queensland. Export contracts are overcommitted and consequently producers are planning to use domestic gas to meet their obligations. This is likely to cause gas shortages in some parts of eastern Australia and is already forcing prices up in South Australia and other states. This burden will be borne by manufacturers such as CSR and residential consumers. For instance, Manufacturing Australia has estimated that higher gas prices will add over $1,000 to the cost of building a new house. This will increase as gas prices rise.
>
> Until such time as additional supplies are available and prices return to competitive levels Governments must act to ensure that adequate supplies are available for the domestic market. If necessary and in the absence of any other measures this may require Government to introduce policies such as gas reservation.
>
> CSR operates the PGH brick factory at Golden Grove and Viridian glass processing factories in South Australia.

In another communication, from another SA manufacturer, it was estimated that their annual gas bill would nearly double and the increase will be in excess of $13 million a year if the new contract is in line with the proposed $9 a gigalitre for gas. What they are telling me is that these new contracts they are signing are already pushing up the price of gas from $3 to $4 to $9 basically to desensitise people from the whack they are going to get once this legislation goes through on a national level.

I think we should be taking heed of what manufacturing is telling us is going to be yet another unbearable slug to their operating costs. I note that Martin Hamilton-Smith from the other place on FIVEaa the other night stated that gas has only gone up 108 per cent over the last few years unlike electricity which has gone up 180 per cent or whatever. Well, you know that 108 per cent is a pretty good increase, a pretty good whack, for businesses and domestic consumers alike. Now we are going to see another increase in the not too distant future that is going to mean that all those people who have turned to natural gas as a cheaper alternative for their heating needs in winter, their cooking needs and hot water are going to be no better off in a very short period of time if they had not have bothered to turn to gas at all.

Gas has always been sold as the cheap, clean alternative to electricity and very soon, because of this legislation, we are going to see people priced out of the gas market as well. Nobody in Labor or Liberal are batting an eyelid about this.

Clause passed.

Remaining clauses (2 to 10) and title passed.

Bill reported without amendment.

The Hon. I.K. HUNTER (Minister for Sustainability, Environment and Conservation, Minister for Water and the River Murray, Minister for Aboriginal Affairs and Reconciliation) (17:28): I move:

That this bill be now read a third time.

Bill read a third time and passed.

EVIDENCE (IDENTIFICATION EVIDENCE) AMENDMENT BILL

Adjourned debate on second reading.

(Continued from 16 October 2013.)

The Hon. K.L. VINCENT (17:29): I will not speak for long as this is an issue that has seen a great deal of discussion in this place over the last few months. Before us is the third bill seeking to overhaul the courts' approach to identification evidence in recent memory. There is, I am certain all members will agree, a great deal of goodwill to see this issue addressed, with the range of bills being put forward by both government and opposition members, and those bills having enjoyed broad support from the Legislative Council in particular.

Efforts to address these issues have been unsuccessful to date due to a small and ever-shrinking list of disagreements regarding how best to approach certain aspects of the issue at hand. The effort by all involved to seek out a workable compromise has been encouraging and I hope that with this bill we can see all of the outstanding issues resolved.

This most recent government bill, much like the private member's bill of the Hon. Stephen Wade that this council recently passed, incorporates the concerns of a number of members, including myself, and I feel that this is a great opportunity to see those issues resolved.

I understand that there is a very small number of amendments, and for that reason we will not be proceeding beyond the second reading today. For my part, I would also like to give some notice that I have filed two amendments to clause 5 in order to clearly highlight the importance of accessibility for people with disability and people from culturally and linguistically diverse backgrounds in relation to the review and report provisions. I hope that members will have received those amendments by now. If they have not, please let my office know.

As the Legislative Council has already discussed this issue on a number of occasions, I will conclude my comments by saying that I hope this bill will enjoy the support of the council and that this most recent attempt at a compromise will be successful. I commend the bill to the council.

Debate adjourned on motion of Hon. K.J. Maher.

SOUTH AUSTRALIAN CIVIL AND ADMINISTRATIVE TRIBUNAL BILL

Adjourned debate on second reading.

(Continued from 17 October 2013.)

The Hon. G.E. GAGO (Minister for Agriculture, Food and Fisheries, Minister for Forests, Minister for Regional Development, Minister for the Status of Women, Minister for State/Local Government Relations) (17:32): Given that no other members have indicated that they wish to speak on this bill, I would like to thank honourable members for their contribution and support, and I look forward to the committee stage.

Bill read a second time.

COMMUNITY HOUSING PROVIDERS (NATIONAL LAW) (SOUTH AUSTRALIA) BILL

Adjourned debate on second reading.

(Continued from 17 October 2013.)

The Hon. T.A. FRANKS (17:34): I rise on behalf of the Greens to support the Community Housing Providers (National Law) (South Australia) Bill 2013. I would like to thank the Minister for Housing, Tony Piccolo, for bringing this bill to the parliament. I also thank the minister's adviser, Michael Butler; the departmental advisers; Kelly Biggins, team leader for regulation reform-strategic program development; and Mr Greg Ryan, manager of Not-for-Profit Housing, for providing my office with a briefing.

