

## LEGISLATIVE COUNCIL

Thursday, 14 April 2016

The **PRESIDENT (Hon. R.P. Wortley)** took the chair at 14:16 and read prayers.

### *Petitions*

#### **MARTINDALE HALL**

**The Hon. R.L. BROKENSHERE:** Presented a petition signed by 86 residents of South Australia requesting the council to urge the government to:

1. Prevent the sale and redevelopment of Martindale Hall.
2. Call on the government to honour the intention of the original bequest of the Mortlock family by ensuring that Martindale Hall remains in trust for the people of South Australia.

#### **QUEEN ELIZABETH HOSPITAL**

**The Hon. J.A. DARLEY:** Presented a petition signed by 73 residents of South Australia, requesting the council to urge the government to ensure that the two cardiac catheter laboratories continue to operate at Queen Elizabeth Hospital to ensure speedy and effective cardiac treatment in the case of emergencies and for chronic cardiac patients.

### *Parliamentary Procedure*

#### **PAPERS**

The following paper was laid on the table:

By the Minister for Employment (Hon. K.J. Maher)—

Training and Skills Commission—Report, 2015

#### **ANSWERS TABLED**

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

*Members interjecting:*

**The PRESIDENT:** Order!

### *Question Time*

#### **UNEMPLOYMENT FIGURES**

**The Hon. D.W. RIDGWAY (Leader of the Opposition) (14:24):** I seek leave to make a brief explanation before asking the Minister for Employment, Higher Education and Skills a question about the ABS employment statistics released today.

Leave granted.

**The Hon. D.W. RIDGWAY:** It is refreshing to see a minister in this place responding with lots of good answers early in his career. We have just seen that. However, that is not my explanation.

I welcome the fact that South Australia's seasonally adjusted unemployment rate has fallen by 0.4 of 1 per cent last month, although I do note that the trend rate remained steady and South Australia's unemployment rate is still the highest in the nation, at 7.2 per cent. However, if we look at the raw numbers we see that the number of hours worked by South Australians actually decreased by 2.2 per cent over the past 12 months (seasonally adjusted). So the total number of hours worked in the past 12 months, compared with the corresponding 12-month period, has fallen by some 29 million hours.

If you think about that, Mr President, even at an average of \$20 per hour that is some \$540 million less in our economy, over half a billion dollars. My question to the minister is: does the minister acknowledge (notwithstanding the explanations he will use) that the total number of hours worked by South Australians in the past 12 months has actually decreased by some 27 million hours?

*Members interjecting:*

**The PRESIDENT:** Order! The minister has the floor.

**The Hon. K.J. MAHER (Minister for Employment, Minister for Aboriginal Affairs and Reconciliation, Minister for Manufacturing and Innovation, Minister for Automotive Transformation, Minister for Science and Information Economy) (14:25):** I thank the honourable member for his question and his interest in ABS statistics. As the honourable member has outlined, the statistics from the ABS on employment data were released today. In terms of the seasonally adjusted figures, he is right: it has dropped by 0.4 per cent. I think the month before it rose by just under a whole per cent, and that highlights the volatile nature for smaller states of the headline figures. They go up and down from month to month quite a lot.

In terms of trend statistics, I think the honourable member outlined that it has remained steady at 7.2 per cent. I will need to check, but I think that the trend figure has either remained steady or decreased month on month all this financial year. I also note that the statistics are that there are, I think, approximately 8,000 more jobs, as measured by the ABS, from the March month survey over the 12 months prior to that.

Regarding total number of hours worked, I will double-check this. I don't have every figure with me, but I think that is a trend that is replicated around the country, certainly for the last month in total number of hours worked. We are seeing a different nature of how people work, and the casualisation of the workforce has been a trend for many years. I will double-check those figures, but there are 8,000 more jobs. How that is made up in terms of full-time and part-time employment is changing right around the country, so I will double-check those figures in terms of South Australia and nationally and bring back an answer with the exact figures for the honourable member.

#### **WATER METERS**

**The Hon. S.G. WADE (14:27):** I seek leave to make a brief explanation before asking the Minister for Water and the River Murray questions relating to the replacement of water meters.

Leave granted.

**The Hon. S.G. WADE:** The member for Bragg in the other place has been contacted by a constituent concerned by a situation where a plumber had visited her home to replace her water meter. The plumber, who had been contracted by SA Water to undertake the works (the replacement of a domestic water meter), was apparently from a Victorian company. My questions are:

1. Can the minister advise whether the plumbing firm contracted by SA Water to replace domestic water meters in this state is an interstate company? If so, can the minister advise whether the plumbing firm utilises South Australian workers for their SA Water work?
2. Can the minister assure the council that all opportunities to engage South Australian workers are taken in the process to engage SA Water contractors?

**The Hon. I.K. HUNTER (Minister for Sustainability, Environment and Conservation, Minister for Water and the River Murray, Minister for Climate Change) (14:28):** I thank the honourable member for his most important question. To the best of my knowledge, I haven't been contacted by the member for Bragg about this particular constituent, so I am not prepared to make any answer in terms of this particular case. However, I do understand that SA Water does from time to time replace water meters if they are shown to be faulty and if they are reading slow or fast (I think the figure is over 5 per cent, but that is from memory; I won't stand on that).

Individual householders can, of course, contract plumbers to replace water meters at their own cost if they believe theirs to be faulty. In terms of who is contracted to do it for SA Water or Allwater, I am not quite sure; I will have to take that part of the question on notice and bring it back for the honourable member.

## SA WATER

**The Hon. R.I. LUCAS (14:29):** I seek leave to make a brief explanation prior to directing a question to the Minister for Water on the subject of a water leak survey.

Leave granted.

**The Hon. R.I. LUCAS:** Late last month, a small business owner did some media in relation to a reported leak and then a rupture of SA Water pipes on Magill Road. He did some media—both radio and television—and indicated that he had rung SA Water about a week before the rupture of the pipes, indicating that there was a leak of water at this particular area of Magill Road. The SA Water representatives, at least initially, denied to the media that they had been advised earlier of this problem.

This small business owner has indicated that later that day he was rung by a person who indicated they were from SA Water, and indicated they were conducting a survey and put a series of questions to this person in relation to SA Water-related issues and, in particular, the leak or the water pipe rupture. In particular, he was asked to rate how SA Water had handled the leak on Magill Road on a scoring continuum from zero to 10, and he advised me that the lady very helpfully indicated to him that zero was the least favourable score. He said that was very useful: he was told that zero was the least favourable score. He was asked to rate SA Water's handling of the leak from a score of zero to 10. My questions are:

1. Who is conducting this survey for SA Water? If it is an external consultant, what is the name of the external consultant, and at what cost has that consultant been employed to conduct the survey?
2. Has the minister, or any officer in his ministerial office, been provided with any details of the results of this survey?
3. Finally, will the minister bring back to the house details of what average score SA Water has recorded in relation to the way it handles leaks or pipe ruptures on a score from zero to 10 and, as the lady from SA Water indicated, where zero is the worst possible score?

**The Hon. I.K. HUNTER (Minister for Sustainability, Environment and Conservation, Minister for Water and the River Murray, Minister for Climate Change) (14:32):** I am very, very grateful for the honourable member's most important questions. Once again we see the Liberals in this place talking about issues of SA Water's leaking pipes and burst water mains and still don't comprehend that it is a normal part of business in water businesses right around the world, and still don't comprehend that with the investment of about \$350 million being split into two ways—one has been addressing the immediate leaks and the other has been infrastructure refurbishments—we actually end up at being right at the top of the tree in terms of our equivalent water businesses around the country.

But they won't admit that; they won't acknowledge that. They won't acknowledge the significant amount of expertise and work in planning that goes into making us at the top of the tree in terms of our comparative utilities from around the country because it doesn't suit their political purposes.

SA Water do a number of customer surveys, of course. I think one of them is, in fact, required of them by ESCOSA, and that's to look at the businesses that SA Water are involved in and measuring customer satisfaction with those businesses, and testing the desires for improvements in one area or another. This survey that the honourable member talks about doesn't seem to be that sort of survey to me. This may well be a very regular post-contact survey.

I'm not aware of whether SA Water do post-contact surveys with their customers, but if they did, that wouldn't surprise me. That would seem to me like a reasonable business practice. So, I will take the questions of the honourable member on notice and ask SA Water whether, in fact, this was a post-contact survey, and come back with any information that I can find out for him.

**DEFENCE SHIPBUILDING**

**The Hon. G.A. KANDELAARS (14:33):** My question is to the Minister for Manufacturing and Innovation. Can the minister tell us how the South Australian government is supporting the future of shipbuilding here in South Australia?

**The Hon. K.J. MAHER (Minister for Employment, Minister for Aboriginal Affairs and Reconciliation, Minister for Manufacturing and Innovation, Minister for Automotive Transformation, Minister for Science and Information Economy) (14:34):** I thank the honourable member for his question and his interest in this area. It is a poignant question today. As the honourable Leader of the Opposition has mentioned, the monthly employment figures are released today, and we know we are facing some significant challenges in South Australia.

The Hon. David Ridgway asked a question earlier about monthly hours worked, and I think I have found some information that I think answers some of the things that the Hon. David Ridgway was asking. In terms of hours worked, both on trend and seasonally adjusted figures, nationally that number is down and certainly over the year it is down in many places in Australia, the monthly hours worked in other jurisdictions, such as WA, Tasmania and the Northern Territory.

In terms of South Australia, one of the most important things we can do in the medium term for jobs in this state is have the federal government commit to naval shipbuilding in South Australia. We have seen reports that the ASC is cutting another 26 positions through forced redundancies. While small numbers won't feed in massively to an overall unemployment figure, we know that shipbuilding is going to be critical. We have seen the closing down—

*Members interjecting:*

**The PRESIDENT:** Order!

**The Hon. K.J. MAHER:** —and the slowing down of some of our very important industries in South Australia. We are already starting—

*Members interjecting:*

**The PRESIDENT:** The Leader of the Government is answering a question, a very important question, he should do so in silence. Minister.

**The Hon. K.J. MAHER:** We are already starting to see some of the results of some of the actions of the current federal government in terms of the employment scene in South Australia. We have talked in this chamber previously about the fact of the federal Liberal government, the then treasurer Joe Hockey in particular, chasing Holden out of this country. I think most people—

*Members interjecting:*

**The PRESIDENT:** If you want to waste question time by interjecting when a minister is giving an answer, do so.

**The Hon. K.J. MAHER:** The Hon. John Dawkins interjects, and the Hon. John Dawkins seems to chastise people who did everything they could to try to save Holden and save an industry here. He seems to think there is something odd with trying to save an industry that provides so many jobs in this state. He seems to think it is a bit strange that someone would try to save a whole industry. Well, I don't. I disagree with the Hon. John Dawkins.

I think it was the right thing to do to try to save this industry. I don't agree with his federal colleagues who told Holden to come clean and the very next day they closed down. I certainly am, and I think most people, both Liberal and Labor, but perhaps not the Hon. John Dawkins, are now starting to regret and rue that decision from the federal Liberal government.

We are currently one of only 13 countries in the world that have the capacity to build automobiles from the start to the end, from the design and engineering to it rolling off the production line at the end. There has been a fiction, I think, to try to support an ideology that we shouldn't provide funding and support to these sorts of industries.

Based on 2011 figures, in Australia direct budgetary support for the industry was estimated to cost (in US dollar terms) per capita \$18 a year. The figure for the UK for support of their auto

industry is \$28, in Germany it is \$90, in Canada it is \$96, in France it is \$147 and in the US it is \$265, compared to \$18 in Australia. It is an absolute fiction that we were providing too much support and assistance for our car industry.

What we need now though, the federal Liberal government having chased the automotive manufacturing industry out of this country, is for the federal Liberal government to honour their commitment and promises about naval shipbuilding in this state: offshore patrol vessels, future frigates and submarines built, as promised, right here in South Australia. Getting all that work is vital. It provides a continuous pipeline of work and many thousands of jobs.

The first piece of that jigsaw puzzle is the offshore patrol vessels. Getting that work will help avoid what has become known as the shipbuilding valley of death. The concept of the shipbuilding valley of death is very real. Workers are already losing their jobs and there are likely to be more to come. I am told that the ASC's current shipbuilding workforce is approximately 1,400. By 2019 it is forecast it would reduce to around 100 if no new work is provided at the shipyard.

We do not need to and we do not want to go through this valley of death, lose our shipbuilding capacity and start the frigates and subs from a cold start. If that happens, there might be an incentive to go elsewhere, such as to Western Australia, to build these things. It is conceivable that rather than risk a cold start in SA after having let our workforce run down, a future federal Liberal government may opt for either a partial or a full build of frigates in WA or submarines in WA. The commonwealth government commissioned the RAND report in 2015 and that report from April 2015 states:

The OPV (offshore patrol vessel) program will only have a positive effect in mitigating the valley of death if the OPVs and future frigates are built in the same ship yard.

This is a report commissioned for and received by the federal Liberal government in April 2015. The RAND report goes on:

Building the OPVs elsewhere will create additional risk and an added cost of up to 40 per cent of the future frigate program.

It goes on:

At least 20 per cent of the current air warfare destroyer shipbuilding workforce should be retained to reduce the effects of the boom-bust cycle.

It goes on:

Australian shipbuilding should be consolidated in one shipyard with potentially a second yard for major block construction.

Building the offshore patrol vessels in South Australia is in the national interest. It will significantly de-risk the \$30 billion future frigate program which is due to commence in Adelaide in 2020 by, firstly, retaining shipbuilding skills and knowledge and, secondly, by ensuring infrastructure remains productive and the use of significant investment is capitalised.

What is very puzzling is that the Abbott-Turnbull government seems to recognise the importance of shipbuilding for the future of South Australia but is not committed to doing anything about it. Members would recall an opinion piece from Senator Simon Birmingham that stated:

Around \$40 billion of investment on future frigates, OPVs and other surface ships will provide a steady stream of work for shipbuilders in Adelaide which will support many more jobs in associated suppliers and have multiple economic benefits throughout our economy.

I completely agree with Senator Birmingham. He is exactly right. On this, I am prepared to back him in. As I have said, the RAND report says that we need to de-risk the future frigates and submarines project by building the OPVs here in South Australia. More importantly, the Premier and my good friend the Minister for Defence, the Hon. Martin Hamilton-Smith, have been leading the fight for our fair share of shipbuilding here in South Australia.

*The Hon. D.W. Ridgway interjecting:*

**The PRESIDENT:** Minister, just sit down for a second. I do not think it is appropriate to refer to a minister of the government as a rotten egg in this house, so I think you really should withdraw the comment.

**The Hon. D.W. RIDGWAY:** I withdraw the fact that he is rotten.

**The Hon. J.S.L. DAWKINS:** I remind the President that the minister has been on his feet for over eight minutes answering this question.

**The PRESIDENT:** Minister, get on with your answer and try to get right to the point.

**The Hon. K.J. MAHER:** Thank you, Mr President. I will move as quickly as I can through this but if I am delayed by constant interjections from the Hon. John Dawkins, who has been here a very long time and ought to know better, it will take longer obviously.

Martin Hamilton-Smith, Minister for Defence, and the Premier have been lobbying very hard from the Prime Minister and federal ministers down. We have forced the Abbott-Turnbull government to make sure that a decision on the design and build on submarines is fair and transparent. We all remember when the prime minister at the time, Tony Abbott, was facing a leadership challenge. The brave Senator Edwards forced him to make up a brand-new process to consider building here.

They held them to account and now we have a commitment, as it stands, although we had a commitment before, to build future frigates here. The South Australian government, particularly through the Premier and the good egg, minister Hamilton-Smith, will fight for this work here in South Australia.

The reason this is so crucial is that we are potentially only three or four weeks away from a formal federal election campaign when the federal government will enter into caretaker mode. It will possibly be only three or four weeks away if we have a 2 June double dissolution election. We could be only weeks away from entering caretaker mode. We need a commitment and a commitment that South Australian people will believe, not like the last one, to build ships here. Even if the federal Liberal government, supported by this mob over here, even if they do not have the moral decency to understand, they have—

**The Hon. T.J. Stephens:** Why don't you sit down. You're embarrassing.

**The PRESIDENT:** The only thing embarrassing at the moment, the Hon. Mr Stephens, is your behaviour, with guests up here in the gallery.

#### *Parliamentary Procedure*

#### **VISITORS**

**The PRESIDENT:** Welcome to our visitors on the Greens tour hosted by the Hon. Ms Franks.

*Members interjecting:*

**The PRESIDENT:** Try not to point too much to the opposition. The Hon. Ms Gago, do not encourage the member opposite. Question time is an opportunity for the opposition to scrutinise the government and the ministers. You are wasting that time. The honourable minister, please get to the point of your answer.

#### *Question Time*

#### **DEFENCE SHIPBUILDING**

**The Hon. K.J. MAHER (Minister for Employment, Minister for Aboriginal Affairs and Reconciliation, Minister for Manufacturing and Innovation, Minister for Automotive Transformation, Minister for Science and Information Economy) (14:45):** I will finish the answer now, Mr President. It is vital for South Australia that the federal Liberal government keeps its commitment to build here. We know that there will be thousands of jobs, good jobs for thousands of South Australians, high-flying jobs, and even if they don't have—

*Members interjecting:*

**The PRESIDENT:** The honourable minister, finished? Let's hear the rest of the answer.

*Members interjecting:*

**The PRESIDENT:** No, you will just sit there and listen to the answer. Minister, get on with it.

**The Hon. K.J. MAHER:** Even if the federal Liberal government, supported by this mob over here, don't have the moral decency to understand that, after having chased the car industry out of this country, they have a moral need to back something like shipbuilding in this state; even if they don't have the moral fibre to do that, at least, for God's sake, have the understanding for political self-preservation and do the right thing by the state.

**The PRESIDENT:** I would like ministers to try to keep their answers to a reasonable and respectable time.

*Members interjecting:*

**The PRESIDENT:** The Hon. Mr Darley

### CYCLING REGULATIONS

**The Hon. J.A. DARLEY (14:46):** My question is to the Minister for Police, representing the Minister for Transport. In view of the concerns being expressed by the community regarding bicycles being ridden on footpaths as a result of the recent changes to the regulations, and also in view of comments made in the media by the Premier on this issue last Tuesday, is the minister prepared to reconsider his position on the new regulations, particularly with respect to riding bicycles on footpaths?

**The Hon. P. MALINAUSKAS (Minister for Police, Minister for Correctional Services, Minister for Emergency Services, Minister for Road Safety) (14:47):** I thank the Hon. Mr Darley for his question. Obviously, I will be more than happy to refer that question to the responsible minister in the other place for a response.

What I will say is that this government is utterly committed to making sure that we get the balance right when it comes to traffic management for cycling and road users and also pedestrians. This is a government that takes very seriously the responsibility that we have to ensure that all road users and pedestrians can travel around safely by the means they see as appropriate. We also want to be a government that actively encourages cyclists and pedestrians to be able to take up that form of transport as is appropriate do so in a safe way.

Certainly, an active community is a healthier one and a healthier community can only be good. That said, I will take that question on notice and pass it on to the responsible minister in the other place for a rapid response.

### SA WATER

**The Hon. J.S. LEE (14:48):** I seek leave to make a brief explanation before asking the Minister for Water and the River Murray questions about the South Australian Water Corporation annual report.

Leave granted.

**The Hon. J.S. LEE:** It was noticed by my colleague in the other place, the member for Chaffey, that the South Australian Water Corporation Annual Report 2014-15 was tabled twice, on two separate occasions. It was first tabled in parliament on 17 November 2015 and then a second time on 9 February 2016. The messages from the chairman and CEO were word for word the same in both annual reports. My questions to the minister are:

1. Why were the 2014-15 annual reports tabled twice?
2. Can the minister explain whether there were any errors made in the initial document tabled in November last year and, if so, what amendments were made to the report tabled in February?

