

HOUSE OF ASSEMBLY**Thursday 22 June 2000****ESTIMATES COMMITTEE A****Chairman:**

The Hon. D.C. Wotton

Members:

Ms V. Ciccarello
 Mr M.R. De Laine
 Mr J.D. Hill
 Mrs K.A. Maywald
 Mr E.J. Meier
 Mr M.R. Williams

The committee met at 11 a.m.

Department for Water Resources, \$32 106 000
 Administered Items for Department for Water
 Resources, \$650 000

Witness:

The Hon. M.K. Brindal, Minister for Water Resources.

Departmental Advisers:

Mr P. Case, Executive Director, Department for Water Resources.
 Mr S. Archer, Manager, Financial and Accounting Services.
 Mr P. Hoey, Director, Murray-Darling Division.
 Ms E. Young, Acting Director, Resource Management.
 Mr C. Schonfeldt, Director, Water Policy.
 Mr B. Harris, Director, Resource Assessment.
 Mr P. O'Neill, Director, Strategic and Corporate Services.
 Ms Cervini, Strategic and Financial Analyst.

The CHAIRMAN: I think by now most of you would be aware that the estimates committees are dealt with in a fairly informal way. The committee will determine an approximate time for consideration of proposed payments to facilitate changeover of departmental officers. I would like to know from the minister and the shadow minister whether a timetable for today's proceedings has been agreed. They might like to tell me later if they do not already know. Changes to the composition of the committee will be notified to the committee as they occur but I would ask that members ensure that they have provided the chair with a completed request to be discharged form. If the minister undertakes to supply information at a later date it needs to be in a form suitable for insertion in *Hansard* and two copies must be submitted to the Clerk of the House of Assembly no later than Friday 7 July.

I propose to allow the minister and the lead speaker of the opposition to make an opening statement if desired of about 10 minutes but certainly no longer than 15 minutes. There will be a flexible approach to giving the call for asking questions based on about three questions per member. Members may also be allowed to ask supplementary questions to conclude a line of questioning but I would suggest

that supplementary questions be the exception rather than the rule.

Subject to the convenience of the committee, a member who is outside of the committee and desires to ask a question will be permitted to do so once the line of questioning on an item has been exhausted by the committee. An indication to the chair in advance from the member outside of the committee wishing to ask a question is therefore necessary. Questions must be based on lines of expenditure as revealed in the Estimates Statement. Reference may also be made to other documents, including the Portfolio Statements, but I would ask members to please identify the page number or the program in the relevant financial papers from which their question is derived. Questions not asked at the end of the day can be placed on the next day's House of Assembly *Notice Paper* or asked as a question without notice.

I remind the minister that there is no formal facility for the tabling of documents before the committee; however, documents can be supplied to the chair for distribution to the committee. Incorporation of material in *Hansard* is permitted on the same basis as applies in the House, that is, that it is purely statistical and limited to one page in length. All questions are to be directed to the minister, not to the minister's advisers. The minister will be given the opportunity to answer every question as is asked but the minister may refer questions to advisers for a response or undertake to bring back a reply.

I also advise that for the purposes of the committee there will be some freedom allowed for television coverage by allowing a short period of filming from the northern gallery, if that is desired. I remind all members, the minister's advisers and observers, that all mobile telephones should be turned off while within the chamber. I now invite the minister to make a brief statement, and I will provide the same opportunity for the shadow Minister if he so desires.

The Hon. M.K. Brindal: I believe that the shadow minister and government members are in accord on the expectation that the budget of this department is relatively straightforward. Therefore, it is just a matter of examining the budget estimates and, hopefully, we will be able to conclude by about 6 p.m., if we have exhausted questions at that time.

In recognition of the vital importance of the future of water to the state of South Australia, the government established the water resources portfolio on 14 February this year with the objective of ensuring a stronger, more effective focus on the management and development of this state's water resources. Nowhere else in Australia has a government established a department solely responsible for the managing and development of water resources. This signals the Premier's and the government's commitment to this state's most precious resource.

In the past 3½ months, considerable work has been done to establish the portfolio, and I will briefly touch on some of the key developments. A new organisation structure and budget, focused on improving client service and meeting water resource demands, has been established. The delivery of all state and national programs has been maintained and, in most cases, strengthened. The government's strategic directions and priorities for the water resources portfolio have been clearly defined and published in the Directions for South Australia 2000-01 statement, and the water resources Portfolio Statement.

A corporate services function to support the business needs of the Department of Water Resources has also been established. Options for consolidating existing accommoda-

tion arrangements are being finalised. Internal policies and procedures are being established. The Directions for South Australia 2000-01 statement and the water resources portfolio statement clearly show the linkages between government and ministerial priorities, the outcomes that the portfolio plans to achieve and the services or outputs to be provided to the community. They also show how the portfolio has brought together the key water-related activities of other agencies in order to achieve a stronger, more consistent and collaborative focus on water issues in the manner currently being sought by the government.

At the national level, the portfolio is coordinating the state's responses to issues such as the quality and quantity of water from the Murray-Darling system, and ensuring that South Australia's interests are protected and advanced. The portfolio is also ensuring that the state's obligations to the COAG water reform agenda are met and is taking a lead role in finalising the Lake Eyre Basin Agreement between South Australia, Queensland and the commonwealth.

The State Water Plan 2000-01 will be released in August, revising the strategic direction and providing a policy framework for sustainable water resource management in South Australia, as well as providing greater certainty in the management of developers' property rights. I believe that much of what I am saying builds on the work that the whole House will acknowledge that you, Sir, started some years ago.

The government's policy of encouraging community responsibility and involvement in water management issues is demonstrated by its ongoing commitment and support for the Water Resources Council, water catchment management boards and water resource planning committees. I am sure that we will have some questions on some of those bodies.

The creation of the Department for Water Resources has improved opportunities for closer relations with the catchment management boards. Over the next 12 months, and guided by the State Water Plan, six comprehensive catchment management plans and 15 water allocation plans for prescribed water resources will be prepared.

The portfolio is driving the ongoing implementation of the recommendations of the Select Committee into Water Allocations in the South-East. The South-East pro rata allocation program and the market trade scheme, underpinned by water allocation plans, will deliver the more effective use of water resources in that region.

The portfolio will accelerate ground water assessment and modelling for sustainable development in the South-East and for other ground water regions in South Australia, so as accurately to provide data to stimulate investment in this state's primary industries. The amount of permissible annual volumes (PAVs) has also been reduced, to prevent further depletion of ground water supplies in and around Mount Gambier.

Other initiatives, including calling tenders to build a drain outlet near east Salt Creek to help fight dry land salinity, and the upgrading and plugging of 120 artesian wells in the Lucindale, Kingston and Beachport areas, are under way. Each year, about 11 000 gigalitres of water is extracted from the rivers and streams of the Murray-Darling Basin. This is about 60 times the volume of water consumed in the Adelaide metropolitan area annually.

Also, 96 per cent of the water extracted is used for irrigated agriculture. New South Wales extracts 58 per cent of the total; Victoria, 34 per cent; South Australia, 5 per cent; Queensland, 2 per cent, although that is on the rise, and fast; and the ACT, 1 per cent. While the population of the Murray-

Darling Basin is 1.8 million people, a large number of people outside the basin are supported by its resources, including 1.25 million people in the Adelaide and South Australian country regions, who are heavily, if not solely, dependent on its water.