The Greens believe that this bill is a significant step forward for South Australia. It is a belated step, as other jurisdictions have had this legislation before them for some time. I note that New South Wales and Queensland passed the relevant laws in 2012. The ACT and Tasmania passed their relevant bills earlier this year, while Victoria's and WA's bills are yet to progress. It looks like every state and territory will, however, have similar laws in the near future.

In regard to the so-called national law, there will be no commonwealth law; rather, each state and territory will enact legislation to give effect to the system and introduce similar legislation. New South Wales was the lead jurisdiction to enact legislation to give effect to the system, and I note in particular the Greens' work in that state. The development of the system before us has arisen out of the National Affordable Housing Agreement and the National Building Economic Stimulus Plan, where Australian governments made a commitment to undertake reforms that aim to increase social and affordable housing.

I acknowledge the work that has been undertaken in the drafting processes of this bill, and the minister has undertaken quite extensive consultation with the housing provider's sector and stakeholder groups. I appreciate that work and certainly always welcome genuine consultation where it is undertaken and where feedback is actually taken up. The implementation of this bill means the repeal of existing systems which duplicate the purpose of the so-called national law. The bill will supersede the South Australian Co-operative and Community Housing Act 1991 in order to ensure that community housing providers are subject to consistent regulation, irrespective of which jurisdiction they operate in, once all jurisdictions are on board.

The purpose of this bill is to implement a national regulatory system (the NRS). The NRS will be a national approach to ensuring a consistent regulatory system for all community housing

providers in Australia. The bill will provide consistent legislation for this national system and be an asset to the community housing provider sector. The object of the bill is to support the development of community housing and make it easier for the providers of community housing to operate in more than one participating jurisdiction and attract investment into community housing from a range of stakeholders, and that is certainly to be welcomed.

The community housing sector has largely supported this bill and acknowledged that it will bring great benefits. The purpose of regulating community housing providers is to improve tenant outcomes and to protect, in particular, vulnerable tenants, to enable innovative funding arrangements, to secure government's financial and non-financial interests in community assets, and to enhance investor and partner confidence, which is welcomed.

The providers will be placed with one central independent registrar. That registrar will be responsible for monitoring the performance of registered community housing providers. This is widely supported by the South Australian registered community housing providers we have spoken to. The registrar will also put in place a national approach to overcome the barriers, gaps and inconsistencies that currently exist, as each state and territory regulates housing providers in their different ways.

This bill ensures that community housing providers will be operating to the same standards and reporting to the same code, and that is welcome. This registrar, which the community housing sector is indeed welcoming, is beneficial because, in the event of organisational failures, registrars will be able to resolve inconsistencies. The Greens welcome this bill and rise to support it, but we also have some questions which we are keen that the minister respond to and which have been raised by those we have consulted with. They go to concerns raised with us with regard to the affordable housing program and its interaction with the community housing sector.

Can the government advise how the process operates for allocating 15 per cent of significant new housing developments to be set aside for affordable housing, including management by not-for-profit organisations? Can the government clarify who will be responsible for determining the 15 per cent of properties: who will allocate them and what oversight processes will there be and how will they work? Can the government also provide advice as to when this arrangement commenced and, indeed, how many affordable properties have been allocated within our state to date and how many are in development and expected to be allocated in the near future?

Can the government indicate what evidence there is that these provisions have benefited the intended target demographics, in particular, people from a low socioeconomic background? Can we have an indication of how many of these affordable dwellings have been purchased by or allocated to the community housing sector to manage at this stage and, indeed, in the near future? What information has been provided to the community housing sector about these arrangements and opportunities and, in general, how many Housing SA properties have been transferred to the community sector over the past five years?

What arrangements, protocols or guidelines exist with local government about their holdings of community land and the possibility of making some of this available to the community housing sector as joint ventures or otherwise? What will the impact of this national regulatory scheme be in terms of the on-the-ground outcomes in numbers of houses available to the community housing sector? Finally, can the minister advise what is the process for granting preferred growth provider (PGP) status within Housing South Australia? With that contribution, I commend the bill to the council.

Debate adjourned on motion of Hon. K.J. Maher.

STATUTES AMENDMENT (ARREST PROCEDURES AND BAIL) BILL

Adjourned debate on second reading.

(Continued from 15 October 2013.)

The Hon. S.G. WADE (17:43): I rise to indicate that the opposition will be supporting the Statutes Amendment (Arrest Procedures and Bail) Bill 2013. In fact, I think that it would be fair to say that it is a long-awaited bill. On 9 November 2010, the Attorney-General made a ministerial statement in the House of Assembly to advise that 'the government was taking decisive action to provide South Australia with a new, smarter bail process from next year'. 'Next year' was actually 2011. In 2013, we are hoping that we might have a new, smarter bail process by 2014.