**The Hon. I.K. HUNTER (Minister for Sustainability, Environment and Conservation, Minister for Water and the River Murray, Minister for Climate Change) (14:49):** I thank the honourable member for her incredibly important question about typos in annual reports. I can't tell her off the top of my head what change was made, but I understand it was some sort of typographical

error. She could either have her very, very incredibly hardworking staff go and check it page for page, if she likes, or I could even ask the SA Water team to advise me what was the typo—whatever she likes.

#### **ADELAIDE GAOL**

**The Hon. J.M. GAZZOLA (14:50):** My question is to the Minister for Sustainability, Environment and Conservation. Will the minister inform the chamber about some of the events planned over the year to mark the 175<sup>th</sup> anniversary of our iconic Adelaide Gaol?

**The Hon. I.K. HUNTER (Minister for Sustainability, Environment and Conservation, Minister for Water and the River Murray, Minister for Climate Change) (14:50):** I thank the honourable member for his incredible question. I do not know where he finds these deep, delving questions, but I have to say that he has a very clever and close understanding of the work of government.

This year marks the 175<sup>th</sup> anniversary, I am advised, of the Adelaide Gaol, and the state government has organised an exciting and diverse range of events to celebrate this important milestone for the complex. The gaol was first built in 1841 and closed about 147 years on, in 1988. It is not only the longest continuously operating gaol in Australia, I am advised, but it is also one of the oldest remaining public buildings in our state.

The celebrations kicked off with an inaugural and highly successful Gaol Blues Festival on 20 March 2016. I think I was advised on the day that it was the largest blues gathering in the state. According to InDaily on 21 March, the festival was a howling success and the building was a perfect setting. The blues festival showcased a number of authentic blues bands, and private operators offered festival goers local craft beer, cider and wine, along with a variety of local food trucks.

The festival was such an enormous success that we are looking at making it an annual event. A total of just under 1,000 tickets were sold; all three food vendors sold out on the day, and the gaol blues merchandise tent did a roaring trade and sold over \$4,000 worth of merchandise. I am told that approximately 50 staff members from the food and drink vendors, staging and lighting contractors and cleaning and security companies were present on the day. The day generated a combined turnover of approximately \$45,000.

The Adelaide Gaol has received positive feedback on social media and from bands who performed at the gaol, and bands have already started inquiring about next year's event. During the Gaol Blues Festival, we also launched a great travelling photo exhibition, which will run from March to December and which features a selection of photos, maps and drawings usually kept in the gaol's archives. It will spend a month at various locations around the state, including the Enfield Library, the Adelaide Airport, and the National Wine Centre later this year.

Our annual \$3 history day on 22 May this year will also be used to celebrate the gaol's anniversary, I am told. Visitors will be able to enter the gaol at the much discounted rate of just \$3 per person, and staff and volunteers will be dressed in period costume and provide historical information about the gaol. I am advised also that people will get the opportunity to see a number of the artefacts that have not previously been displayed, which is a real drawcard, as well as enjoy a variety of food trucks.

An even greater drawcard will be a locked-in event, which will be held in July. Visitors will be able to experience a 'prison-style' dinner in a reinterpreted gourmet style, I understand, in the new building at the gaol. I am not quite sure how you turn authentic prison-style food into a gourmet event, but I am sure a number of honourable members would like to investigate this for themselves.

Actors will be playing prison guards and will hand guests a commemorative wine glass, take a mug shot before escorting guests to their cells for an antipasto platter (with a saw blade hidden in it, I'm sure) and drinks in their cells, followed by a fine dining experience prepared using local produce. Of course, the gaol provides the perfect spooky atmosphere for Halloween in October, which is another great success for the gaol.

Activities will be offered during the day for children aged 12 years or under, including trick or treat stations, a haunted house, games, costume parades, self-guided tours and entertainers. There will be Halloween activities for adults in the evening, as well as food and drink trucks throughout the



day and evening. In addition to these great events, the Adelaide Gaol recently introduced an exciting education program for school groups, and schoolchildren who participate in 2016 will be given a special certificate to mark the 175<sup>th</sup> anniversary. The Adelaide Gaol is also exploring ways to improve visitors' overall experiences, with the opening of a cafe area and a new retail shop offering gaol merchandise.

The 175<sup>th</sup> anniversary of the gaol promises to be a great year, packed to the brim with events to suit all tastes. I encourage honourable members to take up the opportunity to at least experience one of these exciting and tempting opportunities coming forward this year. I would like to congratulate all those who have been involved in putting together this very exciting program for the year. I encourage everyone to go and enjoy some of these events and learn a little bit more about our state's history.

#### ADELAIDE DESALINATION PLANT

**The Hon. R.L. BROKENSHIRE (14:54):** I seek leave to make a brief explanation before asking the Minister for Environment and Climate Change a question regarding the 100-gigalitre desalination plant.

Leave granted.

**The Hon. R.L. BROKENSHIRE:** Recently, the minister foreshadowed that there could be quite significant reductions in high-security water allocations for our Riverland irrigators come 1 July this year for the next irrigation season. We have a 100-gigalitre desalination plant that is in mothballs and has cost the taxpayer—

*Members interjecting:*

**The Hon. R.L. BROKENSHIRE:** It's close to mothballs.

*Members interjecting:*

**The PRESIDENT:** Order! The honourable member has every right to stand up and ask his question in silence, as do members of the opposition, so just respect that right.

**The Hon. R.L. BROKENSHIRE:** Thank you for your protection, Mr President. We have a desalination plant that is in close to a mothball situation. Given that we need to stimulate our economic activity, I ask the minister what business planning has he done when considering the fact that critical human needs come first with the River Murray and that irrigators accept that?

What business case has the minister done with SA Water to see whether the desalination plant could be cranked up to offset the cuts to the Riverland and Lower Murray irrigators, and would he consider a reduced profit for one year from SA Water, rather than using the excuse that he would have to hit those critical human needs SA Water customers or charge directly the irrigators?

**The Hon. I.K. HUNTER (Minister for Sustainability, Environment and Conservation, Minister for Water and the River Murray, Minister for Climate Change) (14:56):** He's always worth a laugh, this bloke, isn't he? I thank the honourable member for his most inaccurate question and his explanation, but I have to ask him: where is he when we give information to this chamber time and time again, when we tell the chamber and the honourable member that in fact the desal plant has been operating continuously since it was turned on, except for some brief periods when the membranes have been cleaned and maintained?

I think that at this point in time 130 gigalitres of water—it may be even more now—has been produced by the desal plant. That is 130 gigalitres of water flowing through the honourable member's taps. If the honourable member is drinking out of that glass in front of him, there will be desal water in that glass right now. The honourable member does not seem to understand the first thing about water production in this state.

The desal plant is a key component of this government's investment in water infrastructure, which he has no comprehension about, which has guaranteed our water security to 2050. When we have another drought, which we undoubtedly will, we will have water supplies for the city of Adelaide, unlike during the millennium drought when we were absolutely facing having to give SA Water customers bottled water; that's how serious it was.

**The Hon. R.L. Brokenshire:** That's not my question.

**The Hon. I.K. HUNTER:** Well, I don't care what your question was, Mr Brokenshire, because your question was totally, totally inaccurate. There was not a scintilla of accuracy in your question, Mr Brokenshire, and that's why I am correcting your question and giving you the answer you should have.

Another example of the Hon. Mr Brokenshire's complete absence of understanding about the water market—and he is emulating the Liberal Party here—is that he says, 'Why don't you just turn the SA Water desal plant—

*An honourable member interjecting:*

**The Hon. I.K. HUNTER:** That's right. He was a Liberal Party minister of course—no wonder they think exactly the same way. Thank you for reminding me. 'Turn the desal plant on and crank it up,' and then he says, 'Take a haircut on the profit.' He does not understand that the profit is used for several things; one is to supply cheap water in the country.

We have postage stamp pricing for SA Water in this state. If you think about it—and the honourable member may not have been listening yesterday when I explained this to the chamber—the cost of delivering water to remote and regional areas of the state is much more expensive than delivering it to a big city because you have longer pipes and fewer customers to put that cost across.

But we think it is fair. We think it is fair that the city should be subsidising the country in the price of water so everybody can have access to that water if they are on the reticulated system at the same price. That means it is a subsidy, a big subsidy, taken out of the SA Water profits that the Hon. Mr Brokenshire wants to do away with.

The other subsidy, of course, that is provided is the pensioner concession. Is the Hon. Mr Brokenshire wanting to get rid of that as well? Is that what he wants to get rid of? Get rid of the pensioner concession, Mr Brokenshire says, and give the water to the irrigators instead. What he does not understand is that water costs money. The cheapest water we can get is in our catchments, the next cheapest is in the river and the most expensive is the desalination water. Someone has to pay for it, Mr Brokenshire. You tell me who. Do you want to give water to irrigators for nothing? Someone will pay for it. Is the pensioner from Christies Beach going to satisfy your vanity so you can say, 'Here's some water'?

**The Hon. R.L. BROKENSHERE:** Point of order: for the record, the minister is misleading the house. I did not suggest cutting concessions. I want answers to my question.

**The PRESIDENT:** Minister.

**The Hon. I.K. HUNTER:** I should start again, Mr President. Unfortunately, every time I stand up in this place and put some facts on the table, he ignores them. He is not interested in facts. All he is interested in is a good story. He makes his facts up on the wireless all the time—that one is for you, Kimberley Rowney. He makes his facts up on the wireless all the time, and he is not interested in actually understanding how the water system works. He may have heard but discounted—and I have said it publicly already—that the government is undertaking an independent cost-benefit analysis of the potential to use the Adelaide Desalination Plant to offset reductions in allocations.

**The Hon. D.W. Ridgway:** Why didn't you say that to start with?

**The Hon. I.K. HUNTER:** Because it was a stupid question based on a fallacy, and I am not going to let that go through the keeper. Also, if the Hon. Mr Brokenshire had been paying attention to Bureau of Meteorology predictions, DEWNR staff on the wireless—the wireless the Hon. Mr Brokenshire should surely listen to—give analyses every month of the projections for the season. They give analyses of inflows every fortnight, (I think it may even be weekly), of inflows across the border, the River Murray. They update the community at all times, and as we all know, we are facing a very dry season.

The honourable member suggests turning on the desal plant and magically making that water come through the plant for no cost at all. He thinks there is a bucket of money that is taken out of SA Water profits that is just sitting there underutilised. That money goes towards, as I said, postage stamp pricing. It goes towards pensioner concessions. It goes towards what little is left—and it is

around about the \$40 million to \$60 million mark—after you take out those community service obligations. It goes towards paying for police officers on the beat. It goes towards paying for teachers in our schools. It goes towards paying for nurses in our health facilities. Which of those does he want to cut?

*The Hon. J.S.L. Dawkins interjecting:*

**The Hon. I.K. HUNTER:** Yes, like the Hon. Mr Lucas was all his life before he came into this place—a staffer, just like him. When you take the point that almost everything in the honourable member's question was absolutely wrong, based on incorrect statements, fallacies in fact, or at least at the very kindest, a gross misunderstanding of how the government and SA Water work in terms of delivering a safe product to the community in a reliable way, there is not much left to answer.

*Parliamentary Procedure*

### VISITORS

**The PRESIDENT:** I advise members of the presence in the gallery today of students from Our Lady of the Sacred Heart. Welcome here.

*Question Time*

### FIREARMS LICENCES

**The Hon. T.J. STEPHENS (15:03):** I seek leave to make a brief explanation before asking the Minister for Police a question—

**The Hon. J.M. Gazzola:** I can't hear you, Terry.

**The Hon. T.J. STEPHENS:** You should clean your ears out, Hon. Mr Gazzola. You obviously have potato—I seek leave to make a brief explanation before asking the Minister for Police a question about firearms statistics.

**The PRESIDENT:** I am just reflecting on the quite ordinary behaviour of our Leader of the Government in this house. The problem with the acoustics in this place is that some people have trouble hearing the actual question, so, Hon. Mr Stephens, can you ask the question again.

**The Hon. T.J. STEPHENS:** I seek leave to make a brief explanation before asking the Minister for Police a question about firearms statistics.

Leave granted.

**The Hon. T.J. STEPHENS:** I refer the minister to the article that appeared on the front page of *The Advertiser* on Tuesday that was entitled 'Loose cannons', where it had been identified that 2,294 guns had gone missing or had been stolen over at least the past four years. The article refers to a freedom of information request lodged by the opposition; however, the numbers and the time periods appear inconsistent. Therefore, my questions are:

1. Can the minister confirm the exact number of firearms lost or reported missing, by class of firearm, in each of the previous four reporting years, as well as the number of firearms reported stolen, by class of firearm, in each of the previous four reporting years?

2. Can the minister also confirm that the figure of 2,294 firearms and the period of four years, as referred to by *The Advertiser*, are correct?

**The Hon. P. MALINAUSKAS (Minister for Police, Minister for Correctional Services, Minister for Emergency Services, Minister for Road Safety) (15:05):** I thank the honourable member for his important questions. Of course, the honourable member himself takes an active interest in firearm regulations in this state.

First and foremost, I think this government's track record, when it comes to the regulation of firearms, is outstanding; it is absolutely outstanding. We are a government that has been willing to be progressive, but at the same time considerate towards those people who are legitimate firearms holders, to ensure that we have legislation and regulations in this state that protect our community, that give SAPOL the tools and resources it needs to be able to ensure that people with firearms in South Australia are those people who legitimately need them, but at the same time provide a suite

of legislation that makes it easy and appropriate for people who are doing the right thing, genuine firearms holders, who seek nothing more than to do the right thing and obey the law, are equipped with legislation that allows them to do so.

The news that was reported in *The Advertiser* this week is, of course, of concern. No-one within the community, least of all myself or anyone within SAPOL, would like to see a situation where there are firearms out in the community that are not accounted for. That is exactly why this government has put in place a number of mechanisms to try to address the situation, not the least of which—and I think one of the most important of which—is the amnesty in place here in South Australia at the moment, an amnesty this government would like to see continue in perpetuity, as is provided for within the legislation.

Already, over 100 guns have been returned to SAPOL to date, I am advised, through the gun amnesty that has been provided. However, this gun amnesty is a bit unique in that it allows firearms holders to return a gun with a view for it not just to be retained or destroyed by an authority but for it to be legitimised. This is a radical new step, a bold new step, but one that gives firearms holders the opportunity to legalise a gun that has otherwise been unregistered.

In respect of the regulation process that is going on now, this government wants to get the regulations right. We have provided an opportunity for all stakeholders throughout the community—SAPOL, firearms holders, those people in the parliament who take an interest in this (and I acknowledge the Hon. Rob Brokenshire and the member for Stuart in the other place)—to make a positive contribution to the development of a set of regulations which aim to make this community safer.

First and foremost, this new set of regulations, which we would like to have in place by the middle of this year, is aimed at keeping this community safer and providing SAPOL, again, with the regulations, tools and resources it needs to be able to appropriately administer the regulation of firearms in this state and police them appropriately. However, it is also to ensure that we have a set of regulations that gives legitimate firearms holders the capacity to own a firearm without fear of breaking a law through unnecessary levels of regulation.

We want to try to get that balance right. It is not going to be easy, but we have started a roundtable process with a number of focus groups which provides all stakeholders with the opportunity to make a contribution to the development of those regulations. In regard to the question the member raised on specific statistics, I am more than happy to take that on notice. I will endeavour to engage with SAPOL as soon as possible to be able to give him specific numbers regarding the questions he posed.

### FIREARMS AMNESTY

**The Hon. T.J. STEPHENS (15:09):** I have a supplementary, and thank you for that answer, minister. You spoke about the amnesty: can you also confirm that when firearms are handed in with amnesty to be destroyed the mechanism is there to have them cross-checked, to make sure that they are not just destroyed but that they are taken off the missing firearms register if, in fact, they are some of those missing firearms?

**The Hon. P. MALINAUSKAS (Minister for Police, Minister for Correctional Services, Minister for Emergency Services, Minister for Road Safety) (15:09):** I had some statistics on my phone that might have been able to enlighten the honourable member, but I would rather make sure they are absolutely correct before I pass them on publicly.

I am happy to again take that question on notice but, as I understand it, the gun amnesty has proven rather successful thus far, which is why we would like to see this continue. There are a number of options that are before the authorities regarding how they apply the amnesty, as I understand it. In terms of specifically how, if a gun isn't going through the legitimisation process which, ultimately, should result in that firearm going back in the hands of a fully licensed owner, and exactly what takes place I am happy to find that out and again take that on notice.

I have also undertaken in this place previously a commitment to the Hon. Mr Stephens regarding keeping him informed around potential investments being made around the IT system that applies within firearms. That is something that this government is still actively pursuing. Again, I am

happy to restate my commitment to Mr Stephens around that, because the more I become familiar with the way firearms regulation works in South Australia the more it becomes obvious that there is a need to upgrade the IT system within SAPOL and be able to provide investment to achieve that end which allows greater tracking and would be able to provide more expedient numbers and answers to the sort of questions that you are asking.

Nevertheless, that being said, even with the current regime and IT system in place, SAPOL are able to extract a large amount of information. Your more recent supplementary question is more of a procedural nature, and I imagine I should be able to get an answer relatively quickly for the honourable member.

### SA WATER

**The Hon. I.K. HUNTER (Minister for Sustainability, Environment and Conservation, Minister for Water and the River Murray, Minister for Climate Change) (15:11):** By leave of the chamber, I would like to be able to answer a question that I took on notice that was asked by the Hon. Jing Lee on the tabling of the SA Water Annual Report. I am advised that SA Water has made three amendments to the SA Water Annual Report 2014-15 since first tabling on 17 November 2015. These amendments relate to:

- the number of complaints to the Energy and Water Ombudsman in 2013-14 and 2014-15 reporting periods;
- omission of a page within the appendix of the SA Water Annual Report—Annual Financial Statements; and
- a spelling error in the SA Water Corporate Charter contained within the SA Water Annual Report 2014-15.

I am advised that all these corrections have now been made.

I am also advised that the number of complaints to the Energy and Water Ombudsman in 2013-14 was initially published at 352. This figure has been corrected to 368. The 2014-15 figure was originally published as 335. This has been revised to 342. I understand the second issue was due to a one-page omission from item 15, Non-current Assets—Infrastructure, Plant and Equipment, published on page 143 of the Appendix, Annual Financial Statements. I am advised this omission occurred during the design phase.

The third issue was a spelling error on the final page of the SA Water Corporate Charter—and I apologise to the chamber that I don't have the actual word that was misspelt—contained within the SA Water Annual Report 2014-15, which has since been corrected I am advised. I am also advised that no copies of the SA Water Annual Report were destroyed. The total cost of the amendments was \$235, which was for reprinting. The electronic version of the SA Water Annual Report 2014-15 has been updated as well, I am advised, and, of course, the final version of the report will now be tabled.

### AUTOMOTIVE SUPPLIER DIVERSIFICATION PROGRAM

**The Hon. A.L. McLACHLAN (15:13):** I seek leave to make a brief explanation before asking the Minister for Automotive Transformation a question regarding the Automotive Supplier Diversification Program.

Leave granted.

**The Hon. A.L. McLACHLAN:** The minister recently outlined how approved changes to the Automotive Workers in Transition Program will now enable spouses and partners of registered workers to register for the program, as well as labour-hire personnel, access career to advice and mentoring, training and other support services. The minister recently stated to this chamber, 'We are increasing our efforts and also increasing how we capture people and make sure they are involved'. My questions are:

1. How is the government ensuring that it captures the newly eligible candidates and make sure that they are aware and become involved in the program?

2. Will the government be tracking the participation and employment outcomes of the newly eligible candidates?

**The Hon. K.J. MAHER (Minister for Employment, Minister for Aboriginal Affairs and Reconciliation, Minister for Manufacturing and Innovation, Minister for Automotive Transformation, Minister for Science and Information Economy) (15:14):** I thank the honourable member for his question. I can remember some weeks ago seeing some information on some of the ways that this has been communicated. I don't have that with me, but I know that it won't take too long to come back with a response

I will undertake to do that swiftly and bring back a response in terms of the new ways, not just for the changes but also I know the Automotive Transformation Taskforce is constantly endeavouring to make sure they communicate in the most efficient and effective way possible. I will bring back an answer that encapsulates different changes in the way they are doing that and I will also bring back an answer in response to ways that that data is being used to track what is happening and also to predict, possibly, what is needed in the future.