While the vast bulk of the Murray-Darling water is used by New South Wales and Victoria, mostly for irrigated agriculture, it is interesting to compare the productive value of water for its various uses and in various locations. I make one quick comparison: manufacturing in Adelaide is worth \$12 billion annually and relies on 1 per cent of the water extracted from the basin. By comparison, the farm gate value of irrigated agriculture in the Murray-Darling Basin is \$3 billion annually and this industry uses 96 per cent of all the water extracted from the basin.

Mr Hill interjecting:

The Hon. M.K. Brindal: It certainly is and, as the shadow minister says, it is about time that other states realise where the true value of Murray River water to this nation really lies. My portfolio has responsibility for the Murray-Darling Council initiatives and will continue working with the Murray-Darling Council and the Murray-Darling Basin Commission to develop a salinity management strategy for the basin. South Australia will develop a component of this River Murray salinity strategy, covering its section of the river.

Further work on at least three salt interception schemes will begin in the year 2001-02, forming part of the Murray-Darling salinity and drainage strategy, and funded and resourced jointly with the commonwealth. The government is working closely with the Murray-Darling Basin Commission on the provision and management of water within the Murray River system to meet the needs of the environment.

A major study will be undertaken during the coming financial year on the management of the Coorong, lower lakes and Murray mouth area. This will lead to the development of long-term flow management plans for the Murray River, including options for improved management of the lower Murray region. Comprehensive community involvement with the development of this plan will be undertaken in 2001-02.

At this point I would like to acknowledge the assistance that all members of this parliament, especially the local member, get from irrigators and people who live along the River Murray. Their concern and their proactive approach to the better management of the resources are an example to irrigating communities along the length of the river and, indeed, to the rest of Australia.

A draft environmental flows plan is expected to be presented to the Murray-Darling Council via the commission in the first half of 2002. All this work is critical. It has been estimated that a 10 per cent improvement in the efficiency of irrigation in South Australia will release an additional 60 gigalitres for economic development.

An expanded and improved licensing system, capable of meeting the increased demands for water licences, particularly in prescribed areas of this state, will be developed. Together with market based water policies, this improved system will assist the potential for expansion of high value irrigated products, greater economic return for water use and increased employment through new regional development.

I comment on the thoughtful and bipartisan approach taken by the current shadow minister towards the development of this resource in a manner that is economically sustainable and intelligent, and in a manner that will probably

do more to protect the resource than the things we have done in the last 50 years.

As part of ensuring more efficient use of the state's water resources within sustainable limits, greater emphasis will be placed during 2000-01 on enforcing compliance with the conditions of water licences, permits and other requirements of the Water Resources Act 1997, and we look for bipartisan support in this matter. This will be achieved through a significant increase in the level of resources devoted to compliance by the portfolio. We cannot continue to have a situation where people flout their licence limitations on extracting water, be it from the River Murray or from some of the aquifers that are under even more stress. In addition, a partnership approach with local councils on compliance will be investigated as part of the state-local government functional reform program. The potential for catchment water management boards to take on an enforcement role will also be examined.

With the impending signing of the intergovernmental Lake Eyre basin agreement with Queensland and the commonwealth, South Australia's interests in the basin will be more secure. A commonwealth funding package for the rehabilitation of the Great Artesian Basin will provide benefits to South Australia so that the state can complete its bore rehabilitation program. The state budget detailed a \$900 000 program to fix and plug the remaining artesian wells in South Australia's part of the basin, and it will be the first state to complete this target. An arid areas catchment management board has been established recently to oversee water resource usage and management in that area, which covers 80 per cent of the land mass of the state.

In our strategic priorities, the Portfolio Statement details spending in 2000-01 totalling \$45.4 million dollars—\$44.2 million for operating activities and \$1.2 million for investigatory activities with a staffing level of 234 full-time equivalent employees. As the shadow minister can see, we are a lean, mean and efficient machine. The functions and staffing that transferred to the new Department for Water Resources on 1 March included most of the environment policy division and the EPA activities associated with water information, assessment and licensing from the former Department for the Environment, Heritage and Aboriginal Affairs, and ground water activities from Primary Industries and Resources SA. It includes a small complement of staff to provide the necessary financial, human resource, IT and administrative policy and operational support and advice to the portfolio's professional and technical staff to meet all management and reporting requirements.

The portfolio has decided to outsource to existing providers the processing-related activities—payroll, accounts payable and IT help desk support—rather than employ additional staff resources and establish systems to perform these functions at a significant extra cost to the government, and I believe that we are one of the first departments to do so. It will be more cost effective to enter into service level agreements with existing agencies that have all these staff resources, infrastructure and systems to provide the processing of these services for our department rather than to build them ourselves.

Finally, as part of its integrated strategic and business planning, the portfolio has specified performance measures and targets for its outputs—the services, programs and actions for managing the state's water resources—for the coming financial year. These measures and targets will ensure ongoing evaluation and reporting as a key part of the effective

performance management of the portfolio and as a key part of keeping me as minister accountable to parliament. These have been detailed in the Portfolio Statement and they relate to the strategic priorities and improvements in service delivery that I have already outlined.

The budget papers we are considering today reflect the key directions and priorities for the portfolio over the coming year, and we look forward to our responsibilities and tasks with a strong sense of confidence and purpose while acknowledging that, in the creation of this new department, we have people such as yourself, Mr Chairman, to thank, because the department and its strength are only possible because of the work done by previous ministers in this government.

The CHAIRMAN: Does the shadow minister wish to make an opening statement?

Mr HILL: I have reached agreement with the minister to finish by tea time but, as I always say in these circumstances, that depends on the length of his answers, how many dorothy dix questions are asked and how long those answers are. I indicate that one of my colleagues, the member for Taylor, wishes to ask many questions about catchment authorities, and that could well take us into the late hours of the evening. I also indicate that there are a number of omnibus questions that the opposition would like to put to the minister. I will do that at the end of the questions that I have in front of me. If he chooses to answer them, we might be here for a long time, but, if he takes them on notice, we can be out of here early. However, I intend to finish by 6 o'clock.

The CHAIRMAN: I declare the proposed payments open for examination and I refer members to page 48 in the Estimates Statement and volume 2, part 2 of the Portfolio Statements. Are there any questions?

Mr HILL: I have a brief opening statement. I acknowledge that the establishment of the water resources portfolio may well be a good thing for South Australia but the jury is out on that yet. I make the point that the department was established in haste and as a result of two factors: one, pressure from government backbenchers who wanted to take out of the hands of the environment minister issues to do with water, and a number of those backbenchers made that plain from time to time both in here, in various committees and around the place; and secondly, it was partly an act by a government wanting to be seen to be doing something in what was considered a crisis in relation to the River Murray.

As a result of the activities happening speedily, and I think without proper consultation, consideration and planning, a number of problems have resulted. The first of these is that we have no permanent CEO. The department was created on 14 February and nearly five months later the department still has an acting CEO, not that I am reflecting on Mr Paul Case, who I know is a fine public servant. In addition, Mr John Scanlon was the CEO of DEHAA, and he is recognised across Australia as an outstanding public servant, especially in water management issues. I know from visiting Victoria recently, where I spoke to some senior public servants in the water resources area, of the acknowledgment of the leadership role he provided at the national level and the great surprise that he is no longer working for the state government.

The second issue that I point to, which is a reflection of the lack of planning and the rush to amalgamate these two sections from the two different departments, is the fact that, as I understand it, there is no headquarters yet for the department, and I have been told informally by officers within the department that it may well be early next year

before there is a permanent headquarters for the various civil servants. That will mean some lack of proper functioning in the operations of the department; if you have people all over the place and no permanent head, it means that the department cannot work as well as it ought. This is frustrating for many officers—and I understand that some of them are frustrated about what they are doing and their role. It also means that key issues that this state needs to be addressing at both state and national levels, in particular issues involving the Murray River, are not getting the attention they deserve at this stage. This is no reflection on the minister: I think he has gone about his job in an enthusiastic way.