The Attorney-General advised in that ministerial statement that cabinet had approved the preparation of amendments to achieve greater efficiencies in the way in which police and the courts deal with minor offenders and that he intended to consult widely with a view to introducing amendments to the parliament in 2011. The bill was not introduced until this year and, in fact, the second reading explanation for this bill was on 11 September 2013. In his ministerial statement in 2010, the Attorney-General said:

> The journey of a thousand miles begins with a single step, and this government has taken a further step in a clear direction.

I am sure that was true, but it still took us another 1,037 days for the bill to go from the ministerial statement stage to the tabling.

The bill deals with a range of measures—from procedures on arrests to telephone reviews of bail, extensions of preparation of applications, particularly of relevance to the Office of the Director of Public Prosecutions—and it deals with matters in terms of persons arrested being delivered to the nearest police station, and a range of other matters.

The bill, as we consulted, clearly had the broad support of both the police and legal stakeholders, and that is a tribute to the officers who were involved in this work, because that is often not the case. It gives me cause to reflect on the many hours of hard work that officers, both in the Public Service and in our police service, undertake in terms of developing legislation policies and procedures. I might be mistaken, but I seem to recall that the police officer who had particular carriage for this bill said that for him work on it had first started seven years ago. That reminds me of another bill, I think the child sex offender reforms, where the Attorney-General's Department officer I think suggested that the police and the A-G's department had been working on the changes for two years.

Whilst this parliament is often forced to consider very complex matters in a very short time, a lot of those statutes have been the subject of a lot of hard work by a range of officers across the government. Of course we are indebted to them in relation to this bill which, as I said, received broad support in what is clearly a complex area. When you are talking about taking away people's liberty when they are yet to be convicted of an offence, it raises significant issues for the justice system and it is a tribute to all those involved that this bill has received the high level of support that it has.

The opposition will be moving one relatively minor amendment. I am not suggesting that it is insignificant, but consistent with our broad support for the legislation we will have one amendment to strengthen the moves this legislation will make in terms of encouraging authorities to use technology to try to reduce the impact on South Australians who live in remote areas. With those few words, I commend the bill to the house and look forward to the committee stage at a later date.

Debate adjourned on motion of Hon. K.J. Maher.

MOTOR VEHICLES (LEARNER'S PERMITS AND PROVISIONAL LICENCES) AMENDMENT BILL

Adjourned debate on second reading.

(Continued from 25 September 2013.)

The Hon. D.W. RIDGWAY (Leader of the Opposition) (17:48): I rise on behalf of the opposition to speak to the Motor Vehicles (Learner's Permits and Provisional Licences) Amendment Bill 2013. I indicate that the opposition will support the second reading of this bill but opposes two specific proposals. We supported the initial move to a graduated licensing scheme, and we are always pleased to support initiatives that show reasonable potential to reduce fatality or injury on our roads. Having three children, two having recently passed through the scheme and one thinking about driving within a few years, I am certainly most eager to see the best road safety options taken.

The Premier announced earlier this year that he intended to change the graduated licensing scheme. This legislation intends to increase the amount of time young people must remain on their P-plates from two to three years. It restricts P1 drivers to carrying only one passenger, and there are specific exemptions though relating to, for example, employment and training.

It sets a curfew for P1 drivers from 12am to 5am, and learner motorcyclists would also be captured by this provision. It brings forward the hazard perception test from the P1 to P2 stage to the learner and P1 stage, thus reducing the number of times people have to attend a Service SA centre. It also removes regression after disqualification to a previous licence stage. The areas which the opposition will oppose are the increase to the P-plate period to three years and the 12am to 5am curfew.

I reiterate our transport spokesperson's assertion that the DPTI statistics on fatality and casualty crashes do not indicate that the specific late-night period is the biggest problem. We do not refute that 16 to 19-year-old drivers are disproportionally represented in serious crashes in general. However, the curfew does not statistically stack up. Like the provision on carriage of passengers, there will be exemptions for the curfew also.

The shadow minister has painted a picture of what the system could mean in terms of red tape—that a young driver will need to fill their glove box with letters and notes attesting that they are involved with various sporting and working commitments. Then, those notes will inadvertently be left at home when they drive their mum's car instead of their dad's.

They will also need to be taking the shortest possible route during the curfew time to get to their commitment. It is impossible to pre-empt all the reasons that there may be a deviation of route, not the least of which is the state of South Australia's roads, which this government is clearly out of touch with. All these practical problems with an initiative in this bill that is not founded on any sound road safety statistical basis form the main reason we cannot support that aspect of the bill.

The restriction on the carriage of multiple passengers for P1 drivers under the age of 25 is supported. As mentioned there will be exemptions. I will not go through them individually but they are sensible exemptions. Drivers will need to hold evidence of their exemptions and it would no doubt be some inconvenience, but if it assists in policing and if this measure contributes to road safety, it is a worthwhile inconvenience. There will be three demerit points and an expiation fee for a breach of this provision. Importantly, the Registrar of Motor Vehicles will have the power to gazette further exemptions.

