

LEGISLATIVE COUNCIL

Thursday, 28 November 2019

The **PRESIDENT (Hon. A.L. McLachlan)** took the chair at 11:00 and read prayers.

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

Parliamentary Procedure

SITTINGS AND BUSINESS

The Hon. R.I. LUCAS (Treasurer) (11:01): I move:

That standing orders be so far suspended as to enable petitions, the tabling of papers and question time to be taken into consideration at 2.15pm.

Motion carried.

Bills

LAND TAX (MISCELLANEOUS) AMENDMENT BILL

Committee Stage

In committee.

Clause 1.

The Hon. C.M. SCRIVEN: Could the Treasurer advise why the government will not release the latest modelling it has on land tax changes?

The Hon. R.I. LUCAS: I am happy to respond to this question. As I have advised a number of members of parliament, including representatives of the Labor Party, the government has released the PricewaterhouseCoopers report and made it publicly available. I have outlined on a number of occasions the modelling approach that the Treasury officers adopted. They had access to the confidential tax details of land tax payers on the RevenueSA database. They then had access to the confidential information from the TRUMPS database operated by the Department of Planning, Transport and Infrastructure, and they also had access to information from ASIC in relation to companies registered with ASIC. As a result of that, they were able to cross-reference, do their calculations and make their estimates.

As a result of that—or at the same time—the government had commissioned PricewaterhouseCoopers to provide independent oversight of that particular process, and their report is publicly available. They have said, in broad terms, that the process that had been adopted by Treasury was reasonable and that there were no other alternative data sources, in their view, available to Treasury that they could have used to be able to make any better estimate of the information. They had oversight of the overall process.

The notion that there is some report called 'the modelling report' that provides all the details in relation to these estimates is a fallacy. We are not allowed to release the confidential tax details of taxpayers in South Australia; therefore, we cannot provide that to the Labor Party or other members of parliament and say, 'Here are the modelling details; this is how we have done it, and you can second-guess the calculations that Treasury has done.'

The only way anyone could second-guess it would be to have access to the same information that Treasury information have had access to. That is just not legally possible. It would not be ethically appropriate to release that sort of confidential tax information to members of parliament or indeed other independent bodies and organisations.

It is a nice debating point, in terms of accusing the government of saying that we have not released our modelling. We have released the results of all the modelling that we have done; it is

publicly available. We have released the independent assessment of the appropriateness of the process that Treasury officers went through in terms of doing their estimates and their modelling. They undertook a rigorous review, and that report is publicly available as well.

We can continue to have the argument about, 'Why won't the government release the modelling?' but I can only indicate again, as I have just done, the reasons why we are not able to release the confidential tax records and details of taxpayers. We have released the details of the modelling that Treasury has done and they are the figures that we have put on the public record.

We have released an independent assessment by PricewaterhouseCoopers. As I said, they have indicated that it was a reasonable process. They had no criticism and, just as importantly, there were no other available data sources that Treasury should have used to produce any better estimate than the estimates Treasury has made of the modelling and the impacts of the proposed changes.

The Hon. C.M. SCRIVEN: Could the Treasurer advise, then, how many ownerships are impacted by the aggregation measures?

The Hon. R.I. LUCAS: Again, we have put this on the public record on a number of occasions. I have talked about three separate ownership categories. One ownership category is called individual. That is where I as an individual, or perhaps myself with my wife or myself with a business partner, are characterised as natural persons or individuals in that terms of ownership category. The second group is companies—the ordinary meaning of that is evident to everyone—and the third grouping is trusts. Again, we have had a lot of discussion about that third grouping.

In the first grouping, there is a total of approximately 52,000 individuals. Of those, just under 48,000 will be better off as a result of the government's package, which includes three elements, if you remember. There are the aggregation provisions, there is the increase in the threshold and there is now the reduction in the top rate and other rates as well. About 4,300 are worse off. That is the 92 per cent/8 per cent figure that has been oft quoted.

In relation to company groups (groups of companies) there is a ballpark of 11,000. Of those, 7,900, or 75 per cent, are better off, and 2,600, which is the 25 per cent figure, are worse off as a result of the total package of government changes. Again, those figures have been public for some time now and remain our best estimates.

The Hon. C.M. SCRIVEN: The Treasurer mentioned three categories of individuals, companies and trusts, but has not mentioned the figures for trusts.

The Hon. R.I. LUCAS: As the PwC report indicates, Treasury has line of sight of about 4,500 trusts. Treasury and PwC estimate that there might be approximately another 6,000 to 6,500 trusts that are not lodged with RevenueSA in terms of they do not currently pay land tax and therefore have no reason to be lodged with RevenueSA.

Of those, it is impossible, for the following reasons, to determine the numbers that will be better off or worse off. For example—let's assume there are 11,000 trusts—the vast majority of trusts, it is estimated, are what are known as discretionary trusts, and under the government's proposed model the trustee of a discretionary trust has two options. The trustee can choose to nominate a beneficiary, and if he or she has no other land in his or her name then the trust does not have to pay the 0.5 per cent surcharge and there is unlikely to be any negative impact on the individual beneficiary who has been so nominated.

One of the changes in this range of amendments that the council is going to be asked to consider is that the government has agreed with submissions made by a number of people that we should give those discretionary trusts an extra 12 months to nominate the designated beneficiary for land tax purposes. The original bill the government had was that that decision had to be taken by 30 June next year. The government has now agreed to submissions that we should give people an extra 12 months—so 30 June 2021—to nominate their designated beneficiary. The argument was that people should be given more time to make these sorts of decisions.

The issue of how many trusts will be better off or worse off will be dependent on individual decisions the trustees make, and we are just not in a position to be able to estimate what the percentage will be in terms of the decisions that trustees may well take, as I said, especially given

that discretionary trusts are the overwhelming majority of the total number of 11,000 trusts in South Australia.

The Hon. C.M. SCRIVEN: As a rough number of ownerships, that comes to between 70,000 and 73,000 that will be impacted by the aggregation measures. Could the Treasurer advise the chamber how many of those are residential, how many are commercial, how many are industrial and how many are mixed?

The Hon. R.I. LUCAS: When the member says—whatever the number was—70,000 impacted by aggregation, the overwhelming majority of those are actually going to be better off as a result of the government's changes. It is not just aggregation, there are three elements to the package: there is cutting the rates, increasing the thresholds and the aggregation changes. So let us be clear in relation to this: whatever that number was, 70,000-odd, are not people negatively impacted by the government's proposed changes. We do not have the breakdown in relation to the number of industrial, commercial and residential, so I am not in a position to provide that information to the committee at this stage.

The Hon. C.M. SCRIVEN: Why not?

The Hon. R.I. LUCAS: I do not have that level of detail with me.

The Hon. C.M. SCRIVEN: To just go back to the Treasurer's previous point, the 70,000 to 73,000, acknowledging that there are roughly 6½ thousand who may or may not be impacted, that total figure and the figures the Treasurer was referring to, are they the number of ownerships impacted by aggregation only or the number impacted by all of the measures? If it is the latter, how many are impacted by aggregation only?

The Hon. R.I. LUCAS: I have made it clear on a couple of occasions that the numbers the honourable member is referring to are impacted by the government's total package. The government is looking at the impact of the total package on taxpayers, and it is appropriate that if an individual benefits from tax reductions and threshold increases that they also be included in any sensible analysis of the overall package the government has.

We are not breaking them down into what the individual impacts of individual sections of the package are; the government is only interested in what is the total impact on all taxpayers of the total package. What the individual elements might be is of academic interest, ultimately, to the government, because in the end—and I can assure the honourable member, having received many telephone calls, letters and emails and had many meetings—the concerns of individual taxpayers are what is the bottom line. It is the total package that they are concerned about, not the individual elements of it.

The Hon. C.M. SCRIVEN: Can the Treasurer advise how many properties are impacted by the aggregation measures as opposed to ownerships, which is what we were talking about a few minutes ago? How many properties?

The Hon. R.I. LUCAS: We are trying to find that number, but the best recollection is that the total number of properties—not the ones impacted by aggregation—is likely to be potentially around about 300,000, but a significant number of those are not impacted at all by any land tax because they have exemptions: primary production; they are below the threshold, which is currently \$391,000; they might have other exemptions such as charitable; principal place of residence, I am reminded.

The question in relation to properties is much bigger than those that are ultimately impacted in any way by land tax because there are so many exemptions in land tax law, including charitable trusts, various other trusts and institutions, and various non-government organisations, etc. The total number of properties, which we will find at some stage, it might be 300,000 or something like that, whatever it is, but there is a much smaller number that are potentially impacted by land tax at all.

Regarding the issue in relation to the ones that are impacted by aggregation, as I said before, we are looking at the total package. It is those taxpayers and properties that are impacted by all of the measures: the land tax cuts, the rate cuts, the threshold increases and the changes to aggregation.

The Hon. C.M. SCRIVEN: That is my question: how many properties are affected by these land tax changes?

The Hon. R.I. LUCAS: We will have to take that question on notice and when we get an answer we will provide that. It is a significant number. It is nowhere near the total number of properties in the state because of the exemption reasons and the reasons that I have just given to the honourable member.

The Hon. C.M. SCRIVEN: Can the Treasurer advise when he expects to be able to provide the answer of how many properties are impacted by these land tax changes?

The Hon. R.I. LUCAS: I would expect that some time today, whilst we are debating the land tax bill, we will be able to give a rough estimate of the number of properties that might be impacted.

The Hon. C.M. SCRIVEN: Can the Treasurer also advise how many properties that are going to be impacted by the land tax changes are residential, commercial, industrial and mixed properties?

The Hon. R.I. LUCAS: No, we will not be providing that level of detail today to the committee.

The Hon. C.M. SCRIVEN: Why not?

The Hon. R.I. LUCAS: Because we do not believe it is important to the debate.

The Hon. C.M. SCRIVEN: Does the Treasurer think it is important to the debate to know how many individual renters, particularly those on low incomes, might be affected by the land tax changes; to know how many small businesses, because they are owners of commercial property, might be impacted by the land tax changes; or how many other businesses, because of their owning industrial property, might be impacted by the land tax changes? Is that what he is saying is not relevant to this debate, when we are talking about the economic sustainability of this state and he is saying that those things are not relevant to this debate?

The Hon. R.I. LUCAS: No, I am not saying that. Let's take the first point the honourable member makes in relation to rents. If 92 per cent of individuals are better off, if 75 per cent of company groups are better off, then there is no economic imperative or financial imperative for rents to increase at all. In fact, you could argue that there is an imperative for them to reduce rents.

The mere fact of knowing the number of industrial and commercial properties or residential properties does not answer the honourable member's question. It is a straw person argument, if I can respond to the honourable member. The mere fact of knowing the number of properties does not say anything about what the impact of rents will be. For example, if the overwhelming majority of individual property owners are going to have a benefit from the land tax changes then there is no argument at all about rent increases, so the honourable member's argument falls away immediately.

Some of the alarmist claims the honourable member and her colleagues have been making, and indeed some of the other opponents, are not capable of being proved. It is easy to make the claims, as they have been doing, but they are incapable of being able to prove the claims because the answers are that the overwhelming majority of people will be better off in relation to the land tax changes rather than worse off.

In fact, what the government has been criticised for, in what it is putting to the parliament, is that we have been too generous in terms of the response in relation to land tax reductions.

The Hon. C.M. SCRIVEN: The position of the Treasurer appears to be that he does not know how many people will be affected by aggregation specifically. He does not know how many properties will be affected by the land tax changes in general and he does not know how many of those are residential or commercial or industrial. Yet, he is expecting this chamber to rely on his assertions that this percentage of people will be better off, despite the fact that he cannot provide what is essentially some very basic information.

As to the number of properties that will be affected, it is quite bewildering to hear that the Treasurer does not have access to that information here on the day that we are debating this land tax package, the latest in many changes of the land tax package. We are expecting it to go to a vote quite soon and yet he does not know how many properties are affected by these changes. It seems

absolutely bizarre that the Treasurer can expect that members of this chamber will vote on a package when he does not even know how many properties might be affected.

The Hon. R.I. LUCAS: That is not the case. As I have indicated, 92 per cent of individuals will be better off, 75 per cent of company groups will be better off. That is what is important in terms of this debate.

The Hon. C.M. SCRIVEN: Yet, the Treasurer cannot provide basic information on how many properties that is to be able to back up those claims. Some further information which would be of benefit is: how many ownerships, which will be impacted by these land tax changes, are regional?

The Hon. R.I. LUCAS: I do not have that sort of information or detail with me at the moment.

The Hon. C.M. SCRIVEN: Is it true that no modelling has been done on regional impacts of these changes?

The Hon. R.I. LUCAS: No.

The Hon. C.M. SCRIVEN: Again, that is amazing that the party that claims to care about the regions has done no modelling whatsoever on the impacts on regional areas.

The Hon. R.I. LUCAS: I said it was not true.

The Hon. C.M. SCRIVEN: So the Treasurer is now saying that modelling has been done on the impacts on regional areas.

The Hon. R.I. LUCAS: Have a look at *Hansard* and what your question was. I answered your question.

The Hon. C.M. SCRIVEN: I will ask a question again, since the Treasurer seems to be splitting hairs.

The Hon. R.I. LUCAS: No, I am not. I am answering your questions.

The Hon. C.M. SCRIVEN: Has there been any modelling done on the impacts of these land tax changes on regional areas?

The Hon. R.I. LUCAS: That is a different question to the one the member put earlier. The answer to that particular question is we have looked at the impacts right across the state—regional and metropolitan.

The Hon. C.M. SCRIVEN: Can the Treasurer indicate what the specific impacts are on regional areas?

The Hon. R.I. LUCAS: The numbers we produced are 92 per cent of individuals across the state—regional and metropolitan—will be better off; 8 per cent will be worse off. In relation to the company groups, 75 per cent of company groups will be better off; 25 per cent will be worse off. Bear in mind, of course, that the honourable member may or may not appreciate the fact that many in our regional communities have the benefit of longstanding land tax exemptions for primary producing land. So you will have a significant number of people in regional areas who are completely exempt, together with the usual exemptions for principal place of residence. Unlike the metropolitan area, there will be a significant number of people in regional areas who have farming operations who are land tax exempt for their primary producing land.

The Hon. C.M. SCRIVEN: How many commercial ownerships are there in regional areas?

The Hon. R.I. LUCAS: I do not have that sort of detail.

The Hon. C.M. SCRIVEN: Which leads me again to the key issue with this package which has changed so many times. If the Treasurer does not know how many ownerships are impacted in regional areas, how could he possibly say what the impact will be? He does not know how many ownerships there are. I assume from his earlier answer he cannot tell us how many properties in regional areas are impacted either. That comes back to the basic problem of the amount of information that is not available, either because it has not been released, or, if we are to accept on face value what the Treasurer has said, it is because it simply has not been done.

That is the basic issue that we, on this side of the chamber, as well as the crossbenchers, need to be taking into account when being asked to vote on this package and support this package because there is so much information that is either not provided or modelling has not been done or the information is not available. That is one of the basic problems with the package that the Treasurer is asking us to support. Could the Treasurer advise how much revenue is now estimated to be raised by the aggregation measures?

The Hon. R.I. LUCAS: I am prefacing my remarks by indicating that there is obviously significant revenue forgone through tax reductions and threshold increases. The publicly available information in relation to the increased revenue from the aggregation provisions, that estimate which has already been on the record for I think three months now, or whatever it is, is about \$86 million.

The Hon. C.M. SCRIVEN: The Treasurer, I think, has anticipated my question. How much revenue is now estimated to be forgone by the changes to the land tax rates and thresholds?

The Hon. R.I. LUCAS: We have indicated, in my extensive closing in the second reading, that this committee and ultimately this chamber confronts two options at the moment. That is, the government's amended package, that it is proposed to be supported, will have a net cost to the budget of \$189 million over three years. If the bill is defeated, the net cost to the budget will be \$150 million over three years. So the difference between the bill passing or the bill being defeated is \$39 million over three years.

The advantage, as I highlighted yesterday, of the bill passing is that we will have a fairer and more equitable system with the changes to aggregation, and we will have a new investment-attracting, job-creating top rate of 2.4 per cent instead of the 3.7 per cent. With all the other changes that are now in the package, if the bill is defeated it will still cost the budget \$150 million over three years, but we will still have an investment-destroying, job-destroying 3.7 per cent top land tax rate and we will still have the unfairness of the existing aggregation arrangements that the Labor Party is staunchly protecting.

The Hon. C.M. SCRIVEN: Can the Treasurer be specific in terms of the question that I asked, which was: how much revenue is now estimated to be forgone by the changes to the land tax rates and thresholds—that specific figure?

The Hon. R.I. LUCAS: I cannot be any more specific than the net cost to the budget over three years is \$189 million.

The Hon. C.M. Scriven interjecting:

The Hon. R.I. LUCAS: Well, that is the whole lot. That is what the net cost to the budget is. I am not sure what financial or economic school the Acting Leader of the Opposition attended, but the reality is that that is the net cost to the budget. With all the ups and downs, all the changes incorporated into the proposed bill, or if the bill is defeated, where we will be left, that is the net impact. I cannot be any more explicit and specific than that. It is a \$189 million cost. If the bill is defeated, it is a \$150 million cost over three years.

The Hon. C.M. SCRIVEN: The Treasurer is being specific in terms of the aggregation measures, that they will raise an additional \$86 million. Why can he not be specific about the revenue forgone by the changes to the rates and the thresholds? They are essential parts of the package. Why can he not be specific about that measure?

The Hon. R.I. LUCAS: The broad figures are—you just have to work backwards from what the net cost will be. The impact of the various measures in the bill in terms of lost revenue must be significantly more than the additional revenue that you are going to get. So if you are getting around about \$86 million a year and if the net cost to the budget is about \$189 million—so that is about \$60 million-ish per year over three years—then it is just the difference between those. In ballpark terms, it will be around about \$140 million to \$150 million a year in revenue being returned.

On the other hand, you are collecting around about \$80 million to \$85 million, whatever it is, \$86 million, in terms of estimated collections from aggregation. The reality is that is largely academic. The bottom line is: what is the net impact on the budget? The net impact on the budget is that it will cost \$189 million over three years. If the bill is defeated, it will cost \$150 million over three years, so the net difference is \$39 million over three years.

The Hon. C.M. SCRIVEN: Of that amount, what is the budget impact of the changes that are incorporated in this bill, not including the measures that were in last year's legislated changes?

The Hon. R.I. LUCAS: I refer the honourable member to the four previous answers that I have just given. That is the answer to that question.

The Hon. C.M. SCRIVEN: For clarification, the four previous answers did not include the legislative changes that were made last year; is that correct?

The Hon. R.I. LUCAS: I can offer no greater detail than what I have already said, that is, if this bill is passed, the cost is \$189 million over three years. If the bill is defeated, we are left with the legislative changes from last year. So the honourable member does not understand the question that has been drafted for her. If the bill is defeated, we are left with already legislated changes from last year, and that is the \$150 million over three years cost. If the bill is passed, we have a new set of circumstances, which is a cost of \$189 million over three years.

The Hon. C.M. SCRIVEN: Could the Treasurer advise what the impacts will be for taxable ownerships at the threshold of \$500,000?

The Hon. R.I. LUCAS: There are any number of answers to that question. It depends on how many properties the individual owns, what the ownership structure is, whether it is a natural person or an individual, whether it is a company or whether it is a trust. There is no one answer to that question: there are many, many answers, depending on the individual circumstances of the taxpayer.

The Hon. C.M. SCRIVEN: Can the Treasurer provide the answer for an individual, a natural person, for clarification?

The Hon. R.I. LUCAS: If it is an individual, and if he or she owns one property—and it is not their principal place of residence, because that is land tax exempt—then they will be paying less tax because the tax-free threshold is going to go up from \$391,000 to \$450,000. Whatever they were paying before, they will be paying less because they will now have a tax-free threshold of \$450,000. They will only pay tax at 0.5 per cent on \$50,000, whereas before they would have been paying 0.5 per cent on \$109,000, so they will be paying less tax. They will be saying, 'Hallelujah! Thank you, government, you are doing a wonderful job.'

The Hon. C.M. SCRIVEN: All hail Mr Lucas!

The Hon. R.I. LUCAS: I don't know if they will say that.

The Hon. C.M. SCRIVEN: You wish. Could the Treasurer answer the same question in respect of \$600,000?

The Hon. R.I. LUCAS: If we are again talking about an individual, and if we are again talking about the fact that it is not a principal place of residence, then it is exactly the same answer. We can do it for any number of figures that the honourable member wants to ask about, but it will be the same answer, that is, because the threshold is higher they will pay less tax and they will also say, 'Hallelujah, thank you very much' to the government. They certainly will not be saying thank you to Rob Lucas, I suspect.

The Hon. C.M. SCRIVEN: In the same set of circumstances where the taxable ownership is \$1.2 million, could the Treasurer explain the impact?

The Hon. R.I. LUCAS: It is the same generic answer, that is, if it is an individual property and not their principal place of residence, they will have the benefit not only of the increase in the threshold from \$391,000 to \$450,000, which is what we are talking about, but also the significant benefit of the rate reduction from 1.65 per cent currently down to 1.25 per cent and then down to 1.0 per cent. It is the smaller mum-and-dad investors, as they have been so called by the people in this particular debate, who will benefit significantly from the tax changes because they get the benefit of the threshold increase and, because the rates at the lower levels have also significantly reduced from 1.65 per cent to eventually 1.0 per cent, they will benefit significantly.

They are families like the Deguglielmo family, who I have quoted in this place on a number of occasions. They are a couple whose form of superannuation was investing in a handful of

properties in the north-eastern suburbs. That was their form of superannuation. They are currently paying tax at the aggregated rate. This is when they have a number of properties. The example I referred to earlier with the honourable member was just where it was a single property. In those circumstances, they will benefit significantly.

The Hon. C.M. SCRIVEN: Could the Treasurer advise for \$1.25 million?

The Hon. R.I. LUCAS: It is the same answer.

The Hon. C.M. SCRIVEN: At \$1.5 million?

The Hon. R.I. LUCAS: The same, or a very similar answer.

The Hon. C.M. SCRIVEN: Could the Treasurer clarify what he means by 'a very similar answer'?

The Hon. R.I. LUCAS: Everything I have just said will apply exactly the same; that is, if it is a single property, they will benefit from the threshold and the tax rate reductions on their \$1.5 million property. If they are currently aggregated—I think the example we were talking about was a single property; let's leave it at that, that is the easiest example—they will benefit.

The Hon. C.M. SCRIVEN: Can the Treasurer advise for \$1.75 million?

The Hon. R.I. LUCAS: Again, it is a very similar answer. The higher you go, the other reductions in the top tax rate, which previously 3.7 factored in at \$1.3 million—so you are now getting into the group of the \$1.5 million and whatever the last number was. We can go up in \$250,000 increments for the rest of the day if you want to. The people who are above \$1.3 million, these are the people in the past who were paying 3.7 per cent. They will now be paying 2.4 per cent and they will also have the benefit of the lower rates earlier. These are the people who will be jumping up and down and cracking open a bottle of Coca-Cola and saying, 'Good on the government for introducing these particular changes.'

The Hon. T.A. Franks interjecting:

The Hon. R.I. LUCAS: A bottle of Bickfords.

The Hon. C.M. SCRIVEN: I can see the Treasurer is looking forward to the great hailing of his genius. Could the Treasurer advise the impact at \$2 million under the same circumstances?

