HOUSE OF ASSEMBLY

Tuesday 21 November 2006

The SPEAKER (Hon. J.J. Snelling) took the chair at 2 p.m. and read prayers.

QUESTIONS

The SPEAKER: I direct that the written answers to questions as detailed in the schedule I now table be distributed and printed in *Hansard*: Nos 64 and 99.

BUS SERVICES

64. **Mr HAMILTON-SMITH:**

1. Have any services along the 507 bus route been withdrawn and if so, what are the details and how many complaints have been received as a consequence?

2. What is the frequency of late buses on the 203 bus route and how many complaints have been received?

The Hon. P.F. CONLON: I provide the following information:

I. No services on the route 507 have been withdrawn. In fact, when the service changes commenced on 21 August 2005, the number of bus services on route 507 actually increased from 83 to 137 services.

- Weekday services increased from 55 to 70 services;
- Saturday services increased from 28 to 36 services; and
- 31 services commenced on Sundays.

Prior to the service changes, there were no route 507 services on Sundays.

2. Between 21 August 2005 and 30 June 2006, 32 complaints were received regarding on time running on route 203 bus service. Over that period, 399 658 total trips were made by customers on route 203; this equates to 0.01% of customers lodging a complaint.

Between 4 August 2005 and 18 September 2006 89 audits were conducted on the 203 service. Four services, or 4.5 er cent, were recorded as having on time running issues.

SCHOOLS, ABORIGINAL WORKERS

99. **Dr McFETRIDGE:** What is the current funding allocated to the Aboriginal Early Childhood Team program, how many Aboriginal Education Workers are currently funded by the Government and work in pre-schools, and is there any plan to reduce funding in this area and if so, why?

The Hon. J.D. LOMAX-SMITH: $368 600 is allocated to the Aboriginal Early Childhood Team Program.

Currently there are no Aboriginal Education workers in preschools. Aboriginal Education Workers are employed in schools. Early Childhood Workers are employed in preschools.

There are no plans to reduce funding in this area.

IMMIGRATION SA

In reply to **Mr HANNA** (28 June).

The Hon. K.A. MAYWALD: I am advised:

Most of the foreign workers rural and regional South Australia are sponsored directly by employers.

To assist those skilled migrants who are not directly sponsored by employers, Immigration SA provides funding for Regional Migration Officers (RMOs) within the Regional Development Board Framework.

These RMOs are responsible for improving employer awareness of the various regional migration schemes, which can be used to assist with their current and anticipated skilled labour shortage issues. The RMOs also gather information including current skilled vacancies from employers and forward these to Immigration SA for listing on *FreshStart—Jobs* (Immigration SA website's www.immigration.sa.gov.au) and dissemination at monthly information sessions Immigration SA conducts for new arrivals.

Immigration SA and the RMOs also work closely with the Department of Further Education Employment Science and Technology (DFEEST) which has a range of programs to assist people in both the metropolitan and regional areas to enter the workforce. Skilled migrants and their partners have access to and participate in some of these programs

Further, it should be noted that placements for Humanitarian/Refugee migrants are managed by the Federal Government.

PAPERS TABLED

The following papers were laid on the table:

By the Speaker—

Wattle Range Council—Report 2005-06—Pursuant to Section 131 of the Local Government Act 1999

By the Premier (Hon. M.D. Rann)—

Disciplinary Appeals Tribunal Report of the Presiding Officer—Report 2005-06
Operations of the Auditor-General's Department—Report 2005-06

By the Premier (Hon. M.D. Rann) on behalf of the Treasurer (Hon. K.O. Foley)—

Regulations under the following Acts—
Essential Services Commission—Confidential Information

By the Attorney-General (Hon. M.J. Atkinson)—

Department for Correctional Services—Report 2005-06

By the Minister for Health (Hon. J.D. Hill)—

Animal Welfare Advisory Committee—Report 2005-06
Barossa Health—Report 2005-06
Booleroo Centre District Hospital and Health Services Inc.—Report 2005-06
Bordertown Memorial Hospital Inc.—Report 2005-06
Ceduna District Health Services Inc.—Report 2005-06
Coober Pedy Hospital and Health Services Inc.—Report 2005-06
Eudunda and Kapunda Health Service Incorporated—Report 2005-06
Food Act 2001—Report 2005-06
General Reserves Trust—Report 2005-06
Hawker Memorial Hospital Inc. 2005—2006
Health and Community Services Complaints Commissioner—Report 2005-06
Hills Mallee Southern Regional Health Service Inc.—Report 2005-06
Jamestown Hospital and Health Service Inc.—Report 2005-06
Kangaroo Island Health Service—Report 2005-06
Lower North Health—Report 2005-06
Loxton Hospital Complex Incorporated—Report 2005-06
Medical Board of South Australia—Report 2005-06
Meningie and Districts Memorial Hospital and Health Services Inc.—Report 2005-06
Metropolitan Domiciliary Care—Report 2005-06
Millicent and District Hospital and Health Services Inc.—Report 2005-06
Mount Gambier and Districts Health Service Inc.—Report 2005-06
Murray Bridge Soldiers' Memorial Hospital—Report 2005-06
Occupational Therapists Registration Board of South Australia—Report 2005-0606
Orroroo and District Health Service Inc.—Report 2005-06
Pika Wiya Health Service Inc.—Report 2005-06
Port Augusta Hospital and Regional Health Services Inc.—Report 2005-06
Port Broughton District Hospital and Health Services Inc.—Report 2005-06
Port Lincoln Health Services Inc.—Report 2005-06
Quorn Health Services Inc.—Report 2005-06
Riverland Regional Health Service Inc.—Report 2005-06
South Australian Psychological Board—Report 2005-06
Wakefield Health—Report 2005-06

By the Minister Assisting the Premier in the Arts (Hon. J.D. Hill)—

Windmill Performing Arts Company—Report 2005-06

By the Minister for Health (Hon. J.D. Hill) on behalf of the Minister for Administrative Services and Government Enterprises (Hon. M.J. Wright)—

Department for Administrative and Information Services—Report 2005-06

By the Minister for Health (Hon. J.D. Hill) on behalf of the Minister for Industrial Relations (Hon. M.J. Wright)—

Mining and Quarrying Occupational Health and Safety Committee—Report 2005-06

By the Minister for Families and Communities (Hon. J.W. Weatherill)—

Council for the Care of Children—Report 2005-06
Child Death and Serious Injury Review Committee—Report 2005-06
Guardian for Children and Young People—Report 2005-06

By the Minister for Forests (Hon. R.J. McEwen)—

South Australian Forestry Corporation—Report 2005-06

By the Minister for the River Murray (Hon. K.A. Maywald)—

Murray-Darling Basin Commission—Report 2005-06

By the Minister for State/Local Government Relations (Hon. J.M. Rankine)—

Local Council By-Laws—
Adelaide Hills Council By-Law No. 16—Bird Scarers

By the Minister for Consumer Affairs (Hon. J.M. Rankine)—

Regulations under the following Acts—
Liquor Licensing—Murray Bridge Christmas Festival

By the Minister for Employment, Training and Further Education (Hon. P. Caica)—

Construction Industry Training Board—Report 2005-06
Education Adelaide—Report 2005-06

By the Minister for Gambling (Hon. P. Caica)—

Club One (SA) Ltd Financial Accounts—Report 2005-06
Gaming Machines Act 1992—Report 2005-06
Independent Gambling Authority—Report 2005-06
Problem Gambling Family Protection Orders Act 2004—Report 2005-06.

VON EINEM, Mr B.S.

The Hon. J.D. HILL (Minister for Health): I seek leave to make a ministerial statement.

Leave granted.

The Hon. J.D. HILL: I was appalled to learn that in 2003 a doctor in the Prison Health Service prescribed the convicted murderer Bevan Spencer von Einem with the drug Cialis. The first I learned of this appalling decision was on Friday. Since then I have instructed my department that no prisoner will ever be prescribed such a drug again in South Australia's prisons. As of last Friday, these drugs have been banned. I have also asked the Crown Solicitor to investigate whether the doctor involved broke any laws or regulations or had engaged in improper conduct. The Central Northern Adelaide Health Service, which is now responsible for the Prison Health Service, is referring the case to the Medical Board, asking it to investigate the professional conduct of the doctor involved.

The Department of Health is conducting a review of how clinical decisions are made in prisons, to ensure that there is appropriate supervision and peer assessment of clinical decisions. The doctor who prescribed Cialis to von Einem, who no longer works in the Prison Health Service but who is employed in the health portfolio, was suspended. I have asked that inquiries be made about who knew about this incident. I am presently informed that those in the health sector who did know prior to last week were the doctor who prescribed the drug, the pharmacist who filled the script and the nursing staff who dispensed the drug.

The Prison Health Service was previously administered by the Royal Adelaide Hospital, and the doctor's superiors at the hospital have said they were not informed of what occurred. I am advised that the minister's office was also not informed of the incident.

Finally, I am horrified that the doctor never discussed this decision with the Department for Correctional Services. Since last year, a formal protocol has been established—that is, since this incident occurred—to improve communication between the two services. I am advised that there is now proper coordination in monitoring and managing the health needs of high-risk prisoners so that the implications of clinical decisions are considered. According to that protocol, personal information about a prisoner's health will be disclosed to corrections staff when it is necessary to:

- ensure the safety of the prisoner;
- ensure the management of the prisoner's health problems; and, most importantly,
- prevent a serious threat to the health and safety of others.

These new protocols will be reviewed by the Chief Executive of Correctional Services to ensure the emphasis is on disclosure rather than prisoner privacy. The government deeply regrets any distress that this incident may have caused to the victim's families, and one can only imagine how they are feeling when they hear these revelations.

The Hon. J.D. HILL (Minister for Health): I lay on the table a report on Bevan Spencer von Einem made yesterday by the Minister for Correctional Services in another place.

COUNCIL ELECTIONS

The Hon. J.M. RANKINE (Minister for State/Local Government Relations): I seek leave to make a personal explanation.

Leave granted.

The Hon. J.M. RANKINE: In relation to advice I provided the house on 14 November regarding nominations for council elections, the figure of 1 095 that I quoted was for those facing contested elections. One candidate was subsequently found to be ineligible to stand for election, reducing this number to 1 094.

An honourable member: Shame; you should have known that.

The Hon. J.M. RANKINE: It is. There was a total of 1 236 nominations.

QUESTION TIME

WORKCOVER

The Hon. I.F. EVANS (Leader of the Opposition): My question is to the minister representing the Minister for Industrial Relations. Has the Minister for Industrial Relations' office or the minister's office received the annual report of the WorkCover Corporation, and has the minister been advised of a further blow-out in unfunded liability above the $694 million previously announced? If so, what is it?

The Hon. J.D. HILL (Minister for Health): I thank the Leader of the Opposition for his question. As I understand it, the annual report is with the minister's office. It will be tabled within the 12 sitting days, so it should be tabled relatively soon.

Members interjecting:

The Hon. J.D. HILL: It is 12 sitting days from the time it is presented, so we have 12 sitting days. As I understand it, this government has been able to table that report within 12 sitting days every year but, if I recall correctly, when the opposition was in government it sometimes took several months before it was tabled. So let us have less cant, less hypocrisy and more common sense.

Members interjecting:

The SPEAKER: Order!

The Hon. J.D. HILL: The Leader of the Opposition's question contained the word 'blow-out', a pejorative term suggesting a particular set of reasons. I would like to explain to the house that the liability increased because of actuarial assessment of the amount of time that workers subject to the scheme might spend before they go back to work.

As the Leader of the Opposition himself said last week, the key to correcting WorkCover issues is to get workers back to work more quickly and in a safe working environment. That is certainly our policy and my colleague, the Minister for Industrial Relations, has taken a number of actions to ensure that occurs. One of those actions, of course, was to employ a new body to look after the cases, and that body has had a good track record. As I understand it, the report coming down has the same figure that has been made public to the house for some time, and that is the $690-odd million of unfunded liability. I should also point out that the percentage of unfunded liability has, of course, been coming down.

HEALTH, SPECIALIST EQUIPMENT

The Hon. P.L. WHITE (Taylor): My question is to the Minister for Health. What is the government doing to address long waits for medical items such as surgical shoes?

The Hon. J.D. HILL (Minister for Health): I thank the honourable member for her question. The government has made a one-off payment of nearly $130 000 to provide specialist equipment—including surgical shoes, calipers and orthotics, as well as breast prostheses for women recovering from breast cancer—to approximately 300 people. Metropolitan Domiciliary Care has identified people who will be provided with the specialist equipment, most of whom should have now received it. We are working with the Independent Living Centre to provide surgical shoes, orthotics and calipers to 144 people at a combined cost of $87 600. The centre administers the Independent Living Equipment Program, which assists people with disabilities to remain living independently by providing them with that equipment. The Cancer Council of South Australia has also agreed to assist in managing $41 525 of government funding to provide prosthetic breasts for 135 women as well as wigs for another seven people.

I thank the Cancer Council and the Independent Living Centre for their assistance with these projects. Specialist equipment can make a large difference in people's lives. For instance, it can be extremely confronting for women to come to terms with breast removal following cancer surgery. It is important that they have access to breast prostheses, enabling them to regain a sense of self and body image, in turn helping their long-term recovery.

WORKCOVER

The Hon. I.F. EVANS (Leader of the Opposition): My question is to the Premier. How does he expect South Australian businesses to compete when they have to use a WorkCover scheme that has an unfunded growing liability of nearly $700 million and the highest levy rate in Australia, and how much worse does WorkCover have to get before he acts to fix it? South Australia's WorkCover unfunded liability has increased from $67 million to $694 million over the last five years. The South Australian levy rate is the highest in Australia, at some 3 per cent. In comparison, the Victorian scheme last year made a profit of $1 billion, has no unfunded liability and has delivered three levy reductions in the past three years with a levy rate at 1.26 per cent.

The Hon. M.D. RANN (Premier): It is very interesting that the Leader of the Opposition talks about businesses in this state being competitive. Let us remember a couple of things: in 2004, the world-wide KPMG survey looking at issues of competitiveness, from memory, surveyed about 99 cities in the world. It found that Adelaide was the most competitive city in which to do business, looking at a series of indices and across a series of industrial groupings. We came out as No. 1 in Australia, and I think at that stage we were about No. 10 in the world. Since then (in fact, earlier this year) a repeat or follow-up survey of 99 cities, including four major Australian cities, showed Adelaide being not 10th in the world but now third in the world, after Sherbrooke in Canada and Singapore. We also have 4.6 per cent unemployment, the lowest unemployment ever recorded in this state's history—the highest number of people in jobs in the state's history.

Rather than saying, 'Let's rest on our laurels,' what we have done is asked the EDB, in a Competitiveness Commission chaired by the Minister for the River Murray and Minister for Small Business, to look at how we are going to ensure that competitiveness is further enhanced by reducing red tape by 25 per cent. No government has had the guts to actually put a timeline and then talk about reducing red tape by 25 per cent. Other states have had lower targets. So, what we have been looking at across the board is how we can further increase competitiveness. A world-wide study says we are the most competitive place to do business in Australia and the third most competitive place of the cities surveyed around the world. However, we have decided to go even further. The Commission of Competitiveness is headed by the Minister for Small Business, but it includes people from the EDB. In terms of us being more competitive and helping better efficiencies in government, we have asked Wayne Goss, the former Premier of Queensland, to head up the South Australian Government Reform Commission.

Mr PISONI: Point of order, Mr Speaker.

Members interjecting:

The SPEAKER: Order!

Mr PISONI: The question was about the WorkCover blow-out.

The SPEAKER: No; the question was about competitiveness.

The Hon. M.D. RANN: If the honourable member was listening, he would understand that the question was about competitiveness. In terms of WorkCover, a new board was appointed in 2003 chaired by respected businessperson, Bruce

Carter. The board then appointed Julia Davison as CEO. The board appointed a single claims agent in Employers Mutual Limited, effective as of 1 July 2006, again, as a way of making it more competitive. The board also appointed Adelaide law firm Minter Ellison as the sole legal services provider in order to reduce costs.

The WorkCover board members include people of the calibre of Bruce Carter, as I mentioned; Peter Vaughan, from Business SA; Janet Giles, from the unions; Jane Tongs; Barbara Rajkowska; David Klingberg, the Chancellor of the University of South Australia; Sandra De Poi; Philip Bentley and Jim Watson. Jim Wright, the head of Treasury, is an observer.

I have seen some claims made in recent days about WorkCover's liabilities. WorkCover's liabilities are an estimate of compensation that might have to be paid up to 40 years in the future. Injured workers who are entitled to compensation cannot simply demand their wages and medical bills for the next 40 years to be paid up-front right now. So, WorkCover has more than adequate revenue, I am advised, to pay injured workers what they are due when it is due. As I mentioned, a number of major reforms have already been implemented to deliver a better workers compensation system.

SCHOOLS, CHILD PROTECTION

Ms PORTOLESI (Hartley): My question is directed to the Minister for Education and Children's Services. What strategies has the government put in place to focus on child protection in schools?

The Hon. J.D. LOMAX-SMITH (Minister for Education and Children's Services): I thank the member for Hartley for her question. I know that she is particularly interested in the quality of education in our public schools, and also the measures in place in this area. In 2003, the Layton Child Protection Review recommended a state plan to improve the care and protection system. The need for change was indisputable, and this government did not wait to act. Keeping Them Safe, the South Australian government's $210 million five-year child protection reform program, explains the government's vision for the future of our children and young people. It requires that all schools and preschools are free from the threat of physical, sexual and psychological harm or neglect.

The government is now finalising a new age-appropriate child protection curriculum. This has been developed for students in preschool through to the senior years of high school, and will be taught in ways that are relevant at each year level. The development of a child protection curriculum is a preventative strategy and one of our best investments in protecting and advancing the interests of children and young people. The curriculum aims to protect them from all forms of abuse and neglect and teaches children and young people to know what abuse is and the harm it causes, as well as how to distinguish between positive, healthy relationships and harmful relationships that threaten their safety. It also teaches children and young people strategies that they can use to ensure that they are listened to and the report that they make is acted on.

The child protection curriculum is based on international and national best practice with advice and endorsement from recognised child protection experts such as Professor Dorothy Scott and Professor Freda Briggs. The 2004 and 2005 drafts of the child protection curriculum materials were extensively piloted in every district across the state, with site specific curriculum developed on the Anangu lands for Anangu schools. The pilot included 16 preschools, 23 primary schools, 21 secondary schools, as well as two Aboriginal schools and four special schools, which provided detailed feedback on the materials. Teachers have welcomed these new materials, and their feedback has helped all the sectors to be involved in the development of these programs. Specialist teaching is now being delivered across the sectors and in all districts.

The Department of Education and Children's Services, along with the Catholic Education Association and the Association of Independent Schools, has jointly developed these policies on appropriate staff conduct, criminal history checks, and mandatory notification of training standards, and is in the process of developing guidelines for supporting young people with problem sexual behaviours. The other education sectors have also been involved in the major investment we made when we tidied up the mess left by the previous government because of its failure to have performed police checks on all the staff in schools in the teaching profession.

In 2006, we approved an additional school closure day to support the delivery of new mandatory notification training. This initiative ensured that all those people working in schools and preschools, both teaching and non-teaching, have the same clear understanding of these issues. By the end of 2006, all staff in preschools, primary and secondary schools will have undertaken a day's training; that is approximately 25 000 staff. A central screening unit has also been established within the Department of Education and Children's Services, with three full-time staff employed to ensure a consistent standard of employee and volunteer screening. The best interests of children and young people must always inform our actions. The government has an obligation to help children flourish and to connect them to opportunities. Keeping Them Safe is just one part of this strategy, and one that we will continue, because it will sustain and assure their wellbeing and is our responsibility across all schools.

VON EINEM, Mr B.S.

Mr HAMILTON-SMITH (Waite): My question is to the Minister for Health. On what basis did the minister tell the house as fact in 2004 that Bevan Spencer von Einem had not been afforded any special privileges; in particular, was it on the basis of a written report or brief? In a ministerial statement made to the house on Thursday 9 December 2004, the minister stated as fact:

> Accusations of any special privileges being afforded to the prisoner are simply wrong.

He went on to say:

> He has been subject to a very restricted regime for a very long time.

Some two years later it has been reported that at or around the same time the minister made these statements of fact to the house the same prisoner was indeed being afforded special privileges, amongst which was the provision of Viagra-style drugs.

The Hon. J.D. HILL (Minister for Health): We know why the shadow minister for health is not asking me that question. We have a good quote from her about von Einem, when she said, 'He doesn't need a DNA test.' She is too embarrassed to come in here and ask questions about it, so

she bumped it down the line. I am happy to take that question. At the time I was answering a question on behalf of my colleague the late Hon. Terry Roberts, who was the minister for prisons.

THINKER IN RESIDENCE

Ms CICCARELLO (Norwood): Will the Premier provide a report to parliament about the next Thinker in Residence, Professor Ilona Kickbusch?

The Hon. M.D. RANN (Premier): This is something which is not only of great interest to all members of parliament but also of interest to the member for Norwood, in particular, given her own interest in this area. I am delighted to be able to announce that Professor Ilona Kickbusch PhD will be Adelaide's next Thinker in Residence. Commencing on 5 February next year Ilona's residency will be split over two periods and will finish in November next year. Professor Kickbusch is an independent health consultant known throughout the world for her contribution to innovation in public health, health promotion and global health. She has had a long and very distinguished career advising on the promotion of health at the national and international level.

Based in Switzerland, she is currently adviser to the Swiss federal government and the World Economic Forum. She is also the senior adviser on millennium development goals and health targets to the Pan American Health Organisation. Professor Kickbusch was the initiator of the World Health Organisation's healthy cities project and oversaw the planning of other world-wide initiatives, such as world health days and the world health reports. From 1998 to 2004, she was Professor for Global Health at Yale University, School of Medicine, Department of Epidemiology and Public Health.

South Australia is very lucky to have a professional of Ilona's calibre visiting and thinking about ways in which we can build upon our already first-class world health services, particularly in the area of prevention. Broadly, the objectives of Ilona's residency are to:

- Demonstrate the central role that health plays in the economies and social life of 21st century societies and highlight the implications of this for the development of South Australia.
- Identify South Australia's current and potential strengths that have had an impact on the social and economic determinants of health, wellbeing and health inequities, and identify strategies to increase the effectiveness of these actions at the local, national and international levels.
- Increase awareness and understanding amongst government, non-government, business and community stakeholders of the significance of addressing the social and economic determinants of health, wellbeing and health inequities.
- Further develop effective and measurable strategies to achieve the health-related goals and targets in South Australia's Strategic Plan.
- Provide guidance on future research directions for the state.

Ilona will be our 11th Thinker in Residence and our first specifically looking at the area of health. The Thinkers in Residence program has already made a major and important contribution to public policy in this state, major reductions in homelessness, the implementation of innovative sustainable water and energy practices, the development of greenhouse gas legislation, national firsts in the areas of bioscience, the development of wireless technologies, an array of projects to promote and develop science in this state and the exploration of projects to build our digital screen industries. Our Thinkers have significantly influenced the economic, environmental, cultural and social futures of our state, putting us at the forefront of public policy, both nationally and internationally.

In addition, our Thinkers have become important advocates for our state around the world, and I am in no doubt that, like the Thinkers before her, Ilona will also make invaluable policy recommendations regarding the future development and improvement of our state.

VON EINEM, Mr B.S.

Mr HAMILTON-SMITH (Waite): My question is again to the Minister for Health. In regard to his statements to the house on 9 December 2004 about Bevan Spencer von Einem, does he stand by his remarks, were his statements incorrect, and will he obtain and table the written brief upon which they were based?

The Hon. J.D. HILL (Minister for Health): I thank the member again for his question because it gives me a chance to put even more information on the record. On 8 December the member for Waite asked the Attorney a question in relation to von Einem and I responded, and I quote what I said in its entirety, as follows:

> I answer this on behalf of my colleague in the other place (Hon. Terry Roberts), who is the minister responsible for corrections. I am not at all aware of the allegations that have been made. However, if they are true, I can assure the member the government is totally opposed to any special favours at all being given to Bevan Spencer von Einem, regardless of the peculiarities associated with them, and I am sure my colleague will address them. I can assure the house that we have made sure that von Einem has been DNA tested, against the protest of members on the other side.