### NUCLEAR SAFETY

**The Hon. M.C. PARNELL (15:15):** I seek leave to make a brief explanation before asking the Minister for Sustainability, Environment and Conservation a question about nuclear safety.

Leave granted.

**The Hon. M.C. PARNELL:** A recent publication from the state government, the Department of State Development, is entitled, 'The facts about uranium mining in South Australia'. This document has 14 pages that have writing on them, including an introduction from the Minister for Mineral Resources and Energy, the Hon. Tom Koutsantonis MP, where he says:

...we need to challenge the perceptions of unacceptable hazards associated with the uranium industry. Risks associated with nuclear energy are judged harsher than competing energy sources.

Access to information and education is the key to challenging these perceptions. Uranium—The Facts is just that, the facts that should be the basis for any informed debate about uranium and South Australia's current role in the global nuclear fuel cycle.

In these 14 pages, when you get to page 11 the subject of that page is the heading, 'Is uranium safe?' It takes only 30 words to answer that question: is uranium safe? In fact, it is so short that it could perhaps almost form a tweet. The words are:

Uranium is naturally occurring and is found in: rivers, oceans, earth's crust.

That is one sentence, and there are pictures as well. The other sentence is:

The Australian government has agreements in place so Australian uranium is sold only to countries for peaceful purposes.

Then the topic is changed and it goes on to uses of uranium, including electricity production. My questions of the minister are:

1. Was the Radiation Protection Branch, which, as members would know, is a part of the EPA but is under the control of the minister, consulted about this publication?

2. Does the minister agree that the content of this section of this publication is inadequate?

3. What steps will he take to ensure that this publication is amended to provide at least basic safety information in relation to the health hazards posed by ionising radiation in general and uranium in particular?

**The Hon. I.K. HUNTER (Minister for Sustainability, Environment and Conservation, Minister for Water and the River Murray, Minister for Climate Change) (15:17):** I thank the honourable member for his most important if somewhat muddled question. It is muddled because, in fact—

**The Hon. M.C. Parnell:** You're the minister for radiation protection.

**The Hon. I.K. HUNTER:** Yes, I might be the minister for the EPA that looks after radiation issues, but I'm not the minister that can make pronouncements about health. I'm not the minister that can make pronouncements about mining, or the safety of mining. The EPA—

**The Hon. M.C. Parnell:** The Radiation Protection Branch is all about uranium.

**The Hon. I.K. HUNTER:** The Radiation Protection Branch is certainly about radiation, but it's not about health hazards: it's about how do you manage radiation in, particularly, occupational situations.

**The Hon. M.C. Parnell:** For health reasons.

**The Hon. I.K. HUNTER:** Well, yes, but we act on the advice of the health department. This is what I am trying to get through to the Hon. Mr Parnell: you can't come into this place and ask a question of a particular minister who is responsible for the EPA and expect that minister to be able to respond about health issues.

We take our advice from the health department on health issues and apply it to the work the EPA does. That's the way it works. That's the way you would expect it to be. We don't have health professionals to give us health advice inside the EPA; we have environmental protection officers with the suitable training to apply what we are advised by the Department for Health in these matters, particularly when it pertains to human health.

So, that is why it is muddled. He is pulling together streams from across government agencies, plonking them on my desk here in question time and saying, 'There you are, minister. You answer this question because I deem you to be the responsible minister,' but in fact he is actually drawing on different streams of information across different departments. I don't believe I have seen the publication he refers to; therefore, it is not appropriate for me to make a pronouncement on it right now.

If he wants me to make pronouncements about health hazards, I will have to refer those to the health minister, quite properly. So, I think the best thing to do with this muddled question is to take this back to my agencies, ask them to prepare a cross-government response for him and bring it back in due course.

#### **INSTITUTE FOR PHOTONICS AND ADVANCED SENSING**

**The Hon. G.E. GAGO (15:19):** My question is to the Minister for Science and Information Economy. Can the minister update the chamber on the recent success of the state government's Photonics Catalyst Program in the medical devices industry?

**The Hon. K.J. MAHER (Minister for Employment, Minister for Aboriginal Affairs and Reconciliation, Minister for Manufacturing and Innovation, Minister for Automotive Transformation, Minister for Science and Information Economy) (15:19):** I can. I thank the honourable member for her question and her interest in areas concerning science and information economy.

I have mentioned before some of the work that is being done in the photonics area in South Australia in the South Australian government's Photonics Catalyst Program which is connecting South Australian manufacturers with emerging laser and sensor technologies which are being developed at the University of Adelaide's world-renowned Institute for Photonics and Advanced Sensing. As I have spoken about previously, the government has contributed \$1 million to the program to support the development of photonics products, such as sensors, lasers and optical fibres, and encourages collaboration between local companies and researchers.

I understand that to date some 14 projects have been accepted into the program, once being considered by a panel of highly skilled professionals including Professor Andre Luiten, Director of the Institute for Photonics and Advanced Sensing; Professor Tanya Monro, Deputy Vice Chancellor for Research and Innovation at the University of South Australia; Jane Rathjen, Deputy Director of Adelaide Research Innovation at the University of Adelaide; and others.

SJ Cheesman in Port Pirie, a major engineering and metal fabrication business that is the prime supplier to Nyrstar and other large mining processing industries in Australia, has partnered

with IPAS. Through this partnership, SJ Cheesman and IPAS adapted high temperature sensors to be installed into a zinc smelter in order to demonstrate the feasibility of extreme temperature sensing.

This will mean that very high temperatures at a number of points in the smelter process can be measured, reducing work stoppages and optimising production. I am happy to inform the chamber that the most recent joint venture between IPAS and local company, Austofix, has now resulted in the development of an innovative wrist fracture product to be manufactured right here in South Australia.

Austofix is based at Thebarton and was established in 1993 to produce orthopaedic medical devices. I understand the company employs around 12 staff and earns 80 per cent of its revenue from selling its products into the export market. The VRP 2.0 volar radius plate will not only help wrist fractures heal faster but can be fitted more easily by surgeons utilising the product than most of the competitors' products.

I am advised that the new product's innovative design includes an improved locking mechanism for the plate and increased variable angle for the screws, which means that surgeons can get a better hold on the wrist bone, leading to faster healing. While variable angle screws are widely available, this is the first plate that allows for screws up to a 40° angle.

The state government has supported the product's development through providing \$30,000 to the project through the Photonics Catalyst Program. This innovative new wrist plate is a great example of collaboration between companies and researchers in our state, especially in the area of advanced manufacturing. It is another critical example of the state's medical device sector creating new products to emerging markets globally.

#### **FIRE MANAGEMENT PLANS**

**The Hon. J.S.L. DAWKINS (15:23):** I seek leave to make a brief explanation before asking the Minister for Sustainability, Environment and Conservation a question regarding DEWNR prescribed burn management.

Leave granted.

**The Hon. J.S.L. DAWKINS:** Late last month the minister tabled a response to a question I asked on the prescribed burn in the Warren Conservation Park, which got out of control in October last year, in which he stated:

Information about the burn was placed on the DEWNR website which ordinarily triggers information to be automatically transferred to the CFS website. It is not clear why the information did not transfer on this occasion and subsequent testing shows no fault in this system.

My question to the minister is: given that most people in country communities go straight to the CFS website and not to the DEWNR website to check the status of a fire, will the minister assure the council that all efforts have been taken by DEWNR and the CFS to ensure that such a situation does not occur again?

**The Hon. I.K. HUNTER (Minister for Sustainability, Environment and Conservation, Minister for Water and the River Murray, Minister for Climate Change) (15:24):** I thank the Hon. Mr Dawkins for his important and intelligent question based, of course, on my answer, my important and intelligent answer, which I had given to him, which was on notice.

**The Hon. J.S.L. Dawkins:** That's a matter of opinion.

**The Hon. I.K. HUNTER:** Indeed, and the Hon. Mr Dawkins shares my opinion about both his question and my answer. The government is committed to its prescribed burning program, as we all know. It is a program that we have basically brought into being because the Liberal Party, when it was in government, had none and it was a significant failing of the Liberal Party in government. It is probably just an example of why they have not been able to get themselves elected for the last few years—because they have no plans and no policies, except for some vague black policy that says '2036' and no-one knows what that means.

*Members interjecting:*



**The Hon. I.K. HUNTER:** And no-one knows what it means, except that it says in there somewhere, 'Hi, I'm Steve. Please talk to me.' It says, 'Hi, I'm Steve. Please talk to me.' 'Please talk to me,' it says because that's his plaintive plea.

**The Hon. J.S.L. DAWKINS:** Point of order: that has nothing to do with the question I asked, sir. I would ask you to ask the minister to answer the question.

**The PRESIDENT:** Minister, can you answer the question please.

**The Hon. G.E. Gago:** It was a comprehensive answer.

**The Hon. I.K. HUNTER:** A very comprehensive answer. The honourable member did ask a very important question and I gave him a very important and proper and appropriate answer. It essentially said that DEWNR and the CFS work very closely, and they have an integrated website thing where they share information across those platforms. But for some inexplicable reason, which we don't have an answer for, in this particular instance it didn't share across the platforms. Subsequent instances where it does (I checked just today on my iPad on Facebook), there's a little connection across there and they are popping up right now about prescribed burnings that are happening this week.

When they did a rigorous systems analysis and check, they found no error that they could identify, so it was a glitch—an unfortunate glitch in this situation, and we apologise for that. We can't explain it. Testing of the platform and interconnectedness shows no error that we can see, and there is nothing to fix from that perspective. Clearly, there was a problem on the day; we don't know what that was. We will pay particular attention to this into the future.

#### *Bills*

### **COMPULSORY THIRD PARTY INSURANCE REGULATION BILL**

#### *Committee Stage*

In committee.

(Continued from 12 April 2016.)

Clause 1.

**The Hon. K.J. MAHER:** I note that this bill has been postponed a couple of times by the opposition this week, so I trust that we are now in a position to deal with it reasonably swiftly so that we can get on with other important business this afternoon. I note that the Hon. Rob Lucas asked a number of questions on Tuesday of this week in relation to this, so I might put on record the answers to those questions and trust that they will satisfy the Hon. Rob Lucas so that we can very quickly finish this bill and move on to other important matters.

In relation to criteria for setting premiums under the bill and removal of 'fair and reasonable', I am advised that there are a number of different CTPI schemes within Australia with a number of different mechanisms for setting premiums. Ultimately, the government has taken expert advice from PricewaterhouseCoopers and others and is fully informed about those other schemes, but the scheme that will commence from 1 July 2016 is the best for South Australia. The scheme will take effect whether or not the bill is passed, with the CTP regulator carrying out the same processes either way. The only outstanding issue is whether South Australians will have an independent statutory regulator or a public servant within a department.

This bill facilitates allowing an independent statutory regulator to go about the premium setting task in a way that best reflects the needs of the various stakeholders in the scheme as the CTPI market and the interests of its stakeholders evolve over time to reflect new technologies and the like. It avoids the risks of specifying now in legislation a particular premium setting method, which becomes outdated or unworkable as the scheme and the market mature and evolve. It also avoids using the legally vague formulation in the setting of premiums, which are to be 'fair and reasonable'.

The Crown Solicitor's Office advises that this phrase is legally vague in the context of section 129 of the Motor Vehicles Act because it does not specify any consideration that must be

taken into account, that is, it does not specify 'fair and reasonable' to which stakeholders or by reference to which factors or considerations.

The crown has considered the submission of the plaintiff lawyers to SARC and respectfully advises that, in their view, they are legally misconceived. Instead, those words are being replaced with just 'scheme', which is far more robust, as referred to below.

In any modern regulatory environment, it is appropriate to empower the regulator to carry out the necessary steps to set premiums by reference to the scheme design and its operations. In the case of CTPI premiums under the CTPI Regulation Bill, that process will largely carry forward the process previously undertaken by the TPPC under the Motor Vehicles Act. This historically included the provision of actuarial reports and, in respect of scheme costs, information as to average weekly earnings in respect of affordability of premiums and appropriate cash flows to ensure the ongoing solvency of insurers and the health of the scheme.

Importantly, under the bill, for the first three years of the reformed scheme premiums will be fixed with CPI-like increases. After the initial three-year period the role of the regulator will be to set premiums within bands, with floor and ceiling limits. Having regard to the expert advice received, this is considered by the government to be an appropriate system for South Australia, particularly given that the market will be new rather than mature.

The modern regulatory environment is multifaceted and complex. In that environment, it is counterproductive to cement in legislation a number of criteria that must be considered by the regulator in setting premiums. By identifying several matters while excluding others, there is a risk that undue weight will be placed on the matter so identified, whether by the regulator or by others in the interpretation of the legislation. It is not possible to provide an exhaustive list of matters that must be taken into account in setting premiums and will remain relevant for years to come as the market matures and evolves.

While the matters which have informed the TPPC's consideration to date and will inform the regulator's determination going forward are currently known, those matters may evolve over time. The SA CTP Insurance Regulation Bill at clause 5(1)(b) and clause 5(1)(f)(i) specifically provide that the CTP regulator will have the functions of setting premiums and making compulsory rules about the determination of premiums. The regulator will outline the relevant matters to be considered in the determination of premiums in those rules. This approach facilitates a robust and flexible system that is capable of remaining relevant and current into the future, even when the CTPI market is evolved or changed.

While it is not possible to identify every matter, the CTP regulator will consider and determine premiums over years to come, and we would expect that the regulator will take the following into account in preparing rules and guidelines for premiums, as advised by the CTP insurance market reform lead commercial adviser, PricewaterhouseCoopers. In setting the annual premium, the regulator will consider the affordability of premiums and sustainability of the CTP schemes in South Australia.

The CTP regulator will conduct an actuarial analysis of the SA CTP insurance scheme. This analysis will be at a whole-of-scheme level and include consideration of the cost of claims, the cost of the scheme administration expenses, such as road safety, bulk-billed hospital and ambulance costs, policy administration services, scheme management and regulatory services delivered through the regulator's office, reasonable allowances for approved insurers expenses and profit margin, and any further factors that affect the financial soundness of the scheme, including solvency levels set by APRA or any other relevant commonwealth prudential regulatory body.

In undertaking this review, the CTP regulator may seek information from approved insurers and may consider any submissions provided by approved insurers. The CTP regulator may also seek information from other stakeholders at its discretion. These are examples of the types of matters the CTP regulator would consider and it is not exhaustive. Therefore, over time it is vitally important that the CTP regulator have sufficient flexibility to discharge their duties and not be legally restricted to a point in time legislative prescription which does not reflect the reality of a CTP insurance market in the future and as it changes over time.

In response to the question: in what ways were the plaintiff lawyers misguided, the crown advised that the phrase 'fair and reasonable' is legally vague. In providing that advice, the crown had the benefit of reviewing submissions made by plaintiff lawyers to the SARC on Monday 7 December 2015. The crown respectively points out that the plaintiff lawyer's evidence was misguided in the following ways.

Firstly, the plaintiff lawyer submitted that there has been judicial interpretation of the expression 'fair and reasonable' by the Supreme Court. It is clearly implied from the substance of the evidence that this interpretation might be used to understand the meaning of that phrase as used in the Motor Vehicles Act 1959 and in respect of the TPPC's task to determine premiums that are fair and reasonable.

However, the phrase that is used in the Motor Vehicles Act has not been specifically the subject of judicial consideration and the judicial interpretation referred to by the plaintiff lawyers appears to be in costs agreement cases. For a number of reasons, the judicial analysis contained in costs agreement cases is not easily applied to the use of the phrase 'fair and reasonable' for the Motor Vehicles Act.

Also the plaintiff lawyer submitted that the term 'fair and reasonable' appeared in Don Dunstan's speech in parliament at the time of the introduction of SGIC and that this speech was the basis of the phrase. The speech referred to related to the reasons behind the introduction of SGIC. It did not use the term 'fair and reasonable', but instead stated that the bill then before the committee was required to keep premiums at reasonable levels.

The Don Dunstan passage was not the basis of the inclusion of the term 'fair and reasonable' in section 129. The introduction of section 129 predated the 1970 SGIC legislation by many years. Section 129 originated from the Road Traffic Act Amendment Act 1936 when it was inserted into the Road Traffic Act in its original form, along with sections relating to third party insurance. The relevant provision of that act provided section 70M(1):

Upon the recommendation of the Treasurer the Governor may from time to time appoint a committee to enquire into and report upon the question whether the premiums charged for insurance under this Part are fair and reasonable.

No specific discussion was had at the time regarding the phrase 'fair and reasonable', although the purpose of the committee was to ensure that the government could be satisfied premiums were reasonable.

Finally, on this issue, the plaintiff lawyer submitted that 45 years on from Don Dunstan's speech, the phrase 'fair and reasonable' is now being deleted and there is no basis for that deletion. In his view, fair and reasonable has the connotation that you will look at all interests, not just the interests of the government, Treasury and insurers but most particularly the motorists. There is a basis for the removal of that phrase, given that it is unclear why that phrase was originally included in the Motor Vehicles Act and noting that that the phrase is legally vague. 'Fair and reasonable' does not have the connotation that most particularly the motorists' interests will be looked at. There is no legal basis for making that comment.

In response to the issue regarding the New South Wales regulator and premium settings, I am advised that the New South Wales premium setting system is fundamentally different from that in South Australia. New South Wales has a file and write system where insurers can file with the regulator any premium they like at any time and the regulator has six weeks in which to approve or reject it.

Accordingly, the role of the New South Wales regulator is not to set premium bands, but instead simply to approve or reject premiums proposed by the New South Wales insurers. This is covered in 2.3 of the New South Wales Motor Accidents Compensation Act 1999. The New South Wales act makes no reference to fair and reasonable in premium setting. The existing requirements as to affordability, which is an entirely different requirement from fairness and reasonableness, appear in the guidelines issued under that act.

The South Australian system will see the regulator set premiums within bands with floor and ceiling limits after the initial three-year period of fixed premiums with CPI-like increases. This is

considered by the government to be a better system for South Australia, particularly given the market will be new rather than mature. Accordingly, the role of the SA regulator is quite different from that of the New South Wales regulator.

The South Australian CTP Insurance Regulation Bill at clause 5(1)(b) and clause 5(1)(f)(i) specifically provide the CTP regulator will have the functions of setting premiums and making compulsory rules about the determination of premiums. Those rules will be set by the regulator and, regardless of whether or not the CTP bill is passed, include factors such as actuarial findings, average weekly earnings, insured profit margins and cost controls in the role of the state as the ultimate insurer of last resort through the nominal defendant. The processes under the CTP regulation bill in this respect reflect the process in New South Wales, where guidelines are issued under the legislation which provides the detail in respect of the determinations of premiums.

In response to the question of notice of the New South Wales regulator, I am advised that the questions on notice received by the New South Wales regulator in the SARC are merely matters of confirming details and so the pending provisions of the responses to those questions should not be a barrier to the passage of the CTP regulation bill. In our response to the issue about the role of the regulator pre-2019, I am advised that the CTP regulator will be performing many functions from 1 July 2016. The regulator will perform five key functions, which include:

1. determination of premiums;
2. issuing of rules and guidelines;
3. enforcement of rules and guidelines;
4. monitoring of the CTP insurance business; and
5. the provision of information to consumers and insurers.

The design of the new private sector CTP insurance models has the CTP regulator sitting at the centre and is effectively the glue that holds the CTP scheme together through the transition period and beyond.