The Hon. R.I. LUCAS: That is exactly the same answer. They would benefit also, single property, from the very significant reduction of 3.7 per cent down to 2.4 per cent. They would also have the benefits of all the other changes that I talked about earlier.

The Hon. C.M. SCRIVEN: And at \$2.5 million?

The Hon. R.I. LUCAS: The same answer to the \$2 million example.

The Hon. C.M. SCRIVEN: And at \$3 million?

The Hon. R.I. LUCAS: The same answer as the \$2 million and the \$2.5 million answer.

The Hon. C.M. SCRIVEN: At \$4 million?

The Hon. R.I. LUCAS: At least the increments are getting bigger. They started off at \$100,000 and now they are going up by \$1 million. The same answer as the \$3 million answer, or whatever it was. I have lost track of the number. Whatever the last answer was, it is the same answer.

The Hon. C.M. SCRIVEN: What about at \$5 million?

The Hon. R.I. LUCAS: The same answer as \$4 million and \$3 million.

The Hon. C.M. SCRIVEN: So we certainly have a bit of a bidding war here, it would seem, in terms of those who are going to be better off under this package, and it is certainly not those middle ground mum-and-dad investors, but we are looking at those higher levels.

The Hon. R.I. LUCAS: No, that is not the case because when the member first started asking questions at \$500,000 and then up to \$1 million, etc., as I indicated, they all benefitted as well.

The Hon. C.M. SCRIVEN: But not to the same degree.

The Hon. F. PANGALLO: Treasurer, can you take us through the trust thresholds from \$25,000 through to \$1.098 million? We know \$25,000 is zero. What about \$25,000 to \$40,000?

The Hon. R.I. LUCAS: For 2021: for \$25,000 to \$450,000, it is 0.5 per cent; for \$450,000 to \$755,000, it is 1 per cent; for \$755,000 to 1—

The Hon. F. PANGALLO: Treasurer, can you give us the figure that will be paid as well?

The Hon. R.I. LUCAS: You want a percentage?

The Hon. F. PANGALLO: I have the percentage, but what figure would it be?

The Hon. R.I. LUCAS: It will vary. If you have a classification of \$450,000 to \$755,000, it will obviously change depending on the value, whether it is \$450,000 or \$750,000, because the percentage stays the same within that category. So there is not one number at those lower levels. Do you understand? There is not one number that applies to the whole category; it is a percentage that applies to the values within that category.

The Hon. F. PANGALLO: For instance, for \$1.098 million or greater the rate would be, what, 2.4 per cent; is that correct?

The Hon. R.I. LUCAS: Yes.

The Hon. F. PANGALLO: Is it conceivable that the tax bill could be more than \$12,000; is that correct?

The Hon. R.I. LUCAS: With the amended package, at \$1.098 million it would be \$11,303, but obviously, as I said earlier, as it goes higher than that there is a higher tax rate that is paid. What the member needs to bear in mind is what I said earlier, and that is: if you are in a discretionary trust you have the option of not paying the surcharge. The overwhelming majority of trusts in South Australia are discretionary trusts—I think he has heard me say that—and so with a discretionary trust you have the option of not paying the surcharge.

What the honourable member is talking about here is those people who choose or cannot nominate a designated beneficiary under the terms of the proposed legislation and avoid the payment of a surcharge. The member needs to bear in mind that not all trusts pay these particular rates or the surcharge rate. Many of them will have the option of not paying that surcharge in certain circumstances, which are outlined in the legislation.

The Hon. F. PANGALLO: Just to be clear, at \$1.098 million or greater it will be more than \$11,000?

The Hon. R.I. LUCAS: Only if they are paying the surcharge. If they are not paying the surcharge, it will not be.

The Hon. F. PANGALLO: Did the Treasurer write to the Motor Trade Association on 19 November advising them that discretionary trusts would be capped at \$6,500?

The Hon. R.I. LUCAS: I would have written, depending on the stage of the debate, to a number of stakeholders in relation to what the extent of the surcharge would have been at that particular time of the debate. What I do want to place on the record—because there has been some confusion about this—is that the overview document published on the publicly available YourSAy website in September of this year said:

Where the surcharge is applied, it will be levied on the full value of the land (no surcharge-free threshold). The value of the surcharge will be capped for land exceeding the top marginal tax threshold.

At the time of the debate, when I wrote to the to the Motor Trade Association or whatever it is, the top marginal tax threshold may well have been \$1.1 million. What is now proposed is a top marginal tax threshold. It was originally going to be \$1.6 million, so anyone who wrote to me after the debate, when it was \$1.6 million, would have got a different capped top amount. Now that the proposal is \$2 million—completely consistent with what was announced and publicly available on the YourSAy website—the value of the cap is capped at the top marginal tax threshold.

What I have actually said to the Motor Trade Association, and to many others, is that the government had the option of choosing the model used in Victoria, which is similar to what we have chosen, or the alternative model, which is the Queensland model, whereby the 0.5 per cent is never capped. So if you have \$100 million in property held in a trust, you are paying that 0.5 per cent, not at the capped rate but completely uncapped on the \$100 million.

If I were a greedy, rapacious Treasurer, I would have jumped into that with my hands in the air, yelling, 'Halleluiah!' But we did not believe that that was a reasonable response, albeit another government has adopted that particular response. We chose the model that was better for taxpayers; that is, it was capped at whatever the top marginal tax threshold was going to be. At various stages in this debate, it was \$1.1 million, then \$1.6 million, and now it is \$2 million.

At varying stages, there would have been letters or discussions where the capped amount—I think the capped amount that was originally flagged was \$5,490, and then to \$6,000. Now at \$2 million, in the first year that it occurs, which is 2022-23—so it does not happen straight away—that capped amount will change as the top threshold changes.

The top threshold for the next year is \$1.35 million; for the following year, it is still \$1.35 million; and then in 2022-23, it becomes \$2 million. In the first two years, the capped amount will be lower than that; it is around \$6,500 for the first two years, at \$1.35 million. It is only when, in two years, the top marginal tax threshold jumps significantly from \$1.35 million to \$2 million that the capped amount goes.

As I said, the government had the alternative option of the Queensland model, which is completely uncapped, to take 0.5 per cent or its equivalent over the whole value of the property. We did not choose to go down that particular path, as attractive as it might have been to Treasury.

The Hon. F. PANGALLO: Can I just take you back. If somebody had a single property with a land value of, say, \$500,000, their tax would be \$250 per year? Is that correct?

The Hon. R.I. LUCAS: Yes, we are assuming.

The Hon. F. PANGALLO: And if a person owned two similar properties and they were valued at \$500,000, what would they pay?

The Hon. R.I. LUCAS: If there were two separate properties at \$250,000 each and they add up to \$500,000—if they are owned by Mr Frank Pangallo, an individual, then the tax is exactly the same: \$250.

The Hon. F. PANGALLO: But if a person had two properties, would the tax be, say, \$4,000? No?

The Hon. R.I. LUCAS: Mr Chairman, I am not sure if the member wants to change the question, but the question he has put to me is that: if the individual—let's say it is the Hon. Mr Pangallo—has two properties at \$250,000 each and they add up to \$500,000, do you pay the same amount of tax, \$250, as if you own one property at \$500,000? This is, of course, assuming they are not your principal place of residence and are investment properties. So it does not matter. If you own one property for \$500,000, or two properties, in your own name, investment properties, adding up to \$500,000, then you pay the same tax.

The Hon. F. PANGALLO: If a person had four properties, what would they pay in tax?

The Hon. R.I. LUCAS: Four properties adding up to what?

The Hon. F. PANGALLO: Four properties by \$500,000.

The Hon. R.I. LUCAS: So adding up to \$2 million?

The Hon. F. PANGALLO: Yes. Would it be—

The Hon. R.I. LUCAS: They would pay a lot more tax.

The Hon. F. PANGALLO: Yes. How much would they pay?

The Hon. R.I. LUCAS: I am not suggesting these are your personal circumstances, but if you were this individual you would be saying, 'Hallelujah! Thank you, the government. There's a big

tax cut coming.' Currently, in the circumstances that you have identified, if you as an individual own four properties at \$500,000, which is \$2 million, under the current Labor government scheme—which they are staunchly defending, and you might be as well—you would be paying \$39,070 tax. Under the proposed amended scheme, you would be paying \$26,450. You would be looking at a \$13,000 reduction. It might even be enough to get you to change your vote and support the bill, the Hon. Mr Pangallo.

The Hon. F. PANGALLO: Can I just give you this scenario? Somebody who had four properties would be paying nearly \$20,000, or more; you are saying more. Why is it that the multiple property owners have to pay far more for each property rather than the one single property tax that is applied?

The Hon. R.I. LUCAS: In the examples the honourable member has just outlined, they do not. It may well be that the honourable member needs to ask me a different question, but in terms of the question that the honourable member is asking, if an individual such as the Hon. Mr Pangallo owns one property worth \$500,000, or two properties worth \$500,000 in total, he is treated the same in terms of the tax. If he has one property that is worth \$1 million, or two properties that are worth in total \$1 million, then he is taxed the same.

It is not as the honourable member believes it to be. If that is his understanding of how the land tax system and the changes are, then he is not understanding how the current land tax system works and indeed the significant benefit, which is the reason the government is saying, in all the examples the honourable member has indicated, that these are the individuals, the 92 per cent of people, who are going to be better off.

These are individuals who have properties, or multiple properties, in the examples he is talking about, who are currently paying tax at the aggregated rate and who, under the government's proposed changes, will see significant benefits. These are the mum-and-dad investors and others at the lower level who have not been making changes to their structure in terms of companies and trusts. They are individual. They own two, three or four properties. They add up to \$1 million or \$2 million. At \$1.3 million and above they are paying 3.7 per cent land tax, and we are going to drop it to 2.4 per cent.

With the changes that the Hon. Mr Darley has negotiated and the government has agreed to, even those thresholds on the way up, between \$750,000 and \$1.1 million, will be paying 1.0 per cent instead of 1.65 per cent. So they have a cascading benefit in terms of lower tax. That is why we say to the Hon. Mr Pangallo and others that 92 per cent of individuals are going to be better off and 8 per cent are going to be worse off. I encourage the honourable member to keep raising the sort of examples he is raising because every one of his examples is in this 90 per cent of individuals who are going to be better off as a result of the government's changes. That is why we urge the parliament to support these reforms—because these mum-and-dad investors are going to be better off as a result of the changes.

The Hon. F. PANGALLO: So let us go to the 8 per cent that are going to be worse off. In your latest version of the tax you are offering these rebates. How is that going to work? How are you going to determine who qualifies for what?

The Hon. R.I. LUCAS: I outlined in the closure to the second reading the parameters of the scheme. It will be an *ex gratia* scheme. Individuals who believe they are eligible for the scheme will need to make an application by 31 March of each year. The bills are normally received in and around about October, November-ish, so they will have a period of five or six months, depending on whereabouts they are in that cycle, to make a judgement call as to whether or not they believe they are eligible.

As I outlined in the statement to the parliament, those whose changed land tax bills as a result of the government's package of changes lead to an increased bill of more than 2½ thousand dollars will be eligible. Those who have small increases in land tax bills, less than 2½ thousand, will not be eligible for this transition fund over three years.

At the big end of town, if your tax bill is increased as a result of these changes by more than \$102,500 you get no benefit at all. So at the big end of town; contrary to the claims that are being

made that this was targeted to help people at the big end of town, this is targeted to those who are at the lower end of the scale, albeit some will be significant property holders and investors. So anyone whose tax bill, as a result of these changes, for the properties they held at the time the bill was introduced—so you cannot keep adding new properties in as we go along—will be eligible for this particular scheme.

In the first year the potential reduction in your bill is 50 per cent, up to that maximum; in the second year it is 30 per cent; in the third year it is 15 per cent; and by the end of the third year you are fully exposed to the new scheme arrangements. Part of the argument for this, which we have accepted—and either Anglicare or one of the non-government organisations I read on the record yesterday supported this provision—is that it gives those who are impacted by the government's changes up to three years to restructure or rearrange their affairs should they so choose.

The Hon. F. PANGALLO: I note that the Treasurer has described it as an ex gratia scheme; is that correct? Can you just give me an expansion of what an ex gratia scheme entails?

The Hon. R.I. LUCAS: We have any number of ex gratia schemes at the moment—I am not sure what the number is—under tax law, not just land tax law. It is essentially a scheme that provides rebates or concessions in a variety of defined circumstances. I am reminded the former government's Job Accelerator Grant Scheme was an ex gratia arrangement. I am forever being asked for ex gratia arrangements under the film production and visual effects provisions of the Payroll Tax Act, where there is an ex gratia arrangement.

There are any number of arrangements in tax law, not just land tax law, where there are ex gratia schemes in relation to the provision of either concessions or benefits to individuals who might qualify for the terms of that particular ex gratia scheme. Ultimately, it is a decision in most of the cases for the Treasurer—not just me, but whoever the Treasurer is. So whomsoever shall hold the position of Treasurer ultimately makes the final decisions, but treasurers abide by the terms of the ex gratia arrangements.

The Hon. F. PANGALLO: As you mentioned, Treasurer, there are several of these schemes in operation. Can you tell us if this particular scheme will be subject to tax being paid on it?

The Hon. R.I. LUCAS: My advice is that this is a reduction in the amount of tax that is payable over the three-year period and therefore, in those circumstances—I presume the member is talking about commonwealth tax—there is no commonwealth tax payable on that.

The Hon. F. PANGALLO: Just to be quite clear: unlike one of these many schemes that the government has been operating—like ex gratia payments to the taxi industry where 50 per cent went in tax—you are saying that this will not be subject to any commonwealth tax requirement?

The Hon. R.I. LUCAS: The taxi scheme—whatever that was—was a creation of the former government and the former treasurer. I do not have the details in relation to the arrangements there so I cannot assist. I can only share the advice that I have been given in relation to the member-specific question about this ex gratia scheme, and that is my advice. I have shared it with the honourable member.

The Hon. F. PANGALLO: Just to be clear: you are saying that it will not be subject to any commonwealth tax requirement to be paid?

The Hon. R.I. LUCAS: I am saying that I have been advised that that is indeed the case.

The Hon. F. PANGALLO: Can the Treasurer tell us when the parameters of the scheme will be finalised, when will they be made available and how will they be made known to affected parties?

The Hon. R.I. LUCAS: The parameters have been made available to the public because I put them on the public record yesterday. If the bill is defeated there will be no useful purpose in further advertising or publishing or communicating the scheme because it will not exist. If the bill passes the parliament today, then RevenueSA, as expeditiously as possible—but it will take a little bit of time—will produce the final wording of that. It will then be available on the RevenueSA website. If the bill passes today, we will be clearly looking next year in terms of a communication program.

There has been a lot of unnecessary concern raised. I am sure the honourable member would appreciate that many of us have been contacted by people who only own their family home and who think that somehow the nasty Treasurer in particular, and the nasty government more generically, is going to increase the land tax on their family home even though they are completely exempt. There has been unnecessary concern so there will have to be a communication program directly to land tax payers and those who are affected.

In relation to the information we provide to land tax payers next year, whilst we have not finalised this, we would not only put it on the website but we would make information available to individual taxpayers to say, 'If you qualify in these circumstances you have this information provided to you. Go to the RevenueSA website and contact this particular number to get further information.' Again, we have not gone through the details of this yet because it is academic until or if this bill passes the parliament today, then we would contact a lot of the professional organisations such as accountants and others who, sadly, in many cases do not understand the complexity of land tax law.

We would want to make them aware of the availability of this particular scheme, the new arrangements and what the impacts might be on their clients, and we would look at an education program or a communication program for some of those professional associations. That would all be part of what the government would do if the bill were to pass the parliament.

The Hon. C.M. SCRIVEN: How much will it cost to administrate this compensation scheme? What will be the cost of the education and communication that the Treasurer has just outlined?

The Hon. R.I. LUCAS: The very quick estimate that we have done is that the administrative costs, bearing in mind it is for three years, would be about \$300,000 to \$350,000 a year. It is a complex scheme. There will be a lot of manual work that will need to be done by officers and there will be some set-up costs as well; we are still settling those. Those set-up costs might be as much as half a million dollars or so. If the bill is actually passed and becomes law, we will obviously do final estimates. Treasury, I am sure, will work to keep whatever admin costs there are as slim and mean and lean as possible.

The Hon. J.A. DARLEY: I would assume that when the 2021 accounts go out, RevenueSA would include some information on the account about the rebate scheme.

The Hon. R.I. LUCAS: I did not hear the last part.

The Hon. J.A. DARLEY: When the 2021 land tax accounts go out, I would assume RevenueSA would include information on the account or with the account about the scheme. I think it would be almost possible for the system to identify which accounts are affected.

The Hon. R.I. LUCAS: The answer to the question is when the 2021 accounts go out, because this will be a three-year scheme, and in the subsequent years, we will provide that sort of information, probably not on the account itself but it will be an attachment or a leaflet or a brochure or whatever it might happen to be. The safest method would be to provide it to everybody, rather than trying to identify the ones who might need it and those who might not. That would appear to be the safest method.

The honest answer is, if the bill passes the parliament, we will get into the detail. There is a clear commitment from the government and a recognition that there is a lot of communication that needs to be done in relation to settling down those many thousands of people who are completely unimpacted by the proposed changes, or what might then be the actual changes, and then for those who are impacted to provide as much assistance, communication and information as possible to them to make sure that they are aware of this particular scheme and, if they are eligible, to avail themselves of that particular scheme.

The Hon. F. PANGALLO: Treasurer, you can be assured, even as an opponent of the tax, I will not categorise you as a nasty Treasurer. Can I ask you to go back to the response you gave the Hon. Clare Scriven in relation to the set-up of the unit that would collect the new taxes and set them in train. Is this correct: you are saying it could be less than \$1 million to set it up?

The Hon. R.I. LUCAS: Let's be clear. The question from the Hon. Ms Scriven was not about the set-up to collect the new tax. It is about the arrangements in relation to the people who will be

eligible for this transition fund for a three-year period. So in terms of collecting the tax and implementing it, that is RevenueSA's job. We have lots of people in RevenueSA and they will just have to do that particular work as part of their ongoing work.

The transition fund is new and it is going to require a lot of manual work from individual officers, and for a three-year period we will require additional resources. That was the answer to the question; that is, in terms of an ongoing operation or additional cost, the initial estimate is about \$300,000 to \$350,000 in terms of additional people and operational costs to manage the complexity of the transitional fund for a period.

We think that is an investment well worth making in terms of assisting those people who are impacted, many of whom the Hon. Mr Pangallo has been representing in parliament in providing them with the opportunity for some assistance over a three-year period as they make decisions about what they want to do for the future.

The Hon. F. PANGALLO: Has Treasury and Finance done modelling on the cost of this new regime and collecting? Is there modelling on how much it is actually going to cost once and if this is passed?

The Hon. R.I. LUCAS: I refer the honourable member to this year's Budget Measures Statement in this year's budget. The costs are outlined in that in terms of, not the impact of the transition fund because that is a new issue that we are separately discussing, but in relation to the new arrangements. For the operating expenses for 2019-20, the estimated increase is \$1.2 million, approximately \$1.7 million the following year and \$1.6 million, dropping slightly, in the following year. By the fourth year, it is nothing.

There are transitional costs in terms of implementing the overall system, which are three years, and by 2022-23, compared to this year, there is no additional ongoing resource required, so for three years in terms of setting it up, getting it all operating and the system changes. There are also some investing payments as well, but they are in the first two years. By 2022-23, there is no ongoing estimated cost to Treasury and Finance of the new land tax arrangements as opposed to the transition fund, which is again separate but still only a three-year cost for the transition fund.

The Hon. C.M. SCRIVEN: I want to return to the questions about the cap and the answers the Treasurer gave a little earlier, to clarify my understanding. Could the Treasurer advise, if he recalls the examples that were given at the time of someone who had land holdings of \$2 million, he said that in the first or second year—I am not sure which—the land tax would be \$6,500 but not what it would be in the years after that, so the ongoing figure. Can he clarify that for me?

The Hon. R.I. LUCAS: In 2022-23, when the top threshold goes to \$2 million, the capped amount of the surcharge is \$9,165. To repeat what I said to the Hon. Mr Pangallo, that is if you are in a trust and you have not nominated a designated beneficiary under the terms of the discretionary trust. If you have not taken up that particular option or if you cannot, then that is the capped amount. In the following years, it goes up at the indexed rate as the \$2 million increases because, as the member knows, the thresholds are indexed. From 2022-23, which is the first iteration of the \$2 million top tax threshold, it is \$9,165 and it is capped at that particular level, as was outlined in September on the YourSAy website.

The Hon. C.M. SCRIVEN: Thank you for that clarification. In the same circumstances but with landholdings of \$200 million, what amount would be payable?

The Hon. R.I. LUCAS: My adviser was trying to tell me that someone's tax bill was \$39 million. I just said, 'I don't think so.' I think he is hopeful. Just going back to the \$2 million example, it is a similar question to the Hon. Mr Pangallo's, in part. Whilst the surcharge applies, someone who owns \$2 million in property in a trust is benefiting at the same time from the massive reduction in the top land tax rate, from 3.7 per cent down to 2.4 per cent, and the other tax changes.

To give an example, even with the payment of the surcharge at \$2 million, that land tax payer would be paying \$32,950 under this proposed bill. Under the former arrangements, that taxpayer would be paying \$39,000. Even with the payment of the surcharge, people do not realise that, yes, they are paying the surcharge—that is, assuming they do not pick up the designated beneficiary option—but they are also benefiting from a massive reduction in the top rate of land tax of

3.7 per cent to 2.4 percent. In that \$2 million example, their payable land tax has actually dropped by \$7,000, even with the payment of the surcharge. Was the next question the \$5 million one?

The Hon. C.M. SCRIVEN: \$200 million.

The Hon. R.I. LUCAS: There is a simple answer for the surcharge: it stays the same. In that year, it would be \$9,165. That is the point that I was making earlier. If we had been greedy and rapacious like Queensland, we would apply the 0.5 per cent to the \$200 million, so we would have a bucketload more money coming in than \$9,100. We have capped it at the top threshold, which is similar to Victoria, and that is in the interest of the taxpayers. The alternative was to do the Queensland model, which is to have it completely uncapped. In the \$200 million example that the member has kindly given us, they would be paying 0.5 per cent on everything up to the \$200 million, and it would be significantly more than \$9,100.

The Hon. C.M. SCRIVEN: To clarify, when the Treasurer says he has put this cap on the surcharge in the interest of the taxpayers, what he is saying is that it is in the interest of the taxpayers who own, for example, \$200 million, as opposed to the interest of the taxpayers who own only \$2 million. They will be paying the same amount in the surcharge in spite of vastly different landholdings; is that correct?

The Hon. R.I. LUCAS: No, it is not correct. As I just indicated in relation to the \$2 million example, that individual will still be better off in paying less land tax. I think the figures were \$39,000 under the old arrangements and \$32,000-ish under the new arrangements. So they are actually paying less land tax.

The Hon. C.M. SCRIVEN: My question was in regard to the surcharge. They would be paying the same surcharge, which I think is what the Treasurer has said. Can he provide what the difference in land tax under the two regimes would be for the \$200 million landholder?

The Hon. R.I. LUCAS: No, in terms of preparation for today, we have done examples up to \$5 million, or whatever it might happen to be. We have not gone up to \$200 million. If the import of the honourable member's question is: should we have adopted the Queensland model and had 0.5 per cent on everything above and not have it capped, well, that is an interesting position. I would invite the honourable member to prosecute that in the public arena.