Most of the money for the department's establishment seems to have come from what was the Department for Environment, Heritage and Aboriginal Affairs. Yesterday in estimates—and I just cannot put my finger on it—I think somewhere between \$33 million and \$35 million was indicated by the Minister for Environment as coming from what was the bigger department—it came from that side of the portfolio—and I guess a lesser amount came from Primary Industries. This seems disproportionate given that 111 officers (according to the *Government Gazette* of 28 February) came from the Department for Environment and 79 officers came from Primary Industries—roughly a 60/40 proportion. I would have thought that the funding would be broken up on that basis as well.

It indicates to me that the environment portfolio has been, if not gutted, substantially reduced in order to establish this department and that Primary Industries has retained surplus funding to pursue other political objectives the government might have in regional parts of South Australia. One is hopeful that this department will make a strategic and important difference in policy outcomes in South Australia, but I must say that there are some question marks about its birth and about the way in which it is being structured at the moment.

I turn now to questions, if I may. In relation to the head of the department, is it true that John Scanlon was prepared to take on the job of being head of water resources; if that is true, was he offered the position; if not, why not?

The Hon. M.K. Brindal: I am glad that the shadow minister asked that as his first question. Before I answer his specific question, I need to correct a couple of matters in his opening statement. First, he said that the department does not have a permanent head. That is wrong. This morning in Executive Council, His Excellency the Governor announced that Robert Ian Thomas, soon to be the former Director of the Environment Protection Agency, is to be the head of water resources in South Australia. That is in the *Government Gazette* this morning. Therefore, as the shadow minister speaks—and I understand absolutely that he has not had time to read the *Government Gazette* this morning—it is a wrong statement.

As to accommodation, we will eventually become an integrated and accommodated unit. Quite frankly, that is not even a high priority. We want to get the accommodation right. I believe the department is performing very well, and with computer technology and interlinking you can have a virtual department. It is increasingly possible to have people in disparate places working as part of a team. We will provide an integrated unit, probably within 12 months, but we are not rushing into anything. We are not going to rush out and spend lots of money—about which the shadow minister will then complain—to grab the most expensive, the biggest and best accommodation in town, because we believe that we have a

unit that is absolutely getting its runs on the board and working effectively now.

DWR is operating currently out of the five different buildings in the CBD: Australis House, 77 Grenfell Street; Chesser House, 91 Grenfell Street; 101 Grenfell Street; AON House, Pirie Street; and the Reserve Bank Building. The total area currently occupied is approximately 2 400 square metres with an occupancy rate of 21 square metres per person. Annual rental paid for the accommodation is \$601 850. In order to consolidate all the staff in one location and to provide space for new staff to address government initiatives, a space needs analysis has already been prepared by Hassell Consultants. There is a proposed reduction in the space occupied per person from 21 metres to 15.5 metres, so we are being more efficient. This will result in a significant saving per person and meet the GOAG target to be used by all agencies when planning accommodation fit-out.

Space previously occupied by DWR staff will be back-filled by PIRSA and the Department of Environment and Heritage which will release some of their short-term tenancies and consolidate the agencies within the CBD. With these space requirements in mind, 25 Grenfell Street is the recommended site for the new department, and a submission is currently being prepared for presentation to cabinet to seek approval to enter the long-term lease arrangement. There are improvements on that front as well.

Finally, in answer to the specific question, Mr Scanlon was acknowledged as a leading commissioner of the Murray-Darling Basin Commission and was certainly considered to be excellent at his job. When I took over as Minister for Water Resources, within hours of taking the position I rang Mr Scanlon to absolutely assure him that no matter what the eventual fallout of the department might be, it was my view, even at that early juncture, that it was essential for the good of this state that he remain a commissioner of the Murray-Darling Basin Commission; I asked him to do so and he agreed to that for as long as he was in government employ. Subsequently, I had discussions as to whether Mr Scanlon would like to seek the opportunity to be the head of the Department for Water Resources. It was a private conversation between me and Mr Scanlon, and it was nothing other than to say that, because there was now a Department for Environment and Heritage and a Department for Water Resources, I would be more than prepared to consider his right to apply for either of the two jobs.

Mr Scanlon considered the matter and for that reason informed me and Minister Evans (to whom he was responsible) when he made the decision very shortly thereafter to seek alternative employment. I was disappointed that he did so. I am sure that Mr Scanlon's decision meant a loss to government service. Quite frankly, the level of expertise that Mr Scanlon has developed and what he has been doing subsequently would suggest that Mr Scanlon has developed a level of expertise that has now given him an international reputation. He is—as he has every right to do—capitalising on the reputation and doing very good work not only in Australia but in South Africa and in other countries as well. The shadow minister will realise, if he is ever in government, that one of the great difficulties for South Australia is that we get very good public servants, we train them to be exceptional and, once they become exceptional, unfortunately, because of the size of this economy, we often cannot keep them. We lose some of our brightest and our best to interstate and overseas because they simply develop a level of expertise that the public purse of South Australia cannot accommodate.

While Mr Scanlon's resignation from government service is regrettable, I feel sure that, with what he has learned in government service, he will go on to use to the benefit of water resources not only in Australia but also internationally—and I wish him well.

Mr HILL: I certainly wish Mr Scanlon well; I can agree with the minister on that point. I turn to the general issue of the budget of the department, which is approximately \$45 million. Will the minister clarify from where that money has come in relation to the previous departments? Does the money that makes up the minister's budget come from the departments of Environment and Heritage and Aboriginal Affairs and Primary Industries in the same proportion to the staff members he now has working for him and, if not, why not and from where does the money come?

The Hon. M.K. Brindal: I will deal with the second part of the question first. It is rather simplistic to say that if 60 per cent of the staff come from department X then 60 per cent of the money should come from department X, and I will quickly explain why. If, for instance, department Y, with a smaller percentage of the staff, has a lot more work that requires capital, structure or support, then the split of money will be different. However, with the formation of the new department on 14 February, funding has primarily been transferred, as was suggested, from the Department of Environment and Heritage and the Environment Protection Agency (that is both the Environment Policy Division and the EPA) and Primary Industries and Resources South Australia, Ground Water Division.

Mr Chairman, I have another table which I will read for the benefit of the shadow minister but I seek leave to have the following table inserted in *Hansard* as it is purely statistical.

Leave granted.

The budget for 2000-01 comprises:

	DEH \$'000	PIRSA \$'000	New Funding \$'000	Total \$'000
Revenue				
Appropriation	23 867	3 700	4 539	32 106
Other	6 617	2 969	-	9 586
	30 484	6 669	4 539	41 692
Expenditure				
Salaries	6 426	3 159	2 552	12 137
Grants and Subsidies	20 390	-	-	20 390
Other	6 253	3 470	1 926	11 649
	33 069	6 629	4 478	44 176
			Variation due to \$61 000 accrual approp.	
Investing	1 120	125	-	1 245

The Hon. M.K. Brindal: Revenue from appropriation from the Department of Environment and Heritage, \$23 867 000; PIRSA, \$3 700 000; and new funding, \$4 539 000, giving a total appropriation of \$32 106 000. Revenue from other sources out of DEH was \$6 617 000; and PIRSA, \$2 969 000, giving a total revenue from Department of Environment and Heritage of \$30 484 000; from PIRSA, \$6 669 000; and new funding, \$4 539 000, giving a total of \$41 692 000.