It will be important that the CTP regulator is on board and dealing directly with the key stakeholders, including the approved insurers, from 1 July 2016. The CTP regulator will have a high level of public visibility through public information statements, the CTP regulator website, the 1300 helpline and other means. The public has a right to know who the CTP regulator is and to have confidence in the CTP regulator's accessibility. The CTP regulator's office will be overseeing a number of administrative functions, including managing the ability to change approved insurer, allocating a claim through the 1300 helpline, actuarial assessments of CTP scheme performance and bedding down of other processes between key CTP stakeholders.

ICT builds are currently being completed to capture the performance of the CTP scheme. Information from these ICT builds will begin to flow from 1 July 2016, and that information will inform the development of the rules and guidelines, including future price determinations. The preparation for the 2019 premium price determinations will likely start in late 2017 or early 2018, and the rules and guidelines will need to be issued as a draft for these determinations, possibly as early as late 2016 or early 2017.

While the 2019 price determinations appear to be a long way off, there is a significant body of work to be undertaken before then. The CTP regulator will also be overseeing and enforcing certain aspects of consumer information protection in the CTP market from 1 July 2016. Other ad hoc issues will need to be resolved, for example, if new classes of vehicles are introduced and appropriate premiums are to be set. To reflect this important body of work, and based on advice to the government from PricewaterhouseCoopers, it is necessary for the regulator's office to be built up with a number of staff, starting in 2016. The exact number will be recommended by the CTP regulator as he or she develops these matters.

In response to the question of urgency, why it is necessary to pass the bill, I am advised that the registration renewal forms will contain new scheme information in the lead-up to 1 July 2016 and thereafter, once the new scheme has commenced. Those updated forms will be sent out to motorists in May. If the CTP regulation bill is not passed by early May, those registration renewal forms will

contain information which will subsequently be out of date and incorrect if and when the bill is passed. This includes information which will facilitate the novation of motorists' policies from the Motor Accident Commission to the approved insurers on 1 July 2016.

If the bill is passed, the novation of insurance policies is not required, as the bill in its transitions provisions, clause 15 of part 3, provides for the transfer of policies on the commencement of the scheme. The registration forms also contain information designed to enable motorists to undertake a selection of insurer processes as permitted by section 99A(2) of the Motor Vehicles Act. That process will be amended if and when the bill is passed.

It is not in the public interest to unnecessarily provide outdated and incorrect information to motorists as part of their registration renewal papers. Such provision will tend to confuse. Further updating the form sometime in the future is an unnecessary administrative burden if parliament is minded to pass the bill and it is merely a question of timing.

I might just outline very briefly now that in response to Lucas amendment No. 1, I am advised that subclause (3)(b) remains legally vague, and for the reasons provided in detail just previously on sophisticated regulatory environment which can stand for many years, it is inappropriate, and subclause (3)(a) is merely a recitation of clause 5(3) of the bill and is therefore unnecessary where no subclause 3(b) is inserted.

**The Hon. R.I. LUCAS:** At the outset, can I say that I am disappointed that the government has decided to give this complicated bill, in relation to the Motor Accident Commission, priority ahead of the child protection legislation.

**The Hon. K.J. Maher:** You are the one who put it off constantly, Mr Lucas—

**The CHAIR:** Order!

**The Hon. R.I. LUCAS:** I have had a series of discussions with the Attorney-General—

**The Hon. K.J. Maher:** You put it off two days in a row.

**The CHAIR:** The honourable minister will sit and suffer for a minute and just listen.

**The Hon. R.I. LUCAS:** I have had a series of discussions with the Attorney-General over the past few days and indicated quite clearly that our view, as a Liberal Party, was that the child protection legislation was important and critical legislation. It needed to be passed immediately after question time—or we could have actually sat this morning and passed the child protection legislation this morning. So I want it on the public record that the Liberal Party's position has been not to want to delay the child protection legislation. That is a decision minister Maher has taken, evidently by himself, in relation to the priorities of the government.

This is a complicated bill which will take quite some time, if the majority in this parliament decide to proceed with it. As I indicated whenever we debated this, Tuesday or Wednesday of this week, I will again be testing the view of the chamber in relation to reporting progress for the reasons outlined on Tuesday; that is, there is a series of detailed questions that the Statutory Authorities Review Committee intends to put to Treasury and other government officers at the final evidence taking meeting next Monday afternoon.

I think the minister has taken almost 20 minutes of time in the committee stage in a quickly read, garbled response to a series of questions that was hard for us to hear, and we have not been provided with a copy of his prepared answers to the questions. There is a series of complicated issues that we are going to have to explore during the committee stage of the debate, if the majority view of this parliament is to force it to a vote today.

As I said, I hope that minister Maher will ensure that the House of Assembly does not get up early because if we do not get to do the child protection legislation until late this afternoon the message then has to go down to the House of Assembly, and if the government chooses to get the House of Assembly up early that will mean that the legislation will not be able to be fully enacted through both houses of the parliament. That is not our preferred course of action; it is a decision the Weatherill government, and minister Maher in particular, appears to have taken in terms of the government's priorities.

In relation to this, there is a series of issues that the minister has raised at clause 1, including an initial response to an amendment I intend to move later with regard to the operation of the fair and reasonable principle in terms of premium setting. Much of what the minister is now saying—and I acknowledge that is based on advice from his officers—is completely contrary to the advice that I and others were given by government officers in the briefing late last year.

I put specific questions to the officers, asking, 'What happens if the parliament actually defeats this bill or defers consideration of it?' They were quite explicit questions, unambiguous, and the explicit and unambiguous response I got was that it did not matter because the government was going to write into the contracts with the private sector insurers all the requirements of the operation of private sector insurers under the motor vehicles legislation. In addition, I was told that the provisions of the existing motor vehicles legislation are quite onerous in terms of the powers the minister has over private sector operators, but they were more than sufficient for the government to be able to do it.

I hasten to say that the government officers' advice was that their preferred position was obviously to have this bill, or some form of this bill, passed in the parliament but, as I said, there was an unambiguous response that if this parliament actually voted against the bill, voted it down, it would not matter. The privatisation was going to go ahead—which indeed the government has done—and it would put all the provisions into the contracts and some version of the third party premiums committee would continue under that particular arrangement.

That is the advice we were given. It is contrary to the advice the minister is now giving in relation to the importance of this legislation before the house at the moment. I intend to explore in the committee stage of the debate the different advice we were given as members of parliament by government officers late last year in relation to the bill and what the minister has just put on the public record as we go through the clauses.

In relation to the operation of the independent regulator, can the minister indicate to the committee what action, if any, the independent regulator will take if it is established between now and June 2019 as it relates to the premiums that will be set in the next three years, or is it correct that all the issues in relation to premiums have already been written into the contracts for the four private sector operators?

**The Hon. K.J. MAHER:** I thank the honourable member for his questions and his contribution. I might point out, however, that he is often either misleading directly or misleading by omission to come in here and pretend that we do not want to deal with another bill when every day this week it was he who put off this bill previously—every single day this week. He was the one who got up and said, 'No, I don't want to deal with this bill.'

We could have been dealing with any other bill today if it had not been for the Hon. Rob Lucas deferring this bill every single day this week. It is clear he is ready to deal with it; he has been ready to deal with it for quite some time, but he has decided to put it off. I am happy to sit here as late as it takes tonight to get through this and any other bill. I will sit here as late as it takes tonight to get through these bills. I will sit here as late as it takes tonight.

In relation to his specific questions of determining the premiums, that it is not a function that the CTP regulator will undertake until 2019. They will undertake other important functions, however, including issuing of rules and guidelines, enforcement of the rules and guidelines, moderating of the CTP insurance business, and the provision of information to consumers and insurers.

**The Hon. R.I. LUCAS:** That was not the question I put to the minister. I asked the question about premiums, that is, the critical issue of premiums. In relation to premiums, will the regulator, if this bill is passed, have any role or function between now and June 2019 in relation to the premiums that will be charged between now and June 2019, or is it a fact that those premiums have been and are written into the contracts for the four private sector operators?

**The Hon. K.J. MAHER:** I thought I answered that but, just to make it exceptionally clear for the Hon. Rob Lucas: no, they will not be setting premiums for the first three years. However, they will be playing a role in the preparation of premiums for 2019 afterwards, but they will have the other important functions prior to 2019 which I outlined before and which I outlined just a moment ago.

**The Hon. R.I. LUCAS:** In relation to the minister's game playing earlier, when he said he was happy to sit as late tonight as possible, and that is fine, he would not answer the question: will he ensure that the House of Assembly will stay sitting until tonight?

There is no point if the Legislative Council sits tonight, Mr Chairman, as you know, if the House of Assembly gets up and goes home; they cannot receive the message and the legislation cannot pass. The minister would not answer that question, and the reason is that the House of Assembly will not sit. That is why we wanted to do child protection first so that we could then do the Motor Accident Commission after that particular issue.

Before we get off the topic of premiums, the minister keeps using the phrase 'CPI-like'. Clearly, the contracts have been written since December or January. What is the actual CPI-like premium increase that is going to operate for next year, the year after, and the year after?

**The Hon. K.J. MAHER:** I am advised that the average increase of the premiums for each year will be 3 per cent.

**The Hon. R.I. LUCAS:** Given the minister's advice is the average premium increase, can the minister indicate, therefore, what the range is? Is he indicating that the average across the classes is 3 per cent and that in some cases for some classes it will be higher than 3 per cent, in other cases it will be lower, and the average is three? If that is the case, what is the range of premium increases that punters will face for next year, and then we can talk about the future years?

**The Hon. K.J. MAHER:** I thank the honourable member for his question. I do not have all the detail of exactly those figures, but I will be happy to supply them to him once we have passed this bill today.

**The Hon. R.I. LUCAS:** If the government is trying to jam a bill through in relation to premium setting and premium increases, I think it is a bit rich to stand up in this council and say, 'I'm not going to tell you what the premium increases are going to be until we pass the legislation, and then I'll come back and tell you, look, the average is 3 per cent but in some cases it's 15 per cent and in some cases it's 1 per cent and we've calculated the average in this particular way.'

Who do they think we are? Do they think we are just mugs in this chamber, that we are going to accept this rubbish that is being provided to the members of this chamber in relation to a critical issue? The government is proceeding with the privatisation of the Motor Accident Commission. It is able to do that without legislation. Some members, like the Hon. Mr Brokenshire and others, said they were vehemently opposed to that if they could not express a view on it.

We are now talking about how it is going to be regulated. This is the independent regulator. We are told we have to pass this legislation today. Again, as I said, this is contrary to what we were told previously. The critical issue of premiums should be an issue that members are aware of before they actually sign off on this.

I think it is unacceptable for the minister, based on advice, to say, 'Well, look, the average is 3 per cent but there is a range but I'm not going to tell you what that range is because'—well, not 'because'—'I won't tell you what the range is until after the legislation is passed.' Frankly, from our viewpoint, we do not accept that sort of argument. The government's advisers have all this information, they know what the range is, they know whether it is only 3½ per cent, 2½ per cent, or it is 10 per cent for some classes. Which classes do they happen to be?

We are talking about locking in, or the government has evidently already locked in by way of contract premium increases for the three years. For the first year, we are talking about an average of 3 per cent. I want to know then, what have they locked in for the following year and for the following year, because there are three years that we are talking about in terms of premium increases?

This government is saying, 'We're going to oppose an amendment which says that they should be fair and reasonable premium increases because it's a vague concept, and when we get to that, let's talk about that.' Those are the actual words which exist at the moment, which have governed premium increases in this state for decades, or for many years, and yet they say now it is going to be a vague concept, it is hard to interpret, yet they are the same words that have existed in legislation for many years in relation to premium increases.

So, I again put the question to the minister: will he provide to this chamber, before the bill passes, the range of premium increases that will apply for all classes for next year?

**The Hon. K.J. MAHER:** I do not have that information with me. The average over the three years will be 3 per cent.

**The Hon. R.I. LUCAS:** That is just an appalling response. The minister now says the average over three years is going to be 3 per cent. Is the minister saying that the average for each year will be 3 per cent for three years, but he will not say what the range of increases will be across the various classes because he refuses to give that information? I hope other members will appreciate or understand the arrogance of the minister and the government in relation to this particular issue. We are being asked to accept a pig in a poke. We have no idea what we are being asked to accept in terms of the range of price increases.

Who knows how the government has calculated this particular average of 3 per cent? Is it weighted according to the number of vehicles within each particular class that they have calculated this 3 per cent? The class of vehicles which has the most consumers in it might have a bigger increase, but they have not provided an appropriate weighting in terms of calculating the 3 per cent average number. There are any number of ways to interpret the bizarre response that the minister has just given to the supposed average of 3 per cent premium increase.

One of the other key functions of this independent regulator is to determine the minimum terms and conditions of CTP insurance policies. Can the minister indicate whether the minimum terms and conditions of CTP insurance policies for the first three years have been written into the contracts with the private sector insurers?

**The Hon. K.J. MAHER:** As I have said, it is a 3 per cent average over the next three years. What we are doing here today, whether the Hon. Rob Lucas holds up this bill or not, that is not going to change what the figures are going to be. What it will mean, though, is that there is no independent regulator overseeing this. It will be a public servant.

**The Hon. R.I. LUCAS:** My last question was not in relation to premiums.

*Members interjecting:*

**The CHAIR:** Order!

*The Hon. K.J. Maher interjecting:*

**The Hon. R.I. LUCAS:** You were talking to the Hon. Tung Ngo. Do I have to repeat the questions all the time? You do not listen to them.

*The Hon. K.J. Maher interjecting:*

**The Hon. R.I. LUCAS:** Well, it was a different question. It had nothing to do with premiums. Do we have to keep repeating questions for this minister because he cannot comprehend a simple question that is put to him? Let me repeat what I said again, and I will use the words very slowly: one of the other key functions of this independent regulator is to determine the minimum terms and conditions of CTP insurance policies. My question to the minister was: have the minimum terms and conditions of CTP insurance policies for the first three years been written into the contracts for the four private sector insurers to cover the initial three-year period?

**The Hon. K.J. MAHER:** I am advised that the terms and conditions in section 12 of the transitional provisions, policy insurance under part 4, in force immediately before the commencement of this section, will continue in force. The terms and conditions will continue in force but the regulator, if so minded, could change those terms and conditions within those three years and set the minimum terms and conditions within those three years and will be able to have that function afterwards. That applies, I am advised, whether or not this will be a public servant, rather than an independent regulator.

**The Hon. R.I. LUCAS:** Can I clarify the minimum terms and conditions. Have they been written into the contracts with the four private sector insurers?



**The Hon. K.J. MAHER:** I am advised that the four new entrants will be required to continue the minimum terms as they currently apply but they can be looked at by the regulator during those three years.

**The Hon. R.I. LUCAS:** So is the provision within the contract a contractual requirement which says there are existing minimum terms and conditions which are the ones which currently apply, but the contractual agreement with the private sector insurers is that they have agreed to meet those minimum terms and conditions that apply, and any other changes to minimum terms and conditions that either the independent regulator or the third party premiums committee (or whatever it is called) currently might change in the three-year period?

**The Hon. K.J. MAHER:** That is correct.

**The Hon. R.I. LUCAS:** Similarly, one of the other functions of the CTP regulator is to make rules to which approved insurers must comply and guidelines for approved insurers. It is specifically distinguished from minimum terms and conditions of CTP insurance policies, its rules and guidelines. Again, have the insurers been contractually bound to an existing set of rules and guidelines?

**The Hon. K.J. MAHER:** I am informed that, yes, there are rules and guidelines that will be in force come 1 July and contracts with those four providers, and the regulator will publish them after this comes into force.

**The Hon. R.I. LUCAS:** Yes, but my question was: have the four insurers been contractually bound by way of their contracts to comply with the existing rules and guidelines, and can those rules and guidelines, for example, be changed by the independent regulator—

**The Hon. K.J. MAHER:** Which existing rules and guidelines?

**The Hon. R.I. LUCAS:** The function clause 5(1)(f).

**The Hon. K.J. MAHER:** I think I might be able to clarify: the rules and guidelines come into operation on 1 July under the contracts and they will be obliged to meet those rules and guidelines.

**The Hon. R.I. LUCAS:** What the minister is clarifying is that, in relation to rules and guidelines, they do not currently exist. They will either be formulated by the independent regulator or they will be formulated by the third party premiums committee.

**The Hon. K.J. MAHER:** These will be new rules and guidelines that will come into force on 1 July.

**The Hon. R.I. LUCAS:** Yes, but is the minister indicating that they do not exist and they will be formulated by the independent regulator?

**The Hon. K.J. MAHER:** I am advised that they were written into contracts which were signed with the four new entrants in December.

**The Hon. R.I. LUCAS:** Mr Chairman, that was my first question, and the minister said, 'Which rules and guidelines are you talking about?' They are new ones which will apply after 1 July. But now you are saying they were written into the contracts back in December or January.

**The Hon. K.J. MAHER:** They do not apply yet, though. They are written into the contracts and apply when the scheme comes in.

**The Hon. R.I. LUCAS:** But there are rules and guidelines which exist at the moment because they have been written into their contracts.

**The Hon. K.J. MAHER:** Yes, but they do not apply yet. There are rules and guidelines that were written into contracts in December. They obviously do not apply yet because this scheme has not come into operation and they will come into operation on 1 July.

**The Hon. R.I. LUCAS:** That at least makes more sense than the earlier responses in relation to rules and guidelines, because the rules and guidelines cover things such as dispute resolution and the provision of information to consumers and a variety of things which clearly—whether or not this legislation passes—would be critical to the reasonable operation of private sector insurers in any insurance marketplace. If they did not exist then there would be some issues. Can the government

and will the government make available the rules and guidelines and the minimum terms and conditions that these private sector insurers have agreed to be contractually bound by?

**The Hon. K.J. MAHER:** I am advised that they will be published in the regulator after 1 July. In due course, when the regulator determines to publish them, they will be published. The intention is that they will be published, yes.

**The Hon. R.I. LUCAS:** These are not decisions for the independent regulator because the government has already written them into the contract. That is, whatever the original minimum terms and conditions are going to be and whatever the original rules and guidelines are, the independent regulator does not exist, so the government's advisers are the ones who have drafted these and have written them into the contracts which have been signed so it is really a government decision as to whether they would release them or not. Why would the government not release the minimum terms and conditions and the rules and guidelines that are going to apply to private sector insurers now? I mean, they exist.

**The Hon. K.J. MAHER:** I am advised that the government thinks it is important that it is the regulator, whether that be the bureaucrat without this scheme or the independent regulator with this scheme, that publishes the guidelines under their own procedures and under their own website.

**The Hon. R.I. LUCAS:** I respectfully disagree with that as a course of action, but that is a decision for the government. Can the minister therefore indicate when the government intends, if the legislation was to be passed this week, the independent regulator to be established?

**The Hon. K.J. MAHER:** I am advised as soon as the recruitment process can be finalised, and certainly before 1 July.

**The Hon. R.I. LUCAS:** Given that we are only talking about two months, the government is saying that it is going to advertise and appoint an independent regulator and have them start work prior to 1 July; is that the government's plan?

**The Hon. K.J. MAHER:** I am advised the government has advertised and short-listed for an independent regulator and, should this bill pass, it will be a very quick process to make that selection.

**The Hon. R.I. LUCAS:** In relation to the setting of premiums and bills, government officers made comments to the Hon. Mr Parnell, which he put on the public record, and the minister in his reply today at clause 1 made some references to it as well. Can the minister further explain this notion of what the differences in the bills would be? He indicated that the bills for next year have to go out within weeks—I think next month—and, given that the premiums have already been set at this average of 3 per cent (although what the range is we do not know), and that those decisions have been taken, have been written into the contracts, what is it within the bill that will be impacted by whether or not there is legislation?

**The Hon. K.J. MAHER:** It was something I mentioned earlier, but I will go through it in a bit more detail. The registration renewal form will contain new scheme information in the lead-up to 1 July 2016 (and obviously thereafter once the new scheme has commenced). Those updated forms will be sent out to motorists in May. If the CTP regulation bill is not passed prior to early May, those registration renewal forms will contain information which may be subsequently outdated and incorrect.