If that is the policy of the Australian Labor Party, I will be happy to help publicise that the Labor Party is opposed to capping the surcharge, which the government has done and which Victoria has done. New South Wales is not exactly the same, but it is similar. The one state that does have it uncapped is Queensland. We have chosen the model that actually produces less revenue for Treasury and assists taxpayers.

The Hon. F. PANGALLO: There is a provision in the proposed legislation for a review. Can the Treasurer explain how that review will work and who will actually be on that review?

The Hon. R.I. LUCAS: Thankfully for everyone who is involved in this particular debate, that will be a decision for the government of the day and the Treasurer of the day. It is post the 2022 election, so if the honourable member and others have their way and there is a new government elected, different to the current government, then whichever that government is and whoever the Treasurer is, they will have to, with their cabinet, make a decision.

What is required in the legislation is that it has to be independent. It is not to be conducted by Treasury, so it will have to be someone who fits the definition of 'independent'. There are a number of respected independent organisations that one could immediately think of, but I do not think it is productive to publicly nominate people. Ultimately, it is not a decision for me to take at this stage, other than it is my view that it should be completely independent from Treasury, and the terms of reference are as we outlined; that is, all of the changes that have been implemented in last year's budget and this particular tax change bill should be the subject of that independent review, to be conducted by whomsoever is fortunate enough to be elected in 2022, and the information should be made publicly available.

The Hon. C.M. SCRIVEN: Can the Treasurer advise what revenue the Department of Treasury and Finance estimates they will receive from the aggregation of mining tenements and oil fields or oil wells?

The Hon. R.I. LUCAS: No, I am not in a position to provide that level of detail.

The Hon. C.M. SCRIVEN: Is the Treasurer saying no modelling has been done on the impact on the mining industry or the oil industry?

The Hon. R.I. LUCAS: I just do not have that level of detail available to me at the moment. The member would also need to, I think, be more specific in terms of the ownership structure of these. Ultimately, land tax is payable by the owners of the land. I am not in a position to give advice in relation to the tenements or leasing arrangements of mining companies, or exploration rights or whatever it might happen to be. Whatever the laws of the land are in terms of land tax would be applied to all industries if they apply to them, unless there is a specific exemption. I indicated earlier that primary production obviously is the subject of a specific exemption, but that sort of detail we do not have available to us here.

The Hon. C.M. SCRIVEN: Can the Treasurer advise how DTF calculates the value of tenements for either gas wells or oil wells?

The Hon. R.I. LUCAS: That is not the sort of level of advice that I have available to me here. DTF and RevenueSA comprise many people, certainly beyond the two very capable officers that I have here. We do not have all the information, such as that sort of technical detail, available for this particular debate today.

The Hon. C.M. SCRIVEN: To clarify, the Treasurer cannot indicate, in any way shape or form, what the impact will be on the mining industry or the gas industry of our state—two very important industries for our economy?

The Hon. R.I. LUCAS: Only in the general sense, and that is that 92 per cent of individuals and 75 per cent of company groups are going to be better off as a result of the government's arrangements. In relation to companies, which are more likely to be the mining industry, it will depend very much on whether they are in the majority, which is the 75 per cent, or the minority, which is the 25 per cent, and that depends on a case-by-case basis as to how they have structured themselves and how they have gone about their business in the state. There is nothing that I am aware of that would make that particular industry sector significantly different in terms of more company groups being likely to be benefit rather than losing from the new arrangements.

Clause passed.

Progress reported; committee to sit again.

LOCAL GOVERNMENT (ADMINISTRATION OF COUNCILS) AMENDMENT BILL

Second Reading

Adjourned debate on second reading.

(Continued from 14 November 2019.)

The Hon. C.M. SCRIVEN (12:34): I rise to support this bill. Following troubling reports from both the Ombudsman and the Auditor-General last year, Labor was quick to demand that the minister act and place the District Council of Coober Pedy in administration. Belatedly, the minister did invoke section 173 of the Local Government Act 1999, declaring the council to be a defaulting council on 24 January 2019.

Since this period, I am advised that the administrator, Mr Tim Jackson—a respected long-service local government executive officer—has worked diligently to rectify the financial standing of the council. However, under the act, a council may only be placed in administration for a maximum period of 12 months, which will end for the District Council of Coober Pedy in January next year.

Appropriately, this bill makes specific provision for the period of administration for the District Council of Coober Pedy to be extended until the end of the current council electoral term in November

2022. Given the significant financial mismanagement and debt identified by the Auditor-General, as well as the complexities involved in the council providing electricity and water utility services, this provision appears eminently sensible. The 70 per cent community support for this extension, as captured by an Electoral Commission poll, lends further weight to this clause.

This bill also eliminates an anomaly of the act whereby councillors retain their allowances in spite of a council having been declared defaulting and placed into administration. Labor supports this measure to eliminate that anomaly. On the bill's general extension of the maximum period a council can be placed in administration from 12 to 24 months, I intend to move a series of amendments. While Labor appreciates that the serious matters for which a council can be declared defaulting may require a two-year period to rectify, we also believe that democratic governance should be restored to councils as soon as responsibly possible.

In accordance with this principle, the amendments I will move have been designed to require the minister for local government to actively recommend to the Governor an extension of the original maximum 12-month period. This provision will allow for a defaulting council to be in administration for a maximum period of 24 months, but only upon the recommendation of the minister for local government and only if the reasons for a council being declared defaulting have not yet been resolved.

These amendments will ensure the minister for local government keeps a close eye on any council under administration, which is important to ensure the restoration of democratic governance to defaulting councils as soon as is responsibly possible. With those comments, I commend the bill to the council.

The Hon. D.W. RIDGWAY (Minister for Trade, Tourism and Investment) (12:37): I thank the honourable members for their contributions on this bill and now move that it be read a second time.

Bill read a second time.

Committee Stage

In committee.

Clauses 1 to 3 passed.

Clause 4.

The Hon. C.M. SCRIVEN: I move:

Amendment No 1 [Scriven-1]—

Page 2, after line 16—After subclause (1) insert:

(1a) Section 273—after subsection (15) insert:

(15a) The Governor may, on the recommendation of the Minister made not earlier than 9 months from the date on which the council was declared to be a defaulting council, by proclamation, declare that the proclamation by which the council was declared to be a defaulting council continues in effect until the date that falls 24 months from the date on which the council was declared to be a defaulting council.

(15b) The Minister must not make a recommendation under subsection (15a) unless the Minister is satisfied that the matter that was the basis of the Minister's recommendation under subsection (2)(c) has not been rectified, or measures to prevent a recurrence of the act, failure or irregularity have not been implemented.

As mentioned in my opening remarks, the opposition believes that, whilst 24 months may be the appropriate time for a council to be in administration, that should be reviewed so that should the conditions that have placed that council into administration have been rectified and resolved they can immediately return to democratic governance.

With that in mind, this series of amendments seeks to ensure that the matter is reviewed between the ninth month and the 12th month, so that an extension, if necessary, can be made for a

further 12 months from that first 12-month period or, if not, there is suitable time to then return the council to democratic governance at the end of that first 12-month period.

The Hon. D.W. RIDGWAY: I will speak to the three amendments. I think the Hon. Clare Scriven is moving them as a block. These proposed amendments create an administrative burden that could require the minister to make a premature decision to recommend that an administration is extended. Declaring a council to be a defaulting council and appointing an administrator can only occur in serious circumstances, such as serious breaches of the law, serious failures to discharge the council's responsibilities or serious irregularities in the conduct of the affairs of the council.

These serious circumstances must be identified following a report or some information from one or more of three integrity agencies: the Ombudsman, the Auditor-General or the Independent Commissioner against Corruption. The declaration of the District Council of Coober Pedy as a defaulting council was the first time in almost 30 years and the first time under the Local Government Act 1999.

The government's proposed amendment is for a maximum period of 24 months. This is only a maximum period. The Governor may at any time before this maximum period, under section 273(16), make another proclamation to, firstly:

revoke the proclamation by which the council was declared to be a defaulting council—thus, resulting in suspended council members being reinstated (s 273(16)(a)); or

declare the offices of all members of the defaulting council to be vacant—and elections are held to elect a new council (s 273(16)(b)) (noting that three months of administration must pass before this can be the case).

These provisions are unaffected by the bill. Under the act—section 273(13)—the administrator is required to report to the minister every quarter on the administration of the affairs of the defaulting council. This means the minister would be considering the situation at the council every three months and whether the administrator had made enough progress on the issues that caused the administration for that council to be returned, or for a general election to be held.

The amendment would not allow a proclamation to extend an administration to be made before nine months of the administration had passed. This recognises that it is not desirable for this decision to be made too early in the period of administration. However, the effect of this amendment could cause the opposite. The process to recommend to the Governor that the proclamation is made on a council's administration is, by necessity, a long one. Requiring a proclamation to be made to extend the administration beyond an initial 12-month maximum means that the minister would have to make a decision well before the 12 months had passed on whether to recommend this.

Rather than making a decision following a quarterly report from the administrator after nine or 12 months had passed, the minister would need to make this call at around the six-month mark. This could put unnecessary pressure on the administrator and on the community to make a difficult decision in a shorter amount of time than is ideal. There would be a risk that there would not be sufficient time to undertake proper community consultation, such as the poll undertaken recently in Coober Pedy by the Coober Pedy administrator.

The state government would not seek to keep a council in administration for longer than necessary. The act already envisages, through the requirement for quarterly reports, that as soon as the minister is confident that the serious issues that caused the administration have been addressed the administration would come to an end. For those reasons, the government will not be supporting the amendments.

The ACTING CHAIR (Hon. D.G.E. Hood): The Hon. Ms Scriven, could I just clarify: did you move all of your amendments? Would you formally move all of your amendments, if that is your intention?

The Hon. C.M. SCRIVEN: Yes. Amendment No. 2 [Scriven-1] and amendment No. 3 [Scriven-1] are consequential. They are related to amendment No. 1, so if No. 1 does not pass, I will not be moving Nos 2 and 3.

The ACTING CHAIR (Hon. D.G.E. Hood): Okay, thank you.

The Hon. M.C. PARNELL: I have a question of the mover of the amendment. I am interested in a response to what the minister said. As I understand it, his main concern is that at a premature period of time, being six months after the council has been declared to be a defaulting council, a decision will need to be made. He used the word 'premature'.

I can see that could be a problem, but if that premature decision is only to create the maximum opportunity of the 24-month administration, it is not such a deal. What I would like the mover to clarify is that at that six months does the decision need to be made that it is 24 months or nothing, or is the decision only that it can be up to 24 months? I am just trying to work out whether at six months there is an obligation to lock in a full two years' administration.

The Hon. C.M. SCRIVEN: First of all, the recommendation cannot be made earlier than nine months from the date that the council was declared to be defaulting. That is the first point to make. My understanding is that it then means that it will be to the 24 months. I would potentially have some other advice on that, but my understanding is that that is where a decision would be made that it would extend until 24 months. But I am happy, while the debate continues, just to have some clarification of that.

The Hon. M.C. PARNELL: Now that the minister has the benefit of some advice, I might ask a similar question, if the minister could clarify his concern. My understanding is that, as the minister has said, these are not matters that are entered into lightly. A decision has been made to declare a council a defaulting council, so the elected members are off and we have the administrator in. I guess there is the question: at what time can that decision be reviewed? And what is the maximum amount that the administration can go for? The minister said he thought the six months was premature. Is it the minister's concern that at the six-month mark they would be effectively locking in a two-year administration, when in fact only 12 months might be necessary? Is that the nature of the minister's concern?

The Hon. D.W. RIDGWAY: I am advised that if it was to be extended beyond the 12 months, you have to make another proclamation, and that is quite a long process. Effectively, my advice is, you would have to make the call at about the six-month mark to actually get the proclamation in place to be able to extend it beyond 12 months. So it is the view of the government that if you have quarterly meetings, obviously with the minister and administrator, there are opportunities all the way along. Once the minister is satisfied that the administrator has done their job and the issues have been rectified, then clearly the council can come out of administration. But to extend it beyond 12 months, as the mover of the amendment has moved, will probably mean you will have to make a call at the six-month mark, which in most cases would be way too early to make that call.

The Hon. C.M. SCRIVEN: Just a clarification on that: is the minister saying that it will take six months for the process to occur?

The Hon. D.W. RIDGWAY: I am advised that it could take that long. It depends on the issues that are involved and the complexity of it all. If you look at the situation in the bill as it is proposed, the administrator would provide quarterly reports to the minister, so effectively we have an update happening every quarter. At that point, when the minister is comfortable, the administration can cease, so we can go back to an election or the council will be reinstated. It seems to be, as I think I said in my opening remarks, almost an administrative burden that could lead to premature decisions being recommended. So the government does not support the honourable member's amendments.

The Hon. M.C. PARNELL: It is complicated, but I am just trying to get my head around what harm might be done. If, as the minister says, a decision is forced upon the minister prematurely at, say, the six-month mark as to whether or not the administration will need to go beyond 12 months, and if the minister says, 'Yes, I think we might need two years for this one,' and if a year and a quarter into the two-year administration period it is decided, 'No, it's all fixed; it's now resolved,' is it possible to end the administration early?

The Hon. D.W. RIDGWAY: Acting on advice, yes, it can be ended at any time. As I said in my comments, the 24 months is a maximum period. It allows the minister flexibility: if things have been rectified or a pathway to recovery has been identified and the minister is comfortable with that, then the administration can end.

The Hon. C.M. SCRIVEN: The intention of the amendment is to ensure that there is active consideration of whether the council continues to be in the circumstances which led to its administration. Notwithstanding that quarterly reports will be provided, there is currently nothing that would ensure that the minister would indeed follow the principle of returning the council to democratic governance as soon as possible. That is the purpose of the amendment. I am interested in the minister's view as to why that amendment would not serve the purpose of ensuring that there is that active consideration and the active return to democratic governance as soon as possible.

The Hon. D.W. RIDGWAY: One of the points I made in my contribution was that the declaration of the Coober Pedy council as a defaulting council was the first time in 30 years that this had been used and the first time under the Local Government Act 1999. It is not something that any minister has ever done lightly. The fact is that you have quarterly reporting. Once a minister is happy that the council's issues have been resolved, then every minister of whatever political persuasion would be absolutely focused on making sure that local democracy was returned to the local community. So we have that quarterly reporting.

It is quite a process to force a council into administration. As you can see, it is almost the first time in 30 years. I think the chamber can have the highest level of confidence that it is not something that is entered into lightly at all, and the quarterly reporting will give the minister an opportunity to restore democracy to the local community at the earliest possible convenience.

The Hon. C.M. SCRIVEN: Just a final remark on my amendment: I think we are in agreement that the goal is to return to democratic governance as soon as possible. The opposition's view is that this amendment would ensure that that happens and not leave it up to the discretion of the minister.

The Hon. D.W. RIDGWAY: The government believes that it has all the necessary powers and opportunities at the hands of the minister, with the quarterly reporting, to return democratic local government to the local community as soon as possible. That is one of the main reasons why we do not support the opposition's amendment.

The Hon. M.C. PARNELL: I thank both the mover and the minister for the clarification. It seems to me the main difference between the two positions is that the opposition's amendment provides a firm administrative step that is required before the 24-month period can kick in, whereas in the original bill, as I understand it, the 24 months is there and there is that active review every three months. So the question is whether the three-month active review is a sufficient check on the abrogation of the democratic rights or whether something more formal needs to happen—not before nine months, which the minister has said effectively means six months.

I think in the context of this debate, and having heard both sides of it, a combination of two things has us leading towards not accepting the amendment: the first is the rarity of the situation and the second is the quarterly meetings. I think when you put those two things together, whilst I do not disagree with what the Leader of the Opposition is saying—that abrogation of democratic rights is a significant matter and you need more checks and balances—I think the checks and balances are basically there in the bill so the Greens will not be supporting the opposition's amendment.

The ACTING CHAIR (Hon. D.G.E. Hood): Before I put the question, I am looking for an indication from the rest of the crossbench as to their position. The Hon. Mr Pangallo.

The Hon. F. PANGALLO: We will not be supporting the amendment.

The Hon. J.A. DARLEY: I will not be supporting the opposition amendment.

Amendment negatived; clause passed.

Remaining clause (5) and title passed.

Bill reported without amendment.

Third Reading

The Hon. D.W. RIDGWAY (Minister for Trade, Tourism and Investment) (12:56): I move:
That this bill be now read a third time.

Bill read a third time and passed.

Sitting suspended from 12:56 to 14:15.

Parliamentary Procedure

PAPERS

The following papers were laid on the table:

By the President—

Reports, 2018-19—

District Council of Ceduna
District Council of Cleve
Coorong District Council
District Council of Franklin Harbour
Regional Council of Goyder
Kingston District Council
Tatiara District Council
District Council of Tumby Bay

By the Treasurer (Hon. R.I. Lucas)—

Reports, 2018-19—

Administration of the Freedom of Information Act 1991
Art Gallery of South Australia
Australian Children's Education and Care Quality Authority
Child Death and Serious Injury Review Committee
Coroners Court
Courts Administration Authority
Law Society of South Australia
Legal Practitioners Education and Admission Council
Legal Profession Conduct Commissioner
SA Metropolitan Fire Service Superannuation Scheme
South Australian Commissioner for Children and Young People
TAFE SA

Determination of the Remuneration Tribunal No. 9 of 2019—Accommodation and Meal Allowances—Judges, Court Officers and Statutory Officers

Determination of the Remuneration Tribunal No. 11 of 2019—Salary Sacrifice Arrangements for Judges, Court Officers and Statutory Officers

Determination of the Remuneration Tribunal No. 12 of 2019—Remuneration of Members of the Judiciary, Presidential Members of the SAET, Presidential Members of the SACAT, The State Coroner, and Commissioners of the Environment, Resources and Development Court

Report of the Remuneration Tribunal No. 9 of 2019—2019 Review of Accommodation and Meal Allowances—Judges, Court Officers and Statutory Officers

Report of the Remuneration Tribunal No. 10 of 2019—Conveyance Allowance—Judges, Court Officers and Statutory Officers

Report of the Remuneration Tribunal No. 11 of 2019—Salary Sacrifice Arrangements for Judges, Court Officers and Statutory Officers

Report of the Remuneration Tribunal No. 12 of 2019—Remuneration of Members of the Judiciary, Presidential Members of the SAET, Presidential Members of the SACAT, The State Coroner, and Commissioners of the Environment, Resources and Development Court

Auditor-General's Letter of Certification for the Carrick Hill Trust Annual Report 2018-19

Auditor-General's Letter of Certification for the Libraries Board of South Australia Annual Report 2018-19

By the Minister for Trade, Tourism and Investment (Hon. D.W. Ridgway)—

Reports, 2018-19—

Dairy Authority of South Australia (trading as Dairysafe)
Outback Communities Authority
Primary Industries and Regions SA
South Australian Dog Fence Board
Veterinary Surgeons Board of South Australia
Local Government Election—Electoral Commission SA Report 2018

By the Minister Human Services (Hon. J.M. Lensink)—

Reports, 2018-19—

Animal Welfare Advisory Committee
Board of the Botanic Gardens and State Herbarium
Coast Protection Board
Department for Environment and Water
Department of Human Services
Environment Protection Authority
Green Industries SA
National Environment Protection Council
Native Vegetation Council
Parks and Wilderness Council
Premier's Climate Change Council
South Australian Heritage Council
South Australian Housing Trust
South Australian Water Corporation
South Eastern Water Conservation and Drainage Board
Stormwater Management Authority

By the Minister for Health and Wellbeing (Hon. S.G. Wade)—

Reports, 2018-19—

Adelaide Film Festival
Administrator of the National Health Funding Pool
Balaklava Riverton Health Advisory Council Inc
Barossa and Districts Health Advisory Council Inc
Berri Barmera Health Advisory Council Inc
Bordertown and District Health Advisory Council Inc
Ceduna District Health Services Health Advisory Council Inc
Chief Psychiatrist of South Australia
Construction Industry Training Board
Controlled Substances Advisory Council
Coorong Health Service Health Advisory Council Inc
Department for Innovation and Skills
Eastern Eyre Health Advisory Council Inc
Eudunda Kapunda Health Advisory Council Inc
Far North Health Advisory Council
Gawler District Health Advisory Council Inc
Hawker District Memorial Health Advisory Council
Health Performance Council
Health Services Charitable Gifts Board
Hills Area Health Advisory Council Inc
JamFactory Contemporary Craft and Design Inc
Kangaroo Island Health Advisory Council Inc
Kingston Robe Health Advisory Council Inc
Leigh Creek Health Services Health Advisory Council
Lifetime Support Authority

Lower Eyre Health Advisory Council Inc
Lower North Health Advisory Council Inc
Loxton and Districts Health Advisory Council Inc
Mallee Health Service Health Advisory Council Inc
Mannum District Hospital Health Advisory Council Inc
Mid North Health Advisory Council Inc
Mid-West Health Advisory Council Inc
Millicent and Districts Health Advisory Council Inc
Mount Gambier and Districts Health Advisory Council Inc
Murray Bridge Soldiers' Memorial Hospital Health Advisory Council Inc
Naracoorte Area Health Advisory Council Inc
National Health Funding Body
National Health Practitioner Ombudsman and Privacy Commissioner
Northern Yorke Peninsula Health Advisory Council Inc
Penola and Districts Health Advisory Council Inc
Port Augusta, Roxby Downs and Woomera Health Advisory Council
Port Broughton District Hospital and Health Service Health Advisory Council Inc
Port Lincoln Health Advisory Council
Port Pirie Health Service Advisory Council
Quorn Health Services Health Advisory Council
Renmark Paringa District Health Advisory Council Inc
SAAS Volunteer Health Advisory Council
SA Mental Health Commission
South Australian Ambulance Service Inc
South Australian Film Corporation
South Australian Medical Education and Training Health Advisory Council
South Australian Public Health Council
Southern Fleurieu Health Advisory Council Inc
Southern Flinders Health Advisory Council
The Australian Health Practitioner Regulation Agency and the National Boards
Veterans' Health Advisory Council
Waikerie and Districts Health Advisory Council Inc
Whyalla Hospital and Health Services Health Advisory Council
Yorke Peninsula Health Advisory Council Inc

ANSWERS TABLED

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

Question Time

MCGOWAN, DR C.

The Hon. C.M. SCRIVEN (14:24): I seek leave to make a brief explanation before asking a question of the Minister for Health and Wellbeing regarding Silver Chain.

Leave granted.

The Hon. C.M. SCRIVEN: Yesterday, during question time, the minister quoted from an answer to a question that his Chief Executive of SA Health, Dr McGowan, took on notice during a Budget and Finance Committee meeting. Later during question time, the minister was asked how he had a copy of that correspondence prior to the answers being formally received by the Budget and Finance Committee. The minister responded:

My understanding is that SA Health has provided the responses to the Budget and Finance Committee.

My questions to the minister are:

1. Can the minister explain why the minister has copies of those answers prior to them being formally received by the Budget and Finance Committee?

2. How were those answers transmitted or provided to the minister or his office?

3. Is it common practice for the minister's agencies to provide copies of answers to committee questions to him or his office prior to those questions being formally received by a parliamentary committee?

The Hon. S.G. WADE (Minister for Health and Wellbeing) (14:25): I thank the honourable member for her question. I would have thought that this parliament would be gobsmacked if departmental officers didn't keep their minister informed about accountability to the parliament. I will certainly discuss this with my office, but my recollection was that a courtesy copy of the answers was provided to my chief of staff; but I will take that on notice.

MCGOWAN, DR C.