With respect to expenditure, I will, if the honourable member agrees, read the totals because the rest will appear in *Hansard*: DEH expenditure is anticipated to be \$33 069 000, which means that we are suffering a deficit on that part of the equation; PIRSA, \$6 629 000, which means that it is providing a subsidy across to DEH; and new funding, \$4 478 000, giving an expenditure total of \$44 176 000.

The revenue from the department is predominantly sourced from the state government appropriation (\$27 million for 1999-2000 and \$32 million for 2000-01), with other revenue resources in the following areas: commonwealth funding, 1999-2000, \$4.9 million; and for 2000-01, \$4.4 million, including funding received through the Natural Heritage Trust program for the Murray-Darling 2001 program and other NHT projects. Grants and subsidies for 1999-2000 totalled \$3.9 million, and in 2000-01 the figure will be \$2 million. This funding is provided through the state Local Government Reform Fund for the Catchment Management Subsidy Scheme.

The reduction of \$1.9 million in 2000-01 is due to \$900 000 contributing to the agency's savings target across the whole of the government, and \$1 million being transferred from appropriation to be redirected to higher priority areas in water resources management. The sales and goods of services which, in the financial periods 1999-2000 and 2000-01, are estimated to be \$2.1 million—revenue raised through drilling services and advice provided by the Resource Assessment Division. Regulatory fees in 1999-2000 accounted for \$600 000 which we know and which we therefore estimate will be the same rough collection in 2000-01. That is revenue raised through the water licensing area in the Water Resource Management Division and which includes fees raised under the regulations of the Water Resources Act 1997.

The other receipts for 1999-2000 were \$3.43 million and in 2000-01 \$500 000. The revenue for 1999-2000 is predominantly collected from the River Murray Catchment Water Management Board and Primary Industries and Resources South Australia to fund the state's contribution towards the Murray-Darling 2001 program. At the time of publication of the statements receipts for 2000-01 had yet to be determined for the 2000-01 year but can be estimated to be \$6 million, increasing the budget revenue to \$48 million.

The payments made by the department are predominantly grants and subsidies (1999-2000 \$27.5 million and, in 2000-01, \$20.4 million). The major payments include the state's contribution to the Murray-Darling Basin Commission (1999-2000 \$11.6 million and, in 2000-01, \$13.4 million). The grants paid to recipients under the Murray-Darling 2001 program in 1999-2000 was \$12 million and in 2000-01 the figure will be \$4 million. The \$4 million reflects the expected carry-over of the 1999-2000 programs. At the time of publication of the statements, funding for 2000-01 had yet to be determined but can be estimated to be \$7 million, increasing the expenditure budget to \$51 million.

Payments to Transport SA under the Catchment Management Subsidy Scheme in 1999-2000 totalled \$3.9 million and in 2000-01 the figure is \$2 million—that was the scheme I just detailed. It goes to Transport SA because it has a stormwater engineering group. Transport SA does the building. I have detailed the reduction.

Other payments include the establishment of the new portfolio funding for the South-East Confined Aquifer Wells project (\$1.1 million over three years) and the Great Artesian Basin rehabilitation and bore drain replacement (\$900 000 over three years).

In 2000-01 the following new initiatives have been funded in the budget: \$1 million redirected from the Catchment Management Subsidy Scheme to fund water-related initiatives, including to administer effectively and undertake field work identified in the water allocation developed under the Water Resources Act 1997; \$500 000 to accelerate the

assessment of the ground water sustainability of the South-East; \$300 000 to meet the state's share of the costs of administration and commitments under the Lake Eyre Basin agreement; \$300 000 to implement the funding of the parliamentary select committee on water allocation in the South-East (that is the \$300 000 for which the shadow minister can take personal responsibility); and \$1.5 million net increase reflecting the full-year effect of establishing the portfolio.

Mr HILL: It is entirely possible that I do not need to ask any more questions after that answer, but I will persevere! Will the minister arrange for that information to be photocopied immediately because it may help me ask other questions or avoid my asking some questions. I refer to page 11.1 of the Portfolio Statements, which articulates the various divisions, such as the Policy Division, the Murray-Darling Division, and so on. Can the minister indicate the budget for each of those divisions and the number of people working in each of those divisions? I think that the minister has already provided the names of the managers for each of those divisions. If he has not done so, could he include that?

The Hon. M.K. Brindal: Some of the detail for which the shadow minister asks can be provided; other bits cannot be provided. As I said in my introductory statement, the work of the department has been ongoing. The framework of the new department has been worked up by Mr Case and is outlined in the papers as the honourable member has seen. However, it has been deliberately done in such a way as to give some flexibility to the new chief executive, when he comes in, to do a bit of fine tuning around the edges. I have spoken to Mr Thomas already, and it is not believed that he will change the major structure, but within the major structure he might do some fine tuning. So the final details of budget and personnel allocations within the divisions are yet to be finalised. If it is not finalised by the due date, it might not be possible for answers to questions to be included in *Hansard*. In all honesty, I cannot give the shadow minister anything other than an obfuscated answer, which I will not do. I would rather that, as soon as the matter is finalised, I undertake to give him a letter detailing the exact arrangements.

Mrs MAYWALD: I refer to page 11.6 in Portfolio Statements, budget paper 4, volume 2. The minister would be well aware of my interest in the Murray River, given that my electorate is the Riverland. I am particularly interested in the issue of salinity. My question revolves around what the government is doing to address the problem of increased salinity in the River Murray. Given the government's demonstrated commitment in the past to River Murray rehabilitation projects, particularly in my electorate of Chaffey through projects such as Woolpunda and Waikerie salt interception schemes, the works that are also in progress to rehabilitate the Loxton irrigation district and the Qualco Sunlands drainage scheme, will the minister detail what plans he has for future projects to address the problem of increasing salinity in the River Murray as outlined in the salinity audit by the Murray-Darling basin commission?

The Hon. M.K. Brindal: I acknowledge both the honourable member's enthusiasm and impatience in this area to get on with the job, and I record that as being most laudable. I can tell the committee what plans we have as we sit here and speak today. However, she will know—and I hope this committee will be fully aware of this—that the plans we have today will hopefully be only a fraction of the plans we will have tomorrow, the day after and the day after that. Of all people, the member for Chaffey would be very

much aware of how much this is a moving feast—how quickly people are being enthused and coming on board. One of the best examples are those younger irrigators in the Bookpurnong area who really have a problem with salinity, who can see that problem and who are most anxious basically to get the government to assist them to help themselves. Basically they do not want too much from us; they just want to get on with the job, and that sort of enthusiasm is laudable.

The state government, together with key organisations, the community and the Murray-Darling Basin Commission, has already invested significant resources in addressing Murray river salinity. The capital works so far have included, Rufus River, Noora, Woolpunda and Waikerie salt interceptions scheme. As we speak, they are pulling out in excess of 400 and approach 440 tonnes of salt a day—salt which would otherwise be flowing into the river. That is significant. And that is apart from the substantial efforts to improve irrigation practices to minimise salinity inputs so as not to cause pressure on the river. Further works include the Qualco Sunlands scheme, which is before this Parliament, a rehabilitation of the Loxton irrigation district and lot 4 Bookpurnong, Chowilla, and Waikerie stage 2 salt interception schemes.