The sort of information that it will include, and I think the crux of the question, will be things like: facilitate the novation of motorists' policies from the MAC to approved insurers; and, if the bill is passed, novation of insurance policies is not required as the bill in its transitional provisions (clause 15 of part 3) provides for the transfer of policies (so that will be a difference in the bill that goes out). The registration form also contains information designed to enable motorists to undertake a selection of insurer processes as permitted by section 99A(2) of the Motor Vehicles Act. That process will be amended if and when the bill is passed. So, a number of things will be different on the bill, depending on whether or not we pass this.

**The Hon. R.I. LUCAS:** For the reasons I outlined on Tuesday (and I think it is now clear from the early questioning on clause 1), if we continue with the debate in committee today, it is quite clear in my view that the parliament will be better informed if detailed questioning of officers directly by the Statutory Authorities Review Committee could be concluded at the Monday meeting of the

Statutory Authorities Review Committee and for that committee to report, as it has been asked to report.

Certainly, nothing that the minister has indicated here shows that the government is not going to be able to proceed with its introduction of the private sector operation of the CTP insurance market. It is clear that the premiums, whatever they happen to be (and we do not know, other than some average figure) are already locked into the contracts. This regulator is not going to have any role whatsoever to play in relation to that.

It is also clear that the minimum terms and conditions have already been decided by the government and written into the contract. It is also clear that the rules and guidelines, as the minister has made clear, have already been written into the contract, and so the independent regulator, at least in the initial stages, is not going to have any impact in those areas.

For all those reasons, my view remains the same as last Tuesday. I believe the parliament should be informed about the rules and guidelines that are going to apply, should know what the minimum terms and conditions are, and should know exactly what the premiums are that the government has agreed to for all of the premium classes of vehicles in South Australia. For all those reasons, I move:

That progress be reported.

The committee divided on the motion:

Ayes ..... 7  
Noes ..... 10  
Majority ..... 3

AYES

Darley, J.A.  
Lucas, R.I. (teller)  
Wade, S.G.

Dawkins, J.S.L.  
McLachlan, A.L.

Lee, J.S.  
Stephens, T.J.

NOES

Brokenshire, R.L.  
Gazzola, J.M.  
Maher, K.J. (teller)  
Parnell, M.C.

Franks, T.A.  
Hood, D.G.E.  
Malinauskas, P.

Gago, G.E.  
Kandelaars, G.A.  
Ngo, T.T.

PAIRS

Lensink, J.M.A.  
Vincent, K.L.

Hunter, I.K.

Ridgway, D.W.

Motion thus negatived.

**The CHAIR:** I make the point that in the future, the Hon. Mr Ridgway, if you are paired out you should not be in the chamber, no excuses. Welcome the guests, but you should not be in the chamber.

**The Hon. K.J. MAHER:** As a point of clarification in relation to an earlier question, I think it is worth pointing out some advice I have received in relation to premium increases. I am informed that the premium increases are referenced to class 1 and that will be increasing by 2.91 per cent. All other premium classes are referenced to this class and increasing on average around 3 per cent.

**The Hon. R.I. LUCAS:** Is that for the financial year 2016-17 and for each of the two subsequent financial years?

**The Hon. K.J. MAHER:** I can inform the honourable member that that is for the first year of operation of the scheme.

**The Hon. R.I. LUCAS:** What is the similar information in relation to 2017-18 and 2018-19?

**The Hon. K.J. MAHER:** I do not have the exact figures with me, but I can inform the honourable member that it will be similar.

**The Hon. R.I. LUCAS:** Again, I express my concerns that the parliament is not being fully informed of what the premium increases are. In relation to clause 1, before we move on to the other clauses, can the government update the committee in relation to the progress of the privatisation of CTP, that is, in relation to the four operators? Can the minister indicate what the arrangements in relation to existing customers will be? That is, everyone in South Australia is currently a customer of the Motor Accident Commission; what does the government have in mind in relation to how the existing customer base will be divided between the private sector insurers?

**The Hon. K.J. MAHER:** I am advised that they will initially be randomly allocated to match the market share of those new entrants and evenly spread according to different premium classes.

**The Hon. R.I. LUCAS:** Has that random allocation of customers already been conducted by government officers, given that there is no independent regulator and there will not be an independent regulator prior to 1 July? A person might be appointed by then, but he or she will not have been able to do this sort of work. Have government officers already done that work?

**The Hon. K.J. MAHER:** I am advised that the design work for that process is occurring and, that process will be carried out prior to 1 July.

**The Hon. R.I. LUCAS:** When will individual customers be told that they are no longer being represented by the Motor Accident Commission and QBE or which of the four insurers they have been allocated to?

**The Hon. K.J. MAHER:** I am advised that after 1 July, once people receive their registration certificate it will be on there who they are allocated to.

**The Hon. R.I. LUCAS:** Can the minister clarify when individual customers will receive their invoice or bill for the 2016-17 year? I think the minister was advising other members that this was all to be done in May. When will individual customers actually receive their invoice and the notification of what their premium will be for next year as well as who is representing them? If they have an accident to whom do they go?

**The Hon. K.J. MAHER:** My advice is that the insurers will not become the insurers until 1 July. So it will be after people receive the information, after 1 July, that the name of the insurer they have been allocated to will be on there.

**The Hon. R.I. LUCAS:** I do not intend to delay the debate, but it seems to make sense that, if the work has been done, customers should be advised who their private sector insurer is going to be prior to 1 July. I would have thought individual consumers should have been advised prior to the operation of the private sector insurer in the market rather than at some time after the 1 July. Let us assume they have an accident on 1 July, they are not aware of where they might actually go. It would seem to make sense to have actually advised them prior to the commencement of the new scheme.

**The Hon. K.J. MAHER:** I think it will be of benefit to the honourable member that the helpline number that people currently use will still be used. When ringing that, people will get to the right place.

**The Hon. R.I. LUCAS:** So the minister is indicating that as of 1 July, even if the customer has not received the paper notification of who they have been allocated to, the helpline will know? When K. Maher rings up, having crashed his government car, the helpline will know that he has been allocated to QBE and he should now contact QBE? The helpline will know the individual allocation of every customer in South Australia as from 1 July?

**The Hon. K.J. MAHER:** I can advise that is correct.

**The Hon. R.I. LUCAS:** In relation to the operation of the CTP, the regulator itself, the minister has indicated that an individual person, the regulator, is going to be appointed. Clearly, the

government must have a budget cost for the operation of the CTP regulator for financial year 2016-17; it would have had to have been approved. Can the minister indicate what the budget cost for the CTP regulator is for the financial year 2016-17?

**The Hon. K.J. MAHER:** That is not detail I have here today, or can be advised of today. However, when I have that figure I am sure it can be provided to the honourable member.

**The Hon. R.I. LUCAS:** Is the minister indicating that he just does not have it here or that the government has not determined it? I find it hard to believe that Treasury would not have already approved it as part of the appropriation for 2016-17. Is the minister indicating that there is a number but he just does not have it?

**The Hon. K.J. MAHER:** I thank the honourable member for his question; I know he will be intimately knowledgeable of these matters as a former treasurer of this state. The budget for the 2016-17 financial year has not yet been approved, but when it is I am sure we can provide the honourable member with details about this very specific question and part of the 2016-17 budget.

**The Hon. R.I. LUCAS:** That is a cute response but, given that I have been a former treasurer, it would not be dependent on a 2016-17 budget. As part of the process of privatisation of the CTP, there would have had to have been approval for what the operation of a CTP regulator would be. If Treasury had not outlined that, then it would have been negligent in terms of the whole privatisation of the CTP scheme. So it would not be dependent on a decision that has been taken for the 2016-17 budget; it would have been part of the approval process for the privatisation of compulsory third party.

I would hope the minister will take on notice and, at some stage, assuming the bill is passed today, at least advise this house and members as to what the budgeted costs of the CTP regulator will be. It will certainly be an issue that some members of the Statutory Authorities Review Committee will seek from the officers who have been involved when they take evidence next Monday.

The final question for me in relation to clause 1 is in relation to the operation of the CTP regulator. The minister indicated that decisions about staffing were still to be taken; I think he indicated that in his initial response. I am assuming there must be some general agreement by the government on what the size of the regulator's staff initially will be. That is, not just he or she as the regulator, but other staff. Can the minister indicate what the initial staffing approval is for the independent regulator?

**The Hon. K.J. MAHER:** My advice is that is still a matter under consideration and evolving as the regulator's office and the details of it are put together.

Clause passed.

Clause 2.

**The Hon. R.I. LUCAS:** Can the minister indicate to the house, if the legislation is passed today, exactly what day does the government intend this act will come into operation?

**The Hon. K.J. MAHER:** I am advised as soon as practicably possible, but certainly prior to 1 July.

**The Hon. R.I. LUCAS:** Will it not need to have been proclaimed much prior to 1 July if you are going to go ahead and appoint the independent regulator? You have indicated that you have advertised, and a variety of other things have been done. Is it the government's advice that this legislation will have to be proclaimed before you could go ahead and appoint the regulator and make those sorts of decisions?

**The Hon. K.J. MAHER:** I am advised—and I think this answers the question—that if this bill is not passed, the person recruited to regulate this scheme will become a public servant. If this bill is passed, they will be an independent regulator and not a public servant.

**The Hon. R.I. LUCAS:** I thank the minister for that answer, but my question really was: is the minister saying by way of that that this legislation does not have to be proclaimed prior to the appointment of the regulator? That is, the government can appoint a regulator without this legislation being proclaimed. Is that what the minister is trying to say in his previous answer?

**The Hon. K.J. MAHER:** Yes, I am pretty sure I understand the question. Once this bill is proclaimed, the person recruited will be the independent regulator. If this bill does not pass and is not proclaimed, the person will be recruited as a public servant.

**The Hon. R.I. LUCAS:** You can appoint the regulator without proclaiming this legislation?

**The Hon. K.J. MAHER:** We can appoint someone to carry out the functions of a regulator, but without this legislation they will be a public servant and subject to all the things that that means. But with this legislation, they will be an independent regulator.

**The Hon. R.I. LUCAS:** For those reasons, I would have thought therefore that if it is passed today, the government should be saying it is going to proclaim it well prior to 1 July because if you want to appoint a regulator you need to have proclaimed the legislation prior to appointing a regulator.

**The ACTING CHAIR (Hon. J.A. Darley):** I call the minister. Could I ask that members around the chamber keep their voices down because it does interfere with me, and others, hearing the minister and the Hon. Mr Lucas. The minister.

**The Hon. K.J. MAHER:** I think we are almost accidentally in furious agreement with each other on this point, that as soon as we possibly can this will be proclaimed, should the bill pass today, to allow for the person to be appointed as the independent regulator.

Clause passed.

Clause 3 passed.

Clause 4.

**The Hon. R.I. LUCAS:** I have just a quick question in relation to this. With the other regulator that we are familiar with in South Australia, the Essential Services Commission, governments of the day have appointed a number of commissioners with equal power which is shared and they have a CEO. This bill seems to indicate that that is not possible, or envisaged; that is, it just says, 'The CTP Regulator is established...is a body corporate with perpetual succession.'

Can I just clarify whether the government believes this legislation allows for the appointment of the equivalent of commissioners; that is, other people with similar functions, in the Essential Services Commission, or must it always be just a single person who holds the function of the regulator and is the body corporate with perpetual succession?

**The Hon. K.J. MAHER:** I am just receiving some further advice. It is certainly the intention that it will be one person, but that does not answer all of your question so I will, in just a moment, further answer that. It is the intention that it be one person, and I am informed that it can only be one person under division 2, clause 8—Constitution of CTP Regulator. Subclause (1) provides:

(1) The CTP Regulator will be constituted of the Chief Executive Officer (CEO) of the Regulator.

So, it is not just the intention, but the act, yes, specifically says it will be one person.

Clause passed.

Clause 5.

**The Hon. R.I. LUCAS:** Before moving my amendment, there are a couple of issues I want to clarify; a number of them I have already clarified in questioning on clause 1. The answers to the questions I put in clause 1 make it quite clear that for the first three years the regulator's ongoing functions after 2019 will not be applied in relation to critical areas, in particular in relation to premium increases, which has been clear.

We are also advised that the minimum terms and conditions of the policies have already been locked into contracts. We have also been told that the rules and guidelines have also been locked into contracts. So, our contention remains the same; that is, by and large for the first year or so the CTP regulator is going to be doing very little. It will commence its work for the 2019 premium price review sometime, we are told, I think the minister said, late 2017 or early 2018, so potentially 18 months before the operation of the new premium increases for July 2019.

For the first 12 to 18 months it is essentially going to be just settling into their premises, establishing their office, employing staff, putting in IT systems, doing general monitoring, etc. I ask the minister: is it possible for the government to approve additional private sector insurers in the first three-year period? If the answer to that is yes, what is the process for that and does the independent regulator have a role in that process?

**The Hon. K.J. MAHER:** I am advised that this bill, under schedule 1 part 5 subsections (1) and (2), during the transition period an application for approval as an insurer under this part may only be made on the invitation of the minister. A further entrant could apply but only on the invitation of the minister. I am further advised that the scheme is fully subscribed at the moment, so that envisages the possibility that, if an insurer drops out, that market share needs to be replaced at the invitation of the minister.

**The Hon. R.I. LUCAS:** The minister is saying that for the three-year period that we are talking about, that is the transition period, isn't it?

**The Hon. K.J. MAHER:** Yes.

**The Hon. R.I. LUCAS:** Yes, so for the three-year period no private sector insurer can apply to compete. The four insurers have been guaranteed that we will not let any additional competition into the marketplace for three years as part of your contract, and the only reason we might would be if one of you goes broke and we have to replace you. The minister would then be responsible for inviting somebody.

**The Hon. K.J. MAHER:** I can inform the honourable member that I am advised that is the intention of the scheme.

**The Hon. R.I. LUCAS:** I hope it is more than the intention that that is what the legislation we are being asked to approve actually does. Is that the minister's advice? Other than it is the intention, that is what this legislation will actually achieve: no-one can actually compete.

**The Hon. K.J. MAHER:** I am advised that the answer to that is yes.

**The Hon. R.I. LUCAS:** Given that the four private sector insurers have been guaranteed, in essence, no additional competition for at least a three-year period, have the private sector insurers paid a lump sum payment up-front to the government as part of the privatisation?

**The Hon. K.J. MAHER:** I am advised that on 1 July those insurers are contractually obliged to pay the government for the first three years.

**The Hon. R.I. LUCAS:** Will the government be revealing either before 1 July (I assume it might possibly because there will be a budget released before 1 July), and will the government be outlining in the budget, what amounts the private sector insurers have paid to be able to compete in the marketplace—

*The Hon. K.J. Maher interjecting:*

**The Hon. R.I. LUCAS:** Well, I am not sure; it is up to the government either individually or collectively. But I am assuming that at some stage the government will have to advise how much it has actually received for saying, 'You can compete, but we won't allow any other competition for three years.'

**The Hon. K.J. MAHER:** I am advised that in December the Treasurer made public that it was approximately \$260 million.

**The Hon. R.I. LUCAS:** That was an aggregate figure, obviously, on behalf of the four, and that \$260 million will not be paid until 1 July to the state.

**The Hon. K.J. MAHER:** I am advised that is correct.

**The Hon. R.I. LUCAS:** In relation to post the transition period, after 2019, what is the process for another insurer wanting to participate in the market? What role does the independent regulator have post 2019 when another insurer might say, 'We want to compete in the marketplace against the four existing insurers'?

**The Hon. K.J. MAHER:** Under clause 5(1)(g) the regulator is the one, after 2019, who would make an assessment of the application from an insurer for approval or withdrawal under this scheme, and the terms and conditions of an undertaking, agreement or contract entered into would make such recommendations to the minister.

**The Hon. R.I. LUCAS:** I acknowledge clause 5(1)(g), which provides:

to make recommendations to the Minister in relation to...the assessment of an application from an insurer...

But it would appear that makes it clear that is only a recommendation to the minister, that potentially the independent regulator might approve the operation of another competitor but the minister has the reserve power to say no.

**The Hon. K.J. MAHER:** I am advised that under section 101 of the Motor Vehicles Act it is currently the minister who has the power to approve new entrants into this insurance scheme—and that will remain the case. It will be the minister's power under section 101 of the Motor Vehicles Act to have the final say in approving new entrants.

**The Hon. R.I. LUCAS:** I thank the minister. What the minister is saying is that under 5(1)(g), whilst the independent regulator in the future might assess an application, and in essence endorse or make a recommendation that that private sector insurer should be able to compete, ultimately the decision rests with the minister and he or she can say no. I asked most of my questions on clause 5 at clause 1, so I am now happy to now move the amendment standing in my name. I therefore move:

Amendment No 1 [Lucas-1]—

Page 5, line 36 to page 6, line 3 [clause 5(3)]—Delete subclause (3) and substitute:

- (3) In determining premium amounts, the Regulator—
  - (a) may not fix differential premiums except on the basis of 1 or more of the following:
    - (i) vehicle type;
    - (ii) vehicle use;
    - (iii) garaging location;
    - (iv) entitlement under the GST law to an input tax credit in respect of compulsory third party insurance premiums; and
  - (b) must be satisfied that the premiums are fair and reasonable in the circumstances.

As I outlined on Tuesday, given that we are not better informed by the finalisation of the Statutory Authorities Review Committee review of this bill, this is the only amendment I am in a position to move, given that the bill is being discussed today.

I again highlight that, post the Statutory Authorities Review Committee's report, it may well be that the committee highlights, from its viewpoint, other areas of deficiency in the legislation which we might have believed should be moved and at least tested on the floor of the Legislative Council to potentially improve the operation of the bill. Given the decision of the parliament, which I obviously accept as always, even though ours was a minority view we will just have to move on this amendment and the others will await, potentially, our recommendation from the Statutory Authorities Review Committee.

This is a simple amendment and is essentially to continue the existing arrangements. Many members of this chamber have argued that premiums ought to be fair and reasonable, not just in this area but for other government charges, whether it be water rates, sewerage charges or a whole variety of other charges. Certainly, a majority of members in this chamber at various times have argued very strongly that there should be notions of fairness and reasonableness in those determinations. All this amendment is seeking on this occasion is to continue the existing arrangements. It is not as if this is some bizarre new alien concept to be introduced into premium setting in South Australia.

For many years, the existing arrangements have required that, in determining premiums, one of the issues that has to be considered is that they are fair and reasonable. The notion that this is a



vague concept, unable to be determined, is completely contrary to the legal advice the various law bodies gave in evidence to the Statutory Authorities Review Committee. They indicated, and I think the minister acknowledged and sought unsuccessfully to rebut, that there is a lot of precedent in relation to the words 'fair and reasonable' in terms of judicial interpretation. It has existed in this legislation for many years.

It is the Liberal Party's view, given that this is being forced to a vote today, that the existing arrangements should be able to be continued. That view is reinforced by the evidence we took from the independent regulator from New South Wales. We have put questions on notice to the independent regulator but have not yet had the advantage of receiving the responses.

Given that this was being forced to a vote today, we have done a quick search of the legislation and guidelines that apply to New South Wales (and this has not come directly from the New South Wales regulator, other than that he did say, 'Yes, we do have a notion of affordability', and we found that, whilst it is not outlined in the actual legislation, the legislation includes guidelines that apply to premium setting for the independent regulator, and in those guidelines the new South Wales regulator is required to consider affordability, that is, that these premiums are affordable.

I think that all members will accept that the notion of affordability is very similar, very akin, to the existing notion for premium setting in South Australia of fairness and reasonableness. We will be able to explore this on Monday with the various officers as to whether they have a particular view in relation to affordability as opposed to fairness and reasonableness, if they were required to have a choice of either/or, or whether they saw a difference or a distinction. We will not be in a position to explore that, given that the legislation is being rushed through this afternoon.