We also support the removal of the regression to a previous licence stage so that learners and P-platers who are returning to driving after disqualification will no longer regress to the previous stage. We appreciate that the government is attempting to address an issue here where there has been no demonstrable benefit from causing disqualified drivers to be retested at a previous licence stage in order to return to the road. These laws are about road safety, not about putting drivers through a costly testing procedure multiple times with no road safety benefit shown.

Our licensing system is already extremely costly. As stated by our transport spokesperson, it costs over $400 to get a 10-year licence and each subsequent year's renewal draws a $17 fee just for administration. Drivers will no longer need to visit the customer service centre to upgrade from a P1 to a P2 licence, with the electronic hazard protection test brought forward to the earlier licensing stage. Any opportunity to reduce the time or frequency of visits by the public to government offices is obviously a good thing and a convenience that the motoring public will no doubt gladly accept.

The provisional period is extended from two to three years, so drivers will no longer be able to go onto their full licence at 19. As my colleague highlighted, a significant number of drivers in the 17 to 25 age group live in peri-urban or rural areas and that additional year will place a major impost on their ability to transport themselves between rural towns as is often needed for work or education. It would be a worthwhile inconvenience if it addressed the real danger period, which has been found to be the three months following the gaining of a licence—so, immediately after the period of supervision.

The fact that new provisional drivers will be captured under this new period, while existing provisional drivers will not, is to say that some must bear this major inconvenience simply because they have been categorised in order that certain conditions must be imposed on them until they are 20. This government, with the support of the opposition, has made some positive contributions to road safety, but we must be sure to keep our focus on initiatives that have demonstrable benefit. Our police and, I believe, the motoring public are happy to wear some inconvenience for the sake of safer roads and a safer community but not for the purpose of more red tape. With those few words, I indicate that we will be supporting most aspects of this bill.

The Hon. G.E. GAGO (Minister for Agriculture, Food and Fisheries, Minister for Forests, Minister for Regional Development, Minister for the Status of Women, Minister for

State/Local Government Relations) (17:53): I believe that there are no further second reading contributions to this bill. It is a very important bill that seeks to make particular changes in an attempt to save lives. We know that there is a great deal of carnage on our roads and I could not imagine that there would be anyone in this chamber or the other place whose lives would not have been affected in some way by the road toll. I thank members for their contributions and the general support that has been indicated, and I look forward to the committee stage.

Bill read a second time.

LATE PAYMENT OF GOVERNMENT DEBTS (INTEREST) BILL

Second reading.

The Hon. G.E. GAGO (Minister for Agriculture, Food and Fisheries, Minister for Forests, Minister for Regional Development, Minister for the Status of Women, Minister for State/Local Government Relations) (17:55): I move:

That this bill be now read a second time.

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

Leave granted.

The public sector has recently been criticised for not paying invoices in a timely manner. While overall payment performance, outside of SA Health, is in an acceptable range and showing progressive improvement, there is still an ongoing opportunity to do even better. Particularly for small business, late payment can cause cash flow problems and negatively impact on the capacity of these businesses to meet their financial commitments.

In June 2013, a report was delivered to the Government by Mr Warren McCann, Independent Consultant making a range of recommendations to improve invoice payment performance across government. Development of late payment legislation was one of the key recommendations.

The purpose of introducing this Bill is to demonstrate the Government's commitment to ensure that small business suppliers are paid within the Government's standard 30 day payment terms. Where this does not occur, the Bill provides suppliers with the opportunity to be paid penalty interest to help offset any costs associated with not being paid on time.

Legislative schemes regarding the payment of interest on overdue invoices are commonplace in many parts of the world, including other Australian Government jurisdictions. Adoption of this legislation will send a clear message to the small business sector that the Government takes its invoice payment obligations seriously.

The untimely payment of invoices, where it occurs, is as much a cultural issue as it is a systems issue. Therefore, enacting late payment legislation will also send a strong message to agencies throughout the public sector that the prompt payment of accounts is an important objective of the Government. Establishing a financial penalty will clearly reinforce this message and act to change behaviours over time.

The key elements of the proposed legislation are as follows:

- The scheme will apply in relation to public authorities designated by the Treasurer.
- Only small business suppliers (defined as non-government Australian vendors with revenue of less than $5 million per annum) will be able to claim late payment interest.
- Interest will start to accrue from the 31st day after the date an invoice was received by a public authority.
- Until a date to be fixed by the Treasurer, small business vendors will need to invoice the applicable public authority of any late payment interest entitlement. After that date, public authorities will be expected to pay any interest at the time that payment is made for the provision of the relevant goods or services. It is the Government's intention to move to the 'automatic' payment of interest under the Act within the next 2 years. In order to ensure that there is a smooth transition to the 'automatic' payment of interest, a review is to be undertaken within 18 months after the commencement of the legislation.
- To avoid excessive administrative costs, interest will only be payable to small business vendors when the total amount of interest owed is greater than $20.
- The Small Business Commissioner will have a dispute resolution function under the Bill.