Then members interjected and I continued to say:

> The member for Bragg wanted to protect the civil rights of Bevan Spencer von Einem, but that is not what this government believes. We are not in favour of special treatment for this man. I will get a full response from my colleague for the member.

The following day, Thursday 9 December, I sought leave to make a ministerial statement. That ministerial statement, to the best of my knowledge, was prepared by my colleague in the other place and I read it to the house. That was the information that I had provided to me, and I gave it to the house.

OVERSEAS STUDENTS

Ms FOX (Bright): My question is to the Minister for Employment, Training and Further Education. What contribution have international students made to the South Australian economy?

The Hon. P. CAICA (Minister for Employment, Training and Further Education): I thank the honourable member for her question. I understand that she was an international student studying at a public school in France, so I have indeed done my research. I am delighted to report that international education is now worth more than half a billion dollars to the South Australian economy and that Adelaide has continued to attract overseas students in record numbers. The international education industry contributed $553 million to the local economy over the last financial year and, with the constant support of this government, continues to be our state's fifth largest export earner, supporting 2 800 local jobs. Australian Education International figures show that in the

first nine months of this year South Australia recorded a 13.8 per cent rise in student numbers compared to the corresponding period in 2005. This is well ahead of the national average rise of 9.5 per cent.

More than 19 000 students have chosen Adelaide as their preferred study destination so far this year, and it is anticipated that by the end of the year that figure will have risen to 20 000. This has been achieved by the government through Education Adelaide, which has been effectively promoting Adelaide as a centre of education excellence, as well as highlighting the many advantages for international students who choose to live, study and work in Adelaide.

Two South Australian sectors continuing to forge ahead are universities and schools. Based on Australian Education International figures, South Australian universities now have a 6.3 per cent share of the national market, and the South Australian school sector has 8.3 per cent. Our overall market share for the first nine months of 2006 was 5.4 per cent, which puts South Australia on target of doubling our share of overseas students within 10 years in line with the goal set in South Australia's Strategic Plan.

Education Adelaide is continuing to market South Australia in key markets, with three in-market missions taking place in the past month in India, China and Korea. Priority markets include China, India and Vietnam, with additional marketing activity to be directed towards Japan, South Korea, Malaysia, Hong Kong and Germany, in collaboration with industry partners with watching briefs on the Gulf States and the Americas.

Education Adelaide continues to advertise on global education websites Yahoo! Asia and Yahoo! India, and in January will be the first Australian state promoted on the new Study Abroad Express! website in China, which is viewed by over 50 per cent of all Chinese students interested in studying overseas. Under that website deal, signed with Education Adelaide partner StudyLink and the Bank of Communications in China, Adelaide will also be promoted as a study destination in the bank's 20 000 branches and to 40 million customers. Through the outstanding work of Education Adelaide, South Australians will increasingly enjoy the economic and cultural benefits of having a significant number of overseas students living in our city, and I know that both sides of the house welcome those international students.

Members interjecting:

The SPEAKER: Order! The member for Waite.

VON EINEM, Mr B.S.

Mr HAMILTON-SMITH (Waite): My question is again to the Minister for Health.

Members interjecting:

The SPEAKER: Order!

Members interjecting:

The SPEAKER: Order! I will not call the house to order again. The member for Waite.

Mr HAMILTON-SMITH: My question is again to the Minister for Health. Given that in his ministerial statement he has explained that the drugs given to von Einem were prescribed by a doctor through a script filled by a pharmacist and dispensed by nursing staff, were the drugs self-administered to von Einem or administered by others, and has the minister established whether von Einem administered the drugs to others? The opposition understands that the protocol is for prescription drugs normally to be administered up to three times per day on demand of the prisoner by corrections staff.

The Hon. J.D. HILL (Minister for Health): I think that the question the member asks is a very important one. Putting aside the fact that drugs were given to this person anyway—and if you think it through it is the most ridiculous and stupid action any doctor could possibly take to give Viagra-type drugs to von Einem, of all the people in the world to give them to—but if you put that act of stupidity to one side, how they were then distributed beggars belief, and we are having this all researched. As I understand it, the drugs were given to von Einem over a three-month period and in two lots. We assume that was in two equal lots, but it may not have been the case. There were eight of these pills altogether and they were given to him. What he then did with them is anyone's business, but there is some suggestion, of course, that he did take them himself. There is a lot of evidence to suggest that that was the case.

Members interjecting:

The Hon. J.D. HILL: This does travel between the tragic and the bizarre, I agree, but trying to work through exactly what happened is the process we are going through. The best information I have at the moment is that there were two transfers of pills to von Einem by a nurse—I believe it was two equal lots but that may not have been the case—and then he had hold of those drugs to self-administer, one assumes.

Mr HAMILTON-SMITH: I direct a question again to the Minister for Health. In light of his answer to the previous question, who, then, did Bevan Spencer von Einem pay for the Viagra-type drugs? Was it the doctor, the dispensary or others?

The Hon. J.D. HILL: The advice I have is that a money order was transferred to the dispensary—the pharmacist.

Ms Chapman interjecting:

The Hon. J.D. HILL: By von Einem. It was his money order; he paid it.

VIETNAM VETERANS MEMORIAL

Ms SIMMONS (Morialta): My question is to the Minister for Multicultural Affairs. Can the minister inform the house of the significance to the South Australian multicultural community of the Vietnam War memorial recently unveiled on the Torrens Parade Ground, and update the house on any representations from the Socialist Republic of Vietnam about the memorial?

The Hon. M.J. ATKINSON (Minister for Multicultural Affairs): I was pleased to hear that the South Australian memorial is already being referred to as the best of its type in Australia, but I would like members to know that the monument has a deeper message for the public. In addition to the Premier's poignant speech on that day, I noted the presence of the member for Morialta and you, sir, at the Vietnam veterans memorial unveiling and dedication. In fact, some seven members from this side of the house were in attendance, and I think I also saw the Hon. Leader of the Opposition, who represented those opposite. There is a strong multicultural aspect to the memorial that now graces the western edge of the Torrens Parade Ground.

Of course, the primary aim of the memorial is to remember the 58 young South Australians who made the supreme sacrifice in the service of their country. I believe that the memorial has achieved this aim. War is a bad thing: I do not think you will ever find a person who has experienced it who

would suggest that it is a good way to solve conflict. But if there was ever one good thing to come from the war, surely it must have been the arrival of members of the Vietnamese community on Australian shores from late 1975. Defeat in the Vietnam War was the cause of the Vietnamese presence in South Australia, and what a wonderful contribution that community has made and continues to make. I pay tribute again to the Fraser Liberal government and the proper and humane approach it took to Vietnamese refugees arriving in Australia, and its efforts to pluck them from the South China Sea and take them from transit camps in Indonesia such as Pulau Bidong.

Members who have visited the Vietnam War memorial will have noticed a granite memorial positioned on either side of the pathway leading from the Parade Ground to the memorial itself. Beneath each mural is engraved a message. The one on the right shows a leaky boat crammed with men, women and young children listing in the rolling sea. Under this image is engraved the phrase 'Passage to freedom'. The image reminds us of their perilous journey to this country: how much many of our Vietnamese citizens resented the forced rule of the communist regime in their country and how much they were prepared to risk to seek liberty and a new life. They chose to risk everything. Thankfully, that image is in the past.

The image on the mural on the left shows Vietnamese in Australia today. Many are proud Australians who are successful in their own right. The words under this image are 'Resettlement, integration, contribution'. These words capture precisely what the Vietnamese community have done since arriving in Australia. They have resettled, they have integrated and they do make an enormous contribution.The next generation are pictured: young Australians of Vietnamese descent. They have been hoisted high on the shoulders of giants and have made the very most of their opportunities in this country. Large numbers have gained tertiary qualifications, and we are all aware that Vietnamese students regularly feature among the top students in year 12 results each year.

I encourage all members to visit the Vietnam War memorial. When they do, they should acknowledge and reflect upon its primary message: to remember those who offered and gave so much. But they should also pause to remember the single good thing the Vietnam War gave our state: it immeasurably enriched us by allowing us to welcome a hard-working, enthusiastic and talented community which, after 30 years, continues to make a wonderful contribution to this state and to the nation. Turning to the second part of that question, I note that, of the proposal to fly the flag of the Republic of Vietnam, our former allies, Alexander Downer, the foreign minister, on ABC Radio said:

> If they are not official flags, then it can cause offence to a lot of people.

I ask members opposite: what offence do you say the flag of the Republic of Vietnam causes to any South Australian? Alexander Downer, our Foreign Minister, went on to say:

> For example, on the state Parliament House, we wouldn't want to see, I don't know, the American Confederate [flag] flown or something like that because it is not a non-official flag on an official building.

There is a good idea; take that one to the Joint Parliamentary Service Committee, and perhaps on 30 April we could fly from the parliament building the flag of the Republic of Vietnam. I went on in that interview to say:

> . . . it is most distasteful that Alexander Downer should be responding to protests about this memorial from the Vietnamese communist dictatorship and trying to prevent the flying of the flag of our old allies. . .

David Bevan intervened:

> Is that the case? Are you responding to the protests from the communist regime in Vietnam?

To which Alexander Downer responded:

> Absolutely not. This guy, who says he is the Attorney-General is kind of out there a bit, I think. I have not had any representations from the Vietnamese government with his out there sort of denouncing Vietnam like a school boy. They haven't made any representations to me. This isn't a question of that. It's a question of the flags protocol. . .

I am pleased to tell the house that the member for Adelaide, Kate Ellis, asked a question in parliament:

> Has the Government received any representations in the past five years from the Socialist Republic of Vietnam about flying the flag of the Republic of Vietnam in Australia; if so, what was the occasion, timing and substance of those representations.

Mr Downer's reply was as follows:

> Yes. The Australian Government has received a number of written and oral representations from Vietnamese authorities expressing concern about the raising of the flag of the former Republic of Vietnam in Australia.

Ms Ellis asked a second question:

> Has the Government received any representations from the Socialist Republic of Vietnam about the Vietnam Veterans' Memorial being built in Adelaide and flying the flag of the Republic of Vietnam at that Memorial?

Mr Downer's answer was:

> Yes. The Vietnamese Government raised the issue with the Australian Ambassador in Hanoi on 17 March 2006. No representations by the Vietnamese Government have been made directly to me.

Mr Koutsantonis interjecting:

The SPEAKER: Order!

LIVING MURRAY

Mr WILLIAMS (MacKillop): Given the dire situation in the River Murray, has the Minister for the River Murray approached her Murray-Darling Basin Ministerial Council colleagues to lobby for a stop to the watering of wetlands at Chowilla, and over the Victorian border at Hattah, in order to have this water made available for consumption? Riverland irrigators are expressing to the opposition their frustration and anger that, whilst they have been asked to allow their crops to go without water, water continues to be pumped onto parched river flats. The minister's defence is that it is Living Murray environmental water; however, given the current crisis faced by irrigators and the incredibly bleak outlook for next year, irrigators are asking for this practice to be stopped.

The Hon. K.A. MAYWALD (Minister for the River Murray): I thank the member for his question. First and foremost, I need to provide the house with some information on what the Living Murray is about. The Living Murray is about achieving 500 gigalitres of water ring fenced for environmental purposes by 2009. Sitting in that bucket at the moment is a small amount of water—13 gigalitres, in fact. That 13 gigalitres sits on a licence that is subject to South Australia's restrictions of 60 per cent; therefore, 7.8 gigalitres of River Murray Living Murray water is available for environmental projects in the current drought climate. A very small amount of water has been made available also from the Water for Rivers project which is acquiring water for the Snowy River system and also for the River Murray as an environmental contribution. The total amount of water that is available is just a bit less than 34 gigalitres.

A number of Living Murray projects were put forward at the beginning of this year for watering, remembering that at the beginning of this water year we had substantially more water in reserve than we have now and that the system was in better shape than at this time last year. Those projects collectively totalled about 280 gigalitres in bids to the Living Murray; however, the bucket was significantly smaller than that. Twenty gigalitres of the less than 34 gigalitres available for environmental use was allocated to South Australia, and five of those 20 gigalitres were allocated to the Chowilla flood plain. Those five gigalitres were, or are being, very selectively applied to some areas in which we have invested hundreds of thousands of dollars to try to restore refuges within what is a very important flood plain area in South Australia. The little bit of water available is not watering all the Chowilla flood plain, it is not watering anywhere near the entire flood plain—in fact, it is less than 4.5 per cent of the flood plain. That little bit of water is available to actually water 0.8 per cent of the entire flood plain in South Australia.

Every other environmental project in South Australia has been suspended. That water comes from a bucket that has been ring-fenced by the environment as a consequence of the Living Murray decision. The Living Murray decision is to purchase water specifically for environmental purposes only, and that water cannot be reapplied to other extractive uses. That is the initiative of the first step; 500 gigalitres back for the environment. There is only 7.8 gigalitres available in that bucket in these drought conditions—13 gigalitres reduced by 60 per cent. It is very important for members to understand that if we do not invest in saving very small refuges in the Chowilla flood plain we will not have the Chowilla flood plain to call an icon site in the future. The flood plain is not only experiencing the last five years of drought, but also many years prior to that of man-made drought induced by the way we have managed the system to mitigate floods rather than allow the small floods that used to come through on a regular basis. As a consequence, that flood plain is highly stressed—not just because of the current drought but also because of the man-made drought that preceded it.

The investment put into the Chowilla flood plain has been enormous—not only by this government but also by all the jurisdictions of the Murray-Darling Basin Commission and the communities involved in managing it. That water will cease to go out to the flood plain next week, and a total of 3.8 gigalitres maximum will go out of the five gigalitres that have been allowed. So the project has been trimmed back, but we believe it is very important to save at least a tiny refuge of what is a very important flood plain in South Australia.

KEEPING THEM SAFE

The Hon. L. STEVENS (Little Para): My question is to the Minister for Families and Communities. What are the functions of the Guardian for Children and Young People, the Child Death and Serious Injury Review Committee, and the Council for the Care of Children, and what key achievements have they made towards this government's Keeping Them Safe agenda?

The Hon. J.W. WEATHERILL (Minister for Families and Communities): I thank the honourable member for her question. Earlier today I tabled the first annual reports of the Guardian for Children and Young People, the Child Death and Serious Injury Review Committee, and the Council for the Care and Protection of Children. All three bodies were introduced as a consequence of amendments made to the Child Protection Act which were proclaimed in February this year. Each of these bodies seeks to hold not only this government but also future governments accountable for the way in which we care for the interests of children in this state, ensuring not only that their rights are protected but also that they develop to their best and full potential.

The Guardian for Children and Young People has an important role in advocating on behalf of children under the guardianship of the minister, both directly on behalf of individual children but also, in a policy sense, on behalf of them as a class. During the year the guardian has worked with children in care on a number of important projects, including a Charter for the Rights of Children in Care, which was released in April. This contains the sort of core commitments that children in care can expect and was developed by the children themselves with the assistance of their advocacy body, the Create Foundation.

We have also played an important role in ensuring that the voice of children is heard in all of the policy initiatives that we undertake in this important area. The Child Death and Serious Injury Review Committee was a key recommendation of the Layton report, and it has played a critical role in assessing death and—from the next part of its exercise—serious injury of children in this state. This government is committed to learning the lessons of the tragic death of children in this state to make sure that we can make relevant changes to the way in which our community and our agencies operate and how we, as a community, care for children.

Finally, I have today tabled the report of the Council for the Care of Children. The council's key function is to advise government. It is an independent statutory authority that advises government, in a policy sense, on protecting the rights and interests of children and fundamentally ensure that their development can be progressed in a way that maximises their full potential. All of these accountability mechanisms have been introduced by this government in the area of the protection of children. They will challenge the government, but the government ought to be challenged in what I believe is the most important endeavour that we as public policy-makers have, that is, the care and wellbeing of children.

WELLINGTON WEIR

Mr WILLIAMS (MacKillop): My question once again is to the Minister for the River Murray. Can the minister advise the house of the likelihood of sea water being allowed into Lake Alexandrina in the next 12 months? Can the minister also tell the house what advice she has received as to the length of time it would take to restore the lake after allowing sea water into Lake Alexandrina so that irrigation activity could once again be undertaken from the lake?

The Hon. K.A. MAYWALD (Minister for the River Murray): In a statement that I provided to the house and in response to questions, I pointed out last week that the process of constructing the weir at Wellington is a proposal that is currently being scoped up. The answers to those questions are being worked through as we speak. The investigations into where the weir should be placed, what the weir will actually save, how the weir will operate in the temporary environment under which it would be required to operate, and how the lakes would be managed, are all part of the questions that are being answered in a scoping-up project.

The Hon. R.G. KERIN (Frome): My question is again to the Minister for the River Murray. If sea water were

allowed to enter the lakes, would the government commit to the infrastructure required for irrigation and domestic use to continue while the lake is too salty, or is it the government's intention to permanently abandon irrigation around the lakes?

The Hon. K.A. MAYWALD: It is a hypothetical question following the answer that I gave to the previous question. The project is being scoped up, and once those questions have been answered then we can answer further questions.

The Hon. R.G. KERIN: I have a supplementary question. A lot of people want to know the answer: will the minister rule out letting salt water into the lakes?

The Hon. K.A. MAYWALD: The idea of having an investigation is to investigate things and to work out what the answers to those questions are. The questions are on the agenda and are being looked at by people who have the technical expertise to look at them. When we have the completed design, when we have the completed questions and answers regarding the community's concerns, we will present them to parliament. We are 10 days into scoping up this project, following the Prime Minister's summit the week before last, at which the Prime Minister agreed that we needed to pursue this matter.

As a consequence of the decision to consider a proposal to build a weir to protect supplies in this state for domestic and irrigation use—should we get the worst case scenario next year—we have to work through the process and answer those questions. There are many questions that remain unanswered until we have done the work. We need to do the investigations and, once we have done that, we will be able to answer the questions. But you have to do an investigation first. Quite frankly, the Deputy Leader of the Opposition does not understand: you have an idea, you have to develop a plan and you have to do the investigations. Currently, we do not have a situation of 'Oh, look, here's the weir plan on the top shelf. Let's grab it and bring it down.' It is not up there. We have to work the proposal up. We have to put all the issues on the table. We have to identify all the issues and then work through them. That is how a project normally works. It is called project planning—a concept that, I guess, is unfamiliar to the opposition.

Members interjecting:

The SPEAKER: Order! The member for Frome.

Members interjecting:

The SPEAKER: Order!

LOWER LAKES BARRAGE

The Hon. R.G. KERIN (Frome): My question is again to the Minister for the River Murray. Will the minister outline to the house—

Members interjecting:

The SPEAKER: Order!

The Hon. R.G. KERIN: Thank you, sir, for your protection. Will the minister outline to the house the approximate schedule for the 770 gigalitres release, or overflow, of water at the Lower Lakes barrages since December last year?

The Hon. K.A. MAYWALD (Minister for the River Murray): The water that flowed over the barrages during the course of last year was water that flowed into the state above allocation, above our entitlement flow. It was water that flowed into the system as a consequence of good inflows below the area that we can capture it in the dams; so it was unregulated water into South Australia. That water came across the border; 2 310 gigalitres came into South Australia last water year. Of that 2 310 gigalitres, because of a very significant rainfall event that meant that we had these unregulated flows, we directed as much of it as we could into Lake Victoria. If you check the records and you actually have a look at those flows that came into South Australia, you will see that we poured as much of it as we could into Lake Victoria to save that water as it went past. Then, as it came down through the system, we held it up behind the locks.

We had a weir-raising exercise all the way down through the system—it is the first time that we have done it—and we enabled water to flow back over into the environment—back from the locks—as that water came down through the system. This is where we got the 770 gigalitres from. The honourable member may not be aware of this, but it comes through flows. That flowed down through the system, we held it up behind the locks and weirs, and we got some really good benefits out on the flood plain as it went through. Then, as it got down to the lower lakes, we managed it through the lower lakes system, when we held the lakes as high as we possibly could until the major irrigation season came about, and we managed the water through the locks and weirs into the Coorong and across the fish passageways.

At the same time, there were significant inflows from the Adelaide Hills, from the Eastern Mount Lofty Ranges, which resulted in enabling us to direct 770 gigalitres across the barrages into environmental outcomes. The river normally runs to sea—

The Hon. J.D. Lomax-Smith interjecting:

The Hon. K.A. MAYWALD: Usually. But, we have had a situation where there have been five very dry years. We had an opportunity where there was some extra flow that came down that was unable to be captured in our storages. We directed as much of it as we could at full channel capacity into Lake Victoria. If you look at the graph at the end of December when that water came through, you will see that Lake Victoria is full; it was absolutely full. We could not put any more in there. So, with the extra bit that was coming down past, we actually used it on the way down and then managed it so that we got some good environmental outcomes for it. There is nothing wrong with doing that. In actual fact, we had some very good environmental responses from the use of that water. We could not store it anywhere. We do not have another dam in South Australia to store it in, and that is the reality of it.

The Hon. R.G. KERIN: I have a supplementary question. Before the house rises today, can the minister please supply the opposition with the accurate release information on what went over the barrages?

The Hon. K.A. MAYWALD: As soon as I can possibly obtain that information, I will provide it to the house.

PAYDAY LENDING

Mr RAU (Enfield): Will the Minister for Consumer Affairs inform the house whether there has been any progress in relation to the payday lending discussion paper that was issued recently?

The Hon. J.M. RANKINE (Minister for Consumer Affairs): The issue of payday lending is a very important one, but it is also a particularly complex issue that does not lend itself to simplistic solutions. Most people agree that there are problems associated with payday lending and also acknowledge that it is a problem confined not only to South

Australia, but also across Australia and, indeed, across the world. Even a brief examination of the issue soon reveals that the resolution to these problems is not easy. That is why I issued a discussion paper so that interested parties could not only have an appreciation of these complexities but also help address the issue of finding a solution. Any solution needs to not only protect people from exploitation but also ensure that any measures we introduce do not have the unintended consequence of precluding people from access to credit. If we are not careful when we make changes to the existing situation it could result in some people being denied access to short-term loans in an emergency. We have to ensure that any protection is not ineffective because it might be easily circumvented or is so draconian as to prevent reasonable business from providing a service to those who need it.

In relation to the payday lending discussion paper, I inform the house that to date the Office of Consumer and Business Affairs has received in excess of 20 submissions. These submissions were received from various consumer advocate organisations, mainstream lenders, payday lending organisations and a range of other interested parties. A preliminary examination by the Office of Consumer and Business Affairs on the general nature of the submissions indicates that opinion is divided on the issue of an interest rate cap and on having a 'capacity to pay' test, while there seems to be a degree of consensus on the need for an appropriate education campaign and for transference of jurisdiction over some types of credit code applications to the Magistrates Court.

I have established a working party which will oversee the work in relation to the discussion paper and which will assist and advise in the development of options and the possible benefits and disadvantages of them. The working party includes the member for Torrens, who has raised this issue on a number of occasions. She is chairing the working party. The working party also includes Dale West from Centacare, Helen Gordon from the Australian Finance Conference, Mark Redmond from the National Finance Services Federation, Gillian Schach from the Office of Consumer and Business Affairs and Richard Hockney from the National Australia Bank. The group had its first meeting yesterday and will continue working in the lead-up to Christmas.

This is a complex issue which needs to be properly worked through with the community, in particular with the groups that are most affected—those on low incomes, the community organisations that assist the most vulnerable in our community and the lending institutions themselves. I am looking for a solution that will provide protection for vulnerable consumers while at the same time ensuring that their access to a form of credit that meets their needs is not lost.

SEXUAL ABUSE IN SCHOOLS

Dr McFETRIDGE (Morphett): My question is to the Minister for Education and Children's Services.

Members interjecting:

The SPEAKER: Order!

Dr McFETRIDGE: Will the minister assure the house that all allegations regarding sexual assaults in state schools have been thoroughly investigated by her department and referred to the police? Recently, the Western Australian education minister claimed to be unaware of the allegations and investigations in relation to sexual assaults in Western Australian schools. On ABC 891 on Thursday 19 October, minister Lomax-Smith said, 'I'm not sure what's gone on in the department.' The house needs to be assured that the minister is aware at all times of what goes on in her department.