All we are in a position to do, in essence, is put the simplest argument; that is, the independent regulator should be asked to consider the issue of the premiums being fair and reasonable. The simple argument for that is, as I said, summarised by the fact that it has existed for many years here and the New South Wales independent regulator has to abide by a similar guideline—that is, of affordability. I think the issues are pretty clear, certainly for those of us who support premiums being fair and reasonable, and I would hope that the majority of members would at least support this amendment to the government's legislation.

**The Hon. K.J. MAHER:** I thank the honourable member for his reasons for this amendment. Whilst I readily acknowledge that putting words like 'fair and reasonable' into bills where there are costs associated to consumers has a certain superficial attraction, I think we would want to be really careful about doing that. While I am sure the honourable member's intention is to make it fair and reasonable in terms of the costs for consumers and potentially to keep the costs down, the legal advice is that this phrase is legally vague in the context of section 129 of the Motor Vehicles Act and would be so here.

I would hate for us to put this in here and then be in the position that the very clever teams of lawyers that insurers have look at this phrase 'fair and reasonable' and use it to construe a court case to challenge premiums to go up. I am sure that the Hon. Rob Lucas' intention is to be on the side of the consumer, and that is why I say that it has a superficial attractiveness to it. I would hate for us to pass this and, because of potential legal uncertainties, it lead to a legal challenge that is pushed by insurers using this phrase with their teams of lawyers to mount a court case for a rise in insurance premiums.

**The Hon. M.C. PARNELL:** I have not weighed into the committee debate because I was waiting until the Hon. Rob Lucas moved his amendment. I will put my thoughts on the record now. I have to say that at first blush my inclination was to support the amendment because, when I looked at it through the eyes of a consumer, I could see what the honourable member was trying to achieve; that is, as motorists we want premiums to be fair and reasonable. We do not want them to be excessive. We do not want them to be unfair and unreasonable. That was my starting position.

I have to say that I was not overly convinced by the government's arguments as expressed in the minister's contribution on clause 1, which, to paraphrase, was that unless the list of considerations is exhaustive you are best not to put anything in and that just putting in 'fair and reasonable' and not putting in other things might be problematic. I was not overly convinced by that.

Then I looked at it from the perspective the minister has just outlined; that is, when you put words into legislation they mean something to all parties. I was looking at it from the point of a view of a disgruntled motorist being able to go to court and say, 'The regulator has overreached. The regulator has imposed on me a premium that is unfair and unreasonable.' I accept that the government is saying that they can build in tests of fairness, reasonableness and affordability into other guidelines and documents. Their concern was putting it into the legislation because obviously it is a higher order document.

Whilst my administrative law is a bit rusty, and whether it is a writ of mandamus or prohibition or one of those things we learnt about in law school where someone can go to court and claim that a decision-maker has not followed the legislation, if it is a situation, as the minister has just explained, that it could be the insurance companies actually challenging the premiums set by the regulator—not to say the premium is too high, but to say the opposite, that actually the premium is too low—the result of that would be that motorists end up paying more. Our premiums are going to be higher. I think that would be a very unfortunate state of affairs.

The test that the Greens have put to this is, first of all, is the amendment necessary? The government has said that it is not because it can achieve these objectives in other ways. The question then becomes: if it is not necessary, does it do harm? It is at that point that I am getting a bit stuck, because if the answer to that question is, yes, it does do harm or it can do harm, then I am not inclined to support it.

A subsidiary issue would be, as the Hon. Rob Lucas has pointed out, 'These words have been in there for ages,' but then we have had a monopoly government-controlled insurer for ages, which was unlikely to ever go to court and challenge itself. Once you have these other companies in there, they are driven by no other objective than making a profit. That is the entire reason that they exist. They are not part of the Public Service. They have no obligation other than to their shareholders and to maximise their profit.

I will say it again: we do not support the privatisation. We did not support it when they did it to public transport and artificial competitive tendering. They have introduced it in a whole lot of areas, a lot of services and utilities. We do not like it. I am concerned about the Liberal amendment if we pass it. Whilst it seems innocuous—we are just including fairness and reasonableness and if you do not like that you must be a supporter of unfair and unreasonable—I do not think it is as simple as that.

I think if what the minister has said is at all a risk, then we will have these private companies going to court to have a second bite at the cherry. They will have their negotiations with the regulator. In a second bite at the cherry they will go to court. The temptation with court cases is, 'Let's split the difference; let's settle it,' 'lawyers' picnic,' all that sort of stuff. My inclination, given that as the minister said, this could be a tool used by companies to in fact raise premiums and increase the cost of living for all South Australians, the Greens are not inclined to support the amendment now.

**The Hon. R.L. BROKENSHIRE:** We also have said many times that we do not agree with the privatisation of MAC and we have opposed it. We know now that we have to deal with this because of the way that it has been handled. Like the Greens on this occasion, when we actually probably have commonality—we do from time to time—this was of interest to us. The one thing that we are particularly concerned about is the fact that, after the three years of capping there is no doubt, if you look at the New South Wales model, whoever is in government at that time is going to have to deal with some fairly angry motorists, because we are going to see significant increases in premiums. The main thing is what the Hon. Mark Parnell talked about, that is, it is going into private sector hands and they do have an obligation to make a profit, keep their books in credit and look after their shareholders.

Prima facie, we thought that these were good amendments. The legal advice given, though, that we could have this used to counterproductively make it even more expensive for motorists, also concerns us. If we see smart lawyers, well paid by insurance companies, using this to manipulate the opposite in the courts, then that would be detrimental again to motorists. One option might have been if the government and the Hon. Rob Lucas, on behalf of the opposition, had tried to thrash out and agree with perhaps subclause (3)(a) and not subclause (3)(b). That may have been something that was worthwhile.

To that point therefore, whilst for the reasons that the minister has outlined, we now feel that we cannot support it because of the risks involved with respect to subclause (3)(b). I do ask the minister on behalf of my farming colleagues, the trucking industry and many of us who still do live, and will continue to live, in the country, where there are differential garage location charges, what assurances or what legal protection do motorists have regarding differential premiums and the vehicle type, the vehicle use, the garaging locations, the entitlements under the GST law to an input tax credit, etc.? Are they legally covered in all respects? I seek some clarification from the minister.

**The Hon. K.J. MAHER:** I thank the honourable member for his question and acknowledge the work that he does in this area and his genuine commitment to protecting the interests of those people whom he has outlined. In terms of some of those other ones, that is already in the bill. Clause 5(3) states:

In determining premium amounts, the Regulator may not fix differential premiums except on the basis of 1 or more of the following:

- (a) vehicle type;
- (b) vehicle use;
- (c) garaging location;
- (d) entitlement under the GST law to an input tax credit in respect of compulsory third party insurance premiums.

That is in the bill, as it currently stands, that we will vote on today. It is already there, that other part—

**The Hon. R.L. BROKENSHERE:** I wanted that on the record so that it is there for future reference, confirmed. Therefore, based on deliberating the balance of this amendment, we will not be able to support the amendment.

**The Hon. R.I. LUCAS:** I think this is a bizarre interpretation. I have heard the Hon. Mr Brokenshere and others who have opposed privatisation say that the concern they have is that there are going to be massive increases in premiums after the three-year period. There are any number of quotes from various people who have said that post the three-year period there are going to be massive increases in premiums. Yet now we are saying that we cannot put a protection in there because maybe it is not going to be that; there might be premium reductions, and there will be an argument against that from the insurers. That is the logic being used by the Greens and Family First in relation to this issue.

If I can, I will just quickly seek advice from parliamentary counsel in relation to this. It may well be that if that is the issue the simple addition of words to the effect of 'premiums are fair and reasonable to consumers', or 'to motor vehicle owners or operators'—whatever the appropriate phrase is so that the fairness and reasonable provision relates to the punters and not to the insurance companies—would meet what appears to be the interpretations that Family First and the Greens are putting.

That is, in some way, post the transition period, we are not going to be seeing massive increases in premiums; what we are going to see is reductions in premiums and punters actually benefiting, and the insurance companies are going to want to argue for an increase because it is not fair and reasonable to them as insurance companies as opposed to the punters.

As I said, if it is the mere addition of the words 'to consumers', or 'to motor vehicle owners and operators', whatever the appropriate phrase is (which I will get from parliamentary counsel), it may well be that I will seek to move my amendment in an amended form and we can then test the resolve of Family First and the Greens. That would appear to meet the concerns they have that 'fair and reasonable' might be interpreted in some bizarre way as being fair and reasonable to what some would argue are the greedy and rapacious insurance companies, as opposed to what was clearly intended here, the ordinary and long-suffering punters who have been protected for a long time with exactly the same phrase under the existing legislation. All that is being sought here is for it to apply under the new arrangement.

With the concurrence of the chamber I will quickly consult parliamentary counsel to find out what the appropriate words are to describe punters, and I will move it in a different form. I thank the

committee for the indulgence. Given that we are rushing this through this afternoon, we will work on the run. Accordingly, I now move the amendment in an amended form:

Amendment No 1 [Lucas-1]—

Page 5, line 36 to page 6, line 3 [clause 5(3)]—Delete subclause (3) and substitute:

- (3) In determining premium amounts, the Regulator—
  - (a) may not fix differential premiums except on the basis of 1 or more of the following:
    - (i) vehicle type;
    - (ii) vehicle use;
    - (iii) garaging location;
    - (iv) entitlement under the GST law to an input tax credit in respect of compulsory third party insurance premiums; and
  - (b) must be satisfied that the premiums are fair and reasonable to the registered owners of the motor vehicles.

In speaking briefly to that, as I said, I really do not think it is necessary. There has been this bizarre response from the government which has, essentially, said that post three years' time, contrary to all the concerns that have been expressed that there is going to be this massive increase in premiums because of private sector operators, the government seems to have convinced some members in the chamber that that potentially might not be the case.

What might happen is there will actually be this reduction in premiums, or there will not be this massive increase in premiums, and the greedy, rapacious private sector insurers will come along and argue: 'You are not being fair and reasonable to us as the greedy, rapacious private sector insurer. We want you to increase the premiums.'

As I said, I do not think this is necessary. It has not existed for the last few years, but we now have private sector operators, which is the point the Hon. Mr Parnell has made. If that is of concern to members, this redraft makes it quite clear that we are not talking about the sensitivities of what some might describe as the greedy, rapacious private sector insurers; we are talking about the interests of the punters in South Australia, the original South Australians who have to pay the premiums, the people who own the registered motor vehicles and pay the premiums.

I cannot imagine, in any circumstances, how Greens members in this chamber, or Family First members in this chamber, could not support something which protects the punters in relation to this, particularly as concerns have been expressed about the private sector operation in the CTP market. This covers off the bizarre interpretation that this might in some way protect the insurance companies and makes it quite clear that the intention of this particular amendment is to protect the ordinary punters in relation to this particular issue.

I would hope that not only would the Greens and Family First support it, but that even the minister, on behalf of working-class South Australians, would also have a change of mind and now support this protection for the ordinary punters in South Australia.

**The Hon. K.J. MAHER:** I thank the honourable member for his contribution and his endeavours to now speedily finish this bill. The government still has the same reservations about the legal vagueness that this creates and will not be supporting the amendment in the amended form.

**The Hon. M.C. PARNELL:** I also appreciate what the Hon. Rob Lucas is attempting to do. In the past, I have also, if I have seen what I think is an easy fix, gone to parliamentary counsel and asked whether we could do an amendment on the run to fix it up. I guess I am a little bit uncertain about whether, whilst at first blush it is saying that premiums do not need to be fair and reasonable to insurers, the greedy and rapacious, I think—they were not my words; they were the Hon. Rob Lucas's words—it does not need to be fair and reasonable to them but it does need to be to the registered owners of motor vehicles.

What is interesting, of course, is that under the honourable member's amendment, paragraph (a) you have the four things that can be taken into account in fixing differential premiums,

and then in (b) you have the fair and reasonable test. What I am uncertain about, from a legal perspective, is how those two things might work together. For example, with the garaging rules, it is an artificial line that is drawn through the suburbs: if you live in one street your premium is \$100 more than if you live in the next street.

I am thinking, even though we have talked about insurance companies going to court, would it open the door for motorists to go to court? I am not sure whether I think that is a good idea or not. Normally, as a lawyer, I am happy for people to exercise their legal rights and to challenge unfair and unreasonable principles, but the churning feeling in my stomach would be that the whole system might end up in court, where people are arguing four-cylinder versus six-cylinder, sedan versus station wagon versus mini bus, and the location of one street in an outer suburb compared with the next street in an outer suburb.

I am not sure how these two sections would work together. I am still struggling to be able to support drafting on the run. Whilst I fully support what the honourable member is trying to do—he is basically saying that he only wants the fair and reasonable test to apply to the registered owners of motor vehicles and not to any of the other players—I am still quite uncertain about whether that is worth supporting. When faced with uncertainty and with the drafting of amendments on the run, and given that there will not be any ability for me to get any meaningful legal advice in the next hour or half hour, my inclination is not to support the amendment, even as moved in an amended form.

It is one of those things that this legislation has been on the books since, I think, October of last year. I know the honourable member will say that he has been forced into putting amendments before the council because the government is insisting on the bill going through this year. As I said before, I have told the government that we think this bill can go through. We want the independent regulator in place. Overwhelmingly, that is the purpose of this legislation, to get that in place. As I said, I was previously satisfied that the government could ensure a fair and reasonable test and an affordability test through guidelines and other mechanisms, so at this stage I am still not inclined to support the amendment, even as moved in an amended form.

**The Hon. R.L. BROKENSHERE:** As the Hon. Mark Parnell has said, it puts us into somewhat of a dilemma that we are having to consider this now on the run. We have made it clear to my good colleagues on the right that we do not want to have the government bring in a regulator on contract, that we want to have a situation where we have a statutory independent regulator.

The way the whole structure is now, we feel if we do not have a statutory independent regulator now we will have a situation where the government will put in a contracted regulator, and that is something we simply cannot live with. We want to remove this from tinkering that the government can put in place when they have a contracted regulator.

We have considered this on the run. It is not good legislation to have to do this but we have made a commitment that we want to see this bill through tonight. We made that commitment. I have made that public. We have other important legislation to deal with as well which we are keen to do. We will not very proactively support on-the-run amendments but we do—

*The Hon. S.G. Wade interjecting:*

**The Hon. R.L. BROKENSHERE:** No, but I am about to come to the point if you give me 30 seconds. We want to do what we can to support consumers and, therefore, we will be supporting the amended amendment.

Amendment as amended carried; clause as amended passed.

Clause 6 passed.

Clause 7.

**The Hon. R.I. LUCAS:** Can I suggest to the minister he might like to report progress because he could do the child protection bill? We are happy to do that, and then I am happy to come back and resolve the remaining questions I have. I have no further amendments. If the minister is prepared to do that, we can do the child protection bill. I only have a series of questions on about four other clauses, but I am mindful that people have been waiting all afternoon for what we think should have been the major priority. If he is prepared to report progress, we will support that, and I would

undertake to do my remaining clauses. I have no further amendments that I am able to move at this stage.

**The Hon. K.J. MAHER:** To clarify this with the honourable member, is he prepared to give an undertaking to deal with the rest of this bill, or should we report progress now tonight?

**The Hon. R.I. Lucas:** Yes.

**The Hon. K.J. MAHER:** On that basis, I move that progress be reported.

Progress reported; committee to sit again.

### **CHILDREN'S PROTECTION (IMPLEMENTATION OF CORONER'S RECOMMENDATIONS) AMENDMENT BILL**

#### *Second Reading*

Adjourned debate on second reading.

(Continued from 15 October 2015.)

**The Hon. T.A. FRANKS (17:25):** I rise on behalf of the Greens to speak to the Children's Protection (Implementation of Coroner's Recommendations) Amendment Bill 2015. As members are aware, it has taken some time to get to the final stages of debate in this place, having passed in the other place in June 2015.

I note that the Greens have put in our whipping instructions for some many months now—in fact, the entirety of this year—for this bill to proceed. We understand that there were sticking points around the definition with regard to drugs and alcohol, and the testing of parents in those situations; I understand that these have now finally been resolved. It would have been the Greens' preference and no doubt that of many in the community, and the sector's preference that that could be resolved more speedily.

Of course, we are here today because of the death of a little girl and the Coroner's recommendations upon her death. The Coroner, Mark Johns, in his recommendations and report on the death of Chloe Valentine, described Families SA as 'broken and fundamentally flawed'. He recommended law changes in a raft of areas, and this bill today picks up some of those, but I would note that he recommended that any parent convicted of manslaughter or murder of a child should automatically have a future child removed from their care at birth.

He also recommended that all social workers with less than 12 months' experience should be supervised. He recommended urgent re-education to rectify a widespread misunderstanding that parents have to be consulted on any care decisions about their child and, importantly I believe, a requirement for social workers to be registered. Of course, in this state, unlike in other jurisdictions, we still do not have a registration system for social workers.

Members would no doubt have received the same pieces of correspondence as I have recently from the Australian Association of Social Workers, dated 29 March 2016, with regard to their call for parliament to urgently voice our support for legislation for the regulation of professional social workers both in this state and nationwide. I note that the relevant minister seeks to simply put this on the national agenda. We need to stand up as a state and act to register social workers in this state.

I am very conscious that it has taken an enormous amount time for this bill to reach this stage in the process, not just today but over almost the past year. With those few words, the Greens support this bill today and look forward to the recommendations being implemented and further work being done and, in particular, that call for social workers to be registered with some urgency. We look forward to further parliamentary work on that.

**The Hon. S.G. WADE (17:28):** I will briefly indicate my disappointment that this was not made an earlier order of the day, but I hope that the House of Assembly will be patient with us. This bill passed the House of Assembly on 2 June 2015 with government amendments. I gave my second reading speech on 15 October and no further work has been done on the bill until today.

As the Hon. Tammy Franks reminded the house, this bill is in response to the tragic death of Chloe Valentine. On 20 June 2012, Chloe Valentine, a young four-year-old girl, died. In death, Chloe

has touched the hearts of the South Australian community. As I said in my second reading speech, her mother and her mother's partner were the only ones who harmed Chloe, but the whole community let her down.

I acknowledge in the gallery today Chloe's grandmother, Belinda Valentine, and partner, Steve, and their friends. Belinda has been a strong advocate for children. She is determined to do what she can to reduce the risk on children in similar situations to Chloe, and beyond this bill she has also advocated in areas such as foster care reform and the Commissioner for Children and Young People. I look forward to the committee stage of the bill.

**The Hon. R.L. BROKENSHIRE (17:30):** Given the hour and the importance of getting this legislation through, I will be brief, but this is a very important piece of legislation, one that I am sure all of us here would like to have put more time into today, explaining certain points, but we respect the fact that, paramount, we must get it through.

I congratulate the opposition on ultimately getting the government to agree to some amendments. I believe the government has dragged the chain on this for a very long period of time. In fact, it has been of concern to Family First, and I am sure to everyone other than the government (and I cannot understand why it was not of concern to the government), that this has been left in limbo, as the Hon. Stephen Wade said, for pretty much a year to the day.

Whilst we will support the amendments that have been put forward by the Minister for Police on behalf of government (and I do not blame the Minister for Police for delays in this because he is not the minister carrying the bill, and also he has only been a minister this year), I do want to put on the record that, whilst we will be supporting it and not putting up further amendments for the reasons I have highlighted, I foreshadow that we will bring in a private member's bill. On 11 April 2015 I was quoted publicly in *The Advertiser* trying to give a clear message to the government that it needs to get serious about ensuring that, in a situation where parents are not in a position to properly and adequately look after a child, we do not see another sad set of circumstances like we saw with Chloe Valentine.

I commend Chloe's grandparents and supporters for their efforts, as they are an integral and big part of this. In my 21 years in the parliament, I cannot recall an occasion when, wherever I have gone, there has been so much concern and expression of love for Chloe Valentine and her grandparents, but also concern about where the legislation was not up to properly ensuring that we have the toughest legislation to protect these circumstances. With the sad passing of Chloe, I am sure that everyone does not want that to occur in vain; therefore, we see where the parliament is coming from with respect to the amendments.