I commend the Bill to Members.

Explanation of Clauses

1—Short title

This clause is formal.

2—Commencement

This clause is formal.

3—Preliminary

Subclause (1) defines terms used in the measure. Subclause (2) provides that the Treasurer may publish principles for determining the annual turnover of a business for the purpose of the Act by Treasurer's instruction. Subclause (3) details the invoices or claims to which the Act applies.

4—Change in identity of parties

The clause provides that the operation of the Act is not affected by a change in the identity of a party to the contract creating the debt, or the passing of the right to be paid the debt, or the duty to pay it (in whole or in part) to a person other than a party to the contract creating the debt.

5—Occurrence of default event

The clause sets out that for the purposes of the Act, a default event occurs if—

- goods or services are provided to a public authority under a qualifying contract, being a contract where the purchaser is a public authority and the supplier is a qualifying person or body (being a person whose principal place of residence is Australia, or a corporation incorporated under Commonwealth law); and
- an invoice is sent or a claim is made by the supplier under the qualifying contract for the payment of a qualifying debt (being a debt created by the qualifying contract); and
- the invoice or claim is rendered in accordance with any relevant Treasurer's instruction; and
- the invoice or claim complies with GST requirements; and
- payment by or on behalf of the public authority is made to the supplier more than 30 days after the relevant day, being the day on which the invoice or claim is received by the public authority; and
- the public authority did not dispute a relevant matter within the designated payment period (being the period of 30 days that applies under clause 5(1)(e)).

Relevant matter is defined in subclause (3) as:

- whether goods or services have been provided in accordance with the qualifying contract; or
- some other matter relating to the terms of the qualifying contract; or
- whether the invoice has been properly rendered; or
- any other prescribed matter.

6—Interest payable if default event occurs

This clause outlines the amount and circumstances in which a supplier is entitled to interest (subject to the outcome of any dispute under clause 7) as follows:

- subclause (1) provides that if a default event occurs (as prescribed in clause 5) and the qualifying contract in relation to which the default event occurs relates to the supply of goods or services as part of a small business carried on by a supplier on the qualifying day (being the day following the end of the 30 day designated payment period), the supplier is entitled to interest calculated in accordance with the formula outlined in the subclause. Small business is defined in the measure as a business carried on by a qualifying person or body whose principal place of residence is situated in Australia, where the annual turnover of the business does not exceed $5 million (or a greater sum prescribed by the regulations) in the financial year immediately preceding the financial year in which the relevant qualifying day occurs;
- subclause (2) defines the default period for the purposes of the formula, being the period beginning on the day immediately following the end of the designated payment period and ending on the day immediately preceding the day on which payment is made by the public authority;
- subclause (3) defines the day on which payment is made by the public authority as the day on which payment is made either by electronic funds transfer, payment or credit card, or the day on which a cheque is posted to the relevant supplier;
- subclause (4) provides that a supplier is not entitled to interest if the interest calculated is less than $20;
- subclause (5) provides that the interest payable will be a liability to be satisfied by the public authority that is in default, payable out of money held or made available for the purposes of the public authority;
- subclause (6) sets out the scheme for the payment of interest;
- subclause (7) makes it clear that interest is not payable on interest;
- subclause (8) makes it clear that the clause is subject to the outcome of any dispute under the Act;
- subclause (9) is a relevant definition.

7—Disputes

The clause provides for disputes on matters outlined in the clause to be referred to the Small Business Commissioner. The clause further provides for the manner in which the Commissioner may resolve a dispute, including exercising any of the powers of the Commissioner under the *Small Business Commissioner Act 2011*.

8—Reporting

This clause outlines the reporting requirements for an interest payment made under the Act in any month. In the case of a government department, the Chief Executive must furnish the Minister responsible with a report within 21 days after the end of the month in which the interest payment is made. In the case of a statutory authority that has a governing body, the report is to be made to the governing body of the authority at the next regular meeting occurring after the end of the month in which the interest payment is made. The report must contain any information required under a Treasurer's instruction.

9—Regulations

This clause allows the Governor to make regulations in respect of the measure.

10—Review

The Treasurer is to prepare a report on the arrangements that are to be put in place to ensure that the scheme envisaged by clause 6(6)(b) of the Act will operate in an appropriate and effective manner. The report must be completed within 18 months after the legislation comes into operation and be tabled before both Houses of Parliament.

Schedule 1—Related amendments

Part 1—Preliminary

1—Amendment provisions

This clause is formal.

Part 2—Amendment of *Public Finance and Audit Act 1987*

2—Amendment of section 41—Treasurer's instructions

The clause amends section 41(1) to allow the Treasurer to issue instructions setting out the procedures and processes for rendering invoices and claims with respect to public authorities.