The Hon. C.M. SCRIVEN (14:26): Supplementary: will the minister table a copy of Dr McGowan's correspondence to the Budget and Finance Committee, and will the minister also table the covering minute or transmitting email that provided the correspondence to him or his office?

The Hon. S.G. WADE (Minister for Health and Wellbeing) (14:26): I'm happy to take that into the question on notice.

The Hon. C.M. Scriven interjecting:

The PRESIDENT: The Hon. Ms Scriven, just a technical matter: the correspondence that has gone to the committee is the committee's and therefore already the house's. I am not preventing you from the other part of the question; it is just that the correspondence that you asked for, which has been sent to the committee, is the committee's and therefore is already the property of the house.

The Hon. C.M. SCRIVEN: Just a question of clarification, Mr President: the committee has not received that correspondence as yet, so is that still the ownership of the parliament?

The PRESIDENT: That wasn't clear from your question to me. I am not cutting across your questioning; it is just that if the committee receives something, it is the house's. It is ours.

The Hon. I.K. Hunter: And if they haven't received it yet?

The PRESIDENT: If they haven't received it, then you are talking about documentation which is still within the control of the minister and his offices.

MCGOWAN, DR C.

The Hon. C.M. SCRIVEN (14:27): Correct. Thank you for that clarification, Mr President. Given that correspondence is still within the control of the minister, will he table a copy of the correspondence? If not, why not?

The Hon. S.G. WADE (Minister for Health and Wellbeing) (14:27): I am very used to the opposition's weasel words. I notice the member continually referred to 'formally received by the committee'. I would be very surprised if the answers to the questions had not already been provided to the committee. If they haven't formally received them, that's a mere formality.

MCGOWAN, DR C.

The Hon. C.M. SCRIVEN (14:28): Supplementary: will the minister publicly release all the advice, minutes and authorisations that he referred to yesterday in the parliament that Dr Chis McGowan endorsed regarding Silver Chain appointments?

The Hon. S.G. WADE (Minister for Health and Wellbeing) (15:28): I fail to see how that's a supplementary on the original question.

The PRESIDENT: The Hon. Ms Scriven, a supplementary?

The Hon. C.M. SCRIVEN: Yes, but for clarification for the minister, it is supplementary because it referred to the minister's answer in question time yesterday to a number of questions.

Members interjecting:

The PRESIDENT: You can't ask a supplementary on yesterday's question, but you can ask a new question.

The Hon. C.M. SCRIVEN: Sorry, Mr President, my first question today was about yesterday's questions and the minister's answers. That's why it's a supplementary.

The PRESIDENT: It is a very loose thread and that's why I allowed you to ask it, but the minister is entitled to answer how he chooses. Do you have another supplementary?

The Hon. C.M. SCRIVEN: Is the minister not going to answer the question?

The PRESIDENT: The minister has said what he is going to say on that topic, I think.

Members interjecting:

The PRESIDENT: I will give you a chance at one more supplementary and then another one of your members can take up the issue, if they wish.

MCGOWAN, DR C.

The Hon. C.M. SCRIVEN (14:29): Certainly. Thank you, Mr President; I appreciate your indulgence. Did the minister or his office play any role in approving any of Dr McGowan's answers to questions from the Budget and Finance Committee?

The Hon. S.G. WADE (Minister for Health and Wellbeing) (14:29): Dr McGowan and the department provide their own answers to parliamentary committees.

MCGOWAN, DR C.

The Hon. C.M. SCRIVEN (14:29): Final supplementary.

The PRESIDENT: The Hon. Ms Scriven, I will give you one more.

The Hon. C.M. SCRIVEN: Thank you. So is the minister saying that neither he nor his office played any role in either approving or drafting those answers?

The Hon. S.G. WADE (Minister for Health and Wellbeing) (14:29): As I said, the answers that the Department for Health, including the chief executive, submit to the parliamentary committees are answers that they provide.

MCGOWAN, DR C.

The Hon. E.S. BOURKE (14:29): I seek leave to make a brief explanation before asking a question of the Minister for Health and Wellbeing regarding Silver Chain.

Leave granted.

The Hon. E.S. BOURKE: Yesterday, the minister was asked a series of questions about his Chief Executive of SA Health, Dr Chris McGowan, attending Liberal fundraisers in the lead-up to the 2018 election. Today's *Advertiser* reports a statement from SA Health which says:

...'Dr McGowan responded correctly to the questions as he did not attend any State Liberal Party fundraisers in lead up to the 2018 State election.'

However, FOI documents received by the Labor Party show that on 23 September 2018 Silver Chain provided Dr McGowan with the dates, times and invitations of four Liberal fundraisers he had reportedly attended whilst CEO of Silver Chain, including a fundraiser with Malcolm Turnbull on 23 June 2017. My question to the minister is: does the minister agree with the chief executive that attending a fundraiser less than a year before a state election is not in the lead-up to the election? Have you now asked Dr Chris McGowan to correct the record and his attendance at Liberal fundraisers?

The Hon. S.G. WADE (Minister for Health and Wellbeing) (14:31): My understanding is that the matter the honourable member refers to will be considered by the full independent review by the Commissioner for Public Sector Employment and I await the outcome of that review.

MCGOWAN, DR C.

The Hon. E.S. BOURKE (14:31): Supplementary: will the minister now do what he refused to do yesterday and ensure the information regarding the Liberal fundraisers your SA Health chief executive, Dr Chris McGowan, attended is provided to the independent investigator appointed to investigate Dr McGowan's conduct and, if not, why not?

The Hon. S.G. WADE (Minister for Health and Wellbeing) (14:31): I am assured that Dr McGowan is providing all relevant documents to the Commissioner for Public Sector Employment.

The PRESIDENT: The Hon. Ms Bourke, a further supplementary.

MCGOWAN, DR C.

The Hon. E.S. BOURKE (14:31): Do the ongoing concerns about the minister's chief executive explain why the government continues to refuse to provide funding to ICAC to investigate SA Health?

The PRESIDENT: The Hon. Ms Bourke, that is too far out from the original answer. I am going to have to step in there. We haven't even referred to ICAC in the minister's original answer. The Hon. Mr Hunter.

MCGOWAN, DR C.

The Hon. I.K. HUNTER (14:32): My question is to the Minister for Health and Wellbeing. Does the minister think it is acceptable that an independent investigator has not yet been appointed into SA Health chief executive Chris McGowan's conduct two weeks after the independent investigation was announced? When will the independent investigation into the conduct of his chief executive begin?

The Hon. S.G. WADE (Minister for Health and Wellbeing) (14:32): Personally, I think that those questions are a question for the Premier, if they are a question for anybody. The Commissioner for Public Sector Employment does not report to me.

Members interjecting:

The PRESIDENT: This is what it feels like for me, the Hon. Mr Hunter, when you are shouting, but I give you peace. Please ask your supplementary.

MCGOWAN, DR C.

The Hon. I.K. HUNTER (14:33): My supplementary, which is within the minister's bailiwick: will the minister today end the two-week farce and order an immediate start of a judicial inquiry into Dr McGowan?

The Hon. S.G. WADE (Minister for Health and Wellbeing) (14:33): I do love the Labor Party: if you ask for something and you get it, then you move the goalposts. They asked for a full independent review into the conduct of Dr McGowan: that's what they got. So they move the goalposts and they want him to stand down. Next we are going to have a call for him to have a writ of execution. I am not supporting calls for a royal commission.

MCGOWAN, DR C.

The Hon. I.K. HUNTER (14:34): Supplementary, again based on the minister's responsibilities, if he has any: will the minister confirm that Dr McGowan is currently being performance managed?

The Hon. S.G. WADE (Minister for Health and Wellbeing) (14:34): How is that supplementary?

The PRESIDENT: Minister, decide whether to answer it or not.

The Hon. S.G. WADE: It's not supplementary and I would stress again: the contract with Dr McGowan is with the Premier.

Members interjecting:

The PRESIDENT: Have we got all that out of our system, because I would like to hear from the Hon. Ms Lee.

WOMEN'S HONOUR ROLL INDUCTEES

The Hon. J.S. LEE (14:34): My question is to the Minister for Human Services about celebrating remarkable South Australian women. Can the minister please provide an update to the council about the recent inductees to the South Australian Women's Honour Roll?

The Hon. J.M.A. LENSINK (Minister for Human Services) (14:35): I thank the honourable member for her question and for her interest in this area. Last Thursday, 21 November, we had the biannual nominees recognised for the South Australian Women's Honour Roll. These awards have been established since 2008 by the Office for Women, and the inductees are decided by a panel of community members. They were recognised at an event at Government House, and I acknowledge the member for Reynell and the member for Hurtle Vale, who were in attendance, as well as the Assistant Minister for Domestic and Family Violence Prevention, Mrs Carolyn Power; and there may have been other members in attendance as well.

It is a great celebration of these fantastic women for the things that they have done for their community. It is well known that women often do not expect reward for the things that they do for their communities and they are often very appreciative of being nominated and receiving some recognition. The South Australian Women's Honour Roll citations are often used if people are subsequently nominated for the Australia Day award honours.

We did have 25 nominees. I would like to outline a few who are probably relatively well known to members of this place. That includes Associate Professor Barbara Baird, who is an LGBTIQ activist and has been advocating in favour of abortion reform. Of course, we have the late Viv Maher, the mother of the Hon. Kyam Maher, the leader of the Labor Party in this place, who was recognised for her dedication to equality for women and for young Indigenous people. I understand that she ran a shelter in Mount Gambier for some time.

We also had Professor Eva Bezak, who works in the field of medical physics; Dr Jenni Caruso, who is an advocate and educator of Aboriginal history; the late Alice Dixon, who has been a defender of the rights of Aboriginal people and campaigned against Aboriginal deaths in custody; Emmah Evans, who has also been acknowledged in a range of forums for her advocacy for cystic fibrosis and adoption; Leah Marrone, who also is well known to many people in this place, who uses her legal skills to advocate for social justice; Louise Pascale, who is also a campaigner for gender equality; Deb Ranieri, who is a crusader for women experiencing homelessness; and Jennifer Howard, who assists people who need their pets sat, for want of a better word.

We had a wonderful range of women who have been added to the roll. They all deserve great recognition and we wish them well in all of their future endeavours.

MENTAL HEALTH SERVICES

The Hon. T.A. FRANKS (14:38): I seek leave to make a brief explanation before addressing a question to the Minister for Health and Wellbeing on the topic of mental health response to 000 calls.

Leave granted.

The Hon. T.A. FRANKS: I draw the council's attention to the Victorian government, which is partnering their ambulance service with Barwon Health in an innovative trial that gives locals living in the Geelong area with acute mental health issues the treatment and care that they deserve.

The Victorian government has announced, in April this year, the Prehospital Response of Mental Health and Paramedic Team, or PROMPT for short, a trial which has seen specialist mental health staff join paramedics in attending call-outs where mental health may be a factor. This trial has meant that patients are assessed and triaged sooner, and fewer patients would need to be taken to those emergency departments in this area. The specialist mental health staff arrive at the call-outs in normal vehicles, removing the risk that these patients may become further distressed at the sight of an ambulance. Calls to 000 can be answered by either paramedics or the specialist PROMPT team, and the PROMPT team indeed may become the first responders.

I understand this also builds on the emergency department crisis hub at the University Hospital Geelong, providing people with the urgent mental health treatment that they get there with dedicated specialist care to ensure that we are keeping people with mental health emergencies out of further escalated situations which diminish their mental health. Finally, I will add that I do understand WA also has a similar program, although I don't have details of that program.

My question to the Minister for Health and Wellbeing is: is South Australia considering similar programs to ensure that we have better response for mental health responses to 000 calls?

The Hon. S.G. WADE (Minister for Health and Wellbeing) (14:41): I thank the honourable member for her question. I would answer in two parts. First of all, my understanding is that the mental health crisis team is actually located in the ambulance service headquarters in Eastwood, and the ambulance service has actually been looking for opportunities to strengthen the value of that co-location—in other words, to engage the mental health clinicians in 000 responses.

In terms of her second question about: are we considering putting mental health clinicians in with paramedic teams, the answer is yes. In fact, we are piloting it as we speak. I am more than happy to arrange for a briefing for the honourable member on it. The interesting point that the honourable member makes in relation to the Barwon trial is apparently a link between the 000 response centre and the clinicians on the ground. I honestly don't know whether that is an aspect of our trial.

Certainly, the feedback I have received from the outcomes of the trial so far have been positive. I know that the Premier's Advocate for Suicide Prevention and the council have received a briefing from the Ambulance Service. The advocate of course can speak for himself, but my understanding was that it was a well-received presentation, and the program is seen positively.

The honourable member raises a very interesting point. I think we need to remember the diversity of our state. When I was in Mount Gambier recently, I was talking to ED staff about mental health responses. Of course, in a community like that, it would be unlikely to be viable to put a mental health specialist clinician in with an ambulance crew. In a metropolitan context you can imagine that if the pilot works and it is scalable you might have regional teams, but it is unlikely that a community the size of Mount Gambier would be able to justify a dedicated team.

But it may well be that we develop ways where the community mental health team interfaces with the ED department. Of course, they already do with the inpatient mental health services. I suppose the point I am making is the connectivity between paramedics, mental health clinicians and, to be frank, the police—other people who are doing first responses; we need to find innovative ways.

It is not infrequent for an ambulance response or a police response to have to deal with mental health issues. To have the expertise of a mental health clinician either in the vehicle with you or telehealth or dial-up, whatever it might be, can help de-escalate the situation so that it might be possible to provide treatment closer to home—that people can get the mental health support they need without perhaps going to an emergency department.

But I certainly agree with the spirit of the honourable member's question in terms of looking for innovative ways to improve our mental health response. I appreciate her raising the Victorian pilot; I will certainly look at that. As I said, I will undertake to arrange for a briefing with the honourable member on what is happening in this space in South Australia.

Parliamentary Procedure

VISITORS

The PRESIDENT: I acknowledge in the gallery the Hon. Mario Feleppa. Welcome to the council.

Question Time

AFFORDABLE HOUSING

The Hon. I. PNEVMATIKOS (14:44): I seek leave to make a brief explanation before asking the Minister for Human Services a question regarding housing affordability.

Leave granted.

The Hon. I. PNEVMATIKOS: Yesterday, Australia's peak housing body, Shelter, released its housing affordability report. It stated, 'Adelaide is the second most unaffordable place for housing affordability.' In addition to that, the government announced the \$450 million affordable housing package. The government's affordable housing pricepoint for homes is \$354,000 (or \$407,100 where close to public transport). As such, the retail sale price of these homes, including profit, must be \$400,000 at most, and likely lower, unless the plan is to sell the homes above the affordable pricepoint, which is already unaffordable for 60 per cent of the population. My questions to the minister are:

1. Will the minister explain how housing affordability has consistently gone down over each quarter her government has been in office?
2. Will the minister release a breakdown of the \$450 million package which is alleged to help housing affordability?
3. How much profit is the government making from selling these homes?
4. Why won't these houses be sold at cost price to those in the community who are doing it tough?

The Hon. J.M.A. LENSINK (Minister for Human Services) (14:46): I thank the honourable member for her question. This government has shone a light on the lack of affordability of housing in South Australia, which is something the former government failed to do. I think a lot of people have considered for some time that Adelaide's housing is quite affordable. We often see that sort of commentary in the press. Through our report in AHURI we have shone a light on the fact that there is a large number of people who can't get into the housing market and who are spending a large amount of their income on maintaining rental or maintaining their mortgages and, therefore, they are struggling in that affordability bracket.

We are committed, through our housing strategy, to provide a greater range of product in that space. The Treasurer was authorised yesterday to provide some of those details through the tough negotiations that he has been undergoing with the Greens, so those details have been extracted from the government prior to some of the formal decisions going through the cabinet process. Some of those details I am unable to provide but we will be providing more details once that strategy has been signed off and released by cabinet.

In terms of the Assist program, which I have spoken about previously, and the affordable housing program, they are programs where the criteria for people to access them are as follows: through the Affordable Homes program people need to be 18 years of age or older and a resident of South Australia, not currently owning a property, planning to live in the affordable home, have a household earning of less than \$85,000 for single persons or under \$110,000 if a family couple, with household assets within the allowed limits.

Those affordable homes are not put on the market for that particular group above that amount, as the honourable member has correctly stated. For people who find that they are actually not able to access that product they can also approach HomeStart Finance, which has a shared equity loan which means that people can access other products as well. We have also announced the Assist program. There has been a specific pilot for older women over the age of 50. All of these homes will be made available on existing state government land to these particular purchase groups. If we need to modify some of those criteria going forward, then that is something we will continue to look at.

AFFORDABLE HOUSING

The Hon. I. PNEVMATIKOS (14:49): A supplementary question arising from the original answer: will there be a profit component as part of the cost, or profit factor as part of the cost component, of the affordable housing?

The Hon. J.M.A. LENSINK (Minister for Human Services) (14:50): I think that's probably difficult to answer prior to the houses being built. We are certainly not hoping to run those at a loss, but I can assure the honourable member that if there is any—she might like to use that term 'profit' but we have organisations called not-for-profits and they refer to what they have as 'surpluses', I

think, so it's really a bit of semantics. But in terms of if there is any funding that is surplus above that, I can assure the honourable member that that will be returning into the assets and programs of the South Australian Housing Trust.

AFFORDABLE HOUSING

The Hon. I. PNEVMATIKOS (14:50): A further supplementary: in delivering the housing strategy package that has been identified, is the implementation of that strategy contingent upon the Liberal government's land tax policy?

The Hon. J.M.A. LENSINK (Minister for Human Services) (14:51): No.

COUNTRY HEALTH SERVICES

The Hon. J.S.L. DAWKINS (14:51): My question is directed to the Minister for Health and Wellbeing. Will the minister update the council on what the government is doing to maintain and enhance country health services?

The Hon. S.G. WADE (Minister for Health and Wellbeing) (14:51): I thank the honourable member for his question and, of course, his long-term advocacy for services for country South Australians. The Marshall Liberal government was elected with a commitment to support better provision of health services to country South Australians, services which had been sorely neglected by Labor over 16 years as they centralised governance in the CBD.

This government has already established a track record of delivering on this commitment, just as we have on other commitments. This government is investing \$140 million to address the backlog in country capital works. We have one MRI machine for Berri. We have signed new contracts for medical imaging in Murray Bridge and Port Pirie, which remove gap payments for patients. We have expanded country cancer services and are investing \$20 million in supporting our rural health workforce.

We are now also making changes to the Patient Assistance Transport Scheme—or PATS, as it is commonly known—to build in more flexibility for country South Australians. I would like to acknowledge the representations that I have received from country members of parliament and their constituents in this regard. I attended PATS forums in both Port Augusta and Mount Gambier, organised by the local members, and the government has listened to the feedback and is now delivering changes to the scheme to make it fairer and, importantly, more compassionate to people in often challenging circumstances.

In the past, there were limits set on patients coming to Adelaide regarding the number of nights they could spend in Adelaide before and after their medical specialist appointment: two additional nights in commercial accommodation or five additional nights with family and friends. This has had a punitive effect on country South Australians. Faced with an often long trip, they quite sensibly wanted to rationalise their time in Adelaide by making non-medical appointments around their medical specialist appointments, perhaps staying in town for a second medical appointment, or just taking time to recuperate before they headed back on the road.

The Marshall Liberal government has now lifted this restriction as well as removing the requirement that patients only travel directly to and from their appointment. A further change will assist terminally ill patients through providing for better continuity of care. Before this change, patients with less than 12 months to live had to make use of their nearest specialist to be able to receive a PATS payment, as do other patients under the scheme.

The government realises that this can cause unnecessary disruption for patients and families during the last months of their life and we have removed this requirement for patients with a life expectancy of 12 months or less. These changes will make the scheme better adapted to the needs—medical and personal—of country South Australians and ensure it operates with more compassion and care from our health services. The Marshall Liberal government is delivering better services for country South Australia and will continue to work to redress the imbalance that we have inherited.

ADELAIDE OVAL TEST CRICKET

The Hon. C. BONAROS (14:54): I seek leave to make a brief explanation before asking the Minister for Trade, Tourism and Investment a question about tourism and test cricket.

Leave granted.

An honourable member interjecting:

The Hon. C. BONAROS: I am out of my league! SACA CEO, Keith Bradshaw, has stated that there is a real chance that Adelaide Oval could miss out during India's test match tour of Australia next year. This is despite Adelaide Oval having the second highest attendance test match record for the country, just behind Melbourne. For the record, it was the second Ashes Test on 2 December 2017 at Adelaide Oval, with a record 55,317 cricket fans in attendance.

India's test match tour of Australia is second only in popularity behind the iconic Ashes series. India has committed to only four tests against Australia, so one of the major venues will lose out and there is a real risk that it will be the iconic Adelaide Oval. SACA, with 25,000 members and 10,000 associate passholders, is working very hard to make sure Adelaide Oval does not lose out.

Given that test cricket is (apparently) the pinnacle of the game, which deserves to be played on the best grounds before the biggest crowds, and Adelaide Oval is universally regarded as one of the best cricket grounds in the world, my question to the minister is: given the significant tourism impacts at stake, what is the Marshall Liberal government doing to guarantee that Adelaide Oval plays host to one of the four test matches between Australia and India and to ensure that South Australia's legion of cricket fans, and tourists who would otherwise attend, don't lose out? Will the minister undertake to raise this issue with the Minister for Recreation, Sport and Racing and update this chamber accordingly?

The Hon. D.W. RIDGWAY (Minister for Trade, Tourism and Investment) (14:56): I thank the honourable member for her question and, clearly, her great interest in the wonderful sport of cricket. It is interesting, Adelaide Oval is a spectacular venue. Even before the redevelopment by the former government, it was regarded as one of the world's great cricket ovals. Sir Donald Bradman played there and many other great cricketers have played there.

Of course, in the last series India played here only last year, they were not prepared to play a day-night test here. Pakistan starts tomorrow in a day-night test match, but I think the Indian batsmen were fearful of how the pink ball may move around in the twilight and the evening. People like Virat Kohli and some of the other champions in the Indian team were fearful of damaging their averages if the ball moved around a little bit in the evening, so they didn't want to play a day-night test.

When we had the Cricket World Cup here, the former government pitched to host the India v Pakistan match here, for all the reasons that we would have a significant broadcast back into India and Pakistan and a significant opportunity for visitation and tourists to come into South Australia to experience the cricket but then also stay here and spend some money in the rest of the state. Last year, with the India test match, we had an inbound trade mission.

We had a large number—I don't recall the exact number, but I think it was around 30 Indian businesses that we asked to come in and have a look at opportunities for doing business with South Australia. So it is not just the cricket. The honourable member talked about tourists and visitations, but it is also the business engagement. Clearly, for countries like India, New Zealand, England and, probably to a lesser degree, some of the other countries, there are some significant business opportunities for us to explore.

So we are in constant discussion with SACA around the opportunities that this will present. It really is a matter for Cricket Australia to make that call, so we will be joining with SACA to make sure we put our best foot forward. I will, if it pleases the honourable member, speak to the Hon. Corey Wingard, my good friend and Minister for Recreation, Sport and Racing, and Minister for Police and Correctional Services. I am very happy, if the member would like me to speak with him, to bring back some sort of update.

I can assure the honourable member that we will be doing everything we can to try to make sure that we have as many test matches as possible here, but it really is very much a matter for Cricket Australia. They control the agenda and the scheduling. We all know that the Adelaide Oval is a spectacular facility, whether it's a day-night test or a normal conventional day test, so we will be, hopefully, getting a good outcome and having India playing here next year.

The PRESIDENT: Supplementary, the Hon. Ms Bonaros.