The Hon. J.D. LOMAX-SMITH (Minister for Education and Children's Services): Thank you for that question without notice. I must say that our record on child protection is second to none. Our Keeping Them Safe strategy has incorporated activities across many portfolios. It has been a concerted, focused strategy on filling in the gaps, investing funds, training staff and implementing much of what should have been done in the period of government of those opposite.

We have turned around a whole range of areas which have included police checks for those teachers who had never received them, despite the attempts of those opposite; and only having police checks for new teachers and leaving those who were previously in the profession unchecked. We have introduced a process of mandatory reporting across the whole of our systems. We have invested money in strategies across families and communities, the health sector and volunteers. We have worked together with the police department, and we have worked with CrimTrac across the nation. Our record is second to none, and I can assure members that, if there is any breach, we need to know about it.

FIREFIGHTING EQUIPMENT

Mr GOLDSWORTHY (Kavel): My question is to the Premier, but, as he has obviously gone missing, I will direct it to the minister representing the Premier. Can the minister explain why, 12 months after the opposition raised this issue in question time, agreements between the government and councils for the use of firefighting equipment have still not been signed, even though we are in an extremely bad fire season? In the aftermath of the Eyre Peninsula bushfires, it was identified in the independent report of Dr Bob Smith that some equipment, including water tankers, were not utilised when they should have been due to the lack of an agreement between the CFS and local government. Hence, it was recommended that the CFS should enter into agreements so that this would not be an issue in future fire situations.

The Hon. P.F. CONLON (Minister for Transport): That is probably a question for the Minister for Emergency Services in another place, and I will seek a report. One of the things I will say is that there is absolutely no doubt that management, funding and reform of emergency services under this government and in the previous term of this government are second to none. We carried out the most comprehensive reform of emergency services ever. We had the biggest increases in funding and aerial firefighting, and the best new system of management so that the services run themselves. So I am very happy to get an answer for the member from the minister in another place; and, I am sure, like everything else, it will reflect very well on the performance of this government.

STANDING ORDERS SUSPENSION

The Hon. P.F. CONLON (Minister for Transport): I move:

That standing orders be and remain so far suspended as to enable the report of the Auditor-General for the year ended 2006 to be referred to a committee of the whole house and for ministers to be examined on matters contained in the papers in accordance with the timetable as distributed.

The SPEAKER: There being an absolute majority of the whole number of members present, I accept the motion.

Motion carried.

GRIEVANCE DEBATE

WORKCOVER

Mr WILLIAMS (MacKillop): Today I want to correct the record with regard to the history of WorkCover in South Australia because, for a long time now, we have had members of the government—both the minister and, more recently, the Treasurer—trying to rewrite history with regard to WorkCover. I know the current minister is unwell at the moment and I am disappointed that he is not here. He has already received my best wishes and I hope he is back fit and well, sooner rather than later, to answer the questions of the opposition about the mismanagement that I believe has been going on for some time with regard to WorkCover.

In answer to questions way back as far as 2003, and in ministerial statements in March 2003, the minister tried to attribute blame for the problems that have been ongoing in WorkCover to the previous government. Nothing could be further from the truth. Under the previous government, over a period of eight years, after inheriting a WorkCover scheme which was in significant difficulty, the previous government, through very sound management, managed to bring the scheme back to a fully funded situation. 'Fully funded', as defined by the board, is between 90 per cent and 100 per cent funded to allow some flexibility so we would not make knee-jerk reactions to change the revenue streams by altering the average levy rate, as long as the funding ratio (the unfunded liability) was within the 90 per cent to 100 per cent range.

We got WorkCover back within that range and it was travelling very well. In fact, we got the unfunded liability down as low as $22 million. Then we struck a mini recession, particularly in the equity markets, and we saw the WorkCover investment portfolio returns drop dramatically—I think, off the top of my head, from the order of 13½ per cent down to 1 or 2 per cent—which made a significant difference to the actuary's assessment, and the unfunded liability was listed at the time of change of government—that is, December 2001—at $67 million.

In light of the way we got WorkCover under control and the way it was tracking and trending very well, the then government gave a rebate of some $25 million to the employers in South Australia who pay the levy rate, and also reduced the average levy rate from 2.86 to 2.4 per cent. The government, and particularly the Treasurer, in this house last week tried to suggest that that was the problem and that has caused the problem that WorkCover is still suffering under. The reduction of the levy rate from 2.86 to 2.4 per cent had a very insignificant impact on WorkCover, and I do acknowledge that, of course, it did reduce the revenue stream. But the government, if it thought that that was causing problems at the time, should have acted 12 months later to restore it to the 2.86, or put it at the level that it thought would have been necessary. But, no, the government did not do that; it continued to have the levy rate at that 2.4 per cent for 18 months after it came into office. Yet the Treasurer has the temerity to stand in this place and blame the previous government.

The average levy rate was then readjusted upwards by the current government to 3 per cent, and that was done as of 1 July 2003. That .6 per cent increase in the average levy rate was not to underpin the ongoing operations of WorkCover; it was designed to claw back the unfunded liability that had been created in a very short time under the maladministration of this government. In fact, if one cares to go back to the 2002-03 annual report, one will see at page 3 the statement from the acting CEO indicating that the .6 per cent—and that is the difference between 2.46 and 3 per cent—is really just the margin on the levy rate to claw back the unfunded liability. So it is not for the day-to-day operations; it is to claw back the unfunded liability. So, the WorkCover board at that stage acknowledged that that was not the problem, and if we look through the various documents that WorkCover have produced since that time, we will see that the ongoing problems have been caused by a failure to manage the claims of the cases before WorkCover.

The most recent WorkCover annual report was the report for the year 2004-05. We are waiting for the tabling of last financial year's report, and the minister today said that it will be handed down within the statutory 12 days after being handed to the minister. We have not been told when the report was handed to the minister. That 12 days may well flow into next calendar year, but I hope that the government is not arrogant enough to do that. I hope that we will see that report tabled in this parliament either—and hopefully—later this week or, by the very latest, in the last sitting week in December, which is in a couple of weeks' time. But, really, I think the government should be tabling that report this week.

I come back to the 2004-05 annual report, where WorkCover notes that they had an operating surplus of some $152 million due to strong levy revenue, noting that the $152 million is greater than the increment that I just talked about, going up from 2.46 to 3 per cent. However, the total liabilities rose by $236 million, of which $226 million was due to estimated claims liability growth caused by inadequate return-to-work rates; growing income maintenance cost as more injured workers remained on the scheme for longer; and rising claim-related costs, particularly for medical and rehabilitation expenses. Some 5 030 claims had a duration of greater than one year and now account for more than 75 per cent of the total claims liability. There recently came into my possession a copy of the Canberra Research and Consultancies Return to Work Monitor, a paper it publishes looking into all the Australian and New Zealand jurisdictions.

It says that South Australia had the lowest return-to-work rate and durable return-to-work rate at 78 per cent and 67 per cent respectively, coinciding with an above-average proportion of injured workers who are not deriving any income from employment.

Time expired.

BODY PIERCING RESEARCH REPORT

Ms THOMPSON (Reynell): I rise today to commend all those involved in the Healthy Body Art and Body Piercing Infection and Injury Research report. This report was commissioned through the Noarlunga Towards a Safer Community group and the Safe Communities Initiative, and was funded by SafeWork SA and WorkCover. It involved inspectors from the City of Onkaparinga and officials from

the Department of Health, as well as SafeWork and WorkCover and, very importantly, it involved representatives of the body art and piercing industry and GPs from across the state. This report was launched in the presence of Dr Bo Hendricson, the World Health Organisation's Safe Communities Network representative and Adjunct Lecturer at the Karolinska Institute.

It was a great privilege for all involved in the project to have Dr Hendricson present at the launch. He has a considerable international reputation in the work that he has done through the World Health Organisation on the Safe Communities initiative and is highly respected for his ability to translate health problems into practical, local action and address them that way. The study was initiated when one of the council health inspectors realised that she was not really confident about what she was looking for when inspecting enterprises involved in body piercing, in particular. She was aware that there are many reports of very nasty infection arising from body piercing—

Mr Bignell interjecting:

Ms THOMPSON: As the member for Mawson, who has also been able to see this report, says, some of the injuries reported were truly shocking. It is commendable that this inspector went and got herself trained in body piercing in order to understand better the safety issues and hygiene issues involved in this. Indeed, as the project developed, several of the project team were trained in body piercing, and it was quite interesting to hear the informal conversation about their experiences in piercing. I think a lot of people of my age find this whole interest in body piercing a little bit strange, but it is very much the case that young people find body adornment a social practice that appeals to them, and certainly there are many cultures worldwide and through many hundreds of years that have engaged in body art.

So, rather than looking askance at our young people for their interest in this topic, we should seek to protect their health and ensure that, when they go to have body piercing and tattoos, they know exactly what they are getting into: the possible consequences, the important aftercare required for a piercing and that they have some understanding of the different approaches to piercing. One of the issues here is the use of guns. When I had my ears pierced many years ago, I thought that these piercing guns were a modern invention and quite the thing, but the study shows that piercing guns can often cause more injuries than needle piercing because of the increased trauma caused to the ear lobe tissue, in particular, when they are used. The report also shows the need for extensive aftercare, particularly, for navel piercing which, contrary to what some of us might expect, cause the most difficulties. I commend the Department of Health for its work in this and I am pleased to hear from the minister that the department is now preparing a pamphlet containing information on the health aspects of skin penetration for persons considering the body art procedure so that they can have their adornment safely.

Time expired.

MEDIA AND POLITICS

Ms Breuer: Where did you get that tie? It's a shocker.

Mr PISONI (Unley): Do you like it? You can often hear me before you can see me with this tie on. It has come to light, following last week's parliamentary sitting, that the Premier jetted off to New Zealand to deliver a lecture over the weekend at the Maidment Theatre in Auckland entitled—and wait for it—'You campaign in poetry. You govern in prose'. How appropriate that our illustrious Premier, better known as Media Mike, is touring the world to recollect his days at the University of Auckland in his transition from student activist to professional politician. In the same week, his own administration is probably under its greatest scrutiny since coming to office in 2002. The title of this lecture could not be more appropriate for a man who has utilised the media to gloss over and overcome his administration's many failings more than any other Premier in this state's history.

How very appropriate that our Premier claims last week that he would 'explore the role of the media in modern politics' the very day after one of the state's most respected journalists, *The Advertiser* Associate Editor, Rex Jory, began his column with the paragraph, 'The State Government is slowly developing a reputation for doing nothing.' Mr Jory says complacency is the big threat to Labor in South Australia. Although, I would suggest it is a cocky mix of complacency and arrogance. But I will let Labor worry about its own internal complacency. I am sure that the Premier has had more—

Members interjecting:

The SPEAKER: Order!

Mr PISONI: —important things on his mind this year like lobbying for his failed bid for the ALP presidency. However, the Rann Labor government's complacency in running this state is another matter. South Australians deserve better, and I just hope there is finally an awakening to the poor performance of this government by some sections of the media, and it will in turn be passed on to the community at large. Last week, SA Motor Trade Association President, Frank Agostino, came out publicly and said the time for talking was over. He has demanded action not words to address key economic issues. Mr Agostino said, 'This is a government which is very good at consulting, very good at listening, very good at agreeing with our concerns, but very short on action.' Mr Agostino has flagged a high-profile public campaign against the Rann Labor government if it continues to neglect the industry which, incidentally, has a $10 billion a year turnover.

At last, alarm bells are ringing; South Australian business is worried, and the government is showing it really does not care. It does not care that WorkCover's unfunded liability has blown out tenfold to a massive $700 million since its time in office. We heard the Premier confirm that this afternoon; he said that WorkCover was not a problem and that he was comfortable with it. He is comfortable with the growing unfunded liability.

This government does not care that South Australian businesses pay the highest average WorkCover levy in the country, it does not care that this state has the highest rates of payroll and land tax, or that it is making South Australian business uncompetitive. Even IKEA cannot make it work in South Australia. This government does not understand because its cabinet is a business experience-free zone. To this Labor government, business exists to pay ever increasing taxes to compensate for its bad fiscal management—such as Treasurer Foley's public sector blow-out which is costing South Australia an extra $500 million a year—

Members interjecting:

The DEPUTY SPEAKER: Order!

Mr PISONI: —and despite Media Mike treating us—

The DEPUTY SPEAKER: Order!

Mr PISONI: —to some of his so-called governing—

The DEPUTY SPEAKER: Order, member for Unley! When I call for order you will come to order also. Proceed.

Mr PISONI: Thank you, Madam Deputy Speaker. Despite Media Mike treating us to some of his so-called governing prowess by talking up future growth in mining in this state, the South Australian Chamber of Mines and Energy and ANZ chief economists are warning us that the state government is failing to provide adequate infrastructure and seed funding to unlock South Australia's mineral wealth. In response, minister Conlon's office casually dismissed the criticism.

Time expired.

OAKTREE FOUNDATION

Ms SIMMONS (Morialta): Today I wish to talk about the Oaktree Foundation, which is one of the world's first entirely youth-run and youth-driven international aid and development organisations. I was pleased to attend the Oaktree Foundation fundraising dinner at the beginning of October and would like to congratulate Nina O'Conner, Rebecca Martin and Rubin Bolaffi and the committee—who are all year 10, 11 and 12 students—for organising a fantastic evening at Carrick Hill. I would also like to commend their guest speaker Hugh Evans, a young man of great vision who was the 2004 Young Australian of the Year and who is currently the national and international director of the Oaktree Foundation.

The projects that the Oaktree Foundation looks to support are youth-oriented as well as having a strong focus on education. They target projects to develop the education of young people currently trapped in the poverty cycle, and these opportunities enable the youngsters to break out so that they are not reliant on handouts into the future. At this moment in their short history the Oaktree Foundation is involved in several projects in India, South Africa, Papua New Guinea and East Timor. These projects aim to provide communities with the skills and resources needed to create a path away from poverty and towards education—and, more importantly, sustainability.

Oaktree is run entirely by young people under the age of 25. It utilise the skills, passions and fantastic ability to 'dream big' that many young people possess. These young leaders focus on advocacy, and are equipped to go out to spread the word that it does not take a lot of effort or money to make a huge difference in these countries. These young people have demonstrated their ability to engage both their peers and their elders to look at the importance of the issues of poverty and education in developing countries. They spend a lot of time talking in schools, churches, universities and businesses with great results—particularly financially.

The scope and creativity of ideas that school students have come up with and that they have implemented is extraordinary. Oaktree emphasises that the possibilities are endless and, with the right encouragement and forethought, school students can fully embrace the opportunity to take a leading role in the community. This is a testament to the education and opportunities that this committee has received here in Adelaide and its aim is for young people in developing countries to do likewise, to benefit from similar opportunities and to become leaders not just for the future, but also for today. I commend the foundation to the house.

WELLINGTON WEIR

Mr PENGILLY (Finniss): I want to spend a little time today talking about the proposal for a weir at Wellington. But, more to the point, I want to spend some time talking about the huge impact that this will have down south, on the lakes area, the surrounding peninsula and the district of Goolwa, etc. I think there has been a total failure to put this matter into some semblance of order. This is an idea that has come from somebody—it may even have come from the former speaker of this place. However, somebody with a degree in rocket science has come up with the notion that this is a good idea.

I really refer, in particular, to the impact on grape growers on the western side of the lakes, down through Langhorne Creek and Currency Creek, and on the dairy farmers on the Narrung Peninsula, and I refer also to what has transpired over 70-odd years since these barrages were put in place. An enormous economy has been built up in the lakes area, employing many people and creating income for South Australia, as well as providing for the town of Goolwa and its economy. I think that this has all been overlooked in this mad rush to promote the idea of putting in a weir at Wellington.

On top of that, we have the marina development at Hindmarsh Island which is well and truly under way. There are some 600 homes proposed out there and some 300 are there already. If my information is correct, there is a government guarantee that the water level will be maintained at 0.75 of a metre. How they hope to maintain such a water level when they open up the barrages to the sea leaves me totally perplexed. I go so far as to say that, if this happens and the barrages are opened and it becomes tidal, you might as well pull down the bridge because you will be able to walk to Hindmarsh Island; you will not need the bridge any more. That may please some.

The environmental impacts of this proposal are absolutely enormous, as I mentioned the other day in a question to the house about Ramsar. I do not think that has been thought through at all. I also refer to the social impacts on the lives of those living in and around Goolwa.

Members interjecting:

The DEPUTY SPEAKER: Order!

Mr PENGILLY: Once again, we have a Premier roaring off to look after his voters in the city at the expense of thousands of people and millions of dollars worth of economy down in that area. I think the Premier would rush off and sell his grandmother in order to save votes in his marginal seats. I think it is an absolute disgrace. He is ignoring country people once again, and he seems to be following along the line of his interstate colleagues.

A great degree of public outrage is building in my area about this weir proposal, and I think it has been disgustingly advanced by the Minister for the River Murray. There is no question in my mind that this arrogant approach that—

Members interjecting:

The DEPUTY SPEAKER: Order! The house will come to order.

Mr PENGILLY: —has been displayed by the Minister for the River Murray is totally dismissive of the rural constituency. She should be the Minister for the Riverland, I think, because it does not extend much past her constituency. She is arrogant in her approach. She is condescending to members on this side. She is running around lecturing people, puffing and blowing—

Members interjecting:

The DEPUTY SPEAKER: The member for Finniss is being extremely provocative, so it is therefore likely that he can expect a response. However, I would suggest that it be one at a time.

Mr PENGILLY: Thank you, Madam Deputy Speaker, but it is not half as provocative as the way we have been approached by the Minister for the River Murray.

An honourable member: How about some protection from the Speaker!

Mr PENGILLY: Thank you. I do not need any protection. You do not expect any protection. I raise my strong concerns on behalf of my community over the lack of thought that has gone into announcing this proposal for a weir at Wellington. It is of major concern, as it will destroy the economy of the Lower Lakes, Hindmarsh Island and Goolwa, as well as the economy along the Narrung Peninsula, Langhorne Creek and elsewhere. It is simply not good enough.

HUTT STREET CENTRE

Mr BIGNELL (Mawson): I congratulate the great work of the Hutt Street Centre, which works with many of Adelaide's homeless people and, in particular, commend it on an outstanding fundraising activity on Sunday, which raised more than $80 000 to help the homeless people of South Australia. The Hutt Street Centre does marvellous work. On Sunday it hosted the Portavin touch football competition, which is supported by wineries from various wine regions around the state, including the McLaren Vale area, which, of course, is in the seat of Mawson. The Barossa Valley was well represented, and I note that the member for Schubert is here.

Mr Griffiths: Did you play in any of them?

Mr BIGNELL: I did not play in the touch football game—the member for Goyder interjects—but I was invited out as a commentator, and I commentated the celebrity game. We had people such as Matt Primus and Sally Newmarch, a former Olympic rower. We had Rachael Sporn, a great Australian basketballer, and we had fantastic sports people who came out to give up their time to play in the celebrity game and add a little bit of impetus. We also had the Leader of the Opposition, Mr Iain Evans. He played in the celebrity game. I was commentating and I did not bag him once. I was very bipartisan, and I was actually supporting him as he made his way around the ground. He got a couple of good touches, and I applaud him for turning up in a bipartisan way. The Minister for Families and Communities, Jay Weatherill, was also out there; he played in one of the earlier games. The Minister for Transport, Patrick Conlon, has had a long history with this event which stretches back—

Ms Breuer: He sat on the bench.

Mr BIGNELL: He did not play.

Ms Breuer interjecting:

Mr BIGNELL: Yes; he does have a knee injury, but he is looking fit; He has really trimmed down. Last year, his very good friend, Matthew Jukes, one of the world's greatest and most respected wine writers was in Patrick's office. He said, 'Look; I've just come to town. I was out having a run around. I was down around the Torrens, and I was a bit worried because there are people sleeping rough down there and, I see that this isn't what a city likes.' Matthew is from England. So, he went to see Danielle Bayard down at the Hutt Street Centre and said, 'Look; I've got this idea. I know a lot of the winemakers down here'—he has fantastic contacts in the wine industry in South Australia—and he said, 'What say we get the winemakers from all the different regions together in a touch footy competition?' He is a mad rugby fan. So he came to see Patrick and said, 'Look; this is just in its embryonic stages,' and Patrick said, 'Well, how about a celebrity game? We'll get a few sports stars out. Biggles'—as I am known, and I was the minister's chief of staff at the time—'has plenty of mates. He is a former sports journo.' Then Patrick said, 'Hang on; I know Nick Farr-Jones.' Nick is a very well-respected merchant banker from Sydney.

An honourable member interjecting:

Mr BIGNELL: Yes; he is a former Wallabies captain, and he is very keen to invest a lot of money in South Australia, because he believes in the mining and business future of this state. So Patrick rang Nick. Nick said, 'Patrick, anything for you. I'd love to come down.' So we had Nick Farr-Jones involved last year, when we had 20 teams. Nick was hell-bent on getting back here again this year. This year we had 48 teams out there, which is absolutely brilliant.

Each of the wineries pays $1 000 to play. We have sponsors like Portavin and Leon and Adrian Saturno from Booze Brothers, who really support the Hutt Street Centre in a magnificent way. I just spoke to Danielle Bayard, who is the event manager, and she said that they hope to raise over $80 000 this year on top of the $40 000 that they raised last year. It is a great thing. It has the support of all the wine regions; it has the support of both sides of the house, and long may it continue. The wine makers have all been on the phone to Danielle today to say that they had a great time and to ask how much money was raised.

The celebrity game was fantastic. As I said, I was lucky enough to commentate it, and I thank those celebrities who turned up, including the Leader of the Opposition and Jay Weatherill, for their contribution. The greatest thing was that, when you get to a grand final, two teams from 48 finally make it through. There was a team from Coonawarra versus a team from the mighty McLaren Vale area. I must report to the house that Scarpantoni's team, the Scarparoos, were victors on the day. We are now starting to call McLaren Vale 'trophy town'. We have the Jimmy Watson Trophy. The member for Schubert hates this. He is from the Barossa and he hates it—

The Hon. R.G. Kerin: You did not finally get a trophy?

Mr BIGNELL: No; I did not get the trophy, but the region got the trophy. I thank the member for his interjection. Well done to the Scarparoos and to everyone involved in Sunday's fantastic event.

EVIDENCE (USE OF AUDIO AND AUDIO VISUAL LINKS) AMENDMENT BILL

The Legislative Council did not insist on its amendment to the bill to which the House of Assembly disagreed and agreed to the alternative amendment made by the House of Assembly without any amendment.

CHILD SEX OFFENDERS REGISTRATION BILL

The Legislative Council did not insist on its amendment to which the House of Assembly disagreed.

FISHERIES MANAGEMENT BILL

Adjourned debate on second reading.

(Continued from 26 October. Page 1176.)

The Hon. R.G. KERIN (Frome): I support the bill in nearly all its intent. I will not give a lengthy contribution, which would state the obvious or restate the minister's actual speech (as can often happen in this place). It is a long bill which has had a long gestation period and, because of that, there has been a lot of consultation over a long time. Certainly, both the department and industry have spent a long time working through the issue, as has the minister. I am happy to say that most issues have been resolved. We are down to a couple of key issues which need to be sorted out. The opposition has a few concerns, which I will raise during the committee stage; I will ask the minister to clarify certain points in the bill and explore the areas which are still causing confusion and concern within the industry. I do not intend to move amendments in this house, but we will take on board the minister's answers, go back to industry and consult with them, and allow them to consult again with the minister and the department; then we will work out whether or not there is a need for any amendments when it goes to the upper house early next year. Certainly, it is not my intention to hold up the bill.

The industry has worked with the department and they want it passed, so we will make sure it gets passed early next year. There is a concern within industry about the lack of a specific objective in relation to developing the SA seafood industry. I tend to agree with that. When I was minister for fisheries I can remember one instance in relation to decision making—and this perhaps summarises why it would be good to have a development aspect within the objectives. A decision was to be made on whether or not to increase the size at which garfish could be legally caught. We were in a bit of predicament, because the reason for increasing the size was wholly to do with returns to the industry. There was no sustainability or resource issue in relation to the actual change. Some of the advice at the time was that there was no resource issue; therefore, it did not need to be changed. On the other side, some of the industry and processors were saying that, if we increased the size of garfish to be caught legally, the returns to industry would be substantially higher than they were. It is a balancing act. I am not saying that the development should override other things, but if in the objects of the act there is something that refers to the development of the South Australian seafood industry it may help with balancing some of the decisions.