I said on 11 April 2015 that I would draft legislation if the state government would not toughen its stance. Here it is here, now 14 April—one year and three days later—and we have a compromise, but to me it is only a compromise and I cannot agree with the Attorney-General, as Minister for Child Protection Reform, in his comments that day in reaction to what I said. I did say that I believed that, before a child was put back into the custody of a parent who is a known drug user, the parent or parents should have to take part in a drug diversion program and submit to regular drug tests to prove they were drug free for a set period of time.

I also indicated during discussions at that time that I believed there needed to be mandatory testing and diversion programs and it not being left to the chief executive officer of Families SA. We still believe that that is how strong this bill should have been, but in order to not hold up passage of this bill I foreshadow to the parliament and put on the public record that I will introduce a private member's bill to strengthen this legislation.

**The Hon. J.A. DARLEY (17:34):** I did not make a second reading contribution, but I do want to place on the record that I was bitterly disappointed that the government tried to undo the good work of my predecessor, now senator, Nick Xenophon. I agree entirely with the words of the Hon. Tammy Franks and I will be supporting the bill.

**The PRESIDENT:** It has come to our attention that the Hon. Mr Wade has spoken already on this as a second reading speech.

**The Hon. S.G. WADE:** I apologise to the chamber. I must admit that I did think we were at clause 1 so, by leave, I seek that my comments be treated as a clause 1 contribution.

**The Hon. P. MALINAUSKAS (Minister for Police, Minister for Correctional Services, Minister for Emergency Services, Minister for Road Safety) (17:35):** I thank all honourable members for their contributions and I look forward to dealing with the bill further in the committee stage.

Bill read a second time.

*Committee Stage*

In committee.

Clauses 1 to 3 passed.

Clause 4.

**The Hon. P. MALINAUSKAS:** I move:

Amendment No 1 [Police-1]—

Page 3, lines 6 and 7 [clause 4, inserted section 3(1)]—

Delete '(and in the administration of this Act that object must, in all cases, be the paramount consideration)' and substitute:

and in the administration of this Act that object must, in all cases, be the paramount consideration

Amendment No. 1 removes the parenthesis from the object of the act that provides that, in the administration of the act, the paramount consideration is to keep children safe from harm. This is an issue of grammar that was raised by the Deputy Leader of the Opposition in the other place.

**The Hon. S.G. WADE:** I indicate that the opposition will be supporting the amendment and foreshadow that we will be supporting all the amendments.

**The CHAIR:** Will the opposition be moving their amendments?

**The Hon. S.G. WADE:** No, we will not be moving the amendments standing in our name.

**The Hon. T.A. FRANKS:** The Greens will be supporting the government's amendments and look forward to the continuation speedily of this bill.

**The Hon. R.L. BROKENSHERE:** As indicated in the second reading, Family First will be supporting the amendments and the entire bill.

Amendment carried; clause as amended passed.

Clauses 5 and 6 passed.

Clause 7.

**The Hon. P. MALINAUSKAS:** I move:

Amendment No 2 [Police-1]—

Page 3, after line 32—

Before the present contents (now to be designated as subclause (2)) insert:

(1) Section 6(1)—after the definition of *Department* insert:

*drug* includes alcohol;

Amendment No. 2 clarifies that any reference to the term 'drug' in the act will include alcohol. The amendment makes it clear that all provisions in the act dealing with risks to children arising from drug abuse will be able to be employed with respect to alcohol abuse.

**The Hon. S.G. WADE:** The opposition supports the amendment, as I have already foreshadowed, and thus strongly agrees with the government that the evidence does indicate that children are at risk from drugs, whether they be illicit drugs or alcohol.

Amendment carried; clause as amended passed.



New clause 7A.

**The Hon. P. MALINAUSKAS:** I move:

Amendment No 3 [Police-1]—

New clause, page 4, after line 4—Insert:

7A—Insertion of Part 2 Division 4

After section 8D insert:

Division 4—Matters to be included in annual report of Department

8E—Matters to be included in annual report of Department

- (1) The annual report of the Department must include the following information in respect of the period covered by the annual report:
  - (a) information setting out—
    - (i) the number of applications made under sections 20(1) and 22; and
    - (ii) the number and general nature of any orders made under the Act in relation to those applications;
  - (b) information setting out the number and general nature of any orders made under section 21(1)(ab);
  - (c) information setting out—
    - (i) the number of applications made under section 37(1) or (1a); and
    - (ii) the number and general nature of any orders made under the Act in relation to those applications.
- (2) This section is in addition to, and does not derogate from, any other requirement under this Act or the *Public Sector Act 2009*.

Amendment No. 3 obliges the department to report information about the number of applications and orders dealt with under sections 20(1), 22, 37(1a) and 21(1)(ab) of the act and the general nature of any orders made.

New clause inserted.

Clause 8 passed.

Clause 9.

**The Hon. P. MALINAUSKAS:** I move:

Amendment No 4 [Police-1]—

Page 4, after line 16—

After the present contents (now to be designated as subclause (1)) insert:

- (2) Section 20(2)—delete subsection (2) and substitute:
- (2) Without limiting subsection (1) or (1a), if the Chief Executive is of the opinion that a child is at risk as a result of the abuse of a drug by a parent, guardian or other person, the Chief Executive must apply for an order under subsection (1) directing the parent, guardian or other person to undergo a drug assessment.
- (3) However, the Chief Executive need not apply for an order referred to in subsection (2) if he or she is satisfied that—
  - (a) a drug assessment of the parent, guardian or other person has already occurred, or is occurring (whether pursuant to an application under this section or otherwise); and
  - (b) that drug assessment is of a kind appropriate for the purposes of this Act; and

- (c) the results of the drug assessment have been, or will be, made available to the Chief Executive; and
- (d) in the case of a drug assessment that has already occurred—having regard to when the drug assessment occurred, an additional drug assessment under that subsection is not necessary.

Amendment No. 4 will achieve three things. Firstly, it removes the term 'illicit' from the wording in section 20(2). This will mean that where the chief executive suspects on reasonable grounds that a child is at risk as a result of the abuse of any drug, including alcohol and any other legally accessible drugs, the chief executive may apply to the court for a drug assessment.

**The Hon. J.A. DARLEY:** I rise to indicate my position on the government amendment. As the council would be well aware, my predecessor, now Senator Nick Xenophon, has been campaigning long and hard to require mandatory drugs assessments of parents and guardians of children where they may be at risk. The Chloe Valentine inquest highlighted that the government has been flouting the intention of the government by not seeking the mandatory assessments as required by the government under section 20(2).

Together with other non-government groups, we have been insisting on mandatory drug assessments. Since then, we have been intending to support amendments to remove the section's clause. The Xenophon team is very disappointed that here we are, more than a year after the inquest, and the issue is still unresolved. I understand that amendment No. 4 filed by the government is a result of the opposition's endeavours and has their support. That amendment was only filed on Monday night and, whilst I agree that it is a clear improvement on the current law, I have not had the opportunity to consult. Accordingly, today I will vote neither for nor against amendment No. 4.

I know that, as a result of the royal commission and other bills, the Children's Protection Act will be opened again, and if I believe further amendments are required I will bring amendments at that time. I agree with the Hon. Stephen Wade that the most important issue in relation to drug assessments of parents and guardians is not the legislation but the culture of the government department and will hold the department accountable to what the government and parliament intend.

**The Hon. S.G. WADE:** Since my second reading contribution, there have been meetings which minister Close and the Attorney-General convened. I understand that all groups of this chamber were invited to those meetings and that discussions continued this year, particularly with the opposition. We are disappointed that progress has taken so long, but we are pleased that progress has been made. The opposition considers that the amendment will improve the act. As the minister has highlighted, it will apply to alcohol as well as to illicit drugs.

It makes it clear that the assessment the chief executive can accept and not pursue a mandatory order needs to be of a similar kind to that that would be obtained through a mandatory order. It also recognises the need for that assessment to be timely. We have sought legal advice on the implications of different wording and we are told that those differences are not significant, so we are happy to support the compromise amendment, and we thank the government for facilitating that.

As the Hon. John Darley put to this house, and as we know from the history of section 20(2), it is not enough for this parliament to put laws in place: we also need to hold the executive accountable for the implementation of those laws, both as to their spirit and as to their letter. Let us continue to maintain a focus on how these laws are taking effect in practice. As the Hon. John Darley indicated, the policy and legislative forward program of the parliament suggests that we will be looking at this bill fairly frequently in the next few years, and we might well need to revisit section 20(2) if it does not seem to be working the way we all hope it might.

Amendment carried; clause as amended passed.

Clauses 10 to 12 passed.

Clause 13.

**The Hon. P. MALINAUSKAS:** I move:

Amendment No 5 [Police-1]—

Page 5, after line 1—Insert:

- (1) Section 38—before subsection (1) insert:
- (a1) The Court may, on an application under this Division, make an order under this section if the Court is satisfied—
- (a) that the grounds of the application have been made out; and
- (b) that an order under this section should be made in respect of the child.
- (2) Section 38(1)—delete 'If the Court finds, on an application under this Division, that the grounds of the application have been made out and that an order under this section should be made in respect of the child, the Court may exercise 1 or more of the following powers' and substitute:
- In an order under this section, the Court may exercise 1 or more of the following powers

This amendment clarifies that the court's consideration of an application for a care and protection order under section 38 of the act is a two-step process. The court must determine, first, whether the grounds of the application have been made out and, secondly, that an order should be made in respect of the child. This amendment responds to feedback on the bill from the senior judge of the Youth Court.

Amendment carried; clause as amended passed.

New clause 13A.

**The Hon. P. MALINAUSKAS:** I move:

Amendment No 6 [Police-1]—

New clause, page 5, after line 5—Insert:

13A—Amendment of section 39—Adjournments

Section 39—before its present contents (now to be designated as subsection (2)) insert:

- (1) All proceedings under this Act must be dealt with expeditiously, with due regard to the degree of urgency of each particular case.

This amendment shifts a provision currently in section 4, which is proposed for removal, to section 39. The provision aims to ensure that all proceedings under the act are dealt with expeditiously. This amendment also addresses feedback on the bill from the senior judge.

New clause inserted.

Clause 14.

**The Hon. P. MALINAUSKAS:** I move:

Amendment No 7 [Police-1]—

Page 6, lines 19 to 24 [clause 14, inserted section 44B]—Delete inserted section 44B

This amendment deletes new section 44B to ensure that the provisions of the bill in respect of the issuing of instruments of guardianship and restraining notices apply to all children in South Australia, not just those born in South Australia.

Amendment carried.

**The Hon. P. MALINAUSKAS:** I move:

Amendment No 8 [Police-1]—

Page 6, line 27 [clause 14, inserted section 44C(1)]—After 'child' insert:

born after the commencement of this subsection

This amends new section 44C to provide that the instruments of guardianship apply only to children born after commencement of the new provisions. Restraining notices will be able to be issued in respect of children born before the commencement of the provisions.

Amendment carried; clause as amended passed.

Title passed.

Bill reported with amendment.

*Third Reading*

**The Hon. P. MALINAUSKAS (Minister for Police, Minister for Correctional Services, Minister for Emergency Services, Minister for Road Safety) (17:50):** I move:

That this bill be now read a third time.

Bill read a third time and passed.

**COMPULSORY THIRD PARTY INSURANCE REGULATION BILL**

*Committee Stage*

In committee (resumed on motion).

Clause 7.

**The Hon. R.I. LUCAS:** This particular clause states that the CTP regulator is not subject to ministerial direction in the exercise of its functions or powers, except as provided under this act. Can the minister outline what his advice is? Can he give some examples of where the minister can direct the independent regulator?

**The Hon. K.J. MAHER:** I am advised that during the transitional period, schedule 1, part 3, section 14 outlines:

During the transitional period, the CTP Regulator is subject to the directions of the Minister as to the exercise of the following of the Regulator's functions:

Does the honourable member want me to read them out?

**The Hon. R.I. LUCAS:** No—post the transition period.

**The Hon. K.J. MAHER:** My advice is that there is no direction. These apply during the transitional period, and after that is when the ability to direct ends.

**The Hon. R.I. LUCAS:** As I understand the minister's response, what he is saying is that this clause has work to do during the three-year transition period, but that after the three-year transition period there is no power to direct in this act.

**The Hon. K.J. MAHER:** I am advised that is correct.

**The Hon. R.I. LUCAS:** In relation to the issue of salaries and bonuses for staff who are employed, one of the issues that has been raised in the past with semi-independent autonomous bodies, e.g. Funds SA, was that when bodies such as that wanted to pay either retention allowances or bonuses to their staff the Treasurer of the day (who happened to be Kevin Foley) had a different view. I think that was easily resolved, in that the Treasurer did have the power to direct.

In relation to the issue of post the transition period, does the independent regulator have absolute flexibility to pay his or her staff whatever they wish, whatever bonuses they wish, and whatever retention allowances they wish, given that he or she is not subject to the direction of any minister?

**The Hon. K.J. MAHER:** My advice is that it would be constrained by the proper exercise of the functions of the regulator, bearing in mind the regulator has to report to parliament. So, yes, what the regulator does, as an independent regulator, for most intents and purposes, is up to the regulator, but they are constrained by having to report to parliament and, as I outlined, constrained within the functions there prescribed.

**The Hon. R.I. LUCAS:** My reading of the bill is that if there is no power to direct, therefore there is no power to prevent the regulator, if he or she chose, to pay bonuses or retention allowances or incentives to staff because the reporting provisions and all of the other provisions there do not relate to that sort of specific issue. They would be given a budget, I assume, and as long as they operate within their budget it would appear that, if they cannot be directed by the minister, they therefore are not subject to a public sector wide prohibition, for example, on paying bonuses.

**The Hon. K.J. MAHER:** Yes, I can confirm for the member that is, in effect, correct. However, it would be wrong to characterise it as escaping scrutiny; there still needs to be a report to parliament. So, what they do in relation to the sort of scenario the honourable member has outlined does not escape scrutiny, they report to parliament, but what he has outlined could be correct, yes.

**The Hon. R.I. LUCAS:** Just on the issue of escaping of scrutiny, I am not sure where it might be covered, but post or even during the transition period is the independent regulator subject to freedom of information?

**The Hon. K.J. MAHER:** My advice is that the regulator is potentially subject to applications under the FOI Act, but of course subject to all the restrictions in the FOI Act about personal information and privacy. If there is any different information that we can get over the next two days I am happy to provide it to the honourable member.

**The Hon. R.I. LUCAS:** I seek greater clarity than 'potentially'. Clearly, it would not be appropriate for me to be seeking under FOI the personal details of the Hon. Mr Maher's accident claim, or whatever it is, although I could seek the information as it relates to me, obviously. When we are talking about transparency, if the regulator decides to pay bonuses to staff or to spend money on consultants, that is, the expenditure of public moneys, is the minister saying, not just potentially, but would that sort of information be available subject to freedom of information requests?

**The Hon. K.J. MAHER:** In relation to the scenario the honourable member has just outlined my advice is, yes, that would be subject to the normal FOI procedures and, of course, subject to report to parliament, etc.

Clause passed.

Clauses 8 and 9 passed.

Clause 10.

**The Hon. R.I. LUCAS:** The minister has already indicated that there has evidently been an advertising process and appointment process for a potential regulator. On what salary range was it advertised and what executive level was applied? If it was an executive level—for example, SAES1 or something like that—that covers a broad range of up to \$100,000; what was the actual salary that was applied to this particular position?

**The Hon. K.J. MAHER:** I do not have the numbers for what range this band applies to but the honourable member will probably be familiar with it: it was advertised in the SAES2 band.

**The Hon. R.I. LUCAS:** I am happy if the minister is prepared to take this on notice, whether or not he is able to advise after the passage of the bill what particular level within the SAES2 band because, as I said, it can range up to \$100,000 from the top to the bottom. Is the minister prepared to take that on notice?

**The Hon. K.J. MAHER:** Yes, I am happy to take that on notice and provide an answer to that question.

Clause passed.

Clauses 11 to 13 passed.

Clause 14.

**The Hon. R.I. LUCAS:** I seek information from the government on this. It is a curious provision—at least from my viewpoint it is curious—in that it says section 8 of the Public Sector (Honesty and Accountability) Act does not apply to the chief executive officer or the acting CEO. Section 8 of the Public Sector (Honesty and Accountability) Act has a very comprehensive clause which extends over a page and a half with 10 separate subclauses which, in quite some detail, lists the duties of officers in relation to conflicts of interest and how they should be handled.

This particular conflict of interest provision is much smaller—less onerous would be my interpretation. I ask the minister why the government has excluded this officer from the provisions of section 8 of the Public Sector (Honesty and Accountability) Act and instead has incorporated what I would judge to be a much less onerous requirement?

**The Hon. K.J. MAHER:** This was not a policy issue or decision of the government but a suggestion from parliamentary counsel, and we think it is for consistency with other similar positions in similar acts, but I will check that. I will take it on notice and bring an answer back to the honourable member.

**The Hon. R.I. LUCAS:** I do not want to prolong the debate today on this issue, but I find that an intriguing response, in that those provisions in the Public Sector (Honesty and Accountability) Act—again, I am operating at short notice—only went in in maybe 2009 or something, but I might be wrong. I thought they were relatively recent provisions, not decade-old provisions. We had a not inconsiderable debate in this chamber about these particular issues.

If parliamentary counsel now thinks that these issues are outdated in some way or too onerous, I wonder if the minister could at least place on the record why parliamentary counsel in the last three years has deemed section 8 of the Public Sector (Honesty and Accountability) Act not the appropriate way to manage conflicts and why what I would see, in my view, is a less onerous provision in terms of managing conflicts is now to be the standard for managing conflicts of interest.

**The Hon. K.J. MAHER:** I am further advised that this is not something that we are seeking to introduce just for this. I am now advised that it is consistent with other similar acts, for example, section 19(5) of the ESCOSA Act and it is consistent with that.

**The Hon. R.I. LUCAS:** This may be an issue we explore in the Statutory Authorities Review Committee and others in terms of its report, but I ask the minister why parliamentary counsel, and the government obviously (parliamentary counsel can only advise, the government obviously has to make a policy decision), thinks that the existing arrangements in section 8 of the Public Sector (Honesty and Accountability) Act are too onerous and too cumbersome, and we have this, in my view, less onerous provision in terms of managing conflicts, particularly when this person is to be independent of government, as needs be, but nevertheless is in a very important position in terms of the work that he or she will undertake.

The whole notion of managing conflicts of interest, whether or not things like gift registers, hospitality and entertainment and all those things, which clearly apply to public sector employees in terms of potentially managing conflicts and being aware of those sorts of conflicts, whether these new provisions here mean that those same accountability measures might not apply to the independent regulator.

If that is the case, it would be of concern to me. I am happy if the minister is prepared to undertake on notice to provide a more detailed response as to the government's policy position. I am not in a position obviously, as I have not heard the response yet, to try to amend this particular provision, and I do not propose to delay, given that we have to do this this afternoon, further consideration of clause 14. If the minister is prepared to take that on notice and provide advice, we can pursue it in other fora.

**The Hon. K.J. MAHER:** I am happy to take that on notice and come back with an answer for the honourable member.

Clause passed.

Remaining clauses (15 to 22), schedule and title passed.

Bill reported with amendment.

*Third Reading*

**The Hon. K.J. MAHER (Minister for Employment, Minister for Aboriginal Affairs and Reconciliation, Minister for Manufacturing and Innovation, Minister for Automotive Transformation, Minister for Science and Information Economy) (18:07):** I move:

That this bill be now read a third time.

Bill read a third time and passed.

**NUCLEAR WASTE STORAGE FACILITY (PROHIBITION) (PUBLIC MONEY) AMENDMENT  
BILL***Final Stages*

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

*Resolutions***STATEMENT OF PRINCIPLES FOR MEMBERS OF PARLIAMENT**

Consideration of message No. 88 from the House of Assembly.