The South Australian government is committed to developing our own strategy beside that which is involved in the Murray-Darling Basin Commission. In February this year it set up a high level committee to oversee the development of this strategy. The committee will shortly release a state salinity statement, entitled 'Directions for managing salinity in South Australia'. It will be an umbrella document for the draft dry land salinity strategy and River Murray salinity strategies, done with the NDBC, and a draft ground-water management policy which is being completed by PIRSA. It is expected that the draft South Australian River Murray salinity strategy will be released for consultation in late August early September. I conclude by saying to the member for Chaffey, the shadow minister and any other member who might be interested in this, that the government would really appreciate any and all input that they might have—any thoughts that they might have—on this matter.

It will be a critical matter for debate in the upcoming Murray-Darling commission meetings and especially in the ministerial council. I fear that, unless we in South Australia have very clear as to what we think salinity is and how we think it impacts, what the nature of salinity credits should be and where they should be tradeable, the danger will be that Victoria and Queensland may have either done that work or have a fixed position on the matter. Quite obviously, one might expect that would perhaps reflect their interest as well. If Queensland bothers to realise there is a problem, it may bother to come up with some sort of solution. If we go to the commission and it has thought through positions and we have not thought through ours carefully enough, we will be at a disadvantage. It is important for me as minister and my officers to be working on this. I say quite honestly and openly that any good suggestions we can get from anybody in this area will be appreciated.

It is not an easy problem. The end of valley auditing is a good first start. Where to measure the end of each valley will be problematic. Where do you measure these things, and to what purpose do you measure them? In New South Wales they might measure the ends of valleys in New South Wales in such a way that enables one valley to get better practice, another valley to get worse practice and, in the end, South Australia might not benefit from the scheme. We still have the protection of the EC units at Morgan, but we would rather

see a scheme implemented that provided a positive benefit rather than a neutral benefit that can be manipulated by other states. It was put to me yesterday that the other problem we will have is that, in one river system in particular in New South Wales, they were ameliorating the salt problem by accentuating the ground-water salinity levels. In the Lachlan there is a major and rising salinity problem which is being ameliorated by pumping into the ground-water so that the level of salinity in the ground water is increasing and by additionally storing some of the salt in the landscape.

In effect, that might be a potential disastrous time bomb for South Australia because, while it is getting rid of the problem today, if you are piling up salt on the banks of the river, only in a few years' time to push it in all at once, the effect then could be a total catastrophe. We must think through and look at all those problems as part of addressing this problem not on behalf of this government but on behalf of the state and the future of the state.

Mrs MAYWALD: I thank the minister for that response and also for the offer to participate in the thinking and the consultation on those issues. On the comments that the minister made about the storage of the salt in landscape, that is in effect what we are doing in South Australia with our salinity interception schemes, and most of the community would be aware that it is a temporary measure that needs to be addressed. It is buying us some time on issues that will need to be addressed in future years through other solutions that we hopefully will have come up with that by that time. It is not a definitive answer, but it is certainly a buying of time and an effective interim solution at this point. I would also like to make a comment on the minister's suggestion that all members of this place be involved in giving some input into the EC credit in particular. I suggest to the minister that we use the select committee as an avenue to be able to get a consensus in the House on those matters to put forward to the commission. I know that we have two members of the committee on the other side of the House, as well.

The CHAIRMAN: I am not here.

Mrs MAYWALD: I am sorry. I would also like to mention for the record that the chair of the committee is also the chair of this estimates committee. So, we certainly have in the chamber a group of people who are very interested in this issue.

My next question relates to the Murray-Darling 2001 initiative: page 11.7, Portfolio Statements, budget paper 4, volume 2. Can the minister indicate how much money South Australia has allocated, and through which avenues, to the Murray-Darling 2001 program; the goals of the program as it comes to a close; the success that the program has achieved and the funding options that will be considered to continue the good work of the communities that have been involved in accessing this program to rehabilitate the Murray River system beyond 2001?

The Hon. M.K. Brindal: The Murray-Darling 2001 program was, in fact, as the member for Chaffey might know, a South Australian initiative and one that has now been embraced by all partner governments. It was begun after it was recognised that action was necessary to stop widespread natural degradation of the Murray-Darling Basin. The program's aim is to make substantial improvements to the health of the basin's natural resource by significantly boosting the level of funding. With the advent of the National Heritage Trust in 1996-97, the commonwealth has provided half the funding, with basin states contributing a matching sum—and, indeed, when I was there this week, the work

being done by Wetland Care comes from that source, and some very interesting results are emerging from its work.

The program's goals are quite different, but essential, if we are to have a living, breathing Murray for our children, our grandchildren and their offspring. They include; reducing salt and nutrient levels in the river; restoring riparian land systems, wetlands and flood plain environment; reducing natural degradation; encouraging the highest value use of available water resources—something which the member's irrigators seem to be very enthusiastically taking care of themselves; increasing community involvement; and also, of course, enhancing the economic benefit to the South Australian economy.

The South Australian government began by contributing its portion of funding towards the South Australian part of the Murray-Darling Basin in 1997-98 with a contribution of \$3.6 million. Since then, we have provided, in cash terms, half the \$15.3 million that has been provided to South Australia for addressing problems in our part of the basin. Our state, of course, contributes much more than this through in kind services and through the involvement of local government, in some cases. While figures for the coming financial year are still being—

Mrs MAYWALD: Local action planning groups have also been involved.

The Hon. M.K. Brindal: Yes. While figures for the financial year are still being finalised, it is expected that our state will provide another \$3.5 million to the Murray-Darling 2001 program for the financial year 2000-01. I should mention that the Murray-Darling 2001 program has been reorganised for the coming financial year. Two key priorities will be salinity and nutrient management. A water use efficiency component will also be allocated on a competitive basis. The Murray-Darling 2001 program, under the NHT arrangements, will end in 2000-01.

I conclude by adding (because it is at least a co-relevant issue) that the local action planning groups, which largely came about as a fiat of the commonwealth, now have a level of concern because, while they have formed and developed enthusiastically, showing very good leadership in many cases regarding issues concerned with the basin, and want to continue, there is now some uncertainty about the continuation of commonwealth funds. I would like it placed on the record in this House, and for the benefit of the local member, that we in the Department for Water Resources will not, no matter what the commonwealth future funding arrangements are, see that level of expertise lost to the community.

As the member for Chaffey knows, we have a catchment management board and we have through that catchment management board, I believe, the ability to integrate and capture the expertise that those more localised groups have developed. As I said to one of the groups in the Riverland this week, what I would be seeking to do in the coming months is to use our strength in the catchment management board and the strength that they have developed on a more localised level to put together a team that in concert works for the good of the river, and so ensure that their expertise is not wasted or lost.

Sir, I think that you have been around long enough to know that too many times in the past, at both the state and federal levels, we have started good initiatives. Those initiatives have petered out and, five years later, when you want the same expertise back, the people turn around and look at you and say, 'No, we've been there, we've done that. We tried to do it last time and when we were enthusiastic all

you did was cut us off at the knees.' We will not see that happen with these people. They are good people, they are involved in a good cause and, in one form or other, we want their expertise to continue: we want to enhance what it is they are doing.

Mrs MAYWALD: The importance of the local action groups involves not necessarily just the expertise of the employed staff and the consultancies that they have been able to undertake: it involves the community groups that are behind the local action planning groups which has generated and mobilised the communities into prioritising the environment as a very important part of their thinking. That is the key.

My third question to the minister relates to the South-East, and I refer to page 11.5, Portfolio Statements, budget paper 4, volume 2. Can the minister explain the steps that still need to be taken to lift the moratorium that was put in place in the South-East on 3 August by the minister after the South-East water select committee had reported to the parliament?