ADELAIDE OVAL TEST CRICKET

The Hon. C. BONAROS (14:59): I thank the minister for his comprehensive answer. Can he also indicate how many tourists such an event would normally attract to the state?

The Hon. D.W. RIDGWAY (Minister for Trade, Tourism and Investment) (14:59): I would be happy to have a talk to the South Australian Tourist Commission around the numbers they expected to get when we had India and Pakistan, and the television coverage. I am sure they will have some figures around it. Of course, I shouldn't let the opportunity go to remind honourable members that we are hosting the men's and women's T20 World Cup next year. We will have a range of teams playing here; I think it is from mid-October through to mid-November, so there's some exciting cricket coming here. A number of teams are vying for World Cup honours for the T20; in fact, we will even have the winning World Cup 50 overs team playing the 20 overs game from England in Adelaide towards the middle of November next year.

MCGOWAN, DR C.

The Hon. I.K. HUNTER (15:00): I seek leave to make a brief explanation before directing a question to the Minister for Health and Wellbeing.

The PRESIDENT: In relation to what?

The Hon. I.K. HUNTER: In relation to his chief executive.

Leave granted.

The Hon. I.K. HUNTER: The minister said today that questions relating to his chief executive, Dr McGowan, are matters for the Premier. Minister, if that is the case, how is it, then, that the Premier wasn't aware how Dr McGowan was appointed? How is it that the Premier didn't know that Dr McGowan was appointed without the position being advertised? Did the minister, who says he is not responsible for his chief executive, recommend Dr McGowan's appointment to the Premier and, if so, why didn't he advise the Premier that the position was not advertised?

The Hon. S.G. WADE (Minister for Health and Wellbeing) (15:01): I can assure you that the contract with Dr McGowan, as with all chief executives in this government, is with the Premier.

MCGOWAN, DR C.

The Hon. I.K. HUNTER (15:01): Supplementary, sir: if the contract is with the Premier, how does the minister explain that the Premier did not know, and had to correct the record in the other place today in question time, that Dr McGowan was appointed without his position being advertised?

The Hon. S.G. WADE (Minister for Health and Wellbeing) (15:01): The honourable member is telling me what the Premier said in the other house. The Premier speaks for himself; he has spoken for himself.

The PRESIDENT: Further supplementary.

MCGOWAN, DR C.

The Hon. I.K. HUNTER (15:01): One final stab, sir. The Premier then, according to the minister, appointed Dr McGowan without any knowledge that Dr McGowan's position was not advertised prior to the appointment. How is it, then, that the Premier made a decision to appoint Dr McGowan without the knowledge of how the process worked?

The Hon. S.G. WADE (Minister for Health and Wellbeing) (15:02): I do not represent the Premier. That question is a matter for the Premier.

The PRESIDENT: One last go.

MCGOWAN, DR C.

The Hon. I.K. HUNTER (15:02): One last go. Did the minister recommend the appointment of Dr McGowan to the Premier?

The Hon. S.G. WADE (Minister for Health and Wellbeing) (15:02): My understanding is that Dr McGowan was appointed after the election, after a selection process. I think I indicated that yesterday. I may well have taken that on notice; I'm happy to take it on notice now.

CHILD AND FAMILY SUPPORT SERVICE

The Hon. D.G.E. HOOD (15:02): My question is to the Minister for Human Services. Can the minister please update the chamber on the progress being made towards a new child and family support system, including the co-design findings highlighted in the recent feedback session and report?

The Hon. J.M.A. LENSINK (Minister for Human Services) (15:03): I thank the honourable member for his question. On 15 March, the state government announced the launch of a new effort to prevent child abuse and neglect by building a better connected system of evidence-informed support services for families with multiple and complex challenges. This builds on the work of the Early Intervention Research Directorate, which has identified four population groups who they have recommended to government as a focus for the service system as the populations that have high risk factors correlated with high rates of interaction with the child protection system, including out-of-home care, and who have the greatest likelihood of disrupting intergenerational patterns of abuse and neglect.

These groups include young parents. In particular, the research identified young mothers aged under 20 at the time of their first birth or first pregnancy and young fathers under 25 as a group with particularly high interaction with the child protection system. They also include adolescents with complex trauma histories. The research shows that by working with adolescents with complex trauma histories there is potential to disrupt intergenerational patterns of child abuse and neglect, as these adolescents are at risk of becoming parents of children in the child protection system. They also include Aboriginal families with multiple and complex needs.

Clearly, we know and are all distressed by the fact that Aboriginal children are over-represented at every level in the child protection system and are more likely to progress to more serious levels in the system. They are approximately one-third of all children in out-of-home care, and they experience more risk factors. The fourth target group is families of infants at risk. Within the first 100 days of life—that is, from conception to the age of two—there is a significant impact on an infant's development, both neurologically and in connected bodily systems.

The efforts are being consolidated within the Department of Human Services. DHS, in conjunction with the child protection department, has been working on what has been called a co-design process to better inform these services and recommission them as we are going forward. That process has taken some time, as both agencies have been working with people with lived experience, people who are the front-line workers, the non-government sector and the government sector, talking to them about what the services should look like going forward.

Last week on Monday 18 November, there was a session to report back to all those interested stakeholders about how the system should work going forward. The co-design process has helped to translate a number of elements. We particularly know that we need the services to be talking to each other more effectively. Part of that has been to reassure people working in the system that they can share information, that information-sharing guidelines exist between agencies, firstly so that families do not have to continue to repeat their stories but also so that, if referrals need to be made between different service providers, that can take place more rapidly.

We have also identified that there are a number of families who seek help before it gets to the crisis end, but they are also prevented from seeking help because they fear that any help-seeking may identify them as families at risk, which then means that they are more likely to get into trouble. They are scared of interaction with the child protection system. So there are a range of ways by

which these workers and the non-government organisations have identified how we should shape our services going forward. Even though it is a very challenging area for people who are working in it, I think there is a great deal of optimism that we can do a lot better into the future to assist families where children are at risk. We look forward to growing these partnerships going forward.

AMBULANCE SERVICES

The Hon. M.C. PARNELL (15:08): I seek leave to make a brief explanation before asking a question of the Minister for Health and Wellbeing about ambulance services.

Leave granted.

The Hon. M.C. PARNELL: Seven months ago, the Council on the Ageing wrote to the Minister for Health and carbon copied myself, Mr Chris Picton in another place, as well as the SA Ambulance Service, in a letter that included the following:

Dear Minister Wade

I bring to your attention an anomaly between South Australia and the other states and territories in relation to access by age pensioners to free ambulance travel. We are advised that South Australia is now the only jurisdiction in Australia that does not afford free ambulance travel to people in receipt of an aged pension...

We understand that work is being undertaken within your portfolio to review the funding for the South Australian Ambulance Service...[Council on the Ageing] SA urges you to bring SA into line with other states and territories by providing free ambulance services to South Australian holders of pensioner concession cards and Commonwealth Seniors...cards.

I note that the only discount available to aged pensioners is if they purchase, effectively, the ambulance subscription that many people are used to buying. That costs \$52.50 for a single pensioner or \$104 for a couple. If you want that cover to extend interstate, the prices are \$68.30 and \$135.50.

Of course, if you don't have ambulance cover and you are in the unfortunate position to need an ambulance for transport, you will be up for at least \$1,025 plus the mileage cost. My question of the minister is: what steps is the minister taking to bring South Australia in line with the other states and provide free ambulance services to aged pensioners?

The Hon. S.G. WADE (Minister for Health and Wellbeing) (15:10): I thank the honourable member for his question. I would just clarify that it's not a situation where there is great uniformity around Australia in terms of the way the ambulance services are funded. My recollection is that New South Wales significantly funds theirs through a levy on private health insurers—insurance companies. Queensland and Tasmania have actually gone to universal ambulance cover, so that certainly covers pensioners.

As well as making the ambulance cover scheme available, the SA Ambulance Service is acutely aware of maintaining access to health services and has financial hardship provisions and other arrangements to support access. Certainly, the Treasurer and I have talked about the ongoing needs of the Ambulance Service and, of course, the user-pays aspects. That includes ambulance cover. They all feed into that long-term planning.

I acknowledge the honourable member's reference to the Council on the Ageing. I appreciate that COTA and others would want us to be considering making ambulance trips free for older South Australians. It would be at a significant cost. It would need to be properly considered. My recollection, for example, is that in the last year alone there has been an 8 per cent increase in people over the age of 90 going to EDs. As our community ages, it will put pressure on our health system, and that includes the Ambulance Service.

MULTICULTURAL GRANTS PROGRAM

The Hon. R.P. WORTLEY (15:12): My questions are to the Assistant Minister to the Premier regarding multicultural grants:

1. What role does the Assistant Minister to the Premier have in distributing successful multicultural grants to multicultural associations?

2. Does the Assistant Minister to the Premier personally hand over cheques to any multicultural organisation that successfully applies for a multicultural (or other) grant?

3. When presenting a cheque, has the Assistant Minister to the Premier ever requested a multicultural organisation to specifically not invite members of the Labor opposition to functions and events?

The Hon. J.S. LEE (15:13): I thank the honourable member for his continuous interest in multicultural affairs. He is doing such a great job; perhaps he would like to be the shadow minister for multicultural affairs. In order to answer the questions about the grants process: the grants are assessed by an independent assessment panel for various different multicultural grants. They decide which organisations are qualified on a competitive basis, and then what grants are allocated to those eligible multicultural organisations.

In terms of handing cheques over, I actually personally haven't handed any cheques over as such. Once the determination of the grants is approved, I sign off on the letter on behalf of the Premier and the cheques, etc., are then handled by the Department of the Premier and Cabinet under the office of multicultural affairs.

In terms of the certificate of approval of the grants, from time to time, based on the requests of the organisations—because they want to showcase that the organisation has been successful in receiving grants—sometimes they do print out the certificate and ask me to present those certificates of approval to the organisations at events, which I am always happy to do.

In terms of his ridiculous questions about not inviting opposition members, that is never the case. Sometimes I actually get really curious when opposition members don't turn up for events. I do actually ask the community leaders and presidents and say, 'Why isn't there any Labor members? Have you not invited them?' and they say, no, they invited them but they have not accepted the invitation or they haven't passed it on or they are not sure why they haven't turned up. That has been the case. Once again, I always welcome the opposition members asking me questions. I was told by my office yesterday that this now makes the 100th question that has been asked of me.

SUMMER EVENTS

The Hon. T.J. STEPHENS (15:15): My question is to the Minister For Trade, Tourism and Investment. Can the minister please update the council about summer events in South Australia?

The Hon. D.W. RIDGWAY (Minister for Trade, Tourism and Investment) (15:16): I thank the honourable member for his ongoing interest in the wonderful calendar events we have coming up this summer. As this year is drawing to a close, before you know it will be holidays and 2020 will be upon us. Our hardworking tourism operators continue to grow from strength to strength. There are so many amazing events coming up over the summer holiday period.

The regions remain incredibly important to South Australia's visitor economy, and there are many things to do in the regions over the summer. In the Murraylands, in January, we will see the Asian Le Mans race take place at The Bend. It is sure to be an exciting event taking place over three days with 13 different countries represented. The organisers expect to see a crowd of some 25,000 people bring fantastic economic benefit to the region.

Of course, in Port Lincoln, on the West Coast, at the end of January we will see the annual Tunarama Festival take place. Tunarama is held every year over the long weekend in January and incorporates community events and entertainment and showcases the region's amazing food and wine and, of course, tuna. I would absolutely encourage the members opposite to try to get over there. It is a great competition.

The Hon. E.S. Bourke: I was there last time.

The Hon. D.W. RIDGWAY: The Hon. Emily Bourke said she was there last year. When you look at the size of the tuna in the tuna tossing competition, I think the Hon. Justin Hanson would be a perfect candidate to pick up a tuna and test his arm against some of the locals.

Closer to home, the summer will be just as exciting. In January, of course, Adelaide will see the international tennis event at the newly renovated Memorial Drive. This event will see

world-renowned players come to Adelaide to sharpen their skills ahead of the Australian Open. The event is expected to attract approximately 100 players, including Australia's top ranked men's player, Mr Alex de Minaur, and the 2019 ladies' Wimbledon champion, Simona Halep, and, of course, the current world number one, Ash Barty. This continues our fantastic showing of female sporting events in South Australia.

Around the same time the Adelaide International concludes the Santos Tour Down Under begins, and I was excited earlier in October to announce that, for the first time in 2020, all four stages of the Santos Women's Tour Down Under will be streamed live on 7plus. It's fantastic that women's sport is taking front and centre and equally fantastic that South Australia's beautiful regions will be broadcast around the country.

Furthermore, we have the ISPS Handa women's open golf taking place at the Royal Adelaide Golf Club from 13 to 16 February. This year, we will be lucky enough to see some exciting young players join the Women's Australian Open, including Hannah Green from Perth and Nelly Korda from the United States. They will join Australia's top ranked female golfer, Minjee Lee, to battle it out on the greens.

We then head straight from golf to cricket. We have the ICC Women's T20 World Cup taking place from 16 to 18 February. It's fantastic to see women's teams from South Africa, Sri Lanka, England and New Zealand go head to head with our own fantastic Australian team and, of course, as we mentioned, this weekend the test cricket season kicks off with Pakistan playing in the day-night test.

The summer won't be complete without the lead-in to Mad March and all the craziness that comes with it. The Superloop Adelaide 500 kicks off at the end of February, WOMADelaide will take place over the March long weekend, with Ziggy Marley headlining with the Blind Boys of Alabama and Laura Marling and many more.

Additionally, Tasting Australia will again showcase the world-class food and wine that we have to offer. I can't wait for the summer in South Australia, and I encourage everybody in the chamber, everybody who is listening and everybody who reads *Hansard* to get out and enjoy what this state has to offer.

DOG FENCE

The Hon. J.A. DARLEY (15:19): I seek leave to make a brief explanation before asking the Minister for Trade, Tourism and Investment, representing the Minister for Primary Industries and Regional Development, a question regarding the dog fence.

Leave granted.

The Hon. J.A. DARLEY: I understand the government has put out a \$25 million tender to upgrade approximately 1,200 kilometres of the dog fence. My question is: what consideration has the government given to promoting the circular economy by using recycled products, where feasible, to upgrade the fence?

The Hon. D.W. RIDGWAY (Minister for Trade, Tourism and Investment) (15:20): I thank the honourable member for his question and his ongoing interest in the dog fence. Particularly, we are delighted that we have been able to commit \$25 million to a jointly funded project between the federal government and the state government to repair the dog fence, something that was neglected for the 16 years the Labor government was in power. They didn't see it as a priority, they didn't care, and of course we now have a large number of dogs inside the dog fence. You can't really control them unless you actually fix the dog fence, so this is a wonderful opportunity to repair what has been neglected for the best part of 20 years.

It is interesting when you see some of the dry conditions. I had the good fortune to be in the north of the state this last weekend, and there were wild dogs. We could see two dogs less than 100 metres away from the ute, but unfortunately for the station manager—fortunately for the dogs—he didn't have his rifle with him to be able to destroy them. They are an ever-present threat to our grazing industry, so it is important that we have been able to find this \$25 million.

I will take the details about recycled products and posts and what have you to fix the fence, but I would add that this is about making sure the fence is as strong and as impenetrable as possible, so we would certainly want to make sure that we are using high-quality recycled products. I will bring back an answer for the honourable member.

ASSISTANT MINISTER TO THE PREMIER

The Hon. T.T. NGO (15:22): I seek leave to make a brief explanation before asking a question of the Assistant Minister to the Premier regarding conduct of portfolio business.

Leave granted.

The Hon. T.T. NGO: In question time previously, the assistant minister faced a series of questions regarding her use of parliamentary resources to conduct ministerial business, particularly relating to her requirements under the freedom of information and state records acts. On 17 October 2018, the assistant minister assured this chamber that:

...it is not correct...to say that parliamentary emails are not FOI-able. If they relate to ministerial-type duties, they are FOI-able—totally.

The opposition has obtained freedom of information documents from both the University of Adelaide and the Department of the Premier and Cabinet relating to the assistant minister's conduct of portfolio business. While the university held email records of the assistant minister using her parliamentary email address to conduct her portfolio business, the department appeared to hold no such records. My questions to the assistant minister are:

1. Does the assistant minister understand her obligations under the freedom of information and state records acts?
2. Has the assistant minister fully complied with those obligations and the Ministerial Code of Conduct?
3. Were the assistant minister's statements to this parliament accurate when she assured the council that all ministerial business conducted through her parliamentary address was FOI-able?

The Hon. J.S. LEE (15:24): I thank the honourable member for his very important questions. I have checked with the office of the Department of the Premier and Cabinet. We do have an allocated freedom of information officer. Regarding all the work that I have done in terms of what documents fulfil the FOI requirements, I have been advised that they all have been compliant.

ASSISTANT MINISTER TO THE PREMIER

The Hon. T.T. NGO (15:24): Supplementary: will the assistant minister now release missing documents, including text messages to the director—

The Hon. D.G.E. HOOD: Point of order, Mr President: the time has expired for question time.

The PRESIDENT: I determine the time, the Hon. Mr Hood. Ask the question.

The Hon. T.T. NGO: I will start again.

The PRESIDENT: You start it again. You were rudely interrupted.

The Hon. T.T. NGO: Will the assistant minister now release missing documents, including text messages to the director of the Confucius Institute and emails from her and her staff parliamentary email, according to the university executives?

The Hon. J.S. LEE (15:25): As I mentioned before, the requirements of FOI—there is an office that handles all the inquiries on my behalf. If they are deemed to be compliant with the requirements, then it is done that way. Thank you.

Members interjecting:

The PRESIDENT: Now we are finished our conversation—have we finished our conversation, because the Treasurer and I would like to get on with the Auditor-General's Report?

*Auditor General's Report***AUDITOR-GENERAL'S REPORT**

The Hon. R.I. LUCAS (Treasurer) (15:26): I move:

That standing orders be so far suspended as to enable the report of the Auditor-General 2018-19 to be referred to a committee of the whole and for ministers to be examined on matters contained in the report for a period of one hour.

Motion carried.

In committee.

The Hon. C.M. SCRIVEN: My first questions relate to 'State finances and related matters' 1.2.1, pages 1 and 2. The Auditor-General raised the issue that South Australia's non-financial public sector net debt to revenue ratio is expected to be higher than all other states by 2022-23. Does this concern you, and does it concern you in the context of our slowing economy?

The Hon. R.I. LUCAS: No, it does not. I should not underestimate the importance of the views of the state treasurer, but more importantly than that are the views of the credit rating agencies. Standard & Poor's and Moody's are, of course, the independent arbiters of the fiscal responsibility or otherwise of state and commonwealth governments. Whilst I do not have the exact words, I have quoted them before: both rating agencies, on the basis of the budget documents, essentially said that the level of the debt, whilst it had increased significantly not only in South Australia but in other states, was manageable. One of the ratings agencies was even kind enough to refer to the relatively strong financial performance management record of the state government.

With that, the simple answer to the question of whether I am concerned is no, and certainly, no, I do not believe that it is responsible in any way for any issues our state economy is confronting. In fact, quite the reverse: I think that the alternative view which the Labor Party is prosecuting, that in some way we should not increase our state debt, would lead to a very significant reduction in our public sector infrastructure program on schools, hospitals and roads. That is the natural consequence of the position the Labor Party is prosecuting. That would put a massive handbrake on jobs growth in our construction sector in South Australia and lead to a drastic slowing in the state's economy.

From the government's viewpoint, we are strong supporters as we transition to the big defence and shipbuilding and space-related jobs of the future. We are strong supporters of a transitional program of strong public sector infrastructure. A \$12 billion public sector infrastructure program over the next four years is an important element in continuing a strong construction sector and strong jobs growth as we transition to the jobs of the future.

The Hon. C.M. SCRIVEN: Given the Treasurer's discussion of debt, does he have a definition of what is a sustainable level of debt?

The Hon. R.I. LUCAS: Yes, I do. The level of debt that we have at the moment, in our view, is sustainable and, more importantly, in the view of the rating agencies it is manageable and sustainable. I do not want to waste the precious 15 minutes that we have in the Auditor-General's time—I have quoted the figures before—but the growth in debt in most of the other states is at our level, the percentage growth, or indeed in many cases significantly higher than the growth of debt in South Australia.

All states, Labor and Liberal—I chaired the Board of Treasurers meeting on Friday in Adelaide and all treasurers reported that they were implementing significant increases in their state debt and that they are doing so in the climate of historically low interest rates. We had the benefit of the presentation at the Board of Treasurers of the Governor of the Reserve Bank, Dr Philip Lowe. He made it quite clear that, in the Reserve Bank's viewpoint, the historically low interest rates that we are currently seeing are here for quite some time.

The Hon. C.M. SCRIVEN: At what level does debt become unsustainable?

The Hon. R.I. LUCAS: I am not going to put a particular level on that. All I can say is the level of debt that this state government is envisaging for the foreseeable future in the forward

estimates is sustainable. The level of debt that I suspect would be unsustainable would be if you ever had the misfortune of having another Labor government that would not be able to manage the—

Members interjecting:

The Hon. R.I. LUCAS: In and of itself it would just be the natural corollary of having a Labor government, which is unable to manage its net operating account, unable to operate the operating balances and spending more than it earns on an annual basis—that would be my definition. It is a layperson's definition of what is unsustainable. Certainly, the level of state debt under a Labor government, whatever it was, would be unsustainable because they would not be able to service it through a manageable, fiscally responsible budget process.

The Hon. C.M. SCRIVEN: Referencing the Executive Summary of the Annual Report, page 25, 2.2.1, Return To Work Corporation of South Australia liability has increased. Which private companies have approached the government to take over the Return to Work scheme in the event that it is privatised?

The Hon. R.I. LUCAS: The government announced, prior to the election—and on any number of occasions since the election—that we are not going to implement a policy of privatisation of the Return To Work scheme. That was the government's clear policy position prior to the election. We announced it in relation to two specific bodies, the only two that had expressed some interest—sorry, interest, I am sure, had been expressed to the former government before the election, but that was SA Water and ReturnToWork SA. Prior to the election we indicated that we would not be selling off either SA Water or ReturnToWork SA.

True to our word, as we have been in keeping our election promises, we have kept true to that particular promise that I made in blood to the PSA, to my very good friends and comrades in the PSA. I said that we would not be doing that but we would reserve the right to outsource and commercialise, as the Labor government had done, and we kept that promise as well. We have outsourced and we have commercialised where it is in the public interest to do so, but we have not broken our promise in relation to the sell-off of SA Water or ReturnToWork SA.

The Hon. F. PANGALLO: Can the Treasurer or his CE provide a list of all ex gratia payment schemes controlled by the government? Which ones are subject to commonwealth taxation requirements? Which are not or will not be subject to taxation obligations to the commonwealth's Australian Taxation Office and not include employment terminations?

The Hon. R.I. LUCAS: I am a very generous Treasurer and I am not sure that is actually a question from the Auditor-General's Report. But being as generous as I am to the Hon. Mr Pangallo, because he is such a nice person and he is always kind to me and always says nice things to me, I am happy to take that particular question on notice to see what information I might be able to provide to the honourable member in the interests of camaraderie and good spirit that we have as we near the Christmas season.

The Hon. C.M. SCRIVEN: Returning to the previous question, have any private companies approached the Treasurer or the government expressing interest in taking over ReturnToWorkSA?

The Hon. R.I. LUCAS: Not that I recall. But even if they had, the answer is clear: no.