Debate adjourned on motion of Hon. D.W. Ridgway.

STATUTES AMENDMENT (TRANSPORT PORTFOLIO) BILL

Second reading.

The Hon. G.E. GAGO (Minister for Agriculture, Food and Fisheries, Minister for Forests, Minister for Regional Development, Minister for the Status of Women, Minister for State/Local Government Relations) (17:56): 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.

The Statutes Amendment (Transport Portfolio) Bill 2013 makes a number of minor amendments to the *Motor Vehicles Act 1959* and *Road Traffic Act 1961*. The changes include recognising pedalecs, a new form of electric powered bicycle; improving the administration of the driver's licensing provisions in the Motor Vehicles Act and enabling the Registrar of Motor Vehicles to refuse to register vehicles that the Registrar reasonably believes contain stolen parts.

Pedalecs

In South Australia, power assisted bicycles with a power output of up to 200 watts are treated as bicycles. They can also be driven without registration and insurance and riders are not required to hold a driver's licence. Pedalecs are a type of power assisted bicycle with a power output of up to 250 watts. Because of the higher power output, pedalecs fall into the definition of a motor vehicle, yet they do not comply with the Australian Design Rules and so cannot be registered and legally used on roads.

Pedalecs are very popular in Europe where they provide a useful alternative to passenger car travel. Unlike power assisted pedal cycles with a power output over 200 watts, pedalecs are safer in that a rider must pedal to access the power and the power cuts out once a speed of 25kmph is reached.

Since May 2012, Commonwealth changes to Australian Design Rules have meant that it is legal to import and sell pedalecs in Australia yet they cannot be legally used on our roads. Australian jurisdictions have agreed to amend their legislation to enable the use of pedalecs as bicycles. To date, Queensland, New South Wales, Victoria and the Australian Capital Territory have made the changes.

This Bill will enable South Australia to catch up with these states and territories by amending the definition of a bicycle in section 5 of the Road Traffic Act so that it includes a 'power assisted pedal cycle' within the meaning determined under the *Motor Vehicle Standards Act 1989* of the Commonwealth, which includes pedalecs. This amendment will be complemented by regulation changes to exempt pedalecs from the requirement for registration and compulsory third party insurance and to exempt the rider from the requirement to hold a driver's licence.

This amendment will enhance opportunities for our community to enjoy the health benefits and positive environmental effects of increased cycling on our roads.

Driver Licensing and Miscellaneous Changes

The Bill makes a number of miscellaneous amendments to the Motor Vehicles Act to improve its functioning, to better reflect the policy intention behind certain provisions and to correct anomalies. For example:

- The Motor Vehicles Act contains a system whereby people applying for a driver's licence after a period of disqualification as a result of a serious drink driving offence are issued with a probationary licence that is subject to mandatory alcohol interlock scheme conditions for the same period as the licence disqualification or 3 years, whichever is the lesser. Where a person is exempted from the mandatory alcohol interlock scheme conditions, for example on medical grounds, the probationary licence is issued for the same period, but he or she does not face the extra constraints to driving that the scheme imposes. The Bill amends this section to require a person who was disqualified from driving and was exempted from the scheme, to observe probationary licence conditions for double the time they would have been ordered to observe scheme conditions or 12 months, whichever is the greater. The longer period on a probationary licence reflects the fact that such drivers are not subject to mandatory alcohol interlock scheme conditions and is a fairer outcome.

- Whilst holding a probationary licence, drivers must not incur 2 or more demerit points. Currently this is a condition of the licence and the offence of breach of licence condition must be separately actioned by police in addition to the offence that incurs demerit points. This is often overlooked and results in some probationary licence holders avoiding the disqualification. The Registrar is informed of offences which incur demerit points and the amendment allows the Registrar to disqualify probationary licence holders upon being notified of the demerit points being incurred. This ensures an equitable outcome for all probationary licence holders and preserves the policy approved by Parliament that all probationary licence holders who incur two or more demerit points will be disqualified.

- The Safer Driver Agreement (SDA) is an option for provisional licence holders instead of disqualification and allows the provisional licence holder to continue driving, provided the driving offence they have committed is not a serious disqualification offence. The Bill makes slight amendments to section 81BA of the Motor Vehicles Act to ensure that an SDA is only open to a person holding a provisional licence at the time of the offence that led to the disqualification. Currently, the Act allows a person who held a learner's permit at the time of the offence but who has progressed to a provisional licence by the time the disqualification is issued to take advantage of the SDA. This was not the intended policy position. Further changes to that section clarify when an SDA commences, depending on whether the notice is acknowledged at a customer service centre or served personally.