The Hon. M.K. Brindal: I had thought that we were going to finish early but the complexity of the question is such that it could take us until about 9 o'clock. All members know of the difficulty associated with the allocation of water in the South-East and, indeed, the history involved with water allocation in the South-East. That is why, in fact, we had the select committee; and that is why, in fact, there has been more of a hold-up than we would have liked in the development of the water allocation plans. I acknowledge that the select committee carried out some very valuable work, and I think that the more equitable and reasoned position that we are currently enjoying in the South-East has resulted from the select committee coming up with some sensible recommendations, the vast majority of which we are adopting.

The problem, however, is that interposing that in the middle of a process to develop a plan pushes the whole time frame out, because the plan was under way; the select committee comes in with recommendations, we tell it to implement the recommendations, so the whole plan goes outwards. As far as I am aware (and I would be very interested if my officers tell me any differently), it is on track and, I hope, on time. It is, to me, a very careful balancing act. We cannot afford to damage or to take risks with the resource: the resource is that important.

On the other hand, while we suspend matters for our careful consideration, which is right and proper to do, we are impinging on the livelihood and, in some cases, the financial capacity of the people concerned. I know of at least one case where someone is at present paying a holding fee. Bridging finance or something else is involved, and our lack of decisions is costing them \$2 000 a month. I do not take pleasure in that. I do, however, believe that it is reasonable for this House to consider something in a mature way. It is therefore a balance between proper consideration of the resource and acknowledging that people out there need to get on with the job. As the member knows, there are five prescribed wells areas in the South-East: the Padthaway area (which was prescribed in 1975); Tatiara (in 1984); Comaum Caroline (1986); Naracoorte Ranges (1986 and extended in 1993); and, Lacedpede-Kongorong (1997).

The South-East Catchment Water Management Board is currently preparing new water allocation plans for each of these areas, and approval is being sought to extend the deadline of 2 July 2000 because the board's process has been significantly delayed by issues associated with the implementation of the select committee's recommendation.

Pro rata water allocations—which are allocations in the proportion of the area of land owned—are being undertaken in the South-East in accordance with the recommendation of the select committee's report. The roll-out has been delayed as a result of the delay with the current amendments in the Water Resources Act 1997. We believe that if we can get them through—what would one say—the labyrinth of gentlemanly complexity which is the Upper House of this place, we will get them in place sooner rather than later. It is difficult, however, to predict when the other place in this place will decide to do anything. However, we are trying to make them realise that this is an important issue for South Australia and might be something that should come to their mature consideration sooner rather than later. When we do that it is, I believe, only a matter of a month before we can get things into a concrete form.

The pro rata water allocations need to be determined with urgency because, as is implicit in the member's question, on 3 August 1999 the Water Resources Act was amended to effectively freeze further allocations of water in the South-East until the completion of the pro rata allocation process. That freeze has, in fact, delayed several major developments such as additional vineyards and wineries in the Mount Benson area near Robe and the establishment of a fish farm at the old Safries factory near Millicent. I believe the current member is somewhat instrumental in trying to help with that situation. To enable the pro rata water allocation process to be undertaken, the current water allocation plans are being amended pursuant to the 3 August 1999 amendment to the Water Resources Act. It is likely that the pro rata allocation of water will result in unallocated water remaining in a number of areas, and this water will be available for allocation according to the provisions of the amended plans.

Membership:

Ms White substituted for Mr De Laine.

Ms WHITE: I do have questions about catchment water management. The minister is well aware of my words in this House and within the Economic and Finance Committee about my displeasure over the percentage increase in catchment water levy to my constituents (a 12 per cent increase to residential and 14.5 per cent to rural customers), in the context of the discussions that were held in review of the Northern Adelaide and Barossa Catchment Water Management Board's latest appearances before the Economic and Finance Committee.

We have had that debate in parliament, as the minister knows. The plan was brought into the parliament as a result of the motion I moved on that committee, and I and my Labor colleagues voted against that increase, although that debate has been lost. It is not that which I want to talk about today. Following that, there was an article in the local paper in which the minister and I both commented, giving our various viewpoints on that levy rise. Following that, and I am sure that the minister is well aware of this, the catchment board distributed a pamphlet called 'Caring for our water: what could be more important?' That went, I think, to 130 000 home letter boxes the weekend after the article appeared.

I have spoken to the chief executive about my concern with some of the content of that pamphlet, and I presume that the minister is aware of that. My concerns are on two fronts, the first being the whole consultation process for this levy increase as far as my constituents are concerned. The process was as follows. There was an advertisement in the local paper

in about February, I believe, which talked about the overall revenue increase for the levy. What the ad did not say was what the impact would be on individuals and that there would be an individual increase to their levies. So, I am really not surprised that there were no public responses at that point.

The levy increase then went to the Economic and Finance Committee, found its way to this parliament and was voted on in parliament. After that process, out comes the pamphlet, which would be the first time that any of the households had realised that there would be an increase to their levy. I have a concern, if such a pamphlet were going to go out, why it went out after the deal was done, so to speak, the increase had gone through all its processes and was about to happen, and why that did not happen back in February. That is my first concern.

My second concern is about some of the content, referring particularly to the section that says, 'Where your money will go'. The brochure reads:

The board intends to spend about \$8.43 million over the next three years on the projects which have been identified in the draft catchment plan.

What appears next is a pie chart, under the title 'Budgeted cost distribution by goal over three years', and all the individual program proportions are listed, adding up to 100 per cent. There is then a statement that says that the board's operating costs and overheads are limited to a maximum of 10 per cent of income. There are some inconsistencies in that. Reading this, one would think that all administration costs and overheads are limited to 10 per cent. One would see the pie chart, which is 100 per cent, and there are no administration costs or other overheads, salaries or expenses put in there.

In my view, this is misleading, because when one looks at those salary expenses, including the chief executive's salary, other expenses and things such as the administration of the Water Resources Act, plan amendment reports and development applications, one finds that all those things that people in the street regard as overheads, administration expenses, are incorporated into those program costs. My concern is that this is not a really accurate representation of where their money will go.

Will the minister address, first, my concern about the consultation process, and perhaps it is a process not pertaining only to this board. What I mean there is the fact that the decision is made before the public even realise—and many of them will still not realise it until they get their bill after July—that there is an increase in their levy.

My second concern is the impression given by this pamphlet that has been distributed in my electorate, and I discussed this with the chief executive before it went out, although not long before it went out, so I understand the difficulties in that. It gives an impression that I believe is misleading.

The Hon. M.K. Brindal: On the first issue, I will actually speak to them. As the honourable member knows—and I remember hearing the Economic and Finance Committee discuss this in terms of all the boards—community education and consultation is one of the major planks of what the boards are expected to do. In the Economic and Finance Committee I can remember some reasonably robust and very healthy debate on what percentage for education and consultation constitutes a good use of public moneys; that is, are they spending too much on glossy brochures, afternoon teas and so on than on other educative purposes?

I think that is a healthy debate, one on which I note the honourable member's comments and one which my departmental officers and I and the catchment boards are seeking to address in such a way that next year we can come back and say, 'Parliament raised this concern: this is what we've done about it; we have a better answer.' In that respect, as someone who comes from a teaching background, I actually agree with the honourable member. If they wished to advertise an increase in levies, it would have made much more marketing sense to put out to the public the brochure saying what they were doing, why they were doing it and how they were doing it at or before the time they advertised the public process of asking for more money. If it had been me trying to think it through, I would have done it much earlier, just before the time they advertised the levy. That makes sense.