The Hon. C.M. SCRIVEN: Returning to state finances and related matters, Treasurer, are you concerned with recent state accounts which show South Australia's gross state product only grew by 1.4 per cent in 2018-19?

The Hon. R.I. LUCAS: I think I share all South Australians' concerns that our state economy needs to be growing at a much faster rate. Sadly, for the last 20 years, labouring under a discredited former Labor government, our state growth rate has been roughly about half the growth rate, on occasions, of the national growth rate. Our employment growth has been roughly half the national growth rate on some of those occasions; I am not saying for the whole 20 years. Certainly, our population growth has been roughly half for good parts of that last 20 years. That is unacceptable to the government; we have indicated that.

We have a stronger ambition and vision for South Australia. We see nothing wrong with South Australia growing population-wise closer to the national growth rate. We have an ambition to

have our economic growth rate, the GSP, growing much closer and at the national growth rate, and we want to see our employment growth growing at the national growth rate. Everything that we are doing is geared towards policies to that end.

In the end, as I have said on many occasions, we have to export more. To do that, our businesses have to be nationally and internationally competitive. For that to happen, we need the cost of doing business in South Australia to be nationally and internationally competitive. That is why we have abolished payroll tax for all small businesses. That is why we have had a \$90 million cut per year in ESL. Credit to the former Labor industrial relations minister John Rau, and we supported it, workers compensation premiums have come down from just under 3 per cent. This year it will be down to 1.65 per cent.

That is why from July next year we will unravel the atrocious policies of the Labor government in relation to water pricing for households and businesses and drive down water prices in South Australia because the former Labor treasurer ratcheted up the regulated asset base of SA Water by more than half a billion dollars. Why? Because he wanted more money as a greedy, rapacious former Labor treasurer in the state budget through dividends and income tax equivalents. To get that, he was quite happy to jack up the price for households, struggling South Australian families and businesses.

That is why we are driving towards an interconnector to help drive down electricity prices, which have been a jobs killer in South Australia. In everything this government does, as we wake up in the morning, as we go to bed at night, we are thinking and dreaming of ways of driving down the costs of doing business in this state. We want to see jobs growth, we want to see economic growth, we want to see population growth. That is what this government is about. Our Premier reminds us of it every week—a bias to yes, let's get things done in South Australia—and that is a remarkable change from the lethargy, the apathy and the incompetence and negligence of the former Labor government.

The Hon. C.M. SCRIVEN: Is it correct, Treasurer, that at the time of taking the decision to increase state debt by record levels gross state product was estimated to grow by 2 per cent in 2018-19?

The Hon. R.I. LUCAS: The two issues are not related at all. In relation to the decision to increase the state debt, it was a decision taken in the light of a softening national economy; a softening state economy; a Reserve Bank governor saying that state governments and territory governments have to do more in terms of publicly funded infrastructure; a Reserve Bank that was driving down interest rates; a commonwealth government driving down income tax collections in Australia; and state governments, Labor and Liberal, across the nation saying, 'What we can do is bring forward and increase publicly funded infrastructure to try to get jobs growth and economic growth in our economy.' That was what state governments could do.

The Labor Party—and they are entitled to their particular views—say, 'Stop the school projects, stop the health projects, stop the transport projects because there is something wrong'—

The Hon. C.M. Scriven: We have got record debt.

The Hon. R.I. LUCAS: That is right, you are saying that. The corollary of that is to stop the Women's and Children's Hospital expansion, stop the school expansions that we are doing, stop the work we are doing at Flinders, stop the work we are doing at the Lyell McEwin, stop the work that we are doing at The Queen Elizabeth, stop the work we are doing on the congestion-busting road projects and stop all the regional project works in regional areas that we are doing in terms of road widening, overtaking lanes and road resurfacing.

We have committed to spending hundreds of millions of dollars in those areas because we want to see jobs growth and we are prepared to incur additional debt. It is the Labor Party grinces and flinchers over the other side of the chamber who say, 'We will stop all of that because we want to be the only government'—if they were elected—'that would stop that sort of publicly funded infrastructure.'

The CHAIR: The Minister for Trade, Tourism and Investment.

The Hon. C.M. SCRIVEN: I refer to advertising and promotions on page 385 of the report. The Auditor refers to the cuts to advertising and promotions. Can the minister specify what promotions and advertising activities were cut, or was it only to the China ambassador campaign?

The Hon. D.W. RIDGWAY: I thank the member for her question. The SATC delivered approximately \$1.4 million in operational savings for the 2018-19 year. The savings target was achieved by the cessation of one-off activities and short-term projects, which occurred in 2017-18, such as the production and film shoot expenses associated with the Chinese brand ambassador project, SATC's signage and wi-fi project—we provided free wi-fi connectivity at some of South Australia's most iconic and remote locations—new signage and operational efficiencies across the SATC. The SATC has achieved its savings target for 2018-19.

The Hon. C.M. SCRIVEN: What was the rationale for cutting these particular programs?

The Hon. D.W. RIDGWAY: The rationale would have been because in the tough budgetary environment we find ourselves with diminishing GST, the board of the Tourism Commission made a judgement that to achieve the savings targets we could make these particular cuts and still drive a strong growth in the visitor economy. As members would be well aware, I have said on a number of occasions we are delighted now that we are at \$7.6 billion for the visitor economy in the state. Clearly, the judgement exercised by the board and the hardworking executive team at the South Australian Tourism Commission has not impacted on the visitor economy. It continues to hit record highs.

The Hon. C.M. SCRIVEN: So the rationale purely was, 'Cut because you need to find savings'? There was not any particular reason for these; is that correct?

The Hon. D.W. RIDGWAY: As I said, the Tourism Commission has to operate within the budget that is given to them. They made a judgement that these cuts would not impact on the visitor economy. As I repeat, at \$7.6 billion and growing, clearly they have made the right call. We have still been able to achieve significantly stronger growth than we have seen in past years and we have also been able to deliver these savings back to Treasury.

The Hon. C.M. SCRIVEN: Is anything replacing the China ambassador campaign that might achieve similar outcomes?

The Hon. D.W. RIDGWAY: We have a whole range of operational things, of course. We have our ongoing campaign with our ambassador, Huang Xiaoming, in China. I cannot recall off the top of my head the number of followers he has on social media but it is in the hundreds of thousands.

The Hon. C.M. SCRIVEN: The minister is referring to an ongoing program. My question was in regard to something that might replace the program that was cut—the China ambassador campaign.

The Hon. D.W. RIDGWAY: I was answering that we have an ongoing program that is working particularly well, and that is successful. He is a superstar in China and attracts a significant following on social media and he continues to deliver for the South Australian visitor economy. I repeat the previous answer: the team and the board and the hardworking executive team at the South Australian Tourism Commission have made a decision that they could sustain removing that particular Chinese ambassador program and still grow the visitor economy.

I think that is the underlying issue with this, that we are about trying to grow the visitor economy to meet more jobs and more spending in South Australia, and we are achieving that. At this point in time, I do not believe there are any firm decisions made to replace that particular program. Nonetheless, that will be an operational matter for the Tourism Commission to look at the figures. As our numbers continue to grow, I think they have made the right decisions.

The Hon. C.M. SCRIVEN: I refer to page 384, reviewing expenditure on advertising. What is the approval process for SATC promotions?

The Hon. D.W. RIDGWAY: We have an approvals process. All government advertising—tourism and all government agencies—goes through an approval process, which is the GCAC, I think it is called. That is a process that all advertising goes through. The Tourism Commission and other agencies put up their creative ideas and their advertising campaigns. The process involves registration, including a comprehensive communications plan; a submission of creative concepts,

including results from concept testing; followed by the submission of final creative and budgets with ministerial approval. It is quite an exhaustive process that it goes through, and it is not just the Tourism Commission, it is all government advertising.

The Hon. C.M. SCRIVEN: Can I confirm that GCAC signed off on all promotions within the minister's remit for the past period?

The Hon. D.W. RIDGWAY: In one sense, yes, but it has only been in place since 1 July. This is the Auditor-General's Report for up to 30 June this year. Effectively, this process was not in place during any of the time that we are looking at in this Auditor-General's Report.

The Hon. C.M. SCRIVEN: Can the minister advise what the approval process was for SATC promotions during the period related to the Auditor-General's Report?

The Hon. D.W. RIDGWAY: It was a similar process, I am advised. It was called the CAP process, which was a similar process, but this more formal GCAC one is the one that has been in place since 1 July.

The Hon. C.M. SCRIVEN: How many promotions were rejected or required amending due to feedback through the CAP process?

The Hon. D.W. RIDGWAY: We do not actually record that; in fact, I am advised that there were none.

The Hon. C.M. SCRIVEN: How many promotions have been rejected or required amending due to feedback from GCAC?

The Hon. D.W. RIDGWAY: That is not part of this. It was only in place from 1 July, and we are looking at the Auditor-General's Report until 30 June, so I do not think it is an appropriate question.

The Hon. C.M. SCRIVEN: You do not want to answer it?

The Hon. D.W. RIDGWAY: It is not part of the scope.

The Hon. C.M. SCRIVEN: As a rule, do you as minister, minister Ridgway, note promotions before they are sent for approval in either the previous process or the current one?

The Hon. D.W. RIDGWAY: I thank the member. I do not have any really formal process. We are briefed on what the themes of the promotions might be, but the final approval process is absolutely with GCAC, or CAP prior to that.

The Hon. C.M. SCRIVEN: On page 385, cuts to industry assistance, the Auditor noted that expenses are reduced due to cuts to 'payments to promote tourist access to South Australia and reduced event sponsorship expense'. Can you itemise exactly what has been cut?

The Hon. D.W. RIDGWAY: There are a number of factors. Additional state government funding was allocated to sponsorship for events such as the 2020 NRL State of Origin and the 2020 Hancock Prospecting Australian Swimming Championships, which this coming year will be the Olympic qualifiers. There was also the transfer of the Adelaide Convention Bureau's administrative funding to the Department for Trade, Tourism and Investment as per the Joyce review, and the retention of the convention bid fund to stage the World Routes conference in 2019 as well. The decrease in expenditure was also associated with a grant to Flinders Ports as a contribution towards the upgrade of the Port Adelaide Passenger Terminal and the implementations of savings and other minor variations.

The Hon. C.M. SCRIVEN: For further clarification—I was finding it a little hard to hear the minister—the question was about what specifically had been cut. Is that what he was answering?

The Hon. D.W. RIDGWAY: Can the honourable member provide the reference point in the Auditor-General's Report?

The Hon. C.M. SCRIVEN: It is page 385, cuts to industry assistance.

The Hon. D.W. RIDGWAY: I have the information. An increase in industry assistance, which is up to \$6.2 million, includes event sponsorship and tourism development grants, such as: a transfer

of the convention bid fund, as I said in my previous answer, to the Adelaide Convention Bureau; funding to the Department for Trade, Tourism and Investment; contractual arrangements with providers of transport access to South Australia of \$1.5 million; a net reduction in event sponsorship of \$2.2 million; and a decrease—

The Hon. C.M. SCRIVEN: Point of clarification: that is particularly what I quoted—the reduction in event sponsorship. I am asking: what has specifically been cut in event sponsorship?

The Hon. D.W. RIDGWAY: I think it is actually in the Auditor-General's Report. SATC—reduced payments to promote tourist access to South Australia and reduced event sponsorship. In 2018, the SATC sponsored the FIM Asia Road Racing Championship at Tailem Bend Motorsport Park as an event. If the member likes, and if that is not enough information for her, in the interest of continuing on with the examination of the report, I will take that component of her question on notice and provide her with a more detailed answer.

The Hon. C.M. SCRIVEN: Thank you. Minister, is that one item you mentioned the sole item? If not, if you can itemise the others on notice. I think you also mentioned reductions in transport access. Can you explain what that means?

The Hon. D.W. RIDGWAY: That relates to the arrangement with China Southern Airlines. Unfortunately, for the honourable member's benefit, all of the arrangements with China Southern Airlines are commercial-in-confidence so I cannot disclose the actual details, but that is related to that reduction in transport services. That reduction is because of the arrangement we have with China Southern.

The Hon. C.M. SCRIVEN: Is the minister saying that everything to do with the reduction in transport access is commercial-in-confidence?

The Hon. D.W. RIDGWAY: What I am saying is that that particular item in this year's Auditor-General's Report is solely in relation to our arrangement with China Southern Airlines, and the relationship and contractual arrangement with China Southern are commercial-in-confidence.

The Hon. C.M. SCRIVEN: Does that prevent the minister from advising the chamber about the nature of the access is that is being cut?

The Hon. D.W. RIDGWAY: It is actually not access that is being cut. When a government enters into an arrangement with an airline, there is a range of payments and contractual arrangements. Obviously, one of those was completed and fell due and so we are no longer required to pay it. That is why it is a cut. It is actually not a cut in services; it is one of the components of the contractual arrangements between China Southern and the South Australian government.

The Hon. C.M. SCRIVEN: I refer to page 383, in terms of the Superloop being an significant event. Has the government commenced negotiations on securing a new contract with Supercars Australia?

The Hon. D.W. RIDGWAY: I thank the honourable member for her question. The state government is committed to hosting the Superloop Adelaide 500 on the streets of Adelaide as a city-based circuit through 2021 and beyond. The SATC has an agreement with Supercars that ensures the Superloop Adelaide 500 is the first race of the season through to 2021. If there is a change to the overall calendar, SATC would work with Supercars to obtain the best results for our state.

There has previously been speculation around the potential to move the Superloop Adelaide 500 to Tailem Bend; the government does not support this. The Superloop Adelaide 500 and Supercar race at Tailem Bend (previously known as the OTR supersprint, and will be named 'The Bend OTR 500' in 2020) are very different offerings, and they are positioned in a way that is complementary to each other to gain the best economic benefits for South Australia. The SATC has begun discussions with Supercars about a new sanction agreement beyond 2021.

The Hon. C.M. SCRIVEN: When are those discussions likely to result in a new agreement? What time line can we expect?

The Hon. D.W. RIDGWAY: Sometime between now and 2021.

The Hon. C.M. SCRIVEN: Just on that last question, can the minister be any more specific than, 'Sometime between now and 2021'?

The Hon. D.W. RIDGWAY: For the honourable member's benefit, they are discussions that are held between SATC, Events SA and Supercars Australia, so I am not privy to those discussions. I know they have begun. I know that for all South Australians and the team at the SATC, the sooner we can arrive at a new arrangement the better it will be—we can plan for the future—but right now I do not have any time line. I can assure the chamber that the team at SATC and Events SA will be working particularly hard to come up with a resolution to that because it is Australia's largest domestic ticket motorsport event and something that we should be very proud of, and we are all working to retain it.

The CHAIR: We now move to the Minister for Human Services.

The Hon. C.M. SCRIVEN: My questions to the minister are referencing Part A, page 31. What is the current estimate of the 2019-20 operating deficit, and what are the main causes of that deficit?

The Hon. J.M.A. LENSINK: Perhaps if I could just clarify with the member that we are examining the 2018-19 Auditor-General Report, not the 2019-20 budget?

The Hon. C.M. SCRIVEN: I thank you for the correction; I think I have simply misquoted the number. It is the operating deficit mentioned on page 31 of Part A.

The Hon. J.M.A. LENSINK: The advice I have received is that the agency is just going through the Mid-Year Budget Review process, so we are happy to take that one on notice.

The Hon. C.M. SCRIVEN: This is in regard to the Auditor-General's Report which is referring to items presumably not to do with the upcoming Mid-Year Budget Review, so I cannot understand why the minister cannot answer that in regard to the Auditor-General's Report.

The Hon. J.M.A. LENSINK: Can you clarify which page reference you are looking at because we have agency reports for the South Australian Housing Trust that do not match that?

The Hon. C.M. SCRIVEN: Part A of the Auditor-General's Report, page 31.

The Hon. J.M.A. LENSINK: We have just got the agency reports before us. That starts on page 362.

The Hon. C.M. SCRIVEN: Yes, but we are looking at the entire Auditor-General's Report, and as they relate in this case to the operating deficits. It has been offered, minister, that someone could send you a screenshot, if you would like, if that would be helpful.

The Hon. J.M.A. LENSINK: No, we have found the reference. I am advised that these are accounting measures. The agency itself is in no worse off position. If the honourable member would like an exact figure, we will need to take that on notice.

The Hon. C.M. SCRIVEN: So we will not get questions in the Auditor-General's examination. Can the minister at least advise how this deficit compares to the previous financial year—not with a figure, if that is too difficult, but just a comparison?

The Hon. J.M.A. LENSINK: I will get some response to you, but I think the honourable member, rather than getting agitated about it, is comparing apples with oranges from the previous budget. The way that the authority has been funded has been through a significant grant, so it is very much an accounting treatment. The agency is no worse off.

The Hon. C.M. SCRIVEN: Can the minister explain then why a large annual operating deficit is expected—an explanation for the benefit of the chamber?

The Hon. J.M.A. LENSINK: If I can just try to explain the change in the funding arrangements, the financial statements in the comparability to previous periods have been significantly impacted by the revised funding arrangements of the South Australian Housing Trust. Under the revised arrangements, the South Australian Housing Trust received a one-off grant payment of \$602 million in 2018-19, which is an up-front payment of grants previously budgeted to be received over the four-year period 2019-20 to 2022-23.

This one-off grant payment was in addition to the trust's normal grant payments expected to be received in 2018-19, which included an increase as a result of homelessness grant funding. The South Australian Housing Trust will also receive additional equity injections totalling \$815 million from 2018-19 to 2022-23, reflecting the South Australian Housing Authority's budgeted capital program as well as funding requirements to support its viability.

These payments will replace grants included in national housing and homelessness agreement grants previously budgeted to be received over the four-year period 2019-20 to 2022-23. As a result of these changes, the trust will receive minimal grant revenue from 2019-20, resulting in large annual operating deficits over the forward estimates. It is the up-front payment that looks different to previous budgets.

The Hon. C.M. SCRIVEN: To clarify, the deficit will not be rectified in any of the next three financial years; is that correct?

The Hon. J.M.A. LENSINK: There is no need to rectify, if I can use the honourable member's word, because the up-front payments mean that the trust is not in any way in any worse a cash position over the forward estimates.

The Hon. C.M. SCRIVEN: Will all of those cash injections be spent on the building program? Is that the minister's response?

The Hon. J.M.A. LENSINK: The funding goes to all sorts of operations. It is capital, it is tenancy, it is operations, it is staff, it is all of the general operations of the Housing Authority that people would be familiar with.

The Hon. C.M. SCRIVEN: Is the minister saying that the deficit, although she does not like to use the term, will not have any impact on the Housing Trust's ability to deliver on its programs? Is that correct?

The Hon. J.M.A. LENSINK: Correct.

The Hon. C.M. SCRIVEN: Referring now to Part B, page 366, why has the South Australian Housing Trust not yet completed its assessment of the condition of its housing stock, and how much progress has been made towards completion?

The Hon. J.M.A. LENSINK: Just in relation to the asset inspection program it is worth remembering that it was the Auditor-General who brought to the attention of the community that the South Australian Housing Trust assets had not actually been audited since 2003. It was an election commitment of this government to undertake that audit process, which they started straightaway. We have some 34,000 properties in South Australia. In regard to the program, so far 21,000 social housing properties have been inspected, and the program of inspections is on schedule. The data is going to assist the authority to better understand basically what needs to be done to each of those properties and prioritise maintenance.

The Hon. C.M. SCRIVEN: My understanding is that the assessment began in February 2018 under the previous government.

The Hon. J.M.A. LENSINK: No.

The Hon. C.M. SCRIVEN: That is the information that I have. Could you tell me when it will be complete?

The Hon. J.M.A. LENSINK: The program certainly did not start under the previous government. It started after the election, and it is on schedule at the moment—34,000 properties, as the honourable member would appreciate, is a significant number to undertake site by site. We anticipate that it will be completed in 2020.

The Hon. C.M. SCRIVEN: Is that the financial year 2019-20 or the end of the calendar year?

The Hon. J.M.A. LENSINK: We anticipate that it will be closer to the end of the calendar year.

The Hon. C.M. SCRIVEN: I might also just direct the minister to—it is in the report that the program started in February 2018. Have any Housing Trust tenants made complaints following an asset check of their home?

The Hon. J.M.A. LENSINK: Is the honourable member referring to the inspection process itself or other annual checks, or what is she referring to specifically?

The Hon. C.M. SCRIVEN: I am referring to the assessment of the condition of the housing stock—continuing the same line of questioning.

The Hon. J.M.A. LENSINK: My understanding—and I do receive some via my office—is that some tenants do express concern because they are not sure why the authority is conducting a check. From memory I think one constituent letter came where the tenant was concerned that it was going to pre-empt the sale of their property, so we reassured that tenant that it was actually just to make sure that we knew what the condition of the property was rather than for that particular purpose. So we do get queries as to why it is happening.

Of course, there should be annual inspections of people's properties, which is more like a landlord's inspection, if you like. This is a specific asset inspection, so some people might find it a little bit more intrusive than what they are used to. I am aware from some of the correspondence that I have received that some people have expressed some concerns, but we have tried to allay them—that it is because it is in the best interests of ensuring that we have a safe and viable property for them to live in.

The Hon. C.M. SCRIVEN: Some of what the minister replied I could not quite hear a little earlier; did she tell me how many individual homes have been checked under the program? That is what I could not quite hear.

The Hon. J.M.A. LENSINK: It is over 21,000 so far.

The Hon. C.M. SCRIVEN: Page 373: if the Housing Trust has not yet completed its assessment of its housing stock, how is it able to work on the Renewing our Streets and Suburbs initiative with the goal of completing it next year, and what is the expected end date of the program?

The Hon. J.M.A. LENSINK: The honourable member may or may not be aware that the Renewing our Streets and Suburbs program commenced several years ago. It was December 2015, and I think it may well have been a Mid-Year Budget Review initiative, so that obviously predates when the asset inspection process took place. The Housing Trust does have some information about what the condition of its properties has been, but obviously the process it is undertaking will be much more complete and therefore, into the future, will provide a better prioritisation of what maintenance, refurbishment, etc., should take place. It has had some of that information in the past and can probably make some estimates also, based on the age of the property.

The CHAIR: I call on the Minister for Health and Wellbeing.

The Hon. C.M. SCRIVEN: I reference Part A: Executive Summary, 4.1.4, 'Reported reasons for the Central Adelaide Local Health Network Incorporated net result'. The Auditor-General notes that KordaMentha's initial contract term ended on Tuesday. Can the minister confirm the total contract length and value of the contract extension that KordaMentha is currently operating under?

The Hon. S.G. WADE: I am advised that it is a two-month extension at a value of \$3.6 million. We will confirm those facts and if the information I have just provided to you is not accurate, we will provide it to you.

The Hon. C.M. SCRIVEN: When will that be, if it needs to occur?

The Hon. S.G. WADE: I am happy to undertake to check it overnight.

The Hon. C.M. SCRIVEN: The Auditor-General further notes KordaMentha's KPI has included a \$30 million savings target between July and November. Did KordaMentha meet that KPI?

The Hon. S.G. WADE: KordaMentha, as part of the contract, must achieve agreed outcomes. The overarching themes for the recovery plan key performance indicators are service delivery and efficiency; people, culture and governance; information, evidence and insights; finance, cost and revenue management. I understand that KordaMentha has so far saved more than

\$100 million of taxpayers' money; \$57 million improvement against the forecast operating deficit at the end of June 2019 and a further \$48 million of benefits from improved controls and strategies. As I said, there are four themes for the KPIs. Of course, the KPIs are listed in detail within the contract, which is publicly available. But in terms of the detail, I will take the honourable member's question on notice.