**The Hon. K.J. MAHER (Minister for Employment, Minister for Aboriginal Affairs and Reconciliation, Minister for Manufacturing and Innovation, Minister for Automotive Transformation, Minister for Science and Information Economy) (18:14):** I move:

That this council—

1. Notes the resolution passed by the House of Assembly in adopting a statement of principles for members of parliament.
2. Adopts the following statement of principles for members of the Legislative Council—
  - (a) Members of parliament are in a unique position of being accountable to the electorate. The electorate is the final arbiter of the conduct of members of parliament and has the right to dismiss them from office at elections.
  - (b) Members of parliament have a responsibility to maintain the public trust placed in them by performing their duties with fairness, honesty and integrity, subject to the laws of the state and rules of the parliament, and using their influence to advance the common good of the people of South Australia.
  - (c) Political parties and political activities are a part of the democratic process. Participation in political parties and political activities is within the legitimate activities of members of parliament.
  - (d) Members of parliament should declare any conflict of interest between their private financial interests and decisions in which they participate in the execution of their duties. Members must declare their interests as required by the Members of Parliament (Register of Interests) Act 1983 and declare their interests when speaking on a matter in the house or a committee in accordance with the standing orders.
  - (e) A conflict of interest does not exist where the member is only affected as a member of the public or a member of a broad class.
  - (f) Members of parliament should not promote any matter, vote on any bill or resolution, or ask any question in the parliament or its committees, in return for any financial or pecuniary benefit.
  - (g) In accordance with the requirements of the Members of Parliament (Register of Interests) Act 1983, members of parliament should declare all gifts and benefits received in connection with their official duties, including contributions made to any fund for a member's benefit.
  - (h) Members of parliament should not accept gifts or other considerations that create a conflict of interest.
  - (i) Members of parliament should apply the public resources with which they are provided for the purpose of carrying out their duties.
  - (j) Members of parliament should not knowingly and improperly use official information, which is not in the public domain, or information obtained in confidence in the course of their parliamentary duties, for private benefit.
  - (k) Members of parliament should act with civility in their dealings with the public, minister and other members of parliament and the Public Service.
  - (l) Members of parliament should always be mindful of their responsibility to accord due respect to their right of freedom of speech with parliament and not to misuse this right, consciously avoiding undeserved harm to an individual.

And that upon election and re-election to parliament, within 14 days of taking and subscribing the oath or making and subscribing an affirmation as a member of parliament, each member must sign an acknowledgement to confirm they have read and accept the statement of principles.

When we are elected to parliament, we are given an opportunity that most people do not have in the course of their lives—to develop, debate and enact legislation that we believe will lead to better outcomes for our communities. Each of us in this chamber has sought public office because we have a vision for a better society and because we are passionate about being directly involved in advancing that vision.

I think we can all agree that the guidelines laid out in this statement of principles provide a clear idea of what it means to be a good and faithful representative of the people. We should be honest, we should be fair, and we should strive to be civil. We should be clear in our individual representations of our values and beliefs, and there is no reason for us not to demonstrate our political views in an appropriate way.

We should be clear with the people of South Australia that it is our clear intention to abide by these principles, principles which reflect the expectations the public already holds for its elected representatives, principles which I hope are already reflected in the actual behaviour of the vast majority of members.

I want to acknowledge the important work of the late Dr Bob Such in advancing the adoption of this statement of principles. This is something for which Dr Such advocated for many years. Others have expressed, quite rightly, disappointment that it was not implemented during his lifetime, and I share that disappointment. I believe that as a person who—as we all do—endeavoured to embody the behaviours and qualities laid out in this statement, Dr Such would be gratified to know that this statement of principles would ultimately be adopted by this parliament, and it is a fitting tribute to his legacy that we do so.

It was mentioned a number of times by speakers in the other place that we, as a group, on all sides of the chamber, acknowledge that politicians do not enjoy a strong reputation amongst many members of the public. I think that is a perception we would all like to try to change. Adopting this statement of principles itself will not accomplish that, but it is certainly a step in the right direction. At the very least it formally recognises the principles to which the public rightly expects us to adhere.

I commend the motion to this chamber in the hope that we can move forward together in adopting the statement of principles, and that in this debate on this statement of principles we conduct ourselves in accordance with the ideas, particularly those concerned with civility, that are laid out therein.

Debate adjourned on motion of Hon. R.I. Lucas.

#### *Bills*

### **STATUTES AMENDMENT (GENDER IDENTITY AND EQUITY) BILL**

#### *Second Reading*

Adjourned debate on second reading.

(Continued from 12 April 2016.)

**The Hon. G.E. GAGO (18:21):** South Australia has a proud, progressive history. We were the first jurisdiction in Australia to legislate to permit women to vote, and the first place in the world to end discrimination against women standing for parliament. South Australia was the first state in our nation's history to decriminalise homosexuality. South Australia was the first state to legislate against sex discrimination with the Sex Discrimination Act 1975 (later superseded by the Equal Opportunity Act 1984). This bill continues in that proud tradition of progress and ending discrimination.

In January 2015, the government asked the South Australian Law Reform Institute (SALRI) to examine laws that may discriminate against gender and sexual minorities in South Australia. SALRI, in its September 2015 report, identified numerous pieces of legislation and regulations that were discriminating against citizens of South Australia. This bill is part of the process to rectify these injustices. As my colleague in the other place, Katrine Hildyard MP, said in her comments on this bill,



'Many South Australians will not even realise that these laws have changed, but for those whom they will affect these changes will have a profound impact'. Truer words could not be spoken.

The bill will do nothing to remove or change any rights people currently have; what it will do is give those who are currently discriminated against by archaic and out of date wording the rights they deserve as South Australian citizens. As noted in the other place by Vickie Chapman MP, we have done this before. We have changed wording in legislation to be more equitable to include women as equals to men. Now we do the same for those who are gender diverse or sexual minorities.

Language is the primary means of communication and it is an extremely powerful social force. The language that we use does more than convey referential information; it also reflects the underlying attitude of the speaker and underpins social attitudes. I rise to make this brief contribution in support of this bill today because of the importance of ensuring that legislation incorporates inclusive language, free from words that reflect prejudice, stereotypes or discriminatory views.

I am very proud to support this bill for two reasons: first, because I have always and will always advocate for gender equality and the equality of all gender and sexual minorities; and, secondly, because I believe South Australia has shown time and time again that it is a progressive and accepting place and I want to build on that reputation. It is for those reasons that I enthusiastically and very proudly support this bill for equality and acceptance.

**The Hon. R.L. BROKENSHERE (18:25):** I understand that my colleague the Hon. Dennis Hood is intending to make quite a long speech about this. He may want to come to the chamber after I finish and perhaps start, and then seek leave to conclude while we wait for a message to come back from the other house. My remarks will be brief because I am not the lead speaker on this in our party; it is the Hon. Dennis Hood.

Whilst there are some things that I personally agree with in the Statutes Amendment (Gender Identity and Equity) Bill, there are some things that I absolutely disagree with. I think we are getting to a point in time where political correctness has gone mad in South Australia, and as an example I highlight what was in the original piece of legislation that was tabled in the House of Assembly. Fortunately, there was enough wisdom down there to correct it.

We were told in the legislation that you would not be able to call a pregnant woman a 'pregnant woman' any longer, you had to refer to the person as a 'pregnant person'. That is an absolute nonsense, in my opinion, and if that had come up here I would have done everything in my power to knock it out. If it did become law, I would be breaking the law because there is no way known that I am ever going to call a pregnant woman a 'pregnant person' because it is a 'pregnant woman', not a 'pregnant person'.

This is the stupidity that we are dealing with. We have an economy that is not travelling at all well, unfortunately and sadly, and we have high unemployment. We have a lot of serious issues that we should be debating, but we tend to spend time on political correctness. We also tend to spend far too much time focused on legislating for a minority of people and, in some cases, less than 1 per cent.

When you talk to the quiet majority of the population they shake their head at what we are doing in a lot of these circumstances, so I put on the public record that I am also shaking my head. I think it is time we focused on the majority of people, not the absolute very small minorities in an attempt to satisfy their requirements at a cost to the majority of people. I would ask that we focus back on big-picture items. I leave the rest of our party's contribution to the very able Hon. Dennis Hood, who will spend much more time speaking on behalf of Family First in regard to this legislation.

Debate adjourned on motion of Hon. T.J. Stephens.

**The Hon. J.M. GAZZOLA:** Mr President, I draw your attention to the state of the council.

*A quorum having been formed:*

*Sitting extended beyond 18:30 on motion of Hon. K.J. Maher.*

**SUPPLY BILL 2016***Introduction and First Reading*

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

*Second Reading*

**The Hon. K.J. MAHER (Minister for Employment, Minister for Aboriginal Affairs and Reconciliation, Minister for Manufacturing and Innovation, Minister for Automotive Transformation, Minister for Science and Information Economy) (18:32):** I move:

That this bill be now read a second time.

A supply bill will be necessary for the first three months of the 2016-17 financial year until the budget has passed through the parliamentary stages and the Appropriation Bill 2016 receives assent. In the absence of special arrangements in the form of the supply acts, there would be no parliamentary authority for expenditure between the commencement of the new financial year and the date on which assent is given to the main Appropriation Bill. The amount being sought under this bill is \$3,444 million. I seek leave to have the explanation of clauses inserted in *Hansard* without my reading it.

Leave granted.

Clause 1 is formal.

Clause 2 provides relevant definitions.

Clause 3 provides for the appropriation of up to \$3,444 million.

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

**STATUTES AMENDMENT (COMMONWEALTH REGISTERED ENTITIES) BILL***Introduction and First Reading*

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

**CHILDREN'S PROTECTION (IMPLEMENTATION OF CORONER'S RECOMMENDATIONS) AMENDMENT BILL***Final Stages*

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

**COMPULSORY THIRD PARTY INSURANCE REGULATION BILL***Final Stages*

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

**REAL PROPERTY (ELECTRONIC CONVEYANCING) AMENDMENT BILL***Introduction and First Reading*

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

At 18:41 the council adjourned until Tuesday 17 May 2016 at 14:15.

*Answers to Questions***WATER AND SEWERAGE CHARGES**

In reply to **the Hon. J.A. DARLEY** (19 March 2015).

**The Hon. I.K. HUNTER (Minister for Sustainability, Environment and Conservation, Minister for Water and the River Murray, Minister for Climate Change):**

1. Since July 2014, SA Water has been providing the Para Vista Retirement Village with a water and sewer rebate for the difference between the amount charged based on individual ILU assessments and the amount that would have been charged if SA Water were to issue a single bill for the village. The Village has not been disadvantaged by the change in valuation process.

2. As of 1 July 2015, SA Water introduced a limited period Retirement Village Discounted Single Assessment (RVDSA) charge to apply to the Para Vista Retirement Village and other Retirement Villages impacted by the change in the Valuer General's policy regarding the assessment of Retirement Villages. This RVDSA will run for a period of ten years ending on 30 June 2025.

**SHARK CAGE DIVING**

In reply to **the Hon. J.M.A. LENSINK** (23 September 2015).

**The Hon. I.K. HUNTER (Minister for Sustainability, Environment and Conservation, Minister for Water and the River Murray, Minister for Climate Change):**

1. The licences between the government and individual providers will not be published. The Department of Environment, Water and Natural Resources is developing a new policy to guide the licensing of this activity. The policy will contain all aspects of the licences that are in the public interest. The policy is currently being finalised and will be released to the public shortly.

**SA WATER**

In reply to **the Hon. J.S.L. DAWKINS** (19 November 2015).

**The Hon. I.K. HUNTER (Minister for Sustainability, Environment and Conservation, Minister for Water and the River Murray, Minister for Climate Change):**

1. The Australian Payments Clearing Association (APCA) is the industry body that regulates the processing of payments in the Australian banking and financial market. APCA is leading an industry initiative called Image Exchange that will see the exchange of cheques done electronically between all Australian financial institutions. This means that banks no longer need to hand over the physical paper cheque for payment exchange to occur. This change affects all banks and aims to make the processing of cheques more efficient. SA Water's cheque payments are currently processed by its banking services contractor, the Commonwealth Bank of Australia (CBA). CBA were the first major banking institution to transition to this new process but it is expected that all major banks will follow.

**DROUGHT RESPONSE**

In reply to **the Hon. D.W. RIDGWAY (Leader of the Opposition)** (10 December 2015).

**The Hon. I.K. HUNTER (Minister for Sustainability, Environment and Conservation, Minister for Water and the River Murray, Minister for Climate Change):**

1. Prior to the forum hosted in Naracoorte in November last year, the Minister for Agriculture, Food and Fisheries made several public statements to inform potential attendees and contributors of the process in developing a drought package. It was important for local farmers and other regional leaders to hear this, so they would attend and contribute. Farmers and other locals shared their experiences at the forum and gave feedback on the steps which can be taken in the future. Immediately following the Naracoorte forum, the Minister for Agriculture, Food and Fisheries confirmed he would consult further with PIRSA. He also stated the Government wanted a well thought out response, with useful and effective programs for people affected. PIRSA developed the drought package on my direction. Cabinet deliberations are of course Cabinet in Confidence. The Minister for Agriculture, Food and Fisheries has kept Cabinet informed of South Australian drought responses.

2. The package comprises: a regional drought coordinator; a community information package; farm business specialist advice and support; property management planning; additional rural financial counselling support; and support for a young farmers' network. Public servants will deliver some of these services, such as the regional drought coordinator. Rural financial counselling, is provided by Rural Business Support in South Australia.

3. Delivery of the 15 December package has already started. It is a package of measures to address shorter term issues facing farm businesses in the region.

**AVL TECHNOLOGY**

In reply to **the Hon. S.G. WADE** (10 February 2016).

**The Hon. P. MALINAUSKAS (Minister for Police, Minister for Correctional Services, Minister for Emergency Services, Minister for Road Safety):** I am advised:

The South Australian Country Fire Service (CFS) has identified AVL technology has the potential to improve situational awareness, crew safety, response times, whilst complementing the states' investment in SA Computer Aided Dispatch (SACAD).

The current rollout of new P25 standard VHF tactical radios within the CFS and the planned upgrade of the South Australian Government Radio Network to P25 standard both provide options for delivering AVL technology to emergency services vehicles. Ongoing improvements to mobile network coverage may also mean mobile telephone solutions with satellite redundancy may also soon be a viable option.

It is important to note the deployment of AVL technology also brings with it the need for enhanced incident management capabilities to maximise its benefits.

The level of investment in terms of money, resources and training is significant. However, the CFS continues to monitor developments and will bring forward a proposal to government at an appropriate time.

#### **COUNTRY FIRE SERVICE**

In reply to **the Hon. A.L. McLACHLAN** (10 February 2016).

**The Hon. P. MALINAUSKAS (Minister for Police, Minister for Correctional Services, Minister for Emergency Services, Minister for Road Safety):** I am advised:

The South Australian Country Fire Service (CFS) has a firefighting fleet of 800 vehicles located across the state. It has been identified that within the fleet there are currently 209 tankers that are single cab vehicles that require volunteer firefighters to take refuge on an open-backed truck in the event of a burn-over. The CFS currently replaces approximately 30 fire trucks each year and the replacement of all single cab fire trucks is currently expected to be completed over the next seven (7) years.

New CFS fire trucks are fitted with the full range of safety systems, which include dual cab vehicles, allowing all crew to take refuge in the cab with heat resistant curtains, water spray deluge systems and in-cab breathing systems to protect volunteer firefighters in the event of a burn-over. In addition, the CFS has been installing in-cab pump start switches on new fire trucks since 2014-15.

The CFS is also undertaking a program of retrofitting vehicles with safety systems such as cabin water spray deluge systems and in-cab breathing systems. However, retrofitting remains a technical challenge for some vehicles.

#### **POLICE CADET GRADUATION**

In reply to **the Hon. R.L. BROKENSHERE** (11 February 2016).

**The Hon. P. MALINAUSKAS (Minister for Police, Minister for Correctional Services, Minister for Emergency Services, Minister for Road Safety):** I am advised:

In addition to the 25 cadets who graduated on 20 January 2016, South Australia Police are forecasting 55 cadets graduating to 30 June 2016, and a further 37 cadets in the period 1 July 2016 to 31 December 2016.

#### **SOUTH AUSTRALIA POLICE**

In reply to **the Hon. R.L. BROKENSHERE** (11 February 2016).

**The Hon. P. MALINAUSKAS (Minister for Police, Minister for Correctional Services, Minister for Emergency Services, Minister for Road Safety):** I am advised:

All new/extra prison accommodation implemented includes the allocation of appropriate additional Correctional Officer staff which is negotiated and agreed with the Public Service Association.

#### **SAMPSON FLAT BUSHFIRE**

In reply to **the Hon. S.G. WADE** (23 February 2016).

**The Hon. P. MALINAUSKAS (Minister for Police, Minister for Correctional Services, Minister for Emergency Services, Minister for Road Safety):** The South Australian Country Fire Service (CFS) has advised the following in regards to the Australasian Fire and Emergency Service Authorities Council's independent operational review (AFAC review):

Recommendation 8—'The CFS conduct a review of SIMT with a view to increasing the number of teams from four to six, aligning them with each of the six regions within South Australia.'

This recommendation was noted but not accepted. The CFS has advised that this recommendation is not sustainable within the South Australian context due to the relatively small size of the fire and emergency services sector in South Australia.

I am advised by the CFS the four teams currently used are sufficient for most normal fire seasons in South Australia. Increasing the number of teams from four to six will take resources away from other functions required to manage large, complex or long duration incidents.

Recommendation 18 – 'Review relevant legislation, associated Acts and Plans to establish a consistent approach to fire and emergency management to minimise duplication and risk of contradiction. That the Hazard and

Functional area plans be amalgamated and establish a South Australian Bushfire Plan, under the State Emergency Management Plan, which clearly define the role of the CFS.'

I am advised that the CFS has noted recommendation 18 of the AFAC review. The recommendation relates to the fact that there are requirements for a Bushfire Management Plan in the *Fire and Emergency Services Act 2005* and a Hazard Plan (fire) in the *Emergency Management Act 2004*, and questions why there are two separate plans. I am further advised the CFS is currently working towards amalgamating these into a single plan covering the requirements of both acts.

#### **POLICE CADETS**

In reply to **the Hon. T.J. STEPHENS** (23 February 2016).

**The Hon. P. MALINAUSKAS (Minister for Police, Minister for Correctional Services, Minister for Emergency Services, Minister for Road Safety):** I am advised:

In August 2015, the Australian New Zealand Policing Advisory Agency (ANZPAA) Board approved a new series of strength and mobility requirements for the selection and recruitment of police officers. The requirements broadly fall into two groups, gross motor skills (physically demanding) and fine motor skills (requiring manual dexterity). The South Australia Police (SAPOL) fitness assessment at recruit phase is based on the ANZPAA approved standards and aligns them to the functions that people (as sworn police) will be required to perform.

SAPOL is one of the first jurisdictions to formally trial these requirements.

All applicants undergo a medical assessment as part of the application process which determines if they are of sufficient fitness to meet the rigors of a police career. The introduction of the 12 month cadet training program also provides scope for cadets to attain an increased level of physical fitness whilst in training, under the supervision of qualified trainers.

#### **ASYLUM SEEKERS**

In reply to **the Hon. T.A. FRANKS** (25 February 2016).

**The Hon. P. MALINAUSKAS (Minister for Police, Minister for Correctional Services, Minister for Emergency Services, Minister for Road Safety):** I am advised:

South Australia Police (SAPOL) systems do not capture arrest information in the specific category of 'asylum seeker'. There is no capacity to search SAPOL systems to extract information to answer these questions.

#### **CLIPSAL 500 TICKETS FOR VOLUNTEERS**

In reply to **the Hon. T.A. FRANKS** (25 February 2016).

**The Hon. P. MALINAUSKAS (Minister for Police, Minister for Correctional Services, Minister for Emergency Services, Minister for Road Safety):** I am advised:

The tickets were provided by the Motor Sport Group, a division within the South Australian Tourism Commission.