Given that neither the honourable member nor I were in charge of putting this out, it did not happen this year, but I will talk to them about it because, if we are going to use advertising or education dollars, it is important for us as a parliament and as people responsible for the public purse to use the money wisely. The point is not only to have a good publication but to use that publication at an appropriate time when it has maximum impact. That is as critical as actually producing it. In terms of the actual application of administrative moneys, I am aware of the problems raised by the member for Taylor, I can assure the honourable member of that, and I can understand the concern she raises. I understand her concern because I raised a similar concern with local councils, which had a similar reporting mechanism whereby they debited administration costs to project lines, so I could never discuss the true cost of administration. Neither the member nor I are auditors or accountants and it is not considered an inappropriate practice in those circles. The member raises whether it is a politically appropriate practice to use that mechanism to inform a community who are not, after all, accountants and auditors to use that mechanism.

I acknowledge the point and I take it on board. It will be the subject of ongoing discussions. It may well be that, as a result, we might tell not only the board to which she refers but other boards that we would prefer the method of reporting to be in a standardised format so that parliament and all the households that contribute to catchment management can see clearly and transparently just how much is going on administration in all forms, rather than having some sort of degree so we have to burrow into the figures to try to understand them.

I have a table that shows catchment management board management costs. The figures are interesting and they vary, and they should not be taken as an indictment of any board or as an endorsement of any board but as a guideline because some boards have different needs from others. Assuming that the basis of calculating the percentage is uniform, the figures for 1999-2000 are as follows: the percentage spent by the Patawalonga board on administration was 3.8 per cent; the percentage spent by the Torrens board was 3.8 per cent; the Northern Adelaide and Barossa catchment spent 6.3 per cent; the Onkaparinga spent 8.4 per cent; the River Murray spent 20.6 per cent, but there was a carryover of \$1.5 million in its funds, so it is a different equation; and the South-East spent 13.8 per cent. There is a variation across the boards, which is a matter that we will look at.

The Northern Adelaide and Barossa board is undertaking a two-month period of consultation on its draft catchment management plan and the board will set priorities in action as a result of this plan for the ensuing five years. The plan is nearing completion. The board has completed consultation

on the draft water allocation plan for the Barossa prescribed water resources area and the Northern Adelaide Plains prescribed wells area. The board has commenced a major package of works designed to improve ground water management in the Northern Adelaide Plains and the package includes managing the \$700 000 government-funded meter replacement program, a well rehabilitation program, provision of information on the state ground water resources, and water quality monitoring.

The board has allocated over \$1.2 million for on-ground works and studies across the catchment in 1999-2000 including five projects that I can make available to the member for Taylor. In addition, the board has:

- investigated and reported on Gawler, North and South Para rivers' environmental flows and the requirements of the water-dependent ecosystems that arise therefrom.
- investigated and reported on flood plain management options for the Gawler River and established a Gawler flood plain management steering committee to coordinate local government efforts to reduce the impact of flooding.
- coordinated an Olympic Landcare tree planting event at Rowland Flat in association with Landcare on 4 September to restore the ecology of the North Para River.

The rest of my notes detail what the board has done rather than address the financial aspects raised by the member for Torrens.

The CHAIRMAN: The chair does not want to sound like a grumpy old man, but the time taken for that one question and answer was considerable and, in fairness to other members, the member for Taylor should bear that in mind.

Ms WHITE: The minister did not quite address the point as to whether what has been distributed is misleading. The document contains a clear statement that the operating costs and overheads are limited to a maximum of 10 per cent of income. I think that is an untrue statement given that we know that the Chief Executive's salary and expenses are not included in that totally and that 60 per cent or thereabouts of the Chief Executive's expenses are not included under the administration. When all that is taken into consideration, that figure of 10 per cent is bumped up quite considerably and it could be as much as 20 per cent or more on those expenses.

When the public is told where the money that the board collects from it goes, when the board states clearly that there is a cap of 10 per cent on overheads and operating costs, and when the financial papers do not agree with that, that is a misleading and inaccurate statement. That is really important and I would like the minister to concur with me because I do not want that to continue. It is misleading.

The Hon. M.K. Brindal: I refute that it is inaccurate. In accounting terms, it is entirely accurate. If the Chief Executive is involved in the work of the board, accountancy procedures are such that the time he is involved in the work of the board is debited to the board. If he is involved in the work of a project, part of the cost of the project is his hire, and that is entitled to be debited to the cost of the project. That is a standard procedure. When government now works out how much something will cost, costing includes the personnel component as part of the project. It is a method of trying to get to the true cost of any project.

I refute what the member for Taylor says that it is inaccurate reporting. However, its effect may well be misleading to people who do not understand the way in which these things are reported. In my last answer to the member for Taylor I acknowledged that, if I was a person in Para Hills reading that report, I might be misled in so far as I would not

understand the method used by accountants to report these things. Therefore I might gain the wrong impression. I know that the member for Taylor would like me to go down the track and say that I believe it was misleading. I will not say that. However, I understand why the member for Taylor thinks it is misleading. I acknowledge also that, if I was one of the member for Taylor's electors, I might well form the wrong impression, as might one of my own electors in Unley.

I will talk to my officers and officers of the catchment management board to see what we can do to ensure that, if something is reported as an administrative cost, in future it appears as a transparent administrative cost. The only thing I draw the line at is saying in this place that it is misleading, because I cannot talk for other people. I cannot say it was misleading because I have not formed that opinion myself. Other people may well have.

Ms WHITE: What is the percentage rate at which residential properties for the Northern Adelaide and Barossa Catchment Water Management Boards will be levied?

The Hon. M.K. Brindal: I will get the figure but, as the member knows, because I remember talking about this in the debate, it is one of the lower rates. There are several methods of rating that are determined, and council then applies those methods of rating, together with a quantum. If, in the member's consideration of this matter, it is her opinion (and she is a member of the Economic and Finance Committee) that the method by which the levy is raised should be changed, that is, she believes under the options available—and they are detailed in the Water Resources Act—that there would be a better method of apportioning the levy in a way that was more equitable to her electors, if she would like to put that proposition to me, either formally or informally, I would always be willing to consider it.

I am not saying at this stage that we will change it because all the catchments are seen to have adopted either a land-based levy in the case of residences, or, if they are water users from an aquifer or the Murray River, a consumption-based levy. It seems to be standard. If the member for Taylor has an argument or alternative proposition which she can convince me is equitable for her board, I will investigate the possibility of doing it. If the honourable member is talking about a rate in the dollar, I will bring that in after lunch.

Ms WHITE: To aid the minister, the way the other catchment boards have presented information is by taking the capital stock, multiplying it by a factor and coming out with an average.

The Hon. M.K. Brindal: We will come back with that. I put on the record now that the average land-based payment for properties in the catchment is \$15.17 (that is forthcoming).

Ms WHITE: I am after a percentage rate.

The Hon. M.K. Brindal: We will give the percentage rate as well. That represents an increase of \$1.45 from 1999-2000, but the average for residential properties is \$13.29, which probably represents a similar average. I will come back with that exact figure. I caution the member for Taylor that, of course, councils tend to work backwards: they tend to work out the amount that they must raise. They then know the capital stock, so dividing the amount they must raise into the capital stock gives a rate in the dollar.

In relation to the Patawalonga Catchment Water Board, in whose area I live, the amount of the value of the stock in that area would be a quantum multiplier of that in the honourable member's area, so the rate in the dollar for my catchment board may well be absolutely and significantly less

but the amount paid might be more. However, I will get the figure.

Mr MEIER: Under the proposed arrangements outlined earlier, I think it might be appropriate if I deferred my next three questions to the opposition and we will see how we go after lunch.