- Additional changes to section 81BB(2) of the Motor Vehicles Act make clear that provisional licence holders given the option to enter into an SDA and who have allowed that option to lapse are not able to then appeal their disqualification to the Magistrates' Court. They also ensure that a person who has been disqualified for breaching a condition of an SDA within the last five years, is precluded from appealing to the Magistrates Court. Both amendments reflect Parliament's original intention that SDAs were intended to replace the option for provisional licence holders to appeal licence disqualifications to the Magistrates Court.

- The Bill streamlines the timing requirements for requests for reasons for decisions of the Registrar or Review Committee made by a person affected by the decision. At present, when the Registrar has acted under section 82 of the Act to refuse to issue, renew or cancel a driver's licence or learner's permit in order to prevent accident, injury or repetition of offences, the driver may re-apply for their licence or permit immediately. The Registrar is required to consider each application and the person may appeal each decision. The Bill introduces a system for such cases to ensure that the Registrar does not have to consider frivolous or vexatious applications or applications where the person has failed to provide new evidence satisfying the Registrar that they should no longer be prevented from holding a licence or permit.

- The Bill introduces an explicit approval mechanism for the installation of photographic detection devices into the Road Traffic Act. These devices are not classified as traffic control devices, whose installation must be approved by the Minister, but they are an essential tool in the detection and enforcement of speeding and other offences. It is considered that their installation should be approved in a similar way to traffic control devices.

Vehicles with Stolen Parts

The Bill amends sections 24, 58, 139 and 139AA of the Motor Vehicles Act to give the Registrar of Motor Vehicles the enhanced power to conduct investigations and refuse to register vehicles where the Registrar reasonably believes that part of a vehicle is or may be stolen. At present the Registrar's discretion only extends to cases where there is a suspicion that a vehicle itself is stolen.

These changes will assist crime fighting in our community by providing a significant disincentive for people to engage in the unlawful use of stolen or rebirthed motor vehicle parts.

I commend the Bill to Members.

Explanation of Clauses

Part 1—Preliminary

1—Short title

2—Commencement

3—Amendment provisions

These clauses are formal.

Part 2—Amendment of *Motor Vehicles Act 1959*

4—Amendment of section 24—Duty to grant registration

This clause amends section 24 to include a reference to part of a vehicle in subsections (2)(b)(iii) and (3)(c).

5—Amendment of section 58—Transfer of registration

Section 58 is amended to include a reference to part of a vehicle in subsections (3)(b)(iii) and (4)(c).

6—Amendment of section 81AB—Probationary licences

This clause—

- deletes the probationary licence condition that requires that the holder of the licence must not incur 2 or more demerit points (consequentially to the amendment to section 81B(1) discussed below); and
- makes alcohol interlock conditions effective for a minimum period of 12 months.

7—Amendment of section 81B—Consequences of holder of learner's permit, provisional licence or probationary licence contravening conditions

This clause amends section 81B to require a notice of licence disqualification to be issued where the holder of a probationary licence has incurred 2 or more demerit points.

8—Amendment of section 81BA—Safer Driver Agreements

Section 81BA is amended—

- to ensure that a safer driver agreement can be entered into by any person who receives a notice of disqualification as a result of offences committed as the holder of a provisional licence (whether or not the person still holds that provisional licence);
- to give the Registrar a discretion to grant a person an extra week to elect to enter a safer driver agreement;
- to specify when the safer driver agreement is taken to commence.

9—Amendment of section 81BB—Appeals to Magistrate Court

This clause amends section 81BB to prevent a person appealing where the person was entitled to enter a safer driver agreement but failed to do so within the statutory time limit or where the person has, within the preceding 5 years, been disqualified as the holder of a provisional licence that was subject to a safer driver agreement. The clause also makes an amendment consequential to clause 7.

10—Amendment of section 82—Vehicle offences and unsuitability to be granted or hold licence or permit

This clause amends section 82 to allow the Registrar to refuse to consider an application by a person for the issue or renewal of a licence or permit where the Registrar has previously refused to issue a licence or permit to the person, or to renew the person's licence or permit, or has cancelled the person's licence or permit in accordance with the section and it appears to the Registrar that the applications by the person are frivolous or vexatious or that the person has failed to provide satisfactory evidence that circumstances have changed.

11—Amendment of section 98ZA—Appeal to District Court

This clause amends section 98ZA to specify that, if a person requests reasons for a decision, the Registrar or review committee has 1 month from the making of that request to provide those reasons.

12—Amendment of section 139—Inspection of motor vehicles

This clause amends section 139 to include a reference to part of a vehicle in subsection (1)(ab) and (ac)(ii).

13—Amendment of section 139AA—Where vehicle suspected of being stolen

This clause amends section 139AA to include a reference to part of a vehicle.

14—Transitional provisions

This clause sets out transitional measures (relevant to clauses 6, 7, 8 and 9).

Part 3—Amendment of *Road Traffic Act 1961*

15—Amendment of section 5—Interpretation

This clause amends the definition of bicycle to include power assisted pedal cycles (within the meaning of vehicle standards determined under the *Motor Vehicle Standards Act 1989* of the Commonwealth).