In regard to the proposal for the fisheries council of South Australia, certainly it is up to the government of the day as to how it structures those things. In his second reading speech, the minister praised the work done by the current fisheries management committees, and I would certainly back that up. A lot of people, particularly the chairs of those committees, have come largely from outside the fishing industry, and they have done a terrific job. I think the minister might agree with me that one of the things we did back in the late 1990s which was an accidental stroke of genius was to put women in charge of the fisheries management committees. I think we quickly learnt that fishermen who find it very easy to argue with male chairs of committees turned into pretty meek lambs when women were chairing the committees. So that was one thing that worked well. Some people who have chaired those committees have done a terrific job and others on those committees have put in an enormous amount of time to make sure they have got it right. That has worked very well and, as I said, I do not question the move to have a fisheries council but we need to ensure we acknowledge the role that the management committees have played.

I have one partial concern with the structure within the bill, that we will have the fisheries council and then there may be advisory councils. I think I would prefer a system whereby, for each fishery, there was an advisory council to look at the management issues and to get the level of expertise in each of those fisheries. I think that would reflect also the ownership that the fishermen have of their fishery and the fact that we are on full cost recovery. We will explore that a bit further in committee.

The management plan must specify the shares of the resource, and there are some questions of process and the principles of reallocation of the resource. Also, I have a group of questions regarding industry input to management plans, the timelines for industry submissions on plans and whether or not there should be a right of appeal against aspects of the management plan. Again, that will be explored further in committee.

Regarding the issue of licences, I know that the minister has been in further consultation with the industry. The bill introduces the ability to grant licences for a period not exceeding 10 years. There was some concern within the industry that it still leaves the ability to grant 12 month licences, but I acknowledge the fact that the minister is still involved in discussions on that and, hopefully, that will be sorted out before we come back next year.

The issues of restructure and rationalisation raise quite a few issues that you cannot dodge in an industry such as the fishing industry. One major issue is that of compensation. The bill, by my reading, currently requires the compensation of those who lose their licences through surrender or have licences compulsorily acquired. I think the one thing of concern in that regard is establishing the basis for the compensation and what the wording should be to ensure that there is some comfort for the fishermen as to whether or not that compensation is based on commercial value and is fair or just. I think there is a fear that, without the specific wording, they are left a little bit exposed.

The bill also provides for the imposition of levies and the remaining licences to pay the compensation. While in some cases this is reasonable and effectively has been done in some previous cases, it is unclear whether they would be levied to pay compensation for licences removed to provide extra access to the recreational sector, and I doubt that that is the intent but it is one of the things we need to sort out. This would, in virtually all cases other than on sustainability grounds, be unfair, so it needs to be addressed.

The minister may well address some of the issues in his closing speech now that I have given him a sneak preview of my concerns, and I look forward to explaining the issues in the committee stage. There are many issues in the bill which have strong industry support. As I said, we certainly do not want to unduly delay the bill, and we will consider what comes out of committee as to whether or not we need to pursue any amendments early next year.

Mr GRIFFITHS (Goyder): I wish to speak only very briefly on this but, given that the Goyder electorate has some 700 kilometres of coastline, I thought it relevant that I speak about it. Although I am not a fisherman, I do enjoy it—

The Hon. R.G. Kerin interjecting:

Mr GRIFFITHS: No, not a very good one; the response times of the finger movements are shocking. I do enjoy the opportunity to get out every so often, and it is a great way to relax. Even though people say to me that your worst day fishing is still better than your best day at work, I am not quite sure about that. I debate that when I spend $50 on fuel and do not catch anything.

Fish management in my area is critically important. I respect very strongly the fact that generations of fishers who have lived within the Goyder electorate are doing it tough now, for a lot of reasons. One has even hit my own family a bit. My brother-in-law comes from a fishing family previously based at Point Turton. The Hendry family were catchers of salmon and pilchards. They sold their pilchard licence and my brother-in-law has bought a sand crab licence and equipment, and it has cost him about a million dollars to do so, and they are not there. No matter what he does, he just cannot catch any. When I was doorknocking in the Port Wakefield area, it became evident to me that, although a number of families used to gain their income from fishing within that community, it is now down to about six or seven, I think, so it had has a big impact on them. Therefore, it has an impact on the economy of the Goyder electorate.

The issue of recreational fishers is an interesting one. The Goyder electorate probably has about 25 per cent of the boat ramps in South Australia, and we get such high visitor numbers, when everybody seems to be towing a boat or a caravan over there. My estimate would be that, of the 25 000 people who live there, about 15 per cent of homes have a boat in the shed, so the effect upon fish numbers in the region is very pronounced. I speak to people who are serious about their rec fishing and who keep detailed records of when they go out, what the conditions are like, how the wind is blowing, how the tide is running, and so on, and they tell me that they are just not catching them any more. Any effort made towards improving fish management stocks and ensuring that there is going to be a strong future for the professionals and the rec fishers is something we have to support.

The shadow minister briefed the party room this morning about the fact that lots of queries would be asked of and clarifications sought from the minister, and I think that that is a good way to move forward. The industry needs as much support as it can get, and it hopes that the minister responds in a positive way and ensures that, as much as he humanly can and the government can, fishing in South Australia has a very strong future.

Mr VENNING (Schubert): Currently I do not have any sea in my electorate, but when first elected in 1990 I had quite a large amount of sea; in fact, from Port Pirie down almost to Wallaroo. Port Broughton was certainly in my electorate. I was lobbied instantly by the fishing lobby and learnt very quickly what a strong lobby the fishermen have and how organised they are. We all know what has happened as the years have gone by. The resource is diminishing, the effort in catching fish has been increasing, and really we are on a trip to nowhere. I have always asked why we legislate for things like this, but in this instance I believe we have no choice. We must manage that resource, so we have to come into this house and put down a bill to support the industry and to try to maintain the fishery, because we all enjoy a feed of fish. A lot of our constituents rely on fishing for their livelihood and, as the member for Goyder has just said, they rely on fishing as a large share of their community's wealth.

As the shadow minister, the member for Frome, said, we support this bill, but we are asking for many points of clarification, particularly in relation to the future of this bill. The objects of the bill need to be spelled out quite clearly. We may know what we are discussing today, but anybody at a later date wanting to amend the legislation has to observe the objects of the bill so they can properly do that.

If we do not put those objects there, a person could come along and amend the bill and completely change the whole life of it, knowingly or unknowingly. So, I think we have to spell that out for future generations. This is a total rewrite of the bill and in a total rewrite we have to make very clear what we are doing, because this bill will probably last 20 or 30 years and be amended five or six times in that time. As in all these matters, I am concerned about the guarantee of local industry representation on these councils. It needs to be spelled out chapter and verse because, without a doubt, if you wish to get a bill like this through the parliament and you want it to work, you have to have the industry representatives there. If you do not, and you try to shove it down their throats, once it is in existence it will always be there and the whole bill will be fraught with difficulties.

For a bill to get the cooperation it needs to work and for the whole theory of it to work, we need to have all the stakeholders with us. That is why we have all these industry representatives on the council. I do not believe that anyone should have any fear of having an equal number from the industry on the council. In that way they will be guaranteed a say. The management plans are all about sharing the resource, and that is a very touchy question. Over the years we have had fishing in the River Murray, fishing in the sea, and we have had to abolish or abandon nets. In the old days I was a net fisherman myself and, basically, you were dragging the sea. It was nothing for us to put the net in at Fisherman's Bay, when I was about five or six years old, and go home with a couple of tubsful of fish, no trouble at all. But I can well understand—

The Hon. R.G. Kerin: Did you stop when it became illegal?

Mr VENNING: I did not stop when it became illegal: the net went rotten hanging in the shed and that was it; dad refused to buy another one, otherwise I would probably still have it. But I would not be using it.

The Hon. R.J. McEwen: No, you would not.

Mr VENNING: No. But it was fun, and we were not the only ones doing it. It was certainly an easy way to catch fish. I was also a rod fisherman, but my success with the rod has not been very good. I am not patient and do not usually concentrate very long to catch that fish. However, as the member for Goyder said, it is a wonderful pastime. To many people in this day and age of hurly-burly, fishing is still one of those pastimes that is the ultimate pleasure, particularly when you get to our age and your priorities change in life.

Mr Griffiths interjecting:

Mr VENNING: The member for Goyder has a conscience! Sharing the resources under these managed plans is very important, and we have a question about the process and the reallocation principles, because there will always be a battle about who has access, particularly when looking at the professional fishermen versus amateur fishermen. With licences, again, we need guarantees of the industry input, and we have to consider all the regulations that go with it. Finally, I wish this bill the best of luck, because it needs to pass the house. It is a big bill and it needs a lot of consideration. I presume that the industry has been extensively consulted in

relation to this. This bill, as we know, actually had its source back when we were in government: that is how long this fish has been cooking; it has been out there a long time. There has been a lot of consultation.

We on this side of the house are certainly not going to say 'You got this wrong,' because what is being done here is essential. It has been on the *Notice Paper* now for five years. I have several friends who are fishing inspectors, and one in particular is a fisherman, Hartley Clau. Hartley was a fisherman from Ceduna and one of the finest gentlemen I ever met. He is now living in Kapunda. He had a difficulty with his licence back then, as some people would know. Hartley had many friends who were fishing inspectors etc. I want to say to the Rann Labor government: you have done one thing right. On this side of the house we could not see our way clear to compensate Hartley, because he walked away from a fishing licence that he should have been paid for. He was too honest a man to stand up for it then, although it worried him so much, and we could not help him but the Labor government did, so I say 'Good on you,' because the guy was absolutely worthy of that.

Even though not a lot of money was involved, there was a principle. Hartley is one of the finest gentlemen I ever met. He is living in Kapunda and still talks of the sea and of this magnificent industry. He, too, would wish this bill all the success it needs. No doubt we will be revisiting this as it goes between the houses. I will be interested to hear what the minister has to say in relation to some of its technicalities, but we in the Liberal Party support the bill. It will be interesting to see what happens between now and its passing through the upper house. I support the bill.

The Hon. R.J. McEWEN (Minister for Agriculture, Food and Fisheries): I thank the three members opposite not only for their support of the bill but for the observations that they have made, particularly about the fact that this bill has had long and extensive consultation. The shadow minister raises a number of issues that we will deal with in more detail as we go into committee. I trust that I will be able to reassure him that the objectives of the bill, when taken in total, will capture the balance he wants between the different stakeholders. Obviously, we talk about the management, use and development of the resource. We talk about cost-effective management and we talk about the economics as one of the elements in the objects of the act.

Equally, the member for Schubert and the shadow minister raised the issue of who is on the management council and the fact that clause 11(4) says that every member must have expertise in fisheries management. On top of that, they must have at least one other element, to make sure that we have all those competencies that we need around the table.

Depending on whether or not I can satisfy the shadow minister about the elements in the act at the moment that deal with a situation that might require resource allocation, I think that it is covered as it is. If he is still not convinced, I am happy to propose some further lines to simply expand what I believe the bill says anyway. The member for Goyder touches on a very important issue which is that there are only so many fish and governments cannot create or invent fish. This is about managing a sustainable resource and managing all the competing elements in that. If that resource should be shrinking, obviously, the size of every slice should shrink thereby maintaining the relativities between the slices, and almost every fishery is different in that regard. Obviously, those interest groups—indigenous, cultural, the charter fishery, the recreational fishery and the commercial fishery—share a different sized slice, depending upon the nature of the fishery.

At a time when I found it necessary to reduce the King George whiting catch, the biggest part of that slice was recreational, so we had to find a set of management tools and, in reducing the overall size of the cake, redistribute that reduction fairly amongst the stakeholders, which meant that it had the biggest impact on that section that owned the biggest resource. Equally, we have to find a way within our management plans, should we need to shrink a resource, to use implicit and explicit management tools so that we do not inadvertently shift resource as part of reducing overall effort. If we do set out, though, to specifically change the relativities within a sustainable resource, there must be fair and equitable compensation, and we need to capture that in the bill equally.

But as with the debate about water, irrespective of what we want to do, we cannot create more water and we cannot blame the government for the amount of water we have. We cannot create more fish. We have to make sure that we manage the fish populations we have in a sustainable way. In some cases, it actually means further reducing the effort to allow the biomass to increase. That is, it means we have them in equilibrium and we can continue to exploit the biomass without threatening sustainability. Equally, we have to have within our management plans the tools that continually measure that. One of the difficulties around the world with managing private access to a public resource like this is to make sure that you see changes in biomass quickly enough to address the issue before you actually crash the population. But I think that I can satisfy all the issues.

I believe that everything that has been alluded to is captured in the bill. If it needs a further explanatory clause in relation to dealing with that issue of shifting resource between stakeholders in a sustainable fishery, I am happy to do that. I think we can point to the fact that the fisheries council has the right mix and equally has that proviso, as I indicated, that fisheries management experience must be held by all members. Equally, I think I can demonstrate that the industry will pay on a forward cost recovery basis only those things that it needs within the elements of the management plan. For example, we will not do what used to be done in the past and take from one sector resources that are required for compliance in another sector.

I dealt with that early on when I became aware that marine scale licence holders were actually funding more than their share of the management in that fishery. On behalf of the other stakeholders, we put public money in there and equally into the forward estimates. The opposition would be aware of the money that is already required to run the fisheries council. That is a cost that ought to be borne by the public dollar—it is there for public good—and I am not intending to extract money out of any of the participants in a particular fishery to fund that overarching job. Equally, I am intending to stick to full cost recovery, for example, in terms of compliance within fisheries.

With that, I think I have captured the general flavour of the questions alluded to by the opposition. I note their support for the overall thrust of the bill and acknowledge that through this debate we can fine-tune bills—and we always can—and I will do that in an open and positive way. I will not simply defend what is here for the sake of it. If we can see a way where we can clearly demonstrate that further refinement is required, I am very happy to do that between the houses. I, myself, have tabled a few amendments later on. In drafting,

a couple of mistakes were made and, again, we need to tidy them up. With those comments, I thank members opposite for their support.

Bill read a second time.

In committee.

Clause 1 passed.

Clauses 2 to 6 passed.

Clause 7.

The Hon. R.G. KERIN: Under clause 7(1) regarding the objects, I hear what the minister has had to say. We seem to have specific objectives for conservation and whatever, but I still feel that, from a sustainable basis, a specific objective to ensure development of the South Australian seafood industry should probably be incorporated. I will not labour the point; I hear what the minister has had to say. I looked at this measure at the weekend and formed an attitude to it.

As I said, I am not to going to move any amendments but I thought that, in terms of a specific object, something along the lines of 'allocation of resources should take into account the sustainable development of the South Australian seafood industry, the health of regional economies, and the importance of resource management and utilisation to the South Australian economy'. I think that the minister has largely answered the question from his perspective but I would like him to comment.

The Hon. R.J. McEWEN: I agree with what the honourable member is saying and, as I indicated, I believe that we are capturing that in the objects of the act, keeping in mind that this bill is about the sustainability of the resource. In clause 7(1) we see 'to protect, manage, use and develop the aquatic resources', and in paragraph (d), 'recreational fishing and commercial fishing activities are to be fostered for the benefit of the whole community'. Again, this makes the point that we must get recreational and commercial fishing activities in balance, keeping in mind that there are two other stakeholders. Subclause (3) refers to 'in an efficient and cost effective manner', because, again, we do not want to have management tools which achieve the right objective but which are not affordable, while in subclause (5) we see 'will enable people and communities to provide for their economic, social and physical wellbeing'. So, I am capturing the overall flavour but still trying to strike a balance with ecologically sustainable development, which is what this bill is all about.

The Hon. R.G. KERIN: There are several issues under subclause (1)(b), which talks about access to the aquatic resources being allocated 'between users of the resources in a manner that achieves optimum utilisation and equitable distribution', and the need to explicitly allocate the fish stocks is acknowledged. Can the minister advise whether 'equitable distribution' implies that there are any imminent decisions to be made about resource sharing and changes in access to fish stocks?

The Hon. R.J. McEWEN: The short answer is no. Obviously, we are continually reviewing our fish stocks and we will move in a timely manner if necessary to put further constraints in place if we feel that the resource is being overexploited. However, as I indicated, the starting point for a debate about shrinking the size of the cake is to get a feel for the present size of the slices. This is not about resource reallocation, but that is not as simple as it seems, particularly if different participants in a fishery have a different set of management tools. For example, in the southern rock lobster fishery the main participant is quota managed. My personal view is that in every fishery the ideal tool is a quota-based tool, but sometimes the compliance around a quota-based tool makes it impractical. Part of that particular fishery is allocated to the recreational sector and the tools they use are implicit tools; they are effort-based tools rather than quota-based tools. Although notionally we say 95:5, that can vary a little and it would be difficult to contain it to exactly 95:5. Of course, in some years the recreational sector would catch less than that—for quite a few of the recreational pot owners the period between Christmas and the New Year is the only window of opportunity they have to fish, so in some years, if weather conditions were bad, you might find that it is less.

In the King George whiting fishery, of course, we found that the issue was, again, that different sectors of the industry are using different catching techniques. We have a blunt instrument when we try to use a mix of implicit and explicit management tools to maintain the resource share, so I can never say that I can absolutely protect exactly what exists. However, I can say that it will always be the intention to at least start with the historic mix that we have at the moment. Now that we have tidied up the charter fishery I do not think there are any other gaps (within those fisheries that will have their own management plans) in terms of having a reasonable feel for the starting point of the resource mix between the different participants.

The Hon. R.G. KERIN: From that I take it that the starting point for the new bill is basically the current—

The Hon. R.J. McEWEN: Yes.

The Hon. R.G. KERIN: Would the minister outline the basic principles to be used for access allocation and changes to future allocations or resource sharing?

The Hon. R.J. McEWEN: Obviously, as management plans are developed for each fishery the intention is to manage the total effort and, in so doing, not have an impact on what we believe to be the historical size of the slices. There is no intention to change them. If there was a need to change them it would have to be by negotiation between sectors, because that is actually resource reallocation, and the principles of any resource reallocation are to fairly reflect the value and to compensate, if appropriate. It would tend to be compensating the commercial sector if you were ever going to shift some resource to the recreational sector, for example. It is not unheard of to have some fisheries that are totally exploited by one sector for the greater good of the economy and the community, and the barramundi fishery is a good example of that. That is why, when we get to (I think) clause 43, I will be happy to talk about a few extra words to quite clearly capture what the shadow minister is alluding to; that is, we cannot use this as a mechanism to unfairly shift resource from one stakeholder to another. However, I am prepared to use some explicit words if the shadow minister feels that we do not have it right already. We think we do, but if we need to add some more words, we will. Let me reassure members, this is not about resource reallocation.

Mr VENNING: What will the principles be for guiding how much access changes hands, who pays, what cost and what time frame?

The Hon. R.J. McEWEN: I think I just answered all of that. That would be in the fisheries management plan, so it would have to be negotiated well in advance and as part of that process. There is no hidden agenda or anything at this stage but, obviously, we come to how we deal with the management plans: how we develop them; how we consult with industry on them; their tabling in parliament; and the use of regulations to enforce them, etc. That is the time we can take one particular management plan as an example and demonstrate how that will be achieved. I think that is what I

just covered in some detail in answering the question from the shadow minister.

Mr VENNING: When I say 'who pays', that is in the management plan, but I suppose who pays and at what cost will be renegotiated from time to time. Will that vary?

The Hon. R.J. McEWEN: When we get to 127(2)(b) I will pick that up in detail. I am not sure of the question, though. Is the honourable member talking about who pays if we need to take resource from one sector to another, or is he talking about who pays in terms of the administration of the fisheries management plan for the individual fishery, the resource reallocation? We talk about that in terms of who is compensating whom first.

In his second reading speech, the shadow minister talked about the industry itself paying for restructuring. Again, that would only happen if we needed to restructure within that sector. I do not see one sector of the industry paying for restructuring that benefits another sector. As for buy-backs and things like that within a sector, obviously the participants who stayed in the southern rock lobster fishery paid for the restructuring of the commercial bit of that fishery, and that is appropriate. I am certainly not going to have commercial fishermen not being compensated for shift to recreational use, or whatever. It will only be within your slice and not between slices.

Mr VENNING: How and when will access allocations be reviewed in terms of optimum and equitable redistribution? In other words, what will the trigger point be for review of allocations?

The Hon. R.J. McEWEN: Again, when we get to the management plans, we might take one as an example. I cannot answer that question generically. Every fishery will have different trigger points. The biomass of different fisheries will be measured in different ways. There will be different trigger points. They will be embedded in those management plans. Members would not expect me to suggest that there is some generic trigger points that we could use between the cockle fishery, the rock lobster fishery, one of the scale fisheries, the pilchard fishery, the prawn fishery, etc. There is no such thing. Obviously, there are a number of trigger points because we will measure sustainability and the biomass in different ways. What the trigger points are and what the consequences are for all of the stakeholders for tripping those trigger points will be in the management plans. If it then means shrinking the cake, the starting point will be with the trigger points and then what follows after that will be quite clearly set out in each of those management plans.

The Hon. R.G. KERIN: Clause 7(3) states:

> A further objective of this act is that the aquatic resources of the state are to be managed in an efficient and cost-effective manner, and targets set for the recovery of management costs.

Will the minister comment on that because, at the moment, management costs are basically full cost recovery? Does this talk about any change to that?

The Hon. R.J. McEWEN: This basically states that whoever owns or whoever takes responsibility for that part of the resource will pay its share of the costs. So we might have the commercial sector paying its part, the charter sector paying its part and the public sector paying for the recreational sector, unless some time in the future somebody says, 'We'll bring in a recreational licence or something and pay for that.' That is certainly not being proposed at this stage. The cultural and indigenous element of the fishery, at this stage, will be paid for out of the public dollar. There will be no cost shifting. In the example I gave earlier in terms of the marine scale fishery, the sector will pay full cost recovery for its part of the fishery.

Clause passed.

Clauses 8 to 10 passed.

Clause 11.

The Hon. R.G. KERIN: This clause deals with the establishment of the council and the membership thereof. Will the minister comment on the representation on the council? I do not know that he can be more specific than as set out in the bill, but there are a few concerns about the establishment of the council and what the representation will be. Having been in a similar position, I understand that sometimes these things are a little bit hard to spell out in a better way. I think we can take some comfort in the fact that the people on the council will have expertise in fisheries. Will the minister give any assurance to the industry about the representation within the council?

The Hon. R.J. McEWEN: I thank the member for the question. It is a very valid one. We need to look at the whole architecture. We have had this debate about whether the council may or must have subcommittees, and we will come to that in a minute. The council must have the expertise to do something in its own right, but, equally, it must have authority to delegate some things to committees. What I envisage a council doing is on a matrix setting up some committees. The council will set up some committees that will manage the development of each of the significant fisheries. There will be minor fisheries that may never have a management plan; we will just deal with them generically. The council will have to bring together a group of quite experienced people in relation to that particular fishery.

On the other axis, though, I see some generic principles that are then embedded in each one of those management plans. If I so wish, as minister I can direct the fisheries council to do this. If I do not feel that it is appropriately doing the work, I can direct the council, for example, to set up a committee that might look specifically at the principles around resource sharing and reallocation of resource. Equally, we might have a committee that specifically looks at the types of tools that can be used to continually assess the biomass.

These are reasonably blunt instruments. We have contributed to the science around the world, and in some fisheries we are seen to be world leaders in terms of our scientists finding the best way to collect and interpret data. Every now and again we have a hiccup. Members might remember that we had a bit of a hiccup with the pilchard fishery but, in hindsight, that was a good exercise with the fishermen and there was a very positive outcome.

We have to picture the council in terms of doing some work itself, but equally having the skills to identify more specific operational issues and to delegate that to a committee that reports back to it. Really, the council is on about that broad strategic policy and developing those fisheries within the objectives of the act that we set out in the first place. I would not go so far as to say that the council must have committees, because it could sometimes be contested by asking, 'Why haven't you got a committee doing this?' The answer might be 'We can do it ourselves.' That is why there has been a debate about 'may' versus 'must'.