The Hon. C.M. SCRIVEN: The Auditor-General notes PKF was reviewing KordaMentha's performance against the contract and, at the time of writing, PKF's findings were being reviewed by the government. Will the government publicly release PKF's findings?

The Hon. S.G. WADE: I am certainly not aware as to whether or not it is intended that that report be made public. I will take that on notice and bring back an answer for the honourable member.

The Hon. C.M. SCRIVEN: Did PKF conclude that KordaMentha was providing value for money?

The Hon. S.G. WADE: I am advised that in broad terms the PKF report found that KordaMentha was delivering value for money and also identified further work in terms of the future rollout of the recovery plan.

The Hon. C.M. SCRIVEN: The minister went into the various KPIs a little earlier, so without repeating that can he advise: did PKF conclude that KordaMentha met all of its KPIs and, if not, which KPIs did KordaMentha fail to meet?

The Hon. S.G. WADE: I certainly do not have that detail. I am happy to seek it.

The Hon. C.M. SCRIVEN: When will that detail be brought back to the chamber?

The Hon. S.G. WADE: In due course.

The Hon. C.M. SCRIVEN: Can the minister be more specific than 'in due course'? Is this something he thinks is valuable for the benefit of the chamber or something that needs to be kept secret? It is simply about KPIs and which ones were not met, if indeed any were not.

The Hon. S.G. WADE: I will certainly need to seek advice on the status of the document. In terms of KPIs, I think it is important to stress to the house that there have been clear improvements under KordaMentha's engagement with CALHN. For example, in October 2019, CALHN's average overnight length of stay was 5.3 days, which was 5.3 per cent lower than the same period last year, and agency use remains low and was 61 per cent lower in October 2019 compared to the same period last year.

The Hon. C.M. SCRIVEN: Has the minister seen the PKF report?

The Hon. S.G. WADE: I do not recall having seen it.

The Hon. C.M. SCRIVEN: So does the minister not know what recommendations PKF made on areas of improvement for KordaMentha?

The Hon. S.G. WADE: For the benefit of the honourable member, the PKF report, as I understand it, was not prepared for me, it was prepared for the reference committee or the steering committee. It was for their consideration in the tasks that they have.

The Hon. C.M. SCRIVEN: The Auditor-General reported, at the time of writing his report, that PKF's findings were being reviewed by the government. Is the minister saying that he does not consider it part of his business to know whether KordaMentha is meeting its KPIs, whether KordaMentha has improvements to make, and that that is none of his concern?

The Hon. S.G. WADE: I am acutely interested in the recovery in the central hospitals, governed by the Central Adelaide Local Health Network. This government is encouraged by some of the early advice in terms of what has been achieved not only by the KordaMentha team but in partnership with Lesley Dwyer, the CEO, and the new board. I regularly receive briefings. The processes are thorough. That is why PKF was commissioned to provide advice to the government. In terms of the Auditor-General's use of the term 'government', I am certainly humble enough to know that I am just one member of a 40,000-strong SA Health team.

The Hon. C.M. SCRIVEN: If the minister regularly receives briefings, why is it that he cannot recall what areas KordaMentha needs to improve in?

The Hon. S.G. WADE: I have nothing to add.

The CHAIR: The Hon. Ms Scriven, do you have any more questions?

The Hon. C.M. SCRIVEN: Yes, I do. Perhaps there might be some that the minister can answer. I refer to Part C, page 153, 'Financial recovery program'. The Auditor-General notes that under the first term contract SA Health had to notify KordaMentha by 25 August 2019 if it wished to extend their contract, and this had not occurred at the time of writing. What was the reason for the delay?

The Hon. S.G. WADE: I am not aware of any specific reason, but I will seek advice and provide it to the council.

The Hon. C.M. SCRIVEN: I reference Part A: Executive Summary, 4.3, 'Procurement of KordaMentha services by the Department for Health and Wellbeing'. Does the minister disagree with the Auditor-General's analysis of the KordaMentha procurement, that it was risky and should have been better managed?

The Hon. S.G. WADE: I have immense respect for the Auditor-General's expertise and advice, and I accept his observation.

The Hon. C.M. SCRIVEN: So it was risky and should have been better managed. Why did the government then extend the KordaMentha contract rather than going out to tender, given the significant concerns raised by the Auditor-General regarding the direct negotiation process for the first term?

The Hon. S.G. WADE: I am confident that all appropriate procurement processes are being engaged in in the next steps forward.

The Hon. C.M. SCRIVEN: Why has the KordaMentha contract only been extended for three months? Have the contract specifications or KPIs changed and have the savings targets been revised in any way?

The Hon. S.G. WADE: My understanding is that the extension has been for a short time so that further consideration can be given to the next steps and KordaMentha's role in that. I draw the Chair's attention to the fact that time has expired.

The CHAIR: In terms of time, I already ruled on that earlier today. I am taking into account some of the delays with previous ministers.

The Hon. C.M. SCRIVEN: Can the minister answer the second part of the question and the third: have the contract specifications or KPIs changed and have the savings targets been revised in any way?

The Hon. S.G. WADE: I am happy to take that on notice.

The CHAIR: One more question, the Hon. Ms Scriven.

The Hon. C.M. SCRIVEN: I appreciate your indulgence, Mr Chairman, given we have virtually had no answers whatsoever. Who made the decision not to go out to tender for this phase of the CALHN plan, and was the decision put before cabinet?

The Hon. S.G. WADE: I am happy to take that question on notice.

The CHAIR: Honourable members, the committee has considered the Auditor-General's Report.

Bills

LAND TAX (MISCELLANEOUS) AMENDMENT BILL

Committee Stage

In committee (resumed on motion).

The Hon. R.I. LUCAS: Can I crave the indulgence of the Chair and the committee just to indicate that it is the government's intention for the remainder of the land tax bill to be concluded in debate today and, if need be, into this evening. We would hope that that might not be necessary but, ultimately, we of course accept the democratic will of the Legislative Council.

At the outset, I did want to indicate a couple of things. In terms of discussions in relation to the land tax bill and the related associated matters, the government places on the public record that it is giving a commitment to an additional \$7.5 million per annum from 2020-21 to be spent on preventative maintenance and upgrade of existing public housing stock in the South Australian Housing Authority.

Secondly, the government is committing an additional \$2 million per annum from 2020-21 to increase the provision of emergency accommodation and transitional housing for people in need, including women and children affected by family violence and people experiencing homelessness.

Thirdly, the government is committing to a five-year trial for a scheme to provide a land tax exemption for private houses that are rented as affordable housing while they are managed by a community housing provider. The details of that scheme is as follows: its working title will be 'The affordable community housing land tax exemption pilot'.

From 1 March 2020, the government will introduce an affordable community housing land tax exemption pilot. Property owners may be eligible for ex gratia relief equivalent to the value of a land tax exemption when they rent their property through a registered community housing provider for affordable community housing purposes. This is a limited exemption available for a pilot period of five years for up to 100 South Australian properties in total over the pilot period.

The scheme is based on an existing two-year pilot scheme being carried out in the ACT, which commenced in March 2019. The ex gratia scheme will be administered by RevenueSA. The eligibility criteria will be as follows:

- to be eligible for ex gratia land tax relief, property owners must have entered into an agreement and maintained that agreement with a registered community housing provider to make their property available to tenants for the purpose of affordable community housing;
- the property must be rented to a party not related to the property owner at a rate that is less than 75 per cent of the current market rent;
- the property must be rented to a tenant or tenants who have low to moderate household incomes;
- the ex gratia relief will not apply if the property is not rented within three months after the date the property is made available under the agreement or, if rented, stops being rented for longer than three months under the agreement;
- the ex gratia land tax relief will apply from the next land tax assessment year, i.e., for a property leased through a community housing provider with an agreement in place from 1 March 2020, the property owner will be eligible for land tax relief from the 2020-21 land tax year; and
- ex gratia relief will not be available if the property is rented to a related party. A related party includes the property owner's parents, grandparents, brother, sister, uncle, aunt, nephew, niece, lineal descendant or adopted child or their spouse and their spouse's related parties, domestic partners and their relatives.

Treasury's estimated cost of this scheme is about \$400,000 per annum. At the end of the five-year pilot, it is proposed that the scheme and its effectiveness will be reviewed. I understand that it will be informed by a review that will be conducted of the ACT pilot scheme which, as I said, is only a two-year scheme that will have concluded sometime prior to this particular scheme.

Further, the government has committed to mandate universal design as a building and design standard for 75 per cent of all new public housing. The government has committed to install solar panels on a minimum of 75 per cent of all suitable public housing. The government will clarify

that land subject to heritage agreements under the Native Vegetation Act is exempt from land tax. An amendment has been or is being circulated to that effect, and I will speak to that in greater detail when I move it.

Finally, the government has committed to install batteries, together with solar panels, on a minimum of 75 per cent of new public housing. With that, I thank the committee for its indulgence and indicate, as I said at the outset, that it is the government's intention to finalise the debate one way or another in the Legislative Council, hopefully this afternoon but, if not, certainly sometime this evening.

Clauses 2 to 4 passed.

Clause 5.

The Hon. C.M. SCRIVEN: I will state at the outset that it is not the opposition's intention to delay the bill, but there are some queries that potentially indicate drafting errors, which it would be useful to clarify. In clause 5, paragraph (b) of the definition of 'beneficiary', it states that a discretion conferred 'under the trust' is not exercised. As a trust is not something that can confer a discretion, should that actually read 'under the terms of the trust' as it does at the start of the definition?

The Hon. R.I. LUCAS: My quick glance at parliamentary counsel, as my legal advice, is that that is not an issue of concern to the government in relation to the clarity of the definition of 'beneficiary'.

The Hon. C.M. SCRIVEN: I simply leave that on the record as a query. In the definition of 'concessional trust', can you advise what provision of the Guardianship and Administration Act 1993 creates a trust under a guardianship order? I thought a guardianship order was simply in regard to covering care and welfare. I do have a similar question, so perhaps I will put that question now, as it is very much related: can you advise what provision of the Guardianship and Administration Act 1993 creates a trust under an administration order?

The Hon. R.I. LUCAS: My legal advice is that the Guardianship and Administration Act does not create a trust. The clause itself says:

- (a) a trust of which each beneficiary is—
 - (i) a person in respect of...

As such, it is not actually my advice that the Guardianship and Administration Act in and of itself does not create the trust.

The Hon. C.M. SCRIVEN: In terms of the definition of 'discretionary trust', paragraph (a) refers to 'a person' making a determination, whereas in other parts of the bill it correctly refers to a 'trustee'. My query is: is that an intentional change? Is the drafting intentionally trying to create some distinction in statutory interpretation, or indeed is it simply a drafting error? Who else, apart from the trustee, can make such a determination?

The Hon. R.I. LUCAS: My legal advice is that it does not really matter; it can be read as either 'person' or 'trustee'. Can I use the word 'interchangeable'? I thought I might have been going too far beyond my legal advice, but anyway, they are in and of the same. Parliamentary counsel are quite happy with 'person' or 'trustee' as to mean the same thing.

The Hon. C.M. SCRIVEN: For the record, can you just confirm—which I think is what you have just said—that there is no intention to create a distinction in statutory interpretation by using 'person' or 'trustee'?

The Hon. R.I. LUCAS: I am advised no.

The Hon. C.M. SCRIVEN: Is there intended to be any difference in the use of the language of making a determination versus exercising a discretion, as is the usual situation in a discretionary trust?

The Hon. R.I. LUCAS: My legal advice is no.

The Hon. C.M. SCRIVEN: This may or may not be something of significance, but, again, just to get it on the record, can you explain what is meant in paragraph (b) of the discretionary trust

definition when it refers to 'a discretion conferred under the trust is not exercised', given that a trust is not something itself than can confer a discretion? Or should it read under the 'terms of the trust' as it does at the beginning of the definition?

The Hon. R.I. LUCAS: My advice is that the answer that I should give to this question is very similar to the answer I gave you to the first question. If that assists the honourable member at all—I am not sure.

The Hon. C.M. SCRIVEN: For clarification, there is no intention to make a distinction?

The Hon. R.I. LUCAS: My legal advice is no.

The Hon. C.M. SCRIVEN: In paragraph (d) of the excluded trust definition it refers to a 'tax year'. Is that tax year defined anywhere in particular, or should that be 'financial year' as is consistently used through the Land Tax Act, and it is actually used in this bill under the superannuation trust definition? Again, is there intended to be a difference?

The Hon. R.I. LUCAS: We would take that to have its ordinary meaning, which would be tax year or financial year.

The Hon. C.M. SCRIVEN: I am coming towards the end of clause 5 queries. Can the Treasurer explain the rationale behind the definition of 'widely held trust' and the reduction from the 300 unit holders in the Stamp Duties Act to 50 unit holders for the purposes of this bill? This is in relation to the unit trust scheme definition and subsequent lines.

The Hon. R.I. LUCAS: I am advised that this is a good thing, supposedly, and that is that a widely held trust will be one that has 50 unit holders, and in that circumstance they will not be subject to the higher surcharge, whereas if it was 300 unit holders, that would be more restrictive. That is the advice I have.

The Hon. C.M. SCRIVEN: More restrictive in what way?

The Hon. R.I. LUCAS: Not being eligible for the surcharge. In that way, if you have more than 50 unit holders you are subject to the general rates and not to the surcharge, as opposed to 300.

Clause passed.

Clause 6 passed.

Suggested new clause 6A.

The Hon. R.I. LUCAS: I move:

Amendment No 1 [Treasurer–2]—

Page 7, after line 27—Insert:

6A—Amendment of section 4—Imposition of land tax

Section 4(1)—after paragraph (b) insert:

(ba) land that is subject to a heritage agreement under the *Native Vegetation Act 1991* that is noted against the relevant instrument of title, or against the land, in accordance with section 23B(3) of that Act;

In speaking to the amendment, this amendment has been moved, I think, speaking frankly, in an excess of caution. It is clarifying what we believe the intent of the law to be, but there has been some question raised about it, that is, that land that is subject to a heritage agreement under the Native Vegetation Act, in the terms of that particular amendment as to whether or not it is or is not subject to land tax. In terms of the Treasury investigation of this particular issue, given that there is a significant number of pieces of land—the Hon. Mr Parnell probably knows the numbers better than I—it was impossible to be able to work through the actual land tax circumstances of every one of them.

From the government's viewpoint, when this issue was raised, certainly the advice I had was that we believe it was not the intention, it was not the expectation, but the reality is that we were not able to definitely rule out the fact that maybe there were some being subject to land tax. We obviously

think, given other initiatives that have been announced by the government in recent days, that these sorts of agreements are a good thing in terms of protecting native vegetation, and so from a government policy viewpoint we are entirely sympathetic to the view that if there is ever any doubt about this issue it ought to be clarified.

As I said, I suspect the Hon. Mr Parnell may well know a bit more about the numbers of pieces of land, and I will bow to his greater expertise should he choose to speak to this particular amendment. Nevertheless, I have moved it, and I recommend it to the committee.

The Hon. M.C. PARNELL: I rise to strongly support this amendment. As the Treasurer said, my understanding is that the practice, over many years, has been that people who make the altruistic decision to protect some of their private property in perpetuity for conservation purposes have not been charged land tax.

What we are talking about are people who enter what is known as heritage agreements with the Minister for Environment. Effectively, that is private bushland, if we like. It might be part of a farming property, but it is bushland, and the agreement between the landholder and the environment minister is that the landholder agrees to protect the natural values of that area. Usually, that means excluding stock, so you are not having sheep and cattle grazing in there; you basically have private bushland being conserved and protected for conservation.

I think if you went down Rundle Mall and did a vox pop and asked people whether someone who has made that altruistic decision should be taxed on their land or rated by their local council, most people would say, 'No, they've done the right thing. They've added to the conservation estate of our state of South Australia.' The government has not had to buy the land, but it is effectively a private conservation park.

Now, my reading of the Land Tax Act over recent days and hours suggests that it is effectively a discretion as to whether or not to charge land tax. Certainly, it is possible to exempt, and I think the practice has been to exempt, but it is not stated in black and white that the people who have made that altruistic decision to protect their bushland will be exempted from land tax on that particular parcel. What is in the act is a provision for non-profit conservation groups, for example. A good example would be Birdlife Australia. I was up at their Gluepot Reserve, birdwatching, a few weekends ago. They are protecting their land. There are other people in the Adelaide Hills who have protected usually large areas of bushland and they are not specifically provided for in the act.

So I think, yes, the minister is correct that this could be clarifying what is the status quo; it is putting it into law. But most importantly, when we look at this measure in conjunction with the concession that the Greens extracted from the government some time ago in relation to reinstating the fund to provide grants to people in relation to their heritage agreements—when you put those two things together—there is now a very clear incentive to people who have bushland on their property to go to the environment minister and say, 'Look, I'm interested in passing this bushland down to future generations. I want to make sure it is protected in perpetuity. I am happy for it to go on the certificate of title.'

They might put their hand out and say, 'Look, if you can sling me a few bucks for fencing to keep the sheep out, that'd be really helpful as well.' And as part of the incentive package, if this amendment passes, it will now be written into the act in black and white that you do not have to pay land tax on that particular parcel of land. I think it goes a little bit beyond abundance of caution. I think it actually provides a real incentive to people who have this quality bushland on their private property to sign up for heritage agreements and see it protected. So I think this is a very worthwhile amendment.

The Hon. J.A. DARLEY: I will be supporting this amendment, but if I could just explain: we have a heritage agreement on native vegetation. The Valuer-General ascribes no value to it at all in terms of site value.

The CHAIR: Just for the benefit of members, particularly those that are young in the chamber, none of these amendments are actually of the normal kind; we are actually only making suggested amendments throughout here. So even though I am using sometimes the word 'amendment', and so is the Treasurer, we both mean—all of us should mean—'suggested

amendment', because only the House of Assembly, after the settlement between the two houses, has the right to pass money clauses.

Suggested new clause inserted.

Clause 7 passed.

Clause 8.

The Hon. C.M. SCRIVEN: Can the Treasurer advise: is there any time limit on how far the commissioner can go back in imposing land tax assessments once she, or in future potentially he or she, forms the requisite intention?

The Hon. R.I. LUCAS: I am advised five years.

The Hon. C.M. SCRIVEN: Can the Treasurer advise if there are any penalties or interest that would then apply on a retrospective land tax assessment and, if so, what are they and what interest rate would apply?

The Hon. R.I. LUCAS: There are penalties. It is a decision of the commissioner, so I am advised, and it depends on her judgement in relation to culpability. Having seen some of the decisions that have been appealed or complained about, sometimes at the lower end, the commissioner may well have formed the view that there were circumstances beyond someone's control, or whatever it is, but in other circumstances where the commissioner makes a determination that someone was deliberately intending not to pay, or whatever it was, in terms of culpability the penalty would be at the higher end.

The Hon. C.M. SCRIVEN: That answers the question in regard to the penalty but what about in terms of interest?

The Hon. R.I. LUCAS: I am advised that it is exactly the same. The commissioner has that discretion both in relation to the penalty and in relation to the interest. She will make her decision in relation to her view of the culpability and she will impose penalties within the act in relation to both penalty and interest.

The Hon. C.M. SCRIVEN: Is that whether interest applies, or does she also have the discretion of interest at what rate?

The Hon. R.I. LUCAS: The interest rate is set each year but it cannot be differentially applied to different taxpayers. You cannot whack someone with a 50 per cent interest rate penalty and someone with a 5 per cent interest rate penalty.

The Hon. C.M. SCRIVEN: In the example, if the commissioner did go back five years, potentially there are different interest rates applicable to each of those years and they would have been interest rates that were gazetted in the year that is relevant; is that correct?

The Hon. R.I. LUCAS: My advice is yes.

The Hon. C.M. SCRIVEN: What avenues are available to taxpayers who disagree with the commissioner's opinion or decision?

The Hon. R.I. LUCAS: They can write to the commissioner in the first instance to see whether or not the commissioner will change her mind and then they have the right to appeal to me, as the fair, compassionate and independent Treasurer of the state, in relation to it.

The Hon. C.M. SCRIVEN: In the appeal to the fair and compassionate Treasurer—or indeed to yourself, the Hon. Mr Lucas, whichever one happens to be in office at the time—is there any further right of appeal following that?

The Hon. R.I. LUCAS: Yes, they can then appeal against my determination to the Supreme Court.

Clause passed.

Clauses 9 to 11 passed.

Clause 12.

The Hon. R.I. LUCAS: I move:

Amendment No 1 [Treasurer-1]—

Page 10, line 35 [clause 12(1), inserted subsection (1)]—Delete 'for the 2020-21' and substitute:

clause 2 for the 2020-21 and 2021-22 financial years and in accordance with the table in Schedule 1 Part 2 clause 3 for the 2022-23

Amendment No 2 [Treasurer-1]—

Page 11, line 3 [clause 12(1), inserted subsection (1a)]—Delete 'for the 2020-21' and substitute:

clause 4 for the 2020-21 and 2021-22 financial years and in accordance with the table in Schedule 1 Part 3 clause 5 for the 2022-23

This has been well discussed during the debate on this, but let me explain it. This amendment, in conjunction with amendment No. 8, seeks to amend the general land tax rates. It will see a reduction in the existing 1.65 per cent marginal tax rate for the taxable value of land between around \$755,000 and \$1.1 million to 1.25 per cent in 2020-21 and 2021-22, and it will then be reduced further to 1.0 per cent for 2022-23. These amendments will provide further relief to taxpayers. I do not believe I need to further expand on it as it has been much debated.

The Hon. C.M. SCRIVEN: Mine is a question which relates to a number of amendments, so I hope the Treasurer is happy to answer. Can he provide an estimated cost for each element of the extra measures that he announced yesterday and today?

The Hon. R.I. LUCAS: I do not believe I can answer all of those questions but I am happy to take it on notice and provide an answer in writing to the honourable member. But I can provide some detail here. The tax cuts for affordable housing development via ex gratia relief are estimated to be about \$2 million a year. The tax cuts for expanded company de-grouping for residential developments are estimated to be about \$2 million per year. The transition fund, which I think I have already put on the public record, is \$25 million over three years: \$13 million, \$8 million and \$4 million.

Bear in mind, of course, that that is subject to eligibility and also to application. Treasury would obviously assume that everyone is going to apply who is eligible, and that might not be the case in terms of that, so that is an estimate. The estimate of the combination of the tax rate reductions and the threshold reductions is about \$15 million a year in the first two years and \$31 million in the third year. But I am happy to see what further information I might be able to take on notice should the bill pass and provide further information to the member. That should give her a fair indication.

The Hon. M.C. PARNELL: I am in the committee's hands. I have amendments filed to clause 12, so I think we probably need to deal with those now. I want to tell the committee that I will not be moving those amendments and I will take a few moments to place on the record my reason for that. The amendments to clause 12 that I had filed were the same amendments that Frances Bedford in another place filed. They did not find favour with that chamber and my guess is they would not have found favour here either.

These were amendments that I had intended to move on behalf of SACOSS. SACOSS was proposing that the government bill be amended to change the tax scale so that the top rate of 2.9 per cent would apply to landholdings over \$5 million and that the government's 2.4 per cent rate would only apply to properties between \$1.1 million and \$5 million. SACOSS was also very keen to see a doubling of the surcharge on trusts to an additional 1 per cent and, most importantly, they were keen to see the revenue retained by these measures, which they calculated to be approximately \$40 million, to be invested in the maintenance and expansion of public and community housing.