16—Insertion of section 79BA

This clause makes specific provision relating to installation, maintenance, alteration or removal of photographic detection devices on, above or near a road.

Debate adjourned on motion of Hon. D.W. Ridgway.

STATUTES AMENDMENT (SMART METERS) BILL

Received from the House of Assembly and read a first time.

The Hon. G.E. GAGO (Minister for Agriculture, Food and Fisheries, Minister for Forests, Minister for Regional Development, Minister for the Status of Women, Minister for State/Local Government Relations) (17:57): 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.

The Government is amending the national energy legislation to provide for the implementation of smart meter consumer protections and to remove the power for a Minister to issue a Ministerial smart meter roll-out determination.

Smart meters enable a customer's electricity consumption to be recorded at half hourly intervals. Customers can access that information via various methods, including through a web portal or an in home display. Interval electricity consumption data will enable small customers to better manage their electricity consumption and to select an electricity tariff that best meets their individual needs.

The Statutes Amendment (Smart Meters) Bill 2013 makes amendments to the National Energy Retail Law in the Schedule to the *National Energy Retail Law (South Australia) Act 2011* and the National Electricity Law in the Schedule to the *National Electricity Law (South Australia) Act 1996*.

The Bill will empower jurisdictions to stipulate retail tariff structures that must be included in a retailer's standing offer for small customers that have an interval meter or smart meter.

If a Rule on the prescription of tariff structures to apply to a retailer's standing offer is in the future included in the National Energy Retail Rules, jurisdictions will be able to opt-in to this Rule being applied in their jurisdiction.

For small customers that use an interval meter or smart meter, it is imperative that there is a robust and comprehensive consumer protections framework in place.

Consumer protections will be provided by new Rules to be included in the National Energy Retail Rules. This Bill provides that the South Australian Minister may make initial Rules in relation to the use of interval meters and smart meters and other related technologies. The initial Rules process is being used to ensure that consumer protections are in place in early 2014.

The Bill will provide that once initial Rules have been made by the South Australian Minister on the subjects provided for in the Bill, the Minister will have no power to make any further Rules under this power.

Noting that Victoria has been the only jurisdiction to mandate a smart meter roll-out, jurisdictions have now agreed that any future roll-out of smart meters should proceed on a market driven, competitive basis. Accordingly, the Bill removes the ability of the Minister of a participating jurisdiction to issue a Ministerial smart meter roll-out determination, which would mandate a broad-scale roll-out.

It is important to note that removal of this power in no way seeks to change or inhibit Victoria from finalising the roll-out of smart meters in their jurisdiction.

This Bill will also not impact the ability of a Minister of a participating jurisdiction to make a determination that requires a distribution system operator to conduct a smart meter trial or assessment.

An Exposure Draft of the Bill has been provided for industry and public consultation prior to its introduction here and the minor matters of clarification sought by stakeholders have been incorporated into the Bill.

Smart meters have already been rolled-out widely in Victoria, and stakeholders are preparing for the market driven commercial roll-out of smart meters in other jurisdictions. It is important to therefore implement smart meter consumer protections and remove the option for a Minister to issue a Ministerial smart meter roll-out determination as soon as possible.

I commend the Bill to Members.

Explanation of Clauses

Part 1—Preliminary

1—Short title

This clause is formal.

2—Commencement

The measure will be brought into operation by proclamation.

3—Amendment provisions

This clause is formal.

Part 2—Amendment of *National Electricity Law*

4—Amendment of section 2—Definitions

The National Electricity Law is to no longer provide for Ministerial smart meter rollout determinations. References to such determinations must therefore be removed from terms that are defined for the purposes of the national law.

5—Amendment of section 118A—Definitions

The definitions relevant to Ministerial smart meter rollout determinations are to be struck out.

6—Repeal of Part 8A Division 3

The provisions that allow a Minister to make a determination about the provision of smart meter services by a regulated distribution system operator for electricity are to be repealed.

Part 3—Amendment of *National Energy Retail Law*

7—Amendment of section 22—Obligation to make offer to small customers

This clause will provide for particular tariff structures to be part of a retailer's standing offer for small customers who have an interval meter. However, this requirement will only apply in relation to a jurisdiction if a local instrument of the jurisdiction so provides.

8—Amendment of section 237—Subject matter of Rules

It will be necessary and appropriate for the Rules to make provision with respect to the use of interval meters and other technologies, including devices that enable direct load control.

9—Insertion of section 238A

The South Australian Minister will be empowered to make the initial Rules that are to apply under section 237(2)(ia) of the national law.

Debate adjourned on motion of Hon. D.W. Ridgway.

CRIMINAL LAW (SENTENCING) (SUSPENDED SENTENCES) AMENDMENT BILL

The House of Assembly agreed to the amendments made by the Legislative Council without any amendment.

At 17:58 the council adjourned until Wednesday 30 October 2013 at 11:00.