The council may set up committees itself. When we get to the management plans, members will see that it has no choice but to do some specific work and, equally, the minister can direct it to set up committees. However, I would not want the council to be in a position where it cannot do anything itself. Sometimes the council members may choose to do

some work themselves and, certainly, they have the expertise in terms of the broad overarching policy, and that is the point of the membership.

The Hon. R.G. KERIN: While we are speaking about 'may' or 'must', I can understand, for example, that sometimes you have specific advisory committees for specific fisheries, and other times it may well be about how you handle marine parks, exotic incursions, or a range of issues which are generic across all fisheries, and that is quite a good structure. To bring it to the nub, my concern is that each major fishery has an advisory committee. Would the minister see that, in almost any situation, there would be an advisory committee to look after the marine scale fishery, say, and work on its management plan, rather than the overall council doing it?

The Hon. R.J. McEWEN: I see two sets of committees there. The development of the management plans is a significant job. We will go through in detail later what we do with those management plans to get to the point where we put in place some regulations that empower us to actually manage those plans. Once a plan is in place, though, I see a much smaller committee, which just keeps an eye on it, leading up to the five-year review. At that stage, we might again call together a major group of stakeholders to review it. I just cannot see a standing committee in place, because there are different jobs to do during the development of a plan—the life of the plan, the review of the plan, and the rolling over of the plan.

If in year 5 we start the revision of the plan; by year 7 all is happy with that. The minister would then come back and table it in here, and we might have to bring in some new regulations, or do something. Then we start the clock ticking again in terms of the new plan. Again, we might have a much smaller group that keeps a bit of an eye on the plan, makes some minor tweaking, with delegations—obviously the director of fisheries—because these are just minor matters, through to the point where we need to start the revision again. We might then pull together a different group. We just would not have one standing committee because there are different things to do during the evolution of the plans.

Clause passed.

Clauses 12 to 15 passed.

Clause 16.

The Hon. R.G. KERIN: This clause refers to the functions of the council, and paragraph (j) provides for a function which is to advise the minister on issues related to the allocation of access to aquatic resources, in particular, fisheries. This again comes back to the allocation, in most cases, between commercial and recreational—not in all cases, but that is the normal allocation to be made. I suppose this comes up several times within the whole bill and probably again when we come to compensation. Will the minister say whether or not we will be setting some principles on which access allocations and changes to allocations will be made, that is, some basic principles on which the council would base those allocations?

The Hon. R.J. McEWEN: Yes; that is exactly what I alluded to in terms of this matrix of having groups which deal with specific policy issues across fisheries—and that is one example—and then each of them being embedded in the fisheries management plans as they develop. We must have some consistency. We must have a set of principles across all the management plans that are relevant to the particular management plan embedded in them. We cannot have a different set of principles around resource allocation and reallocation in different management plans. So, the honourable member is right. I see a committee of the council specifically dealing with that.

Having a look around the world, as the honourable member knows, it is quite a difficult issue and much has been learned, certainly in British Columbia, South Africa and elsewhere. I would expect that group to go and draw from experience around the world in terms of managing the policy that sits underneath those decisions about the sizes of the slice.

The Hon. R.G. KERIN: Thank you. I am glad to hear that. I think that it is important that we set some principles which will give us a consistency in decision making. I take it from that that is where the minister is heading, and I thank him for that.

Clause passed.

Clause 17.

The Hon. R.G. KERIN: When a matter arises for a decision at a meeting of the council each member present at the meeting has a vote. If the votes are equal the member presiding at the meeting may exercise a casting vote. Would the minister comment on that?

The Hon. R.J. McEWEN: I have had a number of discussions with the Seafood Council. If it is doing its job properly, then we should never get to a point where there are equal numbers for and against. It is not smart to have a situation which requires the casting vote of the presiding member. If it got to that point more work needs to be done. I want the presiding member to focus on managing the process rather than knowing at every stage he himself has to vote. Equally there was a view that the presiding member should have both a deliberate and a casting vote. I think that would be more unhealthy. In the unlikely event there is a tied vote—and that would only happen if there is an uneven number meeting that day; obviously, if there is an uneven number and the presiding member stands back then there could be equal numbers on both sides—then in those unlikely circumstances, should the presiding member wish to proceed, he has a casting vote.

My view in those circumstances is that he should only exercise a casting vote to maintain the status quo. It is not dissimilar to a practice we saw in local government where presiding members were encouraged to use their casting vote to keep things as they were until more debate occurred. It would be silly to use a casting vote to institute a significant change when there was not significant majority support. We have now got to the point with the Seafood Council of saying that this is a rare event but, should we end up with that, the presiding member will have a casting vote and I hope the casting vote is used only to maintain the status quo.

The Hon. R.G. KERIN: Each of these people will have expertise in fishing and the potential for a conflict of interest is likely to arise occasionally. Will there be guidelines as to the stage at which a member of the council needs to abstain or stand aside from voting?

The Hon. R.J. McEWEN: A conflict of interest is more likely to occur in a committee dealing with the development of a particular management plan because the best people are the people close to those fisheries, but not so close as to have a direct pecuniary interest. I see the difficulty arising more there than in the council. The rules are quite clear. If there is a conflict of interest, then you step back from the table. We could deal with that in terms of the meeting procedures generally, but the last thing we want is people with an obvious conflict of interest deliberating on a matter that could

give them a commercial advantage—or, to be fair, not necessarily a commercial advantage because any one of the stakeholders could have a conflict of interest that benefited them or a small group at the expense of the public at large. In those circumstances we would expect them to push their chair back from the table.

The Hon. R.G. KERIN: I suggest that during the break we consider whether or not there needs to be a clause within the bill.

The Hon. R.J. McEWEN: I am reminded by the very talented staff assisting in this matter that the Public Sector Management Act would deal with that. If that was the basis on which the appointments were made, we have the cover anyway.

Clause passed.

Clauses 18 and 19 passed.

Clause 20.

The Hon. R.G. KERIN: Will the minister comment on how the committees will be structured; or will the structure be left to the council?

The Hon. R.J. McEWEN: Under the act the minister can give a ministerial direction. Clause 20(4) talks about the membership of the committee. If you read clause 20 in conjunction with clause 17(8) there are clear rules about who might be on the committees and how they will work. Because they must develop management plans, they themselves make those decisions or they are directed to make those decisions. Then you would expect they would set up a committee to do that work, and the membership of that committee would be driven by clause 20(4)(a) and (b) setting out what they would do there.

Clause passed.

Clauses 21 to 42 passed.

Clause 43.

The Hon. R.G. KERIN: Section 43(2)(h) says that a management plan for a fishery must specify the share of aquatic resources that has been allocated to each fishing sector and prescribe a method, or establish a process for determining the method, for allocating the resources between the different sectors. Does 'specify the share' mean identify the existing share allocated to each sector?

The Hon. R.J. McEWEN: I might cut the member short. I indicated I would be prepared to add some extra words to further elaborate on what is meant there. I do not think it changes what we are doing in any way. The suggestion is that it would further say: in meeting the requirements of section 43(2)(h), an open and transparent process for determining share is established; and, in meeting the requirements of section 43(2)(h), any method for adjusting allocation during the term of a plan must ensure that, if a share of the commercial sector is to be reduced in favour of another fishing sector and there is a financial impact on a licence holder, compensation on just terms is provided to affected licence holders. I believe that is what we are trying to say, but I am quite happy to add further explanation in the bill, although normally that would be dealt with in the management plans. But I think it captures what the member alluded to in his second reading contribution and has come back to now.

The Hon. R.G. Kerin interjecting:

The Hon. R.J. McEWEN: I do not want to move them in an amendment now because I would like to further consult and get those words exactly right. What I am saying at this stage is I think that is what you are asking for. I want to put on the record that I appreciate what the member is asking for but would not want to put it in now. However, I am foreshadowing words of that nature but we will firm it up a bit in terms of an amendment that we will consult on, not only with the opposition but also industry. I understand what the member is asking for. We are looking for a higher level of certainty, as we have had in other bills when there is a financial impact as part of making a decision within the life of a plan.

Clause passed.

Clause 44.

The Hon. R.G. KERIN: As I said before, the current management plans have been developed by the very successful fishery management committees with the extensive involvement of stakeholders. I suppose I would just like to get the thoughts of the minister on the record, but the question is: what is wrong with the current plan development process, and how does the minister think the changes will result in better management plans?

The Hon. R.J. McEWEN: I think this adds some fundamental principles to all of the management plans. The management plans have evolved in different ways over time and do not necessarily all set out the fundamental principles, although quite often they are assumed within the plans. What we alluded to earlier is that all we are now going to do is have that architecture, with some common principles around public resource management generally in fisheries, embedded in each of the plans, and there might be a number of them, as I suggested and also the shadow minister alluded to earlier. This is not reflecting in any way on the old plans. This is saying now that we want to beef those plans up. We want to bring those plans to parliament. Obviously, the regulations are the way we administer the plans.

Over time, and from time to time, the Director of Fisheries has used licence conditions. It has not always been successful, and sometimes it has been contested. Obviously we need to be upfront in terms of how we manage this. So, we will table those plans here, and everyone will know the mechanism for viewing them and the fact that licences are tied to those plans with a default clause of 10 years, which we will get to. Equally, the regulation to enforce those plans will come into force. So, in effect, all this is doing is heightening the status of those plans in terms of the role of parliament, not just the role of the Director of Fisheries and the minister. This is certainly not reflecting on the job we have done in the past. Some plans are very good and others need more work done on them; that is just the nature and size of the fisheries. In some of the minor fisheries we do not have plans and may never have plans.

The Hon. R.G. KERIN: One of the much asked questions among the fishermen is basically how, given the fact that they pay 100 per cent of the cost of management, under a new plan they will be guaranteed effective involvement in development of the plans.

The Hon. R.J. McEWEN: We talked about that more transparent public process, and earlier we went back to how we put together the membership of a committee, which obviously has to have all key stakeholders on it, making the point that the key job will be the committee that actually puts the plan together. Once it is in place I see a far lesser role, because it is only an annual tweaking of it leading up to the next review. At that time, in a public and transparent way, the council would call for nominations, put together the appropriate mix of expertise to do the next review process.

The Hon. R.G. KERIN: Two other issues have been raised with me by the industry, namely, first, a concern about having only two months to make a submission to the

management plan, given that it will affect their livelihood for quite a while, and, secondly, whether you have a comment on whether or not there is a right of appeal to review a management plan.

The Hon. R.J. McEWEN: Obviously, a lot of work has been done in continually consulting with the industry on the development of the plan. Once you get to the point where the plan is put together, this is just the final process of everybody having another chance to look at it, so there is another two-month period there. You would never have a situation where these things were developed behind closed doors and the first time anybody saw them was at that stage. The last two months are just to check and recheck to ensure something has not been missed and for everybody to have the opportunity, in an open and transparent way, to look at it ahead of its being tabled in parliament. Keeping in mind that if there was still something wrong with it and there was something political in that, at the time the regulations were brought in you would have another mechanism in the house to disallow. There are a whole lot of checks and balances in this and not simply one two-month window where you might consult. This is a mandated two months as a consequence of consultation over a long period in terms of developing the plan. The last thing you would do is proceed with a controversial plan, because you would run into trouble when you got to parliament.

Clause passed.

Clauses 45 to 51 passed.

Clause 52.

The Hon. R.J. McEWEN: I move:

Page 30—
Line 23—Delete 'or imprisonment for 4 years'.
Line 27—After '$250 000' insert 'or imprisonment for 4 years'.

Amendments carried; clause as amended passed.

Clauses 53 to 55 passed.

Clause 56.

The Hon. R.G. KERIN: This clause refers to the duration and fee for licences. One of the concerns amongst some of the fishermen is that, whilst they may applaud the fact that this opens it up to allow the licensing for 10 years, there is a little bit of concern as to the possibilities of some licences staying as a one-year licence. I ask the minister to comment on that.

The Hon. R.J. McEWEN: The view we have here is that the licences exist for the life of the management plan, which is up to 10 years, keeping in mind that we have a review process, as a consequence of which we might adopt a new plan, so you almost have an evergreening of the licences. However, there is a default clause, because something might happen. A plan might fall over, and basically then you have the 10 years. What we are trying to do is link the licence to the life of the management plan, which is a maximum of 10 years, but you would expect that, well within that period, following through the process in the bill we have actually adopted a new management plan so, in effect, you have started the clock ticking again. Again, for the life of that plan, you have a licence.

Not necessarily all fisheries will have management plans, so you would not want to have a situation where you cannot have a licence because you do not have a management plan. I describe it as a default clause. If there is a difficulty within a plan or for whatever reason there is not a plan—keeping in mind that this is not for research but actually for participating in a fishery—that evergreening would be the way I would see it rolling out. However, if something goes wrong or we do not have a plan, you would expect it to be 10 years. I move:

Page 33—
Line 36—Before 'if' insert 'but'.
Line 37—Delete 'if' and substitute 'the'.
Line 38—After 'taken' insert 'to'.
Page 34, line 2—Delete 'be' second occurring.

Amendments carried; clause as amended passed.

Clause 57.

The Hon. R.G. KERIN: I have a question the minister will love, which has been put to me. Why are licences not fully transferable?

The Hon. R.J. McEWEN: They are fully transferable under the schemes of management.

Clause passed.

Clauses 58 to 126 passed.

Clause 127.

The Hon. R.G. KERIN: I refer to clause 127(2)(b) which provides:

> Make provision for the rationalisation or restructuring of a fishery and for that purpose. . .

That brings in a range of things. Will the minister define 'rationalisation' and 'restructure'?

The Hon. R.J. McEWEN: There are times when an industry needs to be restructured and it might be driven internally by the industry. The northern rock lobster industry is a classic example in that it chose the management tools. It was obvious to them that the TACC had to be cut. How do you do that? They did that internally. Obviously, the commonwealth is dealing with a number of trawl fisheries at the moment and some trigger points would have been met. There is a need to restructure that industry. This sets out the way in which you would work through that. It would be obvious to all stakeholders that there is a need to do some work around restructuring. The other question is: what is the best possible way to engage everyone in that process?

The Hon. R.G. KERIN: I refer to paragraph (b)(ii)—and this might require some of the same treatment as the minister alluded to in an earlier clause (I think it was clause 52)—which provides:

> Require the payment of compensation to persons who surrender licences or whose licences are compulsorily acquired under the regulations.

Again what is the basis of that compensation? Will the minister give some assurance that it will be on just or commercial terms?

The Hon. R.J. McEWEN: I think we deal with that by going back to clause 43(2)(h) where I said that any method for adjustment allocation during the term of the plan must ensure that, if the share of the commercial sector is to be reduced in favour of another fishing sector and there is financial impact on the licence holder, then compensation or just terms is provided to affect licence holders. Equally, you would apply that here. It will depend upon the nature of the restructure, but again you have to be cognisant of the impact that this will have on the licence holder.

The Hon. R.G. KERIN: Will the minister consider whether or not we should add some words to that provision?

The Hon. R.J. McEWEN: It is actually stronger, I am advised. Paragraph (b)(iii) provides:

> Prescribe the method by which the amount of compensation is to be calculated. . .

If you do not like it, you can disallow it. We even have a stronger tool there.

The Hon. R.G. Kerin: If you have the numbers.

The Hon. R.J. McEWEN: Well, I guess the whole world is about that. If you have the numbers, then this whole bill could be thrown out tomorrow.

The Hon. R.G. KERIN: Can I put this on the record to allay a few concerns? Paragraph (b)(iv) provides:

> Provide for the imposition of levies on remaining licence holders for the purpose of funding the costs of compensation.

I do not know whether again this requires some comfort in the wording of the clause or whether the minister's putting it on the record will suffice. The minister alluded to this previously. What we are looking for is if there was a restructure where more of the resource was reallocated to the recreational sector that the remaining commercial sector would not have to pick it up, because looking at this paragraph that is possible.

The Hon. R.J. McEWEN: I see this in the reverse. This allows us to do it if the industry should ask for it. Internally they may wish to have some sort of a buyback or other internal mechanism. Obviously, if they ask for it, we have to have the power to do it under the act. That is what that is alluding to.

The Hon. R.G. KERIN: I understand that, and we have actually used that sort of power in the past, so it is necessary. I suppose the concern of some of the fishermen is that it works both ways. In the past we have been able to use it and levy them to pay out other people. They are happy with that, but I think they are just looking for an assurance that it would not be used to levy them to make transfers. If, in fact, you had to remove X number of licence holders to hand a sector over the recreational fishery, in that case it would not be levied.

The Hon. R.J. McEWEN: As I pointed out earlier, it is a head power, so it could actually be disallowed; it could end up with a scrap in this place.

Clause passed.

Remaining clauses (128 to 130) passed, schedules and title passed.

Bill reported with amendments.

The Hon. R.J. McEWEN (Minister for Agriculture, Food and Fisheries): I move:

> That this bill be now read a third time.

In doing so, I place on the record my thanks to an enormous number of people over many years who have got this bill through to this stage—most recently, Kelly and Will, and Steven and his team from my office. I thank all those involved because of the incredibly responsible and collaborative way in which the different industry sectors have worked through this. An enormous amount of consultation has occurred, and the respect that everybody has shown for each other's point of view has been evident. I include the recreational sector and the two commercial bodies. Everybody has been prepared to come back repeatedly to have their position reconsidered or remodified.

It is a very difficult and complex process that I think has been worked through in one of the most mature ways I have ever seen. I think that we have seen here one of the best bills of anywhere in Australia because it has embraced in a respective way all of those issues between the competing stakeholders who have shown enormous maturity around a mechanism that will now allow them to develop their management plans in which to embed the level of commitment they want and, equally, sticking strictly to those sustainability principles. I thank everybody who has made it possible. I acknowledge the previous government. This actually started its own life during minister Schaefer's time and the now shadow minister's time as premier of the state. It has come from there to a point now where I think that we have now passed through this house—and I trust with a few refinements, it will pass through another house—one of the best fisheries management bills anywhere. I am delighted to have got it to this point and I thank everybody who has worked to achieve that.

Bill read a third time and passed.

DENTAL PRACTICE (MISCELLANEOUS) AMENDMENT BILL

The Legislative Council agreed to the bill without any amendment.

LIQUOR LICENSING (AUTHORISED PERSONS) AMENDMENT BILL

Adjourned debate on second reading.

(Continued from 15 November. Page 1251.)

Mrs PENFOLD (Flinders): I rise today to confirm the support of the opposition for this bill. I thank the minister's staff for the detailed briefing they provided to me last week. The industry is supportive of the proposed changes. Indeed, I am told that it brought these issues to the government's attention, and I commend the government for addressing these valid concerns. The primary act is intended to deal with the infiltration of organised crime into the security and hospitality industries, as well as violent and aggressive behaviour by crowd controllers working in licensed premises or at licensed events. Licensed crowd controllers working on licensed premises are now required to be approved by the Liquor and Gambling Commissioner.

Section 111 of the act relates to 'areas of licensed premises declared out of bounds to minors', and section 112 relates to 'minors not to enter or remain in certain licensed premises'. These two sections were not part of the amending package introduced by the Statutes Amendment (Liquor, Gambling and Security Industries) Act 2005 and, as a result, under sections 111 and 112, an agent or employee of the licensee is permitted to use force to remove minors from licensed premises. This is inconsistent with the recent amendments to the act, which restrict the category of persons who may use force to remove or prevent the entry of persons onto licensed premises.

In order to provide consistency throughout the act, sections 111 and 112 have been amended to include the requirement that only an authorised person, as defined by the act, may use force to remove minors from the licensed premises. The bill also inserts the definition of 'authorised person' into the interpretation section of the act and, therefore, the definition will apply to the act as a whole. These amendments are sensible, and we support the bill to enable the primary act to come into force on 1 February 2007 so amended.

The Hon. G.M. GUNN (Stuart): I have only a couple of brief comments to make in relation to the amendments to the Liquor Licensing Act. I wish to bring the following matter to the minister's attention. In the small country areas, a committee normally operates the facilities—for example, in places such as Wilmington or Quorn, there is one body that operates the facility. The people who utilise it—perhaps the cricket

club, the tennis club or the football club—have now been told that each club will be required to have a liquor licence. By the time they go through the whole process of obtaining it, it will be very expensive: it could cost up to $1 200 for each of these small clubs.

With respect to a number of other issues, we have—probably without thinking—made life particularly difficult for people to run these small country sporting organisations. I ask whether the minister is prepared to consider that and have another look at this matter. What I have just spoken about was brought to my attention yesterday. If this is to be the normal process, we will wipe out some of these small clubs; there is nothing surer. It is really a lot of nonsense because, at the end of the day, often the same people are involved, and the more red tape, the more bureaucracy and the more time it takes, the less enthusiastic people will be to want to operate these clubs. Unfortunately, there are now fewer people. Life is difficult in some of these areas because of climatic conditions.

What I am saying to the minister is that, surely, in the year 2006, we ought to be trying to make life easier for people, not more difficult. I know that bureaucracy is a great thing, and it takes upon itself all sorts of weird and wonderful ideas, a lot of which are not related to commonsense. I ask the minister to ensure a sensible outcome so that these small clubs can proceed without all this unnecessary red tape and nonsense.

The Hon. J.M. RANKINE (Minister for Consumer Affairs): I would like to thank the opposition and, in part, the shadow spokesperson for her contribution and support—she clearly has a very good understanding of what this legislation is about. For the benefit of the member for Stuart, this is not about increasing red tape for any sporting organisation; this particular piece of legislation is about ensuring that young people are treated in the same way and have the same protections as other people occupying licensed premises.

My recollection is that we have dealt with some of the issues the member for Stuart has raised, and the Commissioner for Liquor and Gambling has been able to resolve those for the clubs that have raised the issues; however, I am happy to take a submission from the honourable member so that we can look at that in some detail to see how we can accommodate the concerns of sporting clubs.

Bill read a second time and taken through its remaining stages.

STATUTES AMENDMENT (REAL ESTATE INDUSTRY REFORM) BILL

Adjourned debate on second reading.

(Continued from 26 October. Page 1155.)

Mrs PENFOLD (Flinders): The opposition, consumers and responsible members of the real estate industry all support changes in the legislation which will increase transparency and fairness and which will help to eliminate poor and dishonest practices. We are aware that this bill is the government's response to the Rau report on the real estate industry in South Australia, which was presented in December 2002 to the then minister for consumer affairs, the Hon. Michael Atkinson, and accept that the member for Enfield was moved to prepare his report to advance consumer protection.

The changes proposed will amend three separate acts—the Conveyancers Act 1994, the Land Agents Act 1994, and the Land and Business (Sale and Conveyancing) Act 1994—and they are, therefore, quite complex. The Rau report was driven by key consumer concerns about real estate practices at that time, in particular, when the market was considered hot—or, in other words, it was a seller's market. The report included, but was not limited to, dummy bidding at auction, transparency in transactions, and under and over-quoting.

I note the formation, in March 2003, of a working party to address the issues raised in the Rau report. I also note that it presented its final report in July 2003—more than three years ago—when it set out a clear set of recommendations, including legislative changes, and recommended further negotiation on other real estate issues. It was clearly anticipated in the report that further consultation with industry should take place to provide input into the development of legislation and attendant regulations so that practical implications of any changes met the desired outcomes.

I would expect the minister to have taken advantage of all the input and advice offered to her in the course of drafting this legislation, and I would like to think that she has availed herself of industry and consumer recommendations over and above those made by the working party three years ago. However, it has been brought to my attention that the legislation tabled in parliament has a number of potentially detrimental consequences for ordinary South Australians who are buying and selling their homes.

Therefore, I am not sure whether this consultation occurred fully—certainly not up to the point just prior to being approved by cabinet. It is extremely important to note that the original consultation underpinning this bill was undertaken during a period where it was a sellers' market. Over the last few years real property has been very strong and this, to some extent, has enabled sellers to dictate their prices and terms. The opposition recognises that sometimes this alienates buyers, which was the cause of some angst and complaint.

However, with an eye to the future, we are concerned that during the last few months there has been a significant change in the marketplace, which has cooled considerably. The whole dynamics of the industry have changed, with the buyer starting to dictate terms in the auction process. This has been because of factors such as interest rates and the impact of drought and higher fuel prices. In the light of the changed circumstances, I remain unconvinced that some of the amendments will help the auction process and gain the best outcome for all parties.