Since I filed these amendments, planet Earth has turned around a few times. As a result of other negotiations with other parties, there has been other movement on the tax rates, and we will be hearing a bit more about those in other parts of clause 12. But I certainly wanted to put those thoughts on the record to make it clear that the Greens do not resile from our preference and we think that the amendments we had filed would have been a better way to go. We support the rationale that SACOSS gave for putting them forward.

We are disappointed with the way negotiations have gone over several weeks, months even, which have not involved the Greens, that they have now become a little bit redundant. However, I

want to make the point that a progressive land tax scale of rates is still very much a part of what the Greens want to achieve. It appears that the tax rates that we are likely to legislate through this bill are somewhat flatter than the Greens would like.

Nevertheless, there have been a number of other announcements both in relation to the bill and outside the bill that do go to affordable housing and other measures, and I will have some things to say about those later. For the benefit of the committee, I wanted to clarify that I will not be moving any of the amendments that I filed, which were to clauses 12, a new clause 17A and to clause 18. I will not be moving any of those amendments.

Suggested amendments carried.

The Hon. R.I. LUCAS: I move:

Amendment No 3 [Treasurer-1]—

Page 11, table after line 34 [clause 12(4), inserted subsection (3a), table]—Delete '\$1,600,000' wherever occurring in the table and substitute in each case '\$2,000,000'

Again, we have had debate on this, but let me explain it quickly. The threshold for the top marginal tax rate of 2.4 per cent for non-trust land under the current bill is set at \$1.35 million in 2020-21 and 2021-22, increasing to \$1.6 million from 2022-23. This amendment seeks to increase the threshold for the top marginal tax rate from \$1.6 million to \$2 million from 2022-23. The amendment will provide further relief to taxpayers.

Suggested amendment carried.

The Hon. R.I. LUCAS: I move:

Amendment No 4 [Treasurer-1]—

Page 12, formula after line 4 [clause 12(4), inserted subsection (3b), formula]—Delete '\$1,600,000' and substitute '\$2,000,000'

This amendment, in conjunction with amendment No. 3, seeks to index annually the top threshold of \$2 million in 2023-24 and subsequent financial years, in line with existing threshold indexation practices in the act.

Suggested amendment carried; clause as suggested to be amended passed.

Clause 13.

The Hon. R.I. LUCAS: I move:

Amendment No 5 [Treasurer-1]—

Page 19, line 22 [clause 13, inserted section 13A(1)]—Delete '2020' and substitute '2021'

This amendment seeks to extend the period of time available to a trustee of a discretionary trust to nominate a designated beneficiary. The date will be extended from 30 June 2020 to 30 June 2021. This will allow trustees and taxpayers a longer period to consider their options under the new arrangements. For nominations made during 2020-21, a trustee can elect if the nomination will take effect from 2020-21 or the following year. The nomination of a designated beneficiary will continue to be an optional measure and all other nomination requirements continue to apply.

I must admit, there was a coalition of various people who have suggested this amendment to me over time: the Hon. Mr Darley was one, a member of the Labor opposition during a briefing session was another, as were the member for Colton and a number of my other colleagues, together with some other stakeholders and legal groups. For the reasons I have outlined, I am pleased to move this amendment.

The Hon. C.M. SCRIVEN: Could the Treasurer advise the chamber of the cost of the exemption for land being held for the purpose of being developed as a residential development of more than 10 allotments or lots?

The Hon. R.I. LUCAS: My advice is about \$2 million per year.

Suggested amendment carried.

The Hon. R.I. LUCAS: I move:

Amendment No 6 [Treasurer–1]—

Page 28, line 25 [clause 13, inserted section 13J(5)]—Delete 'because of the operation of section 13G(5)'

Amendment No 7 [Treasurer–1]—

Page 28, lines 31 to 34 [clause 13, inserted section 13J(6)(a)]—Delete paragraph (a) and substitute:

- (a) that the land is being held for the purpose of being developed as a residential development of more than 10 allotments or lots; and

The current bill includes provision for the Commissioner of State Taxation to de-group property developers from the corporation grouping provisions where land is being held in a fixed or unit trust and treated as a related corporation and, due to proposed section 13G(5), subject to certain criteria. This amendment, in conjunction with amendment No. 7, is seeking to expand the provisions to include all corporations holding land for the purposes of residential development of 10 or more allotments or lots, not just those corporations treated as a related corporation due to the operation of proposed section 13G(5).

This will allow developers, who have not structured their affairs using trusts to also be eligible for the exemption. The existing criteria for the de-grouping provision will continue to apply, including the exemption being available for an initial maximum period of up to five years and development commencing within two years of application, unless the commissioner considers an alternative period is required.

If I can speak briefly to amendment No. 7. The housing industry in particular has expressed concerns about the slowness of the property market, etc. One of the concerns they were expressing was that, for greenfield and brownfield developments, particularly in relation to 10 allotments or more, the capacity for some of the changes that the government has envisaged are potentially putting a bit of a handbrake on greenfield and brownfield residential developments. Certainly, the government would not wish that to occur.

Equally, we did not want to see a situation where people could use this particular provision for land banking provisions; that is, sit on vacant land for, in some cases, decades, as the Hon. Mr Darley and others would know, and not develop the land and not be paying any land tax on it. This was the position arrived at after a lot of discussion with a number of industry stakeholder groups. From this particular viewpoint, we believe it prevents the circumstances that many were envisaging, that perhaps it would be a significant handbrake on greenfield and brownfield residential developments. I am pleased to move amendments Nos 6 and 7 standing in my name.

Suggested amendments carried; clause as suggested to be amended passed.

Clauses 14 to 17 passed.

Clause 18.

The Hon. R.I. LUCAS: I move:

Amendment No 8 [Treasurer–1]—

Page 31, lines 1 to 12 [clause 18, inserted Schedule 1, Parts 2 and 3]—Delete Parts 2 and 3 and substitute:

Part 2—Scales of land tax

2—2020-21 and 2021-22

Land tax for the 2020-21 financial year and the 2021-22 financial year is calculated on the basis of the taxable value of the land in accordance with the following table:

Taxable value of land	Amount of tax
Not exceeding Threshold A	Nil
Exceeding Threshold A but not exceeding Threshold B	\$0.50 for every \$100 or fractional part of \$100 over Threshold A
Exceeding Threshold B but not exceeding Threshold C	LT (TB) plus \$1.25 for every \$100 or fractional part of \$100 over Threshold B
Exceeding Threshold C but not exceeding Threshold D	LT (TC) plus \$2.00 for every \$100 or fractional part of \$100 over Threshold C

Taxable value of land	Amount of tax
Exceeding Threshold D	LT (TD) plus \$2.40 for every \$100 or fractional part of \$100 over Threshold D

3—2022-23 and subsequent years

Land tax for the 2022-23 financial year and for each subsequent financial year is calculated on the basis of the taxable value of the land in accordance with the following table:

Taxable value of land	Amount of tax
Not exceeding Threshold A	Nil
Exceeding Threshold A but not exceeding Threshold B	\$0.50 for every \$100 or fractional part of \$100 over Threshold A
Exceeding Threshold B but not exceeding Threshold C	LT (TB) plus \$1.00 for every \$100 or fractional part of \$100 over Threshold B
Exceeding Threshold C but not exceeding Threshold D	LT (TC) plus \$2.00 for every \$100 or fractional part of \$100 over Threshold C
Exceeding Threshold D	LT (TD) plus \$2.40 for every \$100 or fractional part of \$100 over Threshold D

Part 3—Scales of land tax for trusts

4—2020-21 and 2021-22 (trusts)

Land tax for the 2020-21 financial year and the 2021-22 financial year is calculated on the basis of the taxable value of the land in accordance with the following table:

Taxable value of land	Amount of tax
Not exceeding \$25,000	Nil
Exceeding \$25,000 but not exceeding Threshold A	\$125 plus \$0.50 for every \$100 or fractional part of \$100 over \$25,000
Exceeding Threshold A but not exceeding Threshold B	LT (TA) plus \$1.00 for every \$100 or fractional part of \$100 over Threshold A
Exceeding Threshold B but not exceeding Threshold C	LT (TB) plus \$1.75 for every \$100 or fractional part of \$100 over Threshold B
Exceeding Threshold C but not exceeding Threshold D	LT (TC) plus \$2.40 for every \$100 or fractional part of \$100 over Threshold C
Exceeding Threshold D	LT (TD) plus \$2.40 for every \$100 or fractional part of \$100 over Threshold D

5—2022-23 and subsequent years (trusts)

Land tax for the 2022-23 financial year and for each subsequent financial year is calculated on the basis of the taxable value of the land in accordance with the following table:

Taxable value of land	Amount of tax
Not exceeding \$25,000	Nil
Exceeding \$25,000 but not exceeding Threshold A	\$125 plus \$0.50 for every \$100 or fractional part of \$100 over \$25,000
Exceeding Threshold A but not exceeding Threshold B	LT (TA) plus \$1.00 for every \$100 or fractional part of \$100 over Threshold A
Exceeding Threshold B but not exceeding Threshold C	LT (TB) plus \$1.50 for every \$100 or fractional part of \$100 over Threshold B
Exceeding Threshold C but not exceeding Threshold D	LT (TC) plus \$2.40 for every \$100 or fractional part of \$100 over Threshold C
Exceeding Threshold D	LT (TD) plus \$2.40 for every \$100 or fractional part of \$100 over Threshold D

Again, this amendment has been well discussed previously, but let me explain it specifically. This amendment, in conjunction with amendments Nos 1 and 2, seeks to reduce the existing 1.65 per cent marginal tax rate for the taxable value of land between around \$755,000 and \$1.1 million to 1.25 per cent in 2020-21 and 2021-22. It will then be reduced further to 1 per cent from 2022-23. For land held in trust and subject to the higher rates of land tax, the proposed 2.15 per cent marginal tax rate for the taxable value of land between around \$755,000 and \$1.1 million will be reduced to

1.75 per cent in 2020-21 and 2021-22. It will then be reduced further to 1.5 per cent from 2022-23. I commend the amendment to the committee.

The Hon. C.M. SCRIVEN: A question on clause 18: compared with the current land tax regime, what is the cost of changing the scales in the financial year 2020-21?

The Hon. R.I. LUCAS: On the very last clause and the very last amendment, you may well have stumped my advisers. They will have to work that out and calculate it. I do not propose to delay the committee for that, so I will take the question on notice. I am happy to write a letter to the honourable member and give her, box and dice, the estimated cost.

The Hon. C.M. SCRIVEN: Could the Treasurer indicate how soon that letter would arrive? I suggest he does not use Australia Post.

The Hon. R.I. LUCAS: I suspect I will be able to send it to the honourable member tomorrow; how about that?

The Hon. C.M. SCRIVEN: Thank you. In that case, I assume he would like to treat the next two questions in the same way: compared with the current land tax regime, what is the cost of changing the scales in 2021-22 and, similarly, in the year 2022-23?

The Hon. R.I. LUCAS: I will certainly take that on notice and, hopefully, include all of that in the letter to the honourable member tomorrow.

Suggested amendment carried; clause as suggested to be amended passed.

Remaining clause (19), schedule and title passed.

Bill reported with suggested amendments.

Third Reading

The Hon. R.I. LUCAS (Treasurer) (17:23): I move:

That this bill be now read a third time.

I know this has been a long process. Members talked about weeks and months, and it seemed like years on occasions. Can I thank honourable members in the committee for the respectful way the debate has been conducted in the chamber. Can I thank those members with whom I have engaged over, as I said, what seems like years, but it was months. I thank them again for the respectful debate.

In the end, some of us have ended up on different sides of the view in relation to the legislation; nevertheless, the discussions in this chamber, anyway, have been conducted respectfully. I am not sure whether that has always been the case in the public arena—I am not talking about the members; I am talking about others—but I do thank members for their contribution to the debate. I look forward to the speedy passage of the third reading.

The council divided on the third reading:

Ayes 10
Noes 9
Majority 1

AYES

Darley, J.A.
Hood, D.G.E.
Lucas, R.I. (teller)
Stephens, T.J.

Dawkins, J.S.L.
Lee, J.S.
Parnell, M.C.

Franks, T.A.
Lensink, J.M.A.
Ridgway, D.W.

NOES

Bonaros, C.
Hunter, I.K.
Pnevmatikos, I.

Bourke, E.S.
Ngo, T.T.
Scriven, C.M.

Hanson, J.E.
Pangallo, F. (teller)
Wortley, R.P.

PAIRS

Wade, S.G.

Maher, K.J.

Third reading thus carried; bill passed.

**ARCHITECTURAL PRACTICE (CONTINUING PROFESSIONAL DEVELOPMENT)
AMENDMENT BILL**

Second Reading

Adjourned debate on second reading.

(Continued from 26 November 2019.)

The Hon. F. PANGALLO (17:30): I rise to indicate SA-Best's support for this bill and that we are also pleased to see its speedy progress through parliament. Frankly, I am surprised that the Architectural Practice Act 2009 did not already mandate continuing professional development as a condition of ongoing registration as a practising architect in South Australia, given that all the architectural registration boards agreed to this initiative in 2006.

Public confidence in the wide range of professions and trades involved in our building industry has been severely shaken in recent years, as the national Building Ministers' Forum's Shergold Weir report into building confidence and media about substandard building standards and materials have identified. This bill should assist architects to protect and maintain their standards of professional conduct to increase public confidence in the construction industry.

However, the bill only deals with one profession within the building supply chain and highlights the need to prescribe continuing professional development for all those in the construction industry, from developers through to planners, building surveyors and certifiers, fire safety and other engineers, tradespeople, and licensed builders. So why are we only just dealing with architects here?

Architects tell me the issue is often clouded by the builders they need to deal with, specifically when it comes to novated contracts. I have spoken with one I have known for more than 40 years and he is extremely well respected in the state. He says the novated contracts force architects to work for and under the control of the builder. How is it beneficial to force personal development on an architect who then may be forced to do the will of the builder, who has not done personal development?

Architects may be made to make cost cuts against their best judgement just to retain the commission they receive on projects. Further personal development should most definitely be mandated on building designers and draftsmen of all types. In Australia, there are not enough controls over these design practitioners. These people can design multistorey buildings. They need to be included in this personal development bill.

The detail of what is done under personal development also needs addressing. It is not serious if only the concept is enacted. This includes things like meaningless seminars, paying lip service, or studying how carpet is made or how tiles are laid. It should be about construction detail, cost benefit, material selection, building life cycle issues like repairs and maintenance during the economic life of the building, the effect of certain materials on the environment, thermal issues, orientation of the building, fenestration and on it goes.

Whilst the national Shergold Weir report identifies a range of deficiencies that jeopardise the public's confidence in the building industry, finding that there was no effective regulatory oversight of the commercial building industry, we have plenty of South Australian examples of the nature and extent of failures of those professions and the need for better compliance and enforcement of various licensing and accreditation, as well as the need for improved education, training and ongoing professional development.

My office is confronted on a daily basis with horror stories of the huge financial and emotional costs of the failures of building companies, such as Coast to Coast Homes, which went into

administration with unfinished and underinsured houses, some of which were completed only to the concrete slab stage, leaving the poor homebuyer with an uninsured and incomplete project that they will somehow have to sell or finish via another builder. Worse still is where the building company goes into administration or ceases to trade and the workmanship on the work they have completed is shown to be completely substandard and in some cases has prevented occupation of the home for years.

It is still far too easy for an unqualified person to gain a builder's licence and undertake significant construction work. Take the case of Coast to Coast, run by an unqualified builder called Steven Craven, one of the worst dodgy builders I have come across—and I have exposed a few in my time. He has left a trail of destruction, materially, in the rubbish he built and in the mental and financial anguish he has left on the home owners, as well as some of the tradies he exploited who now have to wear the cost of unpaid work and materials.

One constituent who came to see me has been forced to move into their incomplete and fault-riddled house because they have nowhere to go. The repair bill is more than \$200,000. Insurance the builder had taken out covers only \$80,000. What is even more disturbing is the lack of action from our supposed consumer watchdog, Consumer and Business Affairs, a watchdog with no teeth and with a meek bark. This constituent had raised the alarm about Coast to Coast at least 18 months before it went bust. How can they get away with unlicensed and unqualified work on the home, not built to architectural plan drawings or the required standards, for example, inadequate roof trusses?

Then there is the case of SA Quality Home Improvements, whose owner-director, Mr Vincent Barry, sold the operations of the business and placed the corporate entity under external administration, owing creditors more than \$1 million. You might recall their incessant annoying TV ads. This family-owned business described itself as the most experienced and trusted home improvement company in Adelaide and South Australia. There have been some unhappy clients who would question that claim, like Nouveau Homes. Here is what managing director Jonathan Slee had to say about them in a post to the Master Builders Association six months ago:

SA Quality Home Improvements were the roofing and guttering contractor for a residential medium density project we built in metropolitan Adelaide. During construction, we had a substantial leak and since hand-over, a further 3 leaks have been identified. SA Quality Home Improvements have failed to reimburse our expense to rectify the defects resulting from their sub-standard workmanship. SA Quality Home Improvements construction manager refuses to return our phone calls or reply to our emails. Needless to say, we have not and will not use SA Quality Home Improvements again as the values and principles you would expect from a reputable business are non-existent. Are these the values and principles you would like to see when deciding which business to proceed with for your next home improvement project?

In late September, Quality Roofing Services, trading as SA Quality Home Improvements, offloaded contracts and transferred staff to a newly created WPC Home Improvements, all this going on while legal action and cost recovery against Mr Barry's company, QRS, were still afoot. Yet, the company director, Mr Barry, sent a letter to customers explaining his 'exciting news'. Let me quote from his letter:

I would like to point out that my reasoning for this change is to get all our projects promptly and expertly installed, achieve the best possible outcome for all our clients, continue strong relationships with our suppliers and maintain ongoing employment for our loyal and valued employees.

You will still get the same quality goods from the same quality suppliers, you will still be dealing with the same company representative, the same company project manager and your project will still be installed by our existing expert building crews and WPC HI will be trading from the three existing SA Quality Home Improvements display centres six days a week so you will always have great access to our staff for ongoing service.

How convenient. Only the owner has changed, with everything else unchanged. The demise of QRS/SAQ could not entirely be blamed on the downturn in the building industry, as Mr Barry likes to make people think, but perhaps more of his own doing. In fact, in court proceedings Mr Barry has also shamelessly attributed some of the blame on me, because I was at Channel 7's *Today Tonight* and investigated the lack of SA quality in one of his home improvement projects that led to the court matter I referred to earlier.

Mr Barry's company, QRS, as it turned out, was not appropriately licensed to do this verandah type of work. The approved development plans did not match the construction and the

council ordered the structure's demolition and removal. It went to the ERD Court where the judge ordered QRS pay the council 70 per cent of its costs, and 30 per cent had to be paid by the client as the landowner, pending court action in the District Court. The client then won a subsequent appeal unanimously in June this year.

Facing the prospect of significant costs in the region of \$1 million that would destroy his business, Mr Barry put in train a series of actions to avoid his burden. Let me list them here:

- on 5 September, WPC Home Improvements ACN 636 012 998 is registered;
- on 30 September, QRS director Vincent Barry sells the business names, plant equipment and transfers employees to WPC Home Improvements;
- on 2 October, Quality Roofing Services Pty Ltd changes its name to CAN 008 289 183 Pty Ltd;
- on 9 October, business name SA Quality Home Improvements is transferred to WPC;
- on 13 October, business name Quality Roofing Services is transferred to WPC;
- on 23 October, ERD Court hearing as to costs;
- on 7 November, QRS goes into voluntary administration, and they have appointed Clifton Hall;
- on 15 November, ERD Court cost decision is handed down. The clients did not get final orders from the District Court due to QRS liquidating;
- on 16 November, Vincent Barry is working for WPC Home Improvements, the reborn entity, and provides a quote on SA Quality Home Improvements letterhead, which he should not have been using, for a verandah system for a customer.

I seek leave to table the quote signed by Mr Barry.

Leave granted.

The Hon. F. PANGALLO: I continue:

- On 20 November, the clients reported Vincent Barry to Consumer and Business Services and were told that nothing could be done due to liquidation. In an email, CBS confirmed that, as of 8 November, WPC, the new entity, was not even registered.

Little has changed except the shuffling of corporate responsibility by Mr Barry. This has the odour of phoenixing, and this type of activity must be investigated and stopped by our regulators. These cases, and discussions with the Master Builders Association, have all inspired me to develop legislation to deal with these long-term and seemingly intractable problems in the building and construction industry.

I intend to introduce a private members' bill that will mandate the need for continuing professional development for a wide range of occupations within the building and construction industry to include continuing professional development for site supervisors, licensing classes 1 and 10, and to include CPDs in:

- roof trusses;
- wet area waterproofing;
- certificate of occupancy;
- building codes and standards;
- construction of buildings;
- timber framing code;
- building with light gauge steel; and,
- understanding licensing and approvals.

My private members' bill will also address any of the 24 recommendations in the Shergold Weir report that remain outstanding, particularly in regard to building product safety and standards, the integrity of private building surveyors, the adequacy of documentation, and inspection regimes.

Security of payments also needs to be addressed to prevent losses caused to contractors and tradies when building companies go bust, leaving a trail of debt. Just today, liquidators for Unique Urban Built at Mawson Lakes have revealed how their director, Nathan O'Neill, and his wife, spent almost \$1.2 million of company funds for personal expenses, luxury holidays and other questionable transactions.

There also needs to be tougher sanctions imposed on rogue builders and directors. They should be banned for a stipulated period from working in any capacity in the building and construction industry. With that, SA-Best supports the bill.

The Hon. D.W. RIDGWAY (Minister for Trade, Tourism and Investment) (17:47): I thank honourable members for their contributions on this relatively small but important bill, the Architectural Practice (Continuing Professional Development) Amendment Bill 2019.

Bill read a second time.

Committee Stage

Bill taken through committee without amendment.

Third Reading

The Hon. D.W. RIDGWAY (Minister for Trade, Tourism and Investment) (17:49): I move:

That this bill be now read a third time.

Bill read a third time and passed.

At 17:50 the council adjourned until Tuesday 3 December 2019 at 14:15.

*Answers to Questions***AFFORDABLE HOUSING**

In reply to **the Hon. M.C. PARNELL** (15 October 2019).

The Hon. J.M.A. LENSINK (Minister for Human Services): The Minister for Planning has provided the following advice:

Sections 57 and 57A of the Development Act 1993, and regulations 99 and 100 of the Development Regulations 2008, require the minister to maintain a register of land management agreements (LMAs).

Development regulation 99(3) requires the register to contain a copy of each LMA and regulation 99(6) requires the register to be available for public inspection. Therefore, LMAs cannot, by law, be kept confidential.

The register of LMAs is available on the South Australian Property and Planning Atlas (SAPPA) at <https://maps.sa.gov.au/SAPPA/>

In addition, LMAs are able to be downloaded from the South Australian Integrated Land Information System (SAILIS).

POLLUTION INCIDENTS

In reply to **the Hon. M.C. PARNELL** (30 October 2019).

The Hon. J.M.A. LENSINK (Minister for Human Services): The Minister for Environment and Water has advised:

As outlined in the Minister for Environment and Water's ministerial statement on 30 October 2019 the EPA board is conducting a review into the matters and will report back to the Minister for Environment and Water.

I am advised that the review will look into the EPA's policies and protocols regarding information provided on the public register under section 109 Environment Protection Act 1993 (the act) and in the public domain generally.

I am advised that the review will take into account the number of complexities within this section of the act, particularly when a potential breach of the act has been alleged or is being investigated.