Feedback we have received from the Real Estate Institute of South Australia and the Society of Auctioneers and Appraisers indicates that the Auction Code of Conduct (introduced by the industry in October 2003) deals successfully with the issue of dummy bids. I have been advised that, since the introduction of the code, there have been no complaints to the Office of Consumer and Business Affairs. It would seem as if this section of the bill is an attempt to fix a problem that is no longer a problem. As the saying goes: if it ain't broke, don't fix it!

The same can be said of vendor bids. If there is a full and frank disclosure of each vendor bid up to but not including the reserve price, I fail to see how this can mitigate against the buyer. A reserve price is a reserve price. Nothing will happen if it is not reached. Once it is reached, vendor bids cease. If the flow of the auction is interrupted and it ceases before the reserve is reached it will force these sales towards

tender or expression of interest systems which, in my view, are far less transparent. In New South Wales, which has introduced a similar system to that proposed, I am told that auctions have reduced considerably.

I also ask why the government feels the need for legislation which could compromise the auction process for both vendor and purchaser and which compromises the privacy of bidders by insisting on an onerous and, I believe, impractical bidder registration system and by making the use of auction paddles obligatory. I support the consensus of real estate agents that they should be able to use their best endeavours to have bidder details recorded before and at the cessation of auctions if late bidders emerge. I am advised that this is consistent with the industry auction code of conduct. I am also advised that currently most bidders are registered with the agency prior to the auction.

I am advised that industry put forward the idea of a real estate board to handle consumer complaints. This appears to be a very positive suggestion that is not reflected in the legislation. It appears to be an opportunity that has been overlooked. It would be interesting to hear the minister's reason for not taking up this opportunity while a reform process is underway. That said, there is much in the legislation which is of worth and which is supported by the opposition.

It has been said often enough that buying and selling a house is for many people the most significant contractual exercise they will undertake in their lifetime. Members on both sides of the house need to understand that, to respect that and to make it as easy and safe for people as possible to buy their home. The opposition is committed to making legislation work. We are always happy to work with the minister to get it right for everyone. This legislation arises from a report which was written four years ago and which was considered by a working party three years ago. Clearly, the government was in no hurry to bring the bill to the parliament. Clearly, then, we can spend a little more time to get it right; and, if it lies on the table for a little longer, that may be a good idea. I support the bill.

Mr RAU (Enfield): As a person who has had an interest in this topic for nearly five years now, it is very satisfying to see this legislation finally brought to the parliament. I do congratulate the minister for introducing this legislation, because it has been a long time coming. It is very good to see that, finally, the government has put this legislation before the parliament. Engaging in a real estate transaction is a very important issue for most people. The fact of the matter is that, for most people, a real estate transaction is the largest single commitment of a financial nature that they will ever make in their lives.

Mr Pengilly: What if they want to buy a farm?

Mr RAU: It is still real estate. For most people not only is it the largest single commitment they will ever make in terms of finance, it is also (aside from the big ones like marriage and children, and so forth) one of the largest emotional commitments they will ever make. It is also one that most people do not make frequently. This is a very important element which lies behind all of this legislation because it is very difficult for an ordinary citizen to become experienced in the real estate business. They might have one, two or three transactions in a lifetime, which means that their opportunity to obtain information and to learn about the industry—about the business, about the good and the bad and the people who are the cowboys and the people who are reputable—is incredibly limited. The reality is that they probably make inquiries over a matter of a few weeks, leading up to what is often an emotional as much as a financial decision.

For those people (which is most of us) who do not have real estate as part of their business or something that they regularly transact in, this is completely uncharted water. Given the significance of these transactions for people, and given the fact that they have no realistic opportunity of becoming experienced in these transactions, it is right and proper that the government and the Minister for Consumer Affairs should be taking a very serious interest in what happens during these transactions, because the cost of one of these transactions going astray for either the vendor or the purchaser is unacceptable.

It is important for us to understand what some of the practices in the industry have been and we need to address those practices in a way which eliminates or, at least, minimises the opportunity for ordinary people who are going about their business in good faith to be the victims of any form of sharp practice. I would like to touch upon a couple of matters, and I again congratulate the minister on dealing with them very well in this bill. I want to give an example of what I am saying about the sorts of things which ordinary people probably are not ready for when they encounter a real estate transaction.

The first one I would like to mention is the practice of bait pricing. Bait pricing occurs when a real estate agent advertises a property in the paper for a price that they well know is less than their appraised value of the property, and they also probably well know it is well below the price that the vendor is prepared to accept for the property. They put that property in the paper in order to attract people to that property under, in effect, false pretences. The effect of that advertisement is to suggest to a person that they have some possibility of purchasing that property for, say, $200 000 when the agent knows full well it is worth at least $300 000, and they have probably been told by the vendor that they will not accept less than $300 000.

At one level you might say, 'What is the harm? They spend an afternoon, they drive to the property, they walk around and they come away.' Yes, they do, but the whole exercise is a complete waste of their time. Some people develop an emotional involvement with the transaction, which they mistakenly think they have some part in; they mistakenly think they are in the hunt. Some people go off and engage a building consultant to come and look at the property. That costs them $300 or $400. They might come back again and again, only to turn up at the auction and discover that they are not in the ballpark and that they have completely wasted their time. Not only have they done that, they have wasted the emotional investment and the money that they have devoted to whatever research they have undertaken here. They have probably been to banks, they have been to accountants, they have done all sorts of things—completely unnecessarily because they were never in the hunt.

That sort of behaviour is not only unsatisfactory from the point of view of the individuals who turn up mistakenly believing they have a chance of purchasing the property, it is also not fair to the vendor because the vendor is attracting the wrong crowd. If the vendor wants to attract a crowd that is going to pay $300 000, many of those people (when they read the property is worth $200 000) will think, 'That's not the

sort of property I'm after.' So they do not even necessarily get the right crowd there.

Remember: when these things go to auction, the way the auction system works (and I am not an opponent of the auction system) is that a lot of momentum builds up. The vendor has had three or five weeks of a campaign that has cost them a lot of money. The advertising costs them thousands and thousands of dollars so they are already in debt to get this campaign running. Thousands of dollars are invested in the advertising campaign and they come to auction day under the impression that the property is going to be sold for $300 000.

Let us say there is no bid above $250 000. Let us assume the reserve price is above $250 000 and the auctioneer says, 'Ladies and gentlemen, remain here for a moment. I need to consult with the vendors.' The auctioneer walks offstage, the crowd stands there waiting and waiting. Into the loungeroom they go and the auctioneer says, 'Look, Mr and Mrs Smith, I'm very sorry but the market never lies. I know I told you you would get $300 000 for the property, but the market is standing out there. The market doesn't tell lies, and the market is telling us that they are only prepared to go to $250 000. If you reduce the reserve price and I can tell them it is on the market, we will get the last squeeze out of it. We will get the last few inches out of it. We might get to $260 000, we might get to $270 000. Who knows? They might be holding off waiting for it to be on the market and the real bidding will start.'

Now, they are saying this to people who have already emotionally moved out of the place, who have already invested thousands and thousands of dollars in advertising—which they will either pay out of their pocket or recoup from the sale—and they may well have signed a contract for another house or, even worse, they may have signed the contract for the other house on the basis that they were going to get $300 000 for this one. This happens. I promise you this happens.

The Hon. G.M. Gunn: That is extremely foolish.

Mr RAU: It may be foolish, member for Stuart, but it does happen; I promise you it happens. Remember that these people are not experienced in these transactions. So, what happens then? Eventually Mr and Mrs Smith, confronted by all of this say, 'Okay, put it on the market,' and the property is knocked down—$5 000 extra bid gone. The agents are happy, they have their sale. They get paid on commission. They are happy; they have got their sale.

However, the vendors are not very happy because they have been railroaded into a process which does not suit them. Why? The answer lies in the second problem this bill deals with: buying listings. It has been a practice in this industry in South Australia to buy listings. By 'buying listings' I mean an agent walking into your property and saying, 'Mr Gunn, I think your property is worth $200 000,' but you know it is only worth $50 000. You think, 'Goodness, I thought it was only worth $50 000, but this chap obviously knows what he's doing.' Then you ask two or three other agents and they say, 'Oh, $60 000, $70 000, $40 000'—and it is obvious which one is the good agent: the one who is going to get $200 000. So you engage that agent.

At the end of the day what happens? Of course, you get $50 000, because that is what the property is worth. The agents get their commission, but what have you got? Possibly not even the best agents; indeed, probably not the best agents. Again, the bill deals with those two important pricing issues: unfairness to the vendor by buying their listing, by telling them lies about what their property is worth, and unfairness to the purchaser by bait pricing, which drags people in, in circumstances where they should not be subjected to that sort of knowingly false advertising. That is very important.

The other thing, of course, which is dealt with here (and which I commend the industry for having dealt with itself) is auctions. Before I go further with auctions I want to say that I think the industry, over the last couple of years, has genuinely tried to deal with bait pricing and has genuinely tried to deal with buying listings. However, without legislative support they cannot hold back the renegades. As the times get tougher, the more desperate the times, the more people will be tempted to do the wrong thing. I can tell members of the house that I have noticed that the bait pricing issue is back with a vengeance. I am getting complaints in my office regularly from people who say they have seen advertisements for a certain price. They have gone to the auction, or they have spoken to the agent, and have been told, 'That price won't get you anywhere near the front door'. That has to stop. It has crept back into the market again, and this legislation will deal with it.

I emphasise that, in my opinion, the industry over the past few years, since I started raising this and other people have started getting involved in it, has actually tried, through self-management, to do something about this, and it deserves some credit for that. But, it cannot do it without legislative support, and that is what the minister is giving the industry with this bill, and that is very important.

The next area is the auction system. Again, I do not know how many people went to auctions years ago and have been to auctions recently. Perhaps because I have something wrong with me I used to go to auctions quite often. I always remember standing at the back of the crowd and they would say, 'Yes gentleman in the back; gentleman in the back! Yes, the bid is with you, sir.' And everybody turns around to have a look at the gentleman at the back, and the poor bugger is looking around saying, 'It's not me.' And it is not him because it is a cockatoo, or it is a gum tree, or it is a fence, or a passing dog. That is if they are a bad auctioneer.

If they are a good auctioneer nobody even knows who you are supposed to be looking at. That was one of the great parts of the game—the dummy bid or the 'pulled bid', as they prefer to call it, because they distinguish between the dummy bid and a pulled bid. The distinction years ago was that a dummy bid is a false bid made by a known person; whereas, a pulled bid is a false bid made by nobody. Fortunately, those distinctions are no longer with us, because the industry recognised that the time had come to stop this practice. I must say again that this legislation is excellent, because it gives legislative support to a proposal which has been adopted by the REI and which it has urged on its members, and to my observation it has largely been implemented by its members up until now.

It gives further support to say that if a vendor decides to circumvent this by putting their own dummies in the audience with or without the knowledge of the agent—and agents have told me that this does happen sometimes—some vendors do not even tell them what they are doing, and they get Aunty Gert or Uncle Fred to stand in the audience and stick their hand up knowing full well that they will not be going above the reserve price. This legislation makes it quite clear that those people are committing an offence, and it should be. The only contentious issue there, as I understand it, is that some sections of the industry do not agree with the idea that there should be a single vendor bid.

This is one of these impossible arguments to have, because the vendor bid, as it presently operates, is a declared bid, as it should be; that is, the agent says, 'Ladies and gentlemen, I now make a vendor bid' of whatever it is, and they make the bid. Everybody knows that it is not a tree, or a dog, or the gentleman at the back; it is the vendor who is saying, 'No; your price is not good enough; up, you go.' There is a trade-off here between giving the vendor an opportunity to put some sort of stability in their price and the audience being run up by an auctioneer. On balance, I think that the legislation has struck that balance correctly. It will be a matter of seeing how this works in practice, to see whether there are any problems.

I can tell members that I have been to Sydney and observed this process with elements that are in this bill which are also the subject of some complaint by the Society of Auctioneers and Appraisers, and they work. Another area of concern—and I do not think that I need to go into this in as much detail—includes the registration of bidders. Some sections of the industry do not think bidders should be registered. Quite frankly, I think that if you are interested in a property you should be prepared to register. The register does not have to be available to the public to peruse. It is not unreasonable for somebody to know who you are because, after all, you could just jump in the car after the auction and disappear.

It is also in the interests of the vendors to know who is bidding on their property, just in case they try to do a runner. So, I do not think that that is an unreasonable situation, either. There is a great deal about this legislation that I think is a tremendous step forward. It is good for the consumer, and it is good for the industry because it will mean that it has some legislative support to back up those who are doing the right thing and a legislative stick to wave at those who are not. The elements that I think are still up for consideration are these. First, although the auction system has been tidied up very well in this bill, we are still left with the sort of no man's land that I call a 'Dutch auction', where, even though it is not a public auction, under the new act the advertisement must state, 'Price range between X dollars and Y dollars.' It will have to be a tight range; that is how it should be, and it is also very correct.

However, at the moment, and even after the bill is passed, there will still be an opportunity for phone exchanges, which amount to bidding but where you do not know who else is making phone calls or what they are saying. The agent does not tell you what they are saying and, in those circumstances, you could be bidding against yourself. That is a concern, although I recognise that, given the market is now flatter than it was a few years ago, it is not likely, because an agent might lose a commission altogether by pushing the price too high and miss out on a sale. It remains a concern that this no man's land of the Dutch auction, the telephone bidding, is still there. I still have concerns about the fact that people can advertise in these price range areas and that it is still rather fuzzy about how it is to be dealt with. However, the legislation does go some way to fixing this up by requiring things to be recorded so that, if later on there is any argument about one person offering this and another offering that, a record is available to the department and to inspectors, and they can look at it. That is very important.

Other areas that I think need to be looked at in due course (and it is probably too early now because the legislation must be bedded down) are the enforcement provisions. All these rules are all well and good if they are enforced and enforceable. I do not know, and I do not think anybody knows, how this will work out in practice or whether the present structures within OCBA will be amenable to enforcement of these procedures or whether there need to be some changes. I do not know whether or not the mechanism or the vehicle for disciplinary procedures against agents will be effective.

I heard the member for Flinders talk about the question of a real estate board. I must say that at one stage I was certainly an advocate of having such a clearing house to deal with these issues as and when they came up. Presently, it is not part of the framework, and I do not think it is fatal. After 12 months or so of the legislation being in place, I would ask the minister that some sort of review be undertaken to see whether these mechanisms are working in the way they are intended to work and, if they are not, it might be necessary to bring it back and do some fiddling at the edges.

I come back to where I started. I congratulate the minister on bringing the bill before the parliament. It is a big step forward for the consumers of South Australia, and it is a big step forward for the industry because it will finally have provisions sitting on the statute books that will state what is right and wrong, and it will not just be a matter of internal REI policy. I hope that other members endorse this legislation, as it deserves to be endorsed, and that it receives a speedy passage through both houses.

The Hon. G.M. GUNN (Stuart): There are one or two matters I would like to raise in this debate. I have had some experience of buying things at auction. I have been to many sheep sales and many clearing sales, and I have bid on farming and house properties. The first thing everyone must remember is that it is the role of the agent to get the best price possible for the person who is selling the property. That is the first consideration.

The second consideration is, if you are interested in a property you should do your homework. You do not go along blind; if you do, you have not thought about it. With any property in which I have ever been interested, I have gone and researched the titles myself—have a good look at the title, go and get the valuation, get the council valuation, and have a look at the newspapers, see what properties are selling for and come to your own conclusion.

If you are going to an auction, you are a fool if you allow yourself to be bid up. You should only have the last two bids, if you are really determined to buy it. You do not put your hand up and down like Pinocchio or someone; you are a dill if you do. You just sit and wait and watch the proceedings. If it has not got to your price range, when they are about to knock it down put your bid in. It is like when you go to the government auctions—it is not quite as prevalent now—when they used to be selling all those four-wheel drive vehicles; all you had to do was wait and outbid the dealers. They used to get a bit snaky and say uncomplimentary things to you when you outbid them, but you knew that if you waited a couple of days and went down to the dealer you had to pay another $5 000. So you were a dill if you did not wait. It is the old saying: buyer beware.

If you are buying a commercial property, the last thing that a buyer wants to do is let everyone know you are interested; otherwise it is a nonsense. I certainly would not want people to know, and I think most people, if you are going to buy a commercial property or farm, would not want people to know. If you know anything about it, why would you tell anyone? It is not the real world, I can tell you. It is somewhat different buying a house, but if someone is going

to buy a house at auction they really need to do their homework. We can pass all the laws we like; that will not stop villains, because at the end of the day, people have to be cautious and careful. It is my experience that whenever you buy anything, if you have to raise finance through a lending institution, they are going to do a valuation on the property anyway. They are not going to let you pay $300 000 for a property that is worth $200 000—they just will not do it.

It is not all as the previous speaker indicated. There are some real commonsense facts which people should take into consideration before they go along and bid at an auction or get involved with a private sale. If the property is valued at $200 000, your first offer will not be $200 000. You would be a Johnny-come-lately if that were the case. You are going to make an offer; that is the reality in the commercial world.

This legislation may protect people, and I hope it does. I do not have any real problems with it, except that I do not believe it is necessary or desirable to have a registration system for the purchase of large commercial properties. From my experience, those people can well and truly look after themselves. You have a registration system which applies at clearing sales and you have to fill out a form and hold up a card, as also applies at sheep auctions, for example. I do not know why it is necessary, because everyone knows who is who at those sorts of things. The only complaint that I can think of recently in relation to buying things at auctions is that, at the ram sales at the Adelaide show, you had people walking in front of you when you were trying to put a bid on, which is not very satisfactory—you cannot see the auctioneer.

An honourable member interjecting:

The Hon. G.M. GUNN: Obviously, I still have 15 minutes, and I am pleased—

Mr Venning: The world stops still, Graham.

The Hon. G.M. GUNN: Well, I'm sure the world won't stop still.

The ACTING SPEAKER (Mr Koutsantonis): Order! The member has 15 minutes, and he will speak as long as he likes.

The Hon. G.M. GUNN: Mr Acting Speaker, I am delighted about that. There are some of my colleagues who have urged me to—

The ACTING SPEAKER: The chair will protect your right to speak for those 15 minutes.

The Hon. G.M. GUNN: I am humbled by your ruling, sir. Some of my colleagues would like me to talk for the next 15 minutes, but I will not labour the house with that. However, I just want to say—

Members interjecting:

The ACTING SPEAKER: Order! The member for Stuart.

The Hon. G.M. GUNN: I think the house should be aware that in the real world some of the propositions put forward are not very realistic and, normally, commercial common sense applies. I say to the government and to the ministers: if you really want to do something sensible, have a sensible education program to let people know what they should be looking for when they go to an auction. If anyone goes along to an auction and does not search the title, there is something wrong with them. I ask the house: what would be the first thing you looked for if you went to look at the title? I would say the member for Napier would know. You have to make sure there—

An honourable member interjecting:

The Hon. G.M. GUNN: The first thing you would want to look at is whether there are any easements on the property, because that can cause you all the strife in the world. Also, what are the encumbrances; who has owned the property; and, if it is a house block, what was its previous use? You have to look at the title and go back to the history of it. They are the sort of things to look for, and you make sure that you have seen the document yourself. It is easy to do. Go there and—

Mr Rann: You are an experienced buyer; you know the rules.

The Hon. G.M. GUNN: No; I'm just a simple farmer and a quiet country lad who was thrust into the political arena, and I have stayed for a little while—and I am sure everyone who has come through this place has been pleased to have me here.

Mr Pengilly: Except for Justin Jarvis.

The Hon. G.M. GUNN: Well, he cost the taxpayers a lot of money and never got anywhere. Another very important thing is that, if people are going to buy a house at auction, for goodness sake, they should look at the real estate section of the newspaper and go for a bit of a drive to look at some comparable houses—and they would soon get to know the values. If they do not do that, they will get dudded if they are not careful. They are the most important issues people should be addressing. I will support the legislation, but I think it is important that the matters I have raised are taken into consideration.

Mr O'BRIEN (Napier): I rise in support of this bill, which aims to make the real estate industry more transparent and which deals with misleading conduct by land agents. This is an important piece of legislation, which will reduce the stress and uncertainty many South Australians feel when they are about to buy or sell real estate. For most people the purchase or sale of a home is something they will undertake only a few times in their life. It is by far the most important transaction they will make and, as a result, people enter these transactions with a great deal of trepidation—and this holds true for both the purchaser and the vendor. There is, of course, an onus on the purchaser or vendor to inform themselves properly before entering into any important transaction. However, in view of the size and complexity of the process, I think it is an extremely worthwhile endeavour for the state government to provide a level of legislative certainty and protection for both vendors and purchasers.

The bill is sure to be welcomed by anyone buying or selling a home. The vast majority of real estate agents are also supportive of this legislation because it provides regulatory certainty and protects honest agents against rogue elements within the industry. This bill implements the recommendations of the review of the real estate industry undertaken by a working party comprised of representatives of the Office of Consumer and Business Affairs, the Real Estate Institute of South Australia and the member for Enfield, who is the major driver of this particular process and who has to be commended for his initiative.

This bill introduces a range of measures to make the buying and selling of real estate more transparent, improve information provided to consumers and ensure that agents disclose any conflicts of interest. However, the main components of the bill and the ones on which I will concentrate are the practice of dummy bidding at auctions, over quoting by agents to secure property listings and bait advertising. This legislation will bring the real estate industry into line with just about every other industry that sells goods and services. Up until now, some sectors of the real estate industry had

practised methods that would simply be considered outrageous if transposed to other sectors. The price of a new car does not increase between the time you see an ad in the paper on a Saturday morning and arrive at the showroom in the afternoon, nor does the buyer of the car expect to enter into a bidding war with the salesman in order to make the purchase.

Such occurrences should not occur when buying or selling a home, nor should one genuine bidder on a property find themselves competing at auction against garden gnomes or rose bushes. This bill will make such actions illegal. The real estate industry cannot be relied on to self-regulate against practices like bait advertising or dummy bidding, nor should they be expected because these methods work for the industry. Bait advertising or bait pricing is the term given to the practice whereby the agent advertises a property for considerably below its estimation of the market value. The purpose for the agent is twofold. Firstly, a number of buyers may on sighting the property make an emotive decision to extend beyond their original budget. Secondly, if a property that is worth $350 000 is advertised for $300 000, the vendor is likely to receive many offers for around $300 000. These offers can then be used by the agent wishing to make a quick sale to pressure the vendor into selling below market value—and the member for Enfield pointed to the reality of this particular practice.

The problem for the purchaser is that they may have spent in the vicinity of $500 for a pre-auction building inspection and considerable time organising finance only to be blown out of the water by the opening bids. The issue for the vendor is that they may be pressured into selling their property under market value. Historically, bait advertising has not been a big issue in South Australia, as was the case in some of the other states, because it is generally prohibited under the Land and Business (Sales and Conveyancing) Act 1994 and the Fair Trading Act 1987. However, some agents have used highly devious ways around this, for example, advertising properties as $200 000 plus or low to mid-200s, or using terms such as 'bidding from $250 000'.

This bill will ensure that all advertised prices are within a 10 per cent range and that the lower figure must be within the agent's estimated selling price or the vendor's bottom line. For example, if a house is advertised between $300 000 and $330 000, the vendor's bottom line is $300 000. Agents will be required to use the same 10 per cent range in agency agreements when they estimate a market value to a vendor. This will overcome the practice of over quoting to secure listings. Over quoting is a practice whereby an agent over inflates the value of a property to a potential vendor in order to convince that vendor to list the property with them. The vendor is then gradually conditioned to bring down their expectations to a more realistic level. This process is detrimental to vendors who may enter into a contract to purchase a new home based on an overestimation of the value of their existing home.

Debate adjourned.

[Sitting suspended from 6 to 7.30 p.m.]

AUDITOR-GENERAL'S REPORT

The Hon. J.D. LOMAX-SMITH (Minister for Education and Children's Services): I move:

That the house now resolve itself into a committee of the whole for the consideration of the report of the Auditor-General.

Motion carried.

In committee.

The CHAIR: We have the Minister for Education and Children's Services, Minister for Tourism and Minister for The City of Adelaide for 30 minutes.

Dr McFETRIDGE: Where in the Auditor-General's Report does it identify the costs to the department of arson and vandalism? If these are not reported, why does the Auditor-General not have access to the information? How much did the department spend on repairs due to arson and vandalism in 2005-06?

The Hon. J.D. LOMAX-SMITH: I draw the honourable member's attention to a question that was asked in this house by the Hon. Bob Such about this matter. He pointed out, through some correspondence with the Auditor-General, that the information is no longer part of the Auditor-General's Report.

Dr McFETRIDGE: Will the minister say why it is not part of the Auditor-General's Report? Where is it reported?

The Hon. J.D. LOMAX-SMITH: I'm sorry, it is just not part of that report.

Dr McFETRIDGE: At page 352 the Auditor-General identifies some of the issues that have been raised with the minister, one of which is employee attendance records. The Auditor-General's Report states:

> Audit has reported every year since 2003-04 that the department has not established an over-arching policy and procedure for recording employee attendance that clarifies whether every employee must maintain an attendance record and the type of attendance record to be used. A follow-up audit in 2005-06 revealed that no action had been taken on this matter.

Why is that so?

The Hon. J.D. LOMAX-SMITH: I point out that the department's financial report was an unqualified independent report from the Auditor-General. I think this is perhaps unique in recent history. The department's consolidated financial statement has met all accounting standards and other mandatory professional reporting requirements, and it has received unqualified audit opinion from the Auditor-General in relation to the assessment of internal controls. Most matters raised by the Auditor-General during 2006 have been addressed by the department to the audit's satisfaction. Responses to matters were generally considered satisfactory by the Auditor-General.

In relation to employee attendance records, clearly there are challenges in a department that has over 20 000 full-time equivalent employees employed under various acts and awards. The policy has to be established to take into account legislative and industrial parameters in all those cases. We have moved to require schools to put more effective systems in place to monitor staff attendance from the perspective of ensuring that teachers who are absent have appropriately recorded such absences, and that is now in place.

Dr McFETRIDGE: On page 353 under 'State grants to non-government preschools', the Auditor-General states that the department has not completed its review of the service and funding agreements for non-government preschools. The Auditor-General has reported that the department has failed to take action on remedying its reporting on these non-government preschools. Can the minister say what is happening?

The Hon. J.D. LOMAX-SMITH: As I said, we have in fact an unqualified report, but the department controls the provision of state grants to non-government preschools of approximately $2 million a year. Attendance data provided

by those preschools is used to calculate the value of these grants. DECS is currently still, with advice from the Auditor-General's staff, working on verification of attendances in non-government preschools.

Dr McFETRIDGE: I refer to page 353 of the Auditor-General's Report. When will the minister ensure that the department will implement recommendations made by the Auditor-General to the Valeo system to improve the design of controls over the payroll so they do not pose a significant risk? The Auditor-General has outlined a number of recommendations that have not been implemented and advised the department in 2006 to reconsider its view that the controls over the payroll do not pose a significant risk. I acknowledge that this is an unqualified report, but there are obviously issues that have been raised.

The Hon. J.D. LOMAX-SMITH: I thank the member for acknowledging that the report is unqualified, which is unusual in a department of this size. In this case the major ICT system improvements have been initiated and completed to ensure that the system has adequate controls and reporting formats as recommended by audit and the DECS internal audit.

Dr McFETRIDGE: Because it is an unqualified report, I do not think we will take the full half an hour. It is good to see that there are issues that have been addressed, and I pay due deference to people such as Mr DeGennaro, who is here this evening with us. Referring to page 356, can the minister advise the committee why the value of overpayments under Valeo has increased from $3.3 million in 2004-05 to $4.9 million in 2005-06? On page 356 the Auditor-General stated that this occurred and made three recommendations to ensure that this does not occur in the future.

The Hon. J.D. LOMAX-SMITH: The question related to the monitoring of overpayments. As I understand it, a team has been established to recover outstanding debt from 2005, and 65 per cent of this debt has been recovered. The monitoring of overpayments and the implementation of audit recommendations by DECS is reported to an internal audit committee which monitors implementation of the Auditor-General's recommendations on a regular basis.

I add one comment about the employee attendance records. I do not believe I said very clearly that the department is currently working on an overarching policy and procedure for recording employee attendance that clarifies that every employee must maintain an attendance record and the type of attendance record to be used.

Dr McFETRIDGE: I refer to page 359 of the report. Can the minister explain how the procurement unit authenticates the signatures of the officers who are authorising supply requisitions for $2 000 and above to ensure they have appropriate authority to incur expenses? By way of explanation, on page 359 of the report the Auditor-General states that the department has not addressed this matter when the issue of authorising and processing of payments was raised with the department.

The Hon. J.D. LOMAX-SMITH: Is the honourable member talking about the utility payments?

Dr McFETRIDGE: Yes, the authorisation and processing of payments starts on page 358 and at the top of 359 it states:

> Audit noted that the department's advice did not explain how the Procurement Unit authenticate the signatures of the officers who are authorising supply requisitions for $2 000 and above to ensure they have appropriate authority to incur expenditure.

The Hon. J.D. LOMAX-SMITH: I am informed that all applicable supply requisitions for $2 000 and above will continue to be submitted to the Procurement Unit prior to purchase, where the authentication of the financial delegation will be scrutinised. In addition to increased controls regarding the authorisation of expenditure information, managers will be instructed regarding responsibilities of financial delegations and the necessity for prompt and thorough checking of the monthly finance reports and the quick follow-up of unauthorised expenditure.

Dr McFETRIDGE: I will not ask any more questions on the department at the moment. I will move on to tourism. The Auditor-General's Report on the Department of Education and Children Services is a comprehensive one and is a reflection on the financial management of the department, which has been good. I now refer to the Auditor-General's Report, Part B, Volume 4, page 1208, under the South Australian Tourism Commission. There were queries on overseas travel and this is certainly in no way an inference of any impropriety by anybody there, but the question raised by the Auditor-General's Report was: why has documentation of overseas travel by South Australian Tourism Commission employees not met audit standards, and what has been done to verify expenditure and ensure all expenses are justified, particularly for future travel?

The Hon. J.D. LOMAX-SMITH: I comment on the fact that tourism has again received an unqualified independent audit report from the Auditor-General in the area of the Tourism Commission, the Convention Centre and the Entertainment Centre. The Auditor-General assessed the internal controls of the three agencies and found them reasonable and had assurance that financial transactions were conducted properly and in accordance with the law. In particular, the Entertainment Centre was found to have a very effective control environment, with no improvements being suggested by the Auditor-General. The Convention Centre has received advice on enhancement to accounting and related processes and has responded satisfactorily, whilst the commission response to the matters raised during the audit was again considered satisfactory.

In relation to overseas travel, SAT annually prepares an overseas travel report for the CE's approval. This report details all employees' travel details, costs and the justification for travel. Whilst the SATC takes the view that there is sufficient rigour in this process, it will review this practice, taking into account the commissioner's standards required and make changes where necessary. I believe all the information was available, but it was not filed in the correct manner as required by the Auditor, but the information was all available when it was sought.

Dr McFETRIDGE: I have no further questions. I pay tribute to Bill Spurr and his new moustache and thank him for his efforts over the last number of years and wish him well in his retirement, as this is his last involvement in the Auditor-General's Report.

The Hon. J.D. LOMAX-SMITH: I make the point that Bill is very much working and will be here for at least another eight months. His appearance is but temporary, I am pleased to say. By the end of November he will be back to normal.

Mrs REDMOND: Mr Speaker, I draw your attention to the state of the committee.

A quorum having been formed:

The CHAIR: We now proceed to the examination of the Auditor-General's Report relating to the Attorney-General, Minister for Justice and Minister for Multicultural Affairs for 30 minutes.

Mrs REDMOND: My first question relates to Volume 1, page 154, and I refer to the heading 'Credit cards', where it says, under two dot points:

Audit noted that:
- the Chief Executive had not formalised arrangements for approving the issue of corporate credit cards;
- credit cards were issued without specific approval from the Chief Executive in accordance with Treasurer's Instruction 12 *Credit Cards* and internal policies and procedures.

When was Treasurer's Instruction 12 issued and what does it say?

The Hon. M.J. ATKINSON: Treasurer's Instruction 12, like so many of the Treasurer's Instructions, was reviewed recently. My understanding of it, although I stand to be corrected, is that it requires approval of the chief executive to issue these what we would call purchasing cards rather than credit cards, because no-one gets credit. It is the opinion of the department that these purchasing cards are efficient and they involve a high measure of accountability. The Auditor did not find any inappropriate use of the purchasing cards. No-one had a purchasing card who should not have had a purchasing card. All these purchasing cards expire this month and they will be renewed under the new and proper authority. We thank the Auditor for drawing our attention to a failure to follow a procedural requirement.

About 100 cards are issued in the department. They have been issued by business unit heads, whereas they should be issued under the authority of the Chief Executive, and now they will be. There will now be an annual review of those cards. Those people in the department who are not using the purchasing card from year to year, I think, ought to just hand them back, and we think that they will. That is why the number of purchasing cards in the department will, I predict, go down.

Mrs REDMOND: I want to be very clear about this. An obligation was imposed on the Chief Executive to specifically approve the issue of corporate credit cards; is that correct?

The Hon. M.J. ATKINSON: No: 'specifically to approve'.

Mrs REDMOND: 'Specifically to approve'; is that correct?

The Hon. M.J. ATKINSON: That is the Auditor-General's understanding of Treasurer's Instruction 12, and we are pleased to accept that and act on it.

Mrs REDMOND: The Attorney-General said in his first response that about 100 were issued in the department. Can the Attorney-General tell me how many credit cards were issued without the CE's specific approval?

The Hon. M.J. ATKINSON: Again, I say that they are purchasing cards, not credit cards. I think the member for Heysen should use the correct language, not the populist, reductionist term that she is using. It is not accurate to call them credit cards. Most of those 100 would have been issued without the chief executive's direction, and we are remedying that. However, no harm has flowed from that, and that is plain from the Auditor-General's Report. I am interested in the member for Heysen's strictness regarding Treasurer's Instructions, because her and her party turned a complete blind eye to—

Mrs Redmond: 'She'.

The Hon. M.J. ATKINSON: 'She'; sorry. What did I say?

Mrs Redmond: You said 'her'.

The Hon. M.J. ATKINSON: Sorry; she and her party turned a blind eye to the gross violation of Treasurer's Instructions with the Crown Solicitor's Trust Account, and the Liberal opposition took the view that there was nothing wrong with the violation of Treasurer's Instructions to the tune of squirreling away millions of dollars of taxpayers' money to be used for purposes other than that of the elected government. The Liberal opposition connived in the violation of Treasurer's Instructions. So, I am pleased to see that the member for Heysen, after this election, has raised the standard.

Mrs REDMOND: First, can I suggest that if the term 'credit card' is populist and reductionist and something to which the Attorney-General takes objection, he should write to the Auditor-General and tell him not to use that heading in his report, if it is inappropriate.

The Hon. M.J. ATKINSON: Touché, Madam Chairman!

Mrs REDMOND: Having said that, the Attorney-General gets to the nub of where I am going. The point I want to make is that all these credit cards (according to the name given by the Auditor-General) were issued within the department for which the Chief Executive has responsibility, contrary to a specific instruction from the Treasurer contained in Treasurer's Instruction 12. Why has the Chief Executive not been dismissed from his position for this clear breach of a specific instruction from the Treasurer, given the position that the Labor Party has taken on what amounted to no more in other circumstances?

The Hon. M.J. ATKINSON: The member for Heysen and the Liberal opposition are not merely Lennonistas: they are Lennonistadors. They just have not got over the resignation of their person from the justice portfolio. I suggest that the member for Heysen gets over it. That breach of Treasurer's Instruction involved $6 million, $7 million.

Mrs Redmond: Of which not 1¢ was ever misplaced.

The Hon. M.J. ATKINSON: I see. So, not 1¢ was misplaced, yet it was spent on the priorities of Kate Lennon and not spent on the priorities of the elected government in defiance of the elected government's carryover policy. What I like about the member for Heysen is her advocacy of this financial coup d'état. We know that the Liberal opposition never accepted losing the 2002 election, but its person in the justice portfolio continued to spend the taxpayers' money, continued to spend from consolidated revenue (as though there had been no change of government) and continued to spend according to the priorities of the previous government, which had been defeated at the polls, and the member for Heysen justifies that. It is interesting, for the record.

Mrs REDMOND: The Attorney-General, of course, as usual, thinks that if he puts something on the record stating what I believe or what I have done makes it somehow true, and he knows that it is not. I want to know: has the Auditor-General, as the government's chief legal adviser, provided advice on what should happen to the chief executive for this clear breach of Treasurer's Instruction 12?

The Hon. M.J. ATKINSON: The government takes legal advice from the Solicitor-General and the Crown Solicitor's Office.

Mrs REDMOND: Unless it suits it because it wants legal advice from the Auditor-General. It seems to me that a rather lot of advice has been taken from the Auditor-General on particular issues—

The Hon. M.J. Atkinson: Yes, I know it is hard being in opposition—just get over it. Question?

Mrs REDMOND: I am asking a question. Very clearly, it is on page 154. Why has he not even been suspended for a clear breach of the Treasurer's Instruction?

The Hon. M.J. ATKINSON: The justice portfolio in the Attorney-General's Department has taken its lumps. We accept the criticism of the Auditor-General. We accept his authority, unlike the last Liberal government.

Mr Venning: Get over it!

The Hon. M.J. ATKINSON: Yes, it has taken a long time for me to get over your party's defeat, Ivan, but I am getting there. We accept the criticism of the Auditor-General. We accept his criticism as legitimate, and have acted on it immediately. The member for Heysen can attempt to breathe life into the Lennonistas, but I think that life has departed.

Mrs REDMOND: How much money was spent on those unauthorised credit cards?

The Hon. M.J. ATKINSON: We will promptly get the member for Heysen an answer on that, but I think it is a lot less than the Crown Solicitor's Trust Account.

Mrs REDMOND: Were all the credit cards withdrawn pending the formal processes being put in place, which the Attorney-General now assures me they will be?

The Hon. M.J. ATKINSON: If she had been listening earlier, the member for Heysen would have heard me say that all the purchasing cards lapse this month, and we will be complying with a new policy. However, there is no suggestion by the Auditor-General—and no suggestion by the Liberal opposition—that any money has been spent improperly.

Mrs REDMOND: The first paragraph with respect to the Office of the Liquor and Gambling Commissioner indicates that an independent consultant reported in July 2004 on the UniTAB wagering system and recommended regular compliance audits for unauthorised system changes. My first question is that, if an independent consultant engaged by the government to review and evaluate the UNITAB wagering system made recommendations in July 2004, why have no actions been taken to address those recommendations more than two years later?

The Hon. M.J. ATKINSON: Taxpayers' money was not available to do it immediately; it has now been allocated and carried out.

Mrs REDMOND: As I understand it (and I am no expert on these things), the compliance orders were to ensure that no-one made unauthorised changes to a computer-controlled betting system. Is that correct?

The Hon. M.J. ATKINSON: Yes.

Mrs REDMOND: So, in spite of there being an identified risk that someone could get in and alter the system (which, presumably, they would only do for their own financial gain), no-one did anything about it for two years?

The Hon. M.J. ATKINSON: I am not in a position to confirm the accuracy of the member for Heysen's preamble because, as the honourable member well knows, I am not the minister responsible for this area; the minister responsible is the Minister for Gambling. I can say that my information is that we have now complied with what the Auditor-General proposes and, as far as I know, there is no evidence of loss.

Mrs REDMOND: I note that the Attorney-General says that they have now complied with what the Auditor-General noted. Does that mean that when the Auditor-General says in his report that 'audit noted that regular compliance audits have not yet been initiated', that is no longer correct?

The Hon. M.J. ATKINSON: The Auditor-General's report was a work in progress, and while it was in progress we carried out the obligation.

Mrs REDMOND: I just want to be clear that it has, in fact, now commenced. If there had been tampering with the system, how much money could have been at risk through any tampering with the Unitab wagering system?

The Hon. M.J. ATKINSON: That is a hypothetical question, but we will endeavour to answer it for the honourable member.

Mrs REDMOND: Would any money that was tampered with be a loss to the state?

The Hon. M.J. ATKINSON: There is no evidence that any money whatsoever has gone missing.

Mrs REDMOND: I refer to page 157. At the top of the page is a chart (it is mentioned in other places, but this is probably the easiest place to talk about it), and in that chart we see an increase in the various columns moving through 2003, 2004, 2005 and 2006. This is the top chart. The darker shaded section at the top is Supplies and Services, then Employee Benefits Costs, and Other Expenses. Can the Attorney explain why there is such a significant increase in Other Expenses from the 2003 and 2004 figures to the 2005 figure, and what is covered by the term?

The Hon. M.J. ATKINSON: My advice is that that is the cash alignment policy of Treasury and we were required to return cash to Treasury—more in that year than in previous years.

Mrs REDMOND: Sorry; I am very ignorant about these things. Can the Attorney-General explain what is a cash alignment policy? It seems to be a significant jump up, and I notice it has gone down again in the 2006 year. I have no idea what is covered by 'other expenses' and what it actually means.

The Hon. M.J. ATKINSON: A reconciliation is done with Treasury at the end of the year and the figures are agreed between the Attorney-General's Department and Treasury. Some cash returned is surplus or extra interest earned. It might be an under-spend. For instance, I think we got a bit of money back from the Kapunda Road Royal Commission. There may have been a bit of money left over there. It is cash that the department does not have authority to spend before the end of the year, and we return it. Under the Kate Lennon regime, for instance, when we received more than $1 million back from an under-spend on the Adelaide Police Station, a person (whose name escapes me just at the moment) decided not to return that money to Treasury but to break it into two parcels so that I, as Attorney-General, would not be required to be shown it as I would if the sum was above $1 million. They placed that money in the Crown Solicitor's Trust Account, pretending that it had been spent. We do not do that any more.

Mrs REDMOND: I refer the Attorney to page 203, which is the Auditor-General's Report regarding the Public Trustee. In the middle of page 203 there is a reference to 'Delegations of Authority'. The report states:

> The results of the audit reveal that the 2004-05 delegations of authority were used to authorise 2005-06 expenditure transactions.

I take it from that that expenditure transactions were invalidly authorised. So, the first part of the question is: is that the case? Was it—

The Hon. M.J. ATKINSON: May I stop you there? No.

Mrs REDMOND: Sorry?

The Hon. M.J. ATKINSON: No, they were not invalidly authorised. Delegation is carried over; they were still valid.

Mrs REDMOND: In that case I am a little puzzled as to why it has rated a mention in the Auditor-General's Report. It seems to me that the implication, if not the statement by the Auditor-General, is that there is something inappropriate

about the 2004-05 delegations of authority being used to authorise expenditure transactions in 2005-06. In particular (a couple of lines further down) there is a reference to 'prescribed element 9 of the financial management framework for expenditure supports this, requiring the chief executives to ensure payments are authorised by an officer with appropriate authority'.

The Hon. M.J. ATKINSON: The financial management framework that the member for Heysen mentions is not law, but it is a highly desirable convention. It is desirable to have the financial delegations reviewed and renewed early in the new financial year but, if that does not occur, it does not mean that the transactions done under the previous year's delegations are invalid, as the member for Heysen wrongly assumes.

Just to give an illustration: in the Public Trustee area, in accordance with Treasurer's Instruction 8, it is normal practice for the Public Trustee to apply for delegations early in the financial year from the Chief Executive. The timing of the application has been reliant on the Chief Executive obtaining a delegation from the minister. On 15 July 2005 a minute was prepared to obtain delegated authority for 2005-06 from Mark Johns, Chief Executive. However, it was decided to hold back from lodging this application until the organisational review at Public Trustee was completed. An oversight in not lodging the financial delegation request occurred owing to the protracted time frame taken for the review. Approval was finally sought on 1 June 2006—very late in the financial year—requesting that the minister approve and ratify the 2005-06 delegations. The Crown Solicitor's Office confirmed that administrative matters could be ratified by the minister, and the minister approved this request on 25 June 2006. In future, the annual review and request will be completed before the commencement of the new financial year. The 2006-07 delegations were approved on 25 June 2006.

Mrs REDMOND: So is the Attorney-General suggesting that this heading of 'Delegations of Authority' is, in fact, something of a beat-up by the Auditor-General; that there was nothing wrong with the system that was in place whereby the authorities, albeit year-old authorities, were not problematic—and I notice that the Attorney-General does not want me to use 'invalid'—but they were unauthorised transactions?

The Hon. M.J. ATKINSON: I do not think the Auditor-General ever beats up any issue. We have a good Auditor-General, despite the aspersions cast on him by the Hon. Rob Lucas. He is right to draw attention to the shortcomings in the carrying out of the delegations. They were not fresh for the new financial year—we will do better—but the transactions are not invalid and the Auditor-General does not suggest they are. Only the member for Heysen thinks that.

Mrs REDMOND: I put it to the Attorney-General that, indeed, there is a question mark placed over the transactions by the very fact that they appear in the Auditor-General's Report with quite specific comment talking about the number of issues contributing to why the delegations had not been finalised. He goes on at some length to talk about 'notwithstanding the reasons for the delay, delegations of authority need to be regularly updated and formally issued to ensure that transactions are appropriately authorised'. Why isn't a head rolling for someone not appropriately authorising those transactions?

The Hon. M.J. ATKINSON: Is so nice to have Madame Defarge with us. She knits, but no blood gushes forth.

The CHAIR: If I found out that anyone was knitting in this chamber, I would have to point out that it was disorderly.

The Hon. M.J. ATKINSON: We have the chief executive here; he can be bound. Do we have a device? What part of this does the member for Heysen not understand? The delegations have continuing validity beyond the end of the financial year.

Mrs REDMOND: The part that I do not understand is what sort of excuse it is that the new chief executive was appointed. So what? What sort of excuse is that for the job not being done properly? There was a directive as to how things should be done; he failed to do it. Why is he not being disciplined?

The Hon. M.J. ATKINSON: I have every confidence in the chief executive. I should add that the chief executive, whose head the member for Heysen would sever—

Mrs Redmond: And serve on a platter.

The Hon. M.J. ATKINSON: —thank you—was appointed only in March this year. I thought the member for Heysen was an opponent of retrospective punishment.

Mrs REDMOND: Can the Attorney then tell me what position the now chief executive occupied immediately prior to his appointment? Was it not acting chief executive?

The Hon. M.J. ATKINSON: I can tell you that the relevant acting chief executive works for Minter Ellison.

Mrs REDMOND: If we can move down to 'Control Self Assessments', on the two last lines of that page, we see the following:

> The results identified a number of areas where significant management controls had been established but did not form part of the—

control self assessment. Can the Attorney explain why there is a problem there? Quite frankly, I did not understand what the Auditor-General was getting at there. It seemed—and I just want clarification on this—that he was saying that there is a self-assessment process. You have established some management controls but you have not put them into the self-assessment process. In the first instance, I simply want clarification as to whether that is the case.

The Hon. M.J. ATKINSON: There is no suggestion by the Auditor-General that controls were breached, except that the sample, subject to audit, might have been greater, and we hope will be greater as time goes by.

Progress reported; committee to sit again.

STATUTES AMENDMENT (REAL ESTATE INDUSTRY REFORM) BILL

Second reading debate resumed.

(Continued from page 1339.)

Mr O'BRIEN (Napier): As I was saying before the dinner break, it has been suggested by some researchers that a vendor will receive significantly less for a property when it is eventually sold, if it is overpriced when initially advertised. If a property is on the market for a long time potential buyers may think there is something wrong with it or they can pick up a bargain, which will be reflected in their offers. Again, one could claim a vendor has an obligation to inform himself or herself of the market value of the property. The problem is that a vendor will sell only a few homes in their lifetime compared with an agent whose profession is selling homes and, consequently, the vendor cannot be expected to have the same knowledge or information as an agent. The free market is based on the notion of equality of knowledge.

The unequal knowledge base between the vendor and agent makes the vendor extremely vulnerable to deceptive and unethical methods used by some agents.

The finite issue I will examine briefly is the practice of dummy bidding. This bill explicitly bans dummy bidding, and any fair-minded person recognises that the practice of dummy bidding is completely unethical and should be illegal. This bill also deals with the slightly more ambiguous issue of vendor bids. On the surface it is perplexing that a vendor should bid on their own property when they clearly have no intention of purchasing the property. The review undertaken by the real estate working party heard arguments that a vendor's bid equates to the vendor's counter offer in private treaty negotiations. A vendor's bid can be used to get an auction going. However, an undisclosed number of vendor's bids would have the same result as dummy bidding and potentially see one bidder bidding against themselves. The compromise reached has been to allow one clearly declared vendor's bid.

This legislation brings us into line with other states across Australia. From my research, New South Wales, Victoria and Queensland have introduced similar legislation. We here in South Australia have perhaps dragged our feet on this issue, but the advantage of this delay has been to ensure that we learn from the experience of other states. In fact, New South Wales has had two bites of this particular legislative cherry, first in 2002 and again last year. Victoria has experienced several teething problems with its legislation on this issue (which came into effect in 2004) and the Victorian parliament will probably have to revisit the legislation.

An article in *The Age* on 29 October this year reported that not a single agent had been prosecuted under the legislation. Consequently, the practices that the legislation aimed to abolish are still running rife. One blatant example picked up by *The Age* was a Glen Iris property, quoted over three successive weeks of an auction campaign at $580 000, $620 000 and $680 000. It ended up selling on the day for $908 000. I believe the bill before the house is comprehensive enough to avoid our having to revisit it in the immediate future and that the enforcement provisions are strong enough to ensure that it is applied as intended. I commend the bill to the house.

Mr VENNING (Schubert): I conditionally support this bill. I compliment the member for Enfield on a long campaign in relation to this issue, which I think he has been carrying on for three or four years. He has highlighted a problem that certainly has been seen to be there.

I believe this industry has always had the potential to be a haven for malpractice, particularly in relation to the auction system. The auction system has had its critics but, over the years, it has served us very well. When you look at all the auctions—silent auctions, Dutch auctions, reverse auctions, call them what you like—they all have their pitfalls. As has been said before, in an auction it is buyer beware, but also the seller must beware. I think the most important part of this bill is the declaration of intent of the agent and the buyer. The gullible need to be protected, but to what extent is the question we need to ask ourselves.

I think we need to be very suspicious of agents who are in league with developers, and the Real Estate Institute people are the first to admit that it happens. I have had business dealings with these people myself over the years. The agents are in league with a developer and they come upon a cheap property and can see a huge profit through not only a commission for selling the property in the first place but also sharing in part of the development windfall as well. This bill picks that up, and I congratulate the government because it needs to do that. I think those declarations have to be made so that an agent cannot be acting for the vendor and also a purchasing developer. So I think it is quite clear, for the sake of the Real Estate Institute and the industry generally, that this needs to be tidied up.

As the member for Stuart said earlier, if you are buying or selling, especially if it is a house, it will be one of the most important decisions of your life. It is quite common today to spend $300 000 or $400 000, and for a lot of people that is a major purchase. As the member for Stuart said, you have to do your homework. In the same way as the member for Stuart, I have had a fair bit of experience of auctions over many years. In fact, some would say I have made more money out of auctions and business dealings than I ever made out of farming, and that is probably true. But you have to be fair, and dealings have to be straight, and you have to treat people properly. When people sell their property they have to know the value of the property, they have to know the area and the demand for that property as well as the investment potential. They have to know and consider the pitfalls, because there are always pitfalls in every deal such as this. You have to understand the pitfalls and know they are always going to be there.

On the subject of auctions and dummy bidding, I have never had a problem with that, but this bill addresses it. I have no problem with the auctioneer taking dummy or vendor bids up to a previously set reserve price, as long as the reserve price has been set and is in writing with the vendor and the auctioneer. You can stand at auction and know the bids are coming out of the air, but you know the realistic reserve price, anyway, and, as long as that price is realistic, I do not have a problem with that system, but I know how it can be rorted. I was at a house auction last year because a family member, an auntie, died and the house was for sale. My uncle asked me what was a fair price for the property and I said $350 000 or $400 000, and maybe $350 000 would be a fair price. It was in an excellent location and made $480 000, so you just do not know. You only need two people at an auction to make an auction, and certainly it can be very interesting.

I have no problem with the other part of this bill, but I have some concern where it provides that a real estate auction should always be manned by a person with a real estate certificate. I have difficulty with that in the country because in many country real estate offices we do not have people with all those credentials, and often when there is an auction on the real estate proprietor or the people with the credentials go to the auction and leave one of the younger staff in charge of the office. I have no problem with that, and I do not think they should be penalised.

I find auctions fascinating. I have no problem with people bidding at auction with a number system. If you are smart you will get your number and, if you are well known to the auctioneer, you will give your number to somebody else—that is quite legal—and you just smile at your mate across the auction floor or frown when it is time to stop. A lot of games are played at auctions and it is fascinating. I recall when I bought the house I have at West Beach it was interesting because I had never even been near the house. I called their bluff and won—it does not happen often.

We did not win the bidding—we were the runners up—but we ended up with the house. When I was called down later

that day to speak to the auctioneer I said, 'What am I doing here—I'm the runner up.' I was not even at the auction, although my son and wife went. I asked why they wanted to speak to us if we were the runners up. It was because the other bidder was not there, was he? I said, 'Where does that leave us now?' They said, 'Well, this price is below the reserve price.' I said, 'That's tough—I feel sorry for the vendor, but that's how it is.' So, you can call the auctioneer's bluff and win. It was a strain, but it was meant to be.

I congratulate the government and the member for Enfield on this bill. I also congratulate our shadow minister, the member for Flinders, who was done a lot of work on this bill. She has done an excellent job and her presentation to the party room was excellent. This is a common sense bill, and I think with some minor modifications we can all support it.

Mrs GERAGHTY (Torrens): I will be extremely brief. I support the bill and appreciate the work and commitment our minister has put into it. I will raise briefly three personal experiences, the first being when my son bought a house at auction some time ago, so it is a first-hand experience. There were probably about 20 people at the auction and my son was extremely eager to buy this property. They went through the bidding and the agent had to go back in and confer with the people who were selling their much loved house. He came out and said that it was a bit below the reserve, but my son was very eager. Unfortunately, his father was not able to put his hand gently across his mouth and he gave them an extra $5 000 and he bought the house. He is extremely happy there.

The interesting thing is that, while I was standing with the children while my son went in to sign the papers, I heard this fellow just next to me say to another fellow standing in front of me, 'Are you part of the rent-a-crowd?' I thought that was very interesting. So, I went around and did a little recognisance and worked out that there were only two bidders on the house: my son and this other fellow. I doubt that the other fellow was a genuine bidder because he dropped out once they got up to the amount the vendors were looking at. My belief is that the majority were friends, because they were all there having a barbecue afterwards, and we were invited. Some well wishing neighbours had come along to welcome whomever the new owners were—and they have turned out to be absolutely fantastic neighbours, so it was good that we got to meet them early.

An honourable member interjecting:

Mrs GERAGHTY: He did, and he can't afford it. That was a great lesson we learned on that one. The other one was a property that a very reputable agent was selling. In discussion about the property I simply asked, 'What about the easement that runs through the property?' His answer was, 'What easement?' I said, 'I happen to know the area and there is an easement running through it, and it runs all the way down the boundary.' He said he would check that out and the phone call came back, 'You're quite right: there is an easement there.' In fairness to him, he would have found that out when he did some research on it, as they do, and then disclosed, but the fact is that at the time he was not aware of that, and that is a problem. So, disclosure is dealt with in the bill.

I do not think it is up to someone interested in purchasing the property to point out these things. All that should be up front. The one I found really quite fascinating was perhaps a couple of months ago, on a rural property. I was talking to the agent, wanting to go and have a look at this property—not to purchase, I declare straight away, but I had an interest in what was happening there. I went up to the agent, had a look around and then came back to the agent—

Mr Venning: You were rent-a-crowd, were you?

Mrs GERAGHTY: No, I was not rent-a-crowd. When I say I did not have an interest in purchasing, it was more like a land swap I was looking at. I had a look at the property, came back to the agent and just talked to him about it. I asked the price and thought it was a bit challenging, but I said, 'What impact does the mining exploration lease over the property have over which parts of this property?' He said to me, 'What are you talking about?' I said that there was a mining company, which I will not name and which is a good company, and he said, 'I have no idea what you're talking about.' I explained to him that all through this area is this exploration lease over the property and, if he is going to sell it, he actually has to disclose that.

Mr Venning: Are you saying this out loud?

Mrs GERAGHTY: What had happened was, because it was such a large property, people were wandering all round the place, and I said to the agent, 'You have to disclose that.' He said, 'I have no idea what you're talking about.' What really concerned me about it was the fact that, had someone signed up for that property, a bit later down the track they would have found out that there was this encumbrance on it. Thankfully, the property has not been sold and it is still sitting there, because I believe that the agent has now discovered that he needs to inform people of these things. This bill goes a long way toward dealing with these issues. I not saying that that agent was unscrupulous, but he certainly was not doing his job and he could have led someone into a difficult situation.

Those are just three instances that I know of personally, although I know a lot more from other constituents. I congratulate the minister for bringing this measure to the house, because some of us are probably a little more aware and astute than others about dealing with some of these issues. I have not had a lot of expertise in purchasing property, so I rely on other people or the knowledge that I picked up, but there are people like my son, who is not au fait with the ways of the world when it comes to real estate, and they get trapped into things that can be financially disadvantaging to them and can cause them a great deal of heartache.

In some cases, there is no way out. When you put your name on that contract, even though there may be things in it that are wrong, to get out of it is actually more costly and you stay in there simply because that is all you can do.

Mr Venning interjecting:

Mrs GERAGHTY: That is right. I agree with that comment. As I said, I congratulate the minister. I think it is certainly very timely, and I look forward to its passage through both houses.

Mr WILLIAMS (MacKillop): It is with a great deal of interest that I speak of the matter before the house: the Statutes Amendment (Real Estate Industry Reform) Bill. The name itself intrigues me: we are reforming the real estate industry. I heard someone interject across the house to my colleague the member for Stuart that the member had an advantage over a lot of other people, in that he had had considerable experience at auctions. I would probably put myself in a similar category. To a few of us—and, in particular, members from farming backgrounds—the auction system is not unique, curious or scary; it is something that we utilise on a day-to-day basis. The reason why we utilise it on a day-to-day basis is that, amongst all the methods of trade

between people, it is probably the best method to effect trade, because it is open and accountable. It is more open than any other system we could have, yet we would come into this place and move amendments and call them reforms.

In my opinion, what we are doing here is closing down, to a significant extent, the open cry auction system within the real estate industry. I am not suggesting by any means that there are not some shady practices within the industry. However, I think that to belt, to accuse or to try to change the open cry auction system as a way of solving those problems is ridiculous. The member for Napier said some interesting things. He talked about a vendor giving vendor bids when they have no intention of purchasing a property. That is how little he understands the open cry auction system and the business of trade, because I would argue that every piece of property is for sale at the right price. I do not know any person who would not sell a piece of property they owned—whether it be real property or any other goods or chattels—at the right price.

The Hon. J.M. Rankine: Does the member bid for his own sheep when he sends them to market?

Mr WILLIAMS: Absolutely. I have stood in the marketplace, when I have had livestock for sale and not been happy with the offer made, and told the auctioneer that they are going home, and I have taken them home.

The Hon. J.M. Rankine: That is not a bid.

Mr WILLIAMS: What is it, if it is not bidding?

The Hon. J.M. Rankine: The withdrawal of sale.

Mr WILLIAMS: It is exactly the same thing.

Mrs Geraghty: You support people out there in the marketplace—

Mr WILLIAMS: No, the member for Torrens is trying to misrepresent me. I am not supporting shady practices. What I am arguing is that the open cry auction system does not allow shady practices. It falls into disrepute only when people turn up to use it, as either a vendor or an intending purchaser, who do not damn well know what they are doing. This parliament—and any parliament—cannot legislate to protect people from their own ignorance; that is the problem.

Mr O'Brien interjecting:

Mr WILLIAMS: The honourable member has had his turn. I sat here while he made some statements with which I did not agree. I sat here in absolute silence. He has had his turn. He has had his opportunity. It is interesting that, suddenly, he decides that he did not say what he wanted to say. I would argue that, if we try to stop multiple vendor bids (and one part of this legislation is to stop vendor bids), all we will do is drive vendors away from the open cry auction system to the system where we have a negotiated private treaty.

If you want to see a system which is closed and which has no accountability, utilise that system, because that is a system where both the vendor and the intending purchaser have no knowledge at all. That is the system which I believe really will lead to—and underpin—corrupt practices in the industry. I will relate an experience I had only yesterday. My wife wanted to purchase some Christmas presents for our family. She went into the shopping precinct at lunch time to purchase a book. She got me to come with her because she wanted to purchase a number of books. She said, 'This is what I think is a pretty good buy.' I said, 'That looks like a very good buy, but there is another significant book shop on the other side of the street. How about we wander over there and have a look?' The difference in price for exactly the same book from one shop to another was more than 100 per cent.

Why would we want to control trade within one industry and not every industry? It is fundamental. We do not think it is the role of the parliament to protect people from their own ignorance because they will not walk to the other side of the street to see how much the other trader will sell them the product for, or go down to their local council office and find out what the Valuer-General's valuation of the property is, or not talk to a second or third real estate agent.

However, suddenly, we are saying that, with respect to the real estate industry, we must protect people because they do not have the ability to do that. If you take that step, I would argue that we should be protecting every consumer whenever they buy anything. That is the basic philosophical position I put. I think that multiple vendor bids up to the reserve price the vendor lodges with the real estate agent is the way to make the open cry auction system work properly and work as it is intended to. The last thing we need are agents and vendors running an auction, and the auction failing because the property does not reach the reserve price.

I have been to plenty of auctions (and we are talking hundreds of thousands if not millions of dollars) when, at a particular point, the auctioneer declares that the property is on the market. What does that say to the intending purchasers, the bidders? It is saying, 'We have hit the reserve. Don't muck around. If you want to buy the property, it will be knocked down today. The property is on the market.' That is when the open cry auction system gets really serious and things start to happen. Until you hit that reserve, it does not matter whether you pull bids out of a tree, because any intending purchaser who turns up at an auction and does not know what the property is worth, or what they believe it is worth or are prepared to pay for it, is stark raving mad, because they will get taken down every time.

Irrespective of how many rules we make, no-one should go into the market buying something as valuable as a piece of real estate—whether or not it has a house on it—not knowing what they are prepared to pay for it, what it is worth to them and what its value is. I do not subscribe to this nanny state nonsense. I do not think it will benefit anyone. Those unscrupulous people who might be out there working in the real estate area will change the method they use. They will move away from the open cry auction system and into a negotiated system, dealing with vendors and potential buyers, and no-one will know exactly what is going on behind the scenes.

Another issue in this bill that concerns me is that potential bidders need to be registered. So, I cannot go into a marketplace and buy something unless I have registered my name and address. I cannot go into a marketplace and bid or purchase until I have registered my name and address.

Mr Venning interjecting:

Mr WILLIAMS: I am often running late! One of the auctions in which have been quite active over the years is the StateFleet auction held down by the airport. I have purchased a number of vehicles over the years down there. Someone said to me today, 'You get a bat with a number on it and you have to register.' I said, 'Well, that's not the way it works.' You walk in there, there is a big bucket of bats, you pull out a bat with a number on it and you sit down. You do not register your name. You simply use the bat to identify yourself, so the auctioneer can call out, 'We've knocked that down to bidder No. 378,' because he does not know whether it is Mr Williams or Mr Venning. He knows that it is bidder No. 378. Mr Venning could be sitting behind me with bat No. 273, and Mr Venning and I know who has won the bid.

That is the only reason we use the bat. Why do we need to register? Surely, if you were going to use this registration method, you would register the intending purchaser—who might be a completely different party from the bidder. In fact, at most significant auctions which I attend the intending purchaser is not the bidder.

I am not blaming members of the government for this, but I think they have not had a significant experience with the open cry auction system and have fallen into the trap of thinking it is something it is not. There is no point in registering potential bidders or potential purchasers. It is a nonsense. It only comes about as an idea because of the other nonsense about stopping multiple vendor bids. Why would you want to do that until you have hit the reserve? I have no problem enshrining in legislation that at an auction the vendor must register their reserve price and the vendor must be prevented from making vendor bids above the reserve price. I do not have a problem with that at all. The nonsense before us today in my opinion will not solve the problems that have been highlighted, supposedly, within the industry. I really have a problem with that.

New section 11A provides for regulations relating to proper management and supervision. A person can have an office and set up a business, and a regulation will provide that the registered agent will not be taken to have properly managed or supervised a business or place of business 'for the purposes of section 10 or 11 unless the agent follows practices specified in the regulations'. We will pass a piece of legislation which will then give powers to a minister to make regulations about someone who manages the damned office. What is the point of that? I can tell you, minister, that when you go out to country areas where a lot of auctions take place, and particularly when a clearing sale is happening, every man who can be rounded up in the office is on site at the auction.

What is the government saying? Is it saying that you close the office and then some intending bidder from the next shire 100 kilometres away, or further, comes into town, drives down the street and sees the name of the real estate agent, knocks on the door to find directions to where the auction is taking place and there is no-one there? What is wrong with a person running a business who gets called out—whether they are on business, on holiday or helping roll the cricket pitch for tomorrow morning's cricket match—leaving the office girl to man the office? What is wrong with that? I referred earlier to the nanny state madness. This is nanny state madness gone mad.

It is very easy to whip up a frenzy in the community by saying that hundreds, if not thousands, of people are getting ripped off, particularly when the real estate market is red hot. When there is plenty of activity in the real estate market it is very easy to say that people are getting ripped off, there are hundreds of unscrupulous agents out there and we have to do something about it. The reality is that the taxpayers of South Australia have been subsidised to a great extent over the last few years by the property market, and here is this parliament saying, 'There is too much shady dealing going on out there and we want to put the brakes on.' That is what will happen. The reality is the real estate market has taken a significant turn in recent months, and this sort of measure will not help. There are a number of measures in the bill which the minister is claiming will help and make the world a safer place for everyone. I wish she would walk down Rundle Mall and do something about those nasty book sellers, because one of them is trying to rip off my wife.

I will quote something that I think sums up what I am trying to say. In her second reading contribution, the minister said:

> The reforms will establish clear standards for land agents as to what is lawful and ethical behaviour in selling of real estate.

Once this parliament gets into the realm of passing laws to enshrine ethics, I think we are really heading down the wrong track. I would argue, sincerely, that we should not try to legislate for ethics anywhere. I think we should be trying to make laws. As the member for Napier said, the marketplace is based on the equality of knowledge, and that is one of the things he said that I totally agree with. I think we should be ensuring that there is a system where all the players have equal knowledge. I do not think this helps. This will not help vendors to have equal knowledge.

In fact, I believe it will have the opposite effect, because vendors and intending purchasers will say, 'Parliament has sorted this out for us. Parliament has ensured that all these agents are aboveboard and I do not need to get a second opinion because parliament has solved the problem. The member for Enfield told me that. He has solved the problem and now I can go on my merry way and sell or buy a property on the advice of just the one agent who slipped his card under my front door, because parliament has sorted it out and I do not have to worry any more'. We need to encourage intending purchasers and vendors to be aware and understand what they are doing and, most importantly, have full knowledge of the real value of the property they are selling or buying. That is the only way that they will protect their own interests, and it is beyond this parliament to protect the interests of someone who is ignorant.

The Hon. J.M. RANKINE (Minister for Consumer Affairs): I thank all members of this chamber who have contributed to this second reading debate. I thank the shadow minister for her contribution and acknowledge that she does have some questions that she wants answered when we reach the committee stage. We are happy to do our best to answer and facilitate any queries she may have.

As I have said before, this bill is before this house because of the considerable work done by the member for Enfield. In fact, despite the kind words of many members, I am a latecomer to facilitating the passage of this bill. However, I was keen to get it in here as quickly as possible and to deal with it. I acknowledge the contributions of the member for Napier, the member for Torrens, the member for Stuart and the member for Schubert. The contribution made by the member for MacKillop certainly stands alone and it stands out—and I think that probably says it all.

The aim of this bill is to provide increased protection for people making the most expensive investment they are likely to make in their lives. It is to ensure that those processes are transparent and to provide protection for the people who do operate in an ethical manner to ensure that they are not disadvantaged. Counter to what the member for MacKillop may think, I think it is important, in fact vital, that we legislate in relation to ethics in a number of areas. I am pleased to say that there are many precedents where we have done so. However, unlike the proposals put forward by the member for Stuart, I do not subscribe to the view that it is a buyer beware situation. This bill is about providing balance, and I am pleased that the industry has voluntarily adopted many of the initiatives contained within this legislation.

As has been pointed out by some others, we cannot simply leave that to the industry; in other words, forgo any legislation. It was clearly as a result of the report prepared by the member for Enfield and the work that he did that the industry came on board, recognised that it needed to improve its practices and adopted its code of practice, but it still does need some legislative framework. The legislation has been the focus of extensive consultation. However, I do acknowledge that there are some areas which do not have universal support. Obviously, the issue around vendor bidding is one. I am happy to debate that particular issue when we reach the committee stage, but I think it is worth putting on the record what the President of the New South Wales Real Estate Institute said in *The Financial Review* when referring to the reforms that happened over there. He said that in fact it restored integrity and confidence in the auction system. That is contrary to what some members have been saying in this place today.

In relation to the issues about pre-registration and paddles, members only have to go to one of the many auction houses in Adelaide to realise that is simply how auctions are conducted. You do have to register and you have to have some form of identification before they will take your bid; this practice does happen. One of the other areas where I think it is fair to say that there is not universal acceptance is the ability of agents to be able to place caveats over people's properties to ensure payment of some of the costs they may incur. I do not know of any other service provider—and real estate agents are service providers—that has the ability to be able to place a caveat on your property prior to fulfilling their obligations.

I accept that that is an area in which we will continue to have some disagreement. There are a number of issues in relation to ethical behaviour that are addressed in this bill. The requirement for the registration of sales representatives and auctioneers is that people must now pass a fit and proper person test to be able to apply to be agents, sales representatives and auctioneers. They must give warnings when they provide investment advice about properties and declare any actual potential conflict of interest in relation to other dealings they may have had with other people and any benefits or expected benefits they may receive from any other person.

I flag that I have some amendments to the legislation when we get into committee. They are fairly simple amendments, one being to ensure that it is clearly understood that a tender process is an offer under the act and that all offers must be in writing. Another issue on which I will move an amendment relates to applications by land agents to be able to sell properties that are listed with them to people they have an association with. As the system currently stands, that is prohibited unless there is a ministerial exemption. A number of those exemptions have come before me and it has come to my attention that, while there may be valid reasons to provide an exemption for that, in fact the agents then automatically receive a commission for selling a property. My amendment will preclude that unless that process receives approval. It is reinforcing what is in the act by saying to agents that the act prohibits them selling a property to a relative or a person with whom they are closely associated, but if we grant that exemption they will not automatically get the commission for it unless there are good and just reasons for that.

The member for Enfield made a valid point in his address to the house about the emotional investment people have in going through the process of purchasing a house, and I do not think that can be underestimated. There are a lot of anxieties, fears and hopes people go through when buying a property and they need to be assured that the process they are going through is open, transparent and proper. Whether they are a purchaser or seller they trust the land agents and put their trust in these people that they are operating in an ethical manner.

Mr Venning: In their best interests.

The Hon. J.M. RANKINE: Yes, that is right. If you engage a land agent to sell your property you are very much putting your trust in them that they will do their very best for you. Having bought a couple of properties myself, in dealing with land agents as a purchaser you also very quickly get the sense that they are trying to do the best deal for you as well, so there is a bit of a conflict there and it is fit and proper that we make sure it is open and transparent and that offers are put in writing and people are clear about what is happening, what are their roles and responsibilities and what are the likely outcomes. I thank all those who have contributed to this bill and again acknowledge the work of the member for Enfield in doing all the collaborative work around this piece of legislation and look forward to progressing through committee to the third reading.

Bill read a second time.

In committee.

Clause 1 passed.

Progress reported; committee to sit again.

ADJOURNMENT

At 9.12 p.m. the house adjourned until Wednesday 22 November at 2 p.m.