Mr HILL: I would like to ask a question following up on one of the questions asked by the member for Chaffey. In relation to the interim water allocations in the South-East, what is the proposition that the government has for dealing with forestry issues in that interim time?

The Hon. M.K. Brindal: This is what you call the curved ball! The shadow minister—and also the member to his left who I consider is probably aiding and abetting him—is aware that this is a complex problem. Land use and land use management has a significant impact upon the natural recharge of the South-East unconfined aquifers—indeed, upon any aquifer. The amount of water that discharges into the aquifer is dependent on the nature of the surface soil, its run-off characteristics and the nature of the vegetation. Forestry and native vegetation, we know, intercept almost all vertical recharge to the unconfined aquifer from rainfall.

The current forest estate in the South-East is approximately 90 000 hectares, most of which is planted to radiata pine, and the annual increase in forestry in the area is in the order of about 2 per cent. Forecasts suggest that plantation forestry will increase by 120 000 hectares over the next three years, an average annual increase of about 20 per cent. It is expected that this will be mostly in the form of Tasmanian blue gum which is being grown for its potential for export as wood-chips to Japan.

Forecasts are supported by planning approvals for 22 000 hectares already provided by two South-East councils under the Development Act. An additional 12 000 hectares is currently advancing towards planning approval application. An additional forest area of 120 000 hectares would intercept a volume of vertical recharge equivalent to that required for the irrigation of 24 000 hectares of pasture. This is equal to the total area of irrigated pasture in the South-East during 1998-99.

The Water Resources Act requires that all water allocation remains within the sustainable yield of the resource. Therefore, licensed water allocations will have to be reduced where forestry has reduced recharge. Significant land use change would need to be recognised as a water affecting activity and, therefore, be covered by a licence or permit. It is envisaged that such authorisation would be convertible to other forms of water allocation, such as irrigation, and vice versa, and hence tradeable—but I actually emphasise the word 'envisaged' because I am reading from prepared notes and this House will decide not what is envisaged but what will actually happen.

Existing forestry and proposed forestry that has received planning approval has been accounted for in the current calculations of the sustainable yield and, therefore, would receive its equivalent recharge impact entitlement. So, the shadow minister's question is profoundly important. The planning to this stage takes account of all known forests, all forests for which approval is pending or even on the books, and any which we understand are a remote possibility in the future and of which, as far as we can gaze into the crystal ball, we have taken into account. That buys us not a long time but at least a few months. It is my intention, as I have stated in this House before to the shadow minister and member for MacKillop, that in the break we use the time to debate this

matter outside the forums of this House to come up with some sort of a consensus and then introduce a plan which we hope will enjoy the support of all members of this House to deal adequately with a real problem.

Mr HILL: I refer to Portfolio Statements, volume 2, budget paper 4, 'Output class 1', with particular reference to the targets for 2000-01 and the second dot point which talks about COAG water reforms. The minister knows my ongoing interest in this issue. Could the minister briefly outline the agenda for this year?

The Hon. M.K. Brindal: Australia is now in its sixth year of implementing significant reforms in the water industry. The COAG strategic water reform framework was first agreed in 1994 and incorporated as part of the National Competition Policy in 1995, which the shadow minister will remember was probably the exact time at which it was taken seriously. The goal of the framework is to arrest widespread natural resource degradation and implement a strategic framework to achieve a sufficient and sustainable water industry. The framework consists of five key elements: water pricing; water allocation and entitlements, including trading; institutional reform; environment and water quality; and public consultation and education.

The National Competition Council assesses South Australia's progress in implementing the requirements of the COAG strategic framework and did so in June 1999. The second tranche assessment was successful. This result offers sound evidence that both the whole of government commitment to water reform in South Australia and the strategic long-term nature of the state's commitment to effective and sustainable water management on a national basis is, in fact, correct. I note as an aside that Queensland was forced by that same tranche payment to radically rethink its laissez faire approach to this resource at that time and because of that money.

Key areas of progress include the enactment of South Australia's Water Resources Act 1997 on 2 July 1997, based on the principles of ecologically sustainable development. The implementation of the act is now well advanced. The focus of the legislation is on community responsibility, integrated planning mechanisms and the application of a comprehensive system of property rights. The development of the state water plan, to which I alluded earlier, is now nearing completion. It will provide a strategic policy framework for water resource management and use throughout the state. It will be presented in a form that, I think, will even impress the shadow minister, in that I believe we will have a CD-ROM which he can plug into anything and everything and view.

The Office of Government Enterprises is currently leading a review of water and sewerage pricing. A water pricing discussion paper was released in December 1999 and in March 2000 a sewerage pricing discussion paper was released to the community through advertisement and internet—and I am sure it has been inundated by interested people. Printed copies were mailed to key stakeholders.

Mr Hill interjecting:

The Hon. M.K. Brindal: It was probably used appropriately—it was soft paper. Both papers have been designed to assist public consultation on future sewerage charges. Substantial reform has been achieved, particularly in relation to water quality monitoring. The state water monitoring coordinating subcommittee, which was established in 1998, has progressed water monitoring issues across the state. The subcommittee has effectively established a methodology for

developing statewide monitoring programs with an initial focus—I am sure this committee will be pleased to note—on the Adelaide Hills. At a national level, via the high level steering group on water, South Australia is leading the priority project on identifying costing and charging for externality.

The project will recommend a process of managing the non-market cost to the environment of water throughout Australia. The National Competition Council is currently undertaking a supplementary assessment, particularly in relation to free water allowances, cross-subsidies and property-based charging and bulk-water charging. The results of this assessment will be made available shortly. South Australia remains committed to implementing the COAG strategic water reform framework and has demonstrated significant progress during 1999. The ongoing work of the South Australian water policy committee ensures the whole of government commitment to an involvement in water resource management and water industry reform.

Specifically, the key water reforms arising in 2000 include the management of environmental flows; the ongoing development of catchment management processes under the Water Resources Act, 1997 (and that is where some discussion with the member for Taylor and the shadow minister will come in handy in terms of looking at and sharpening the delivery mechanisms of those boards); the review of water and sewerage pricing; the review of water services legislation; the management of the Mount Lofty Ranges; and the implementation of findings of the nearly completed state water plan 2000.

Mr HILL: The third dot point relates to the proposed signing of the inter-governmental water agreement in relation to the Snowy Mountains Authority. The guts of the dot point states, 'within constraints which protects South Australia's interests'. Can the minister outline what constraints would necessarily be in place before South Australia would sign that agreement?

The Hon. M.K. Brindal: I believe that in anticipation of a problem with water there are people within the boundaries of this room who have even purchased their own windmill. They are obviously worried about our water resources and they need not be because we have the matter well and truly in hand. The South Australian government does not object, as I think the shadow minister knows, to the current proposals to corporatise the authority provided that this state's entitlement to water from the Murray River is not affected in any way. The New South Wales, Victorian and commonwealth governments, as joint owners, wish to corporatise the Snowy Mountains Hydroelectric Authority.

This will require the existing Snowy Mountains scheme legislation to be repealed and alternate management arrangements and legislation to be enacted, and each of the three governments has passed its respective Snowy Hydro corporatisation acts as we sit. A number of prerequisite actions need to be completed before the legislation is to be proclaimed and this is intended to be achieved by 1 July 2000. If I had a little bet with the shadow minister, I doubt that that process will be completed before the end of the year 2000; I cannot see its being completed within six or seven days.

The proposed new corporation, Snowy Hydro, will operate the scheme on a commercial basis in the national electricity market. We then come to water access and release obligations for Snowy Hydro, which will be set out in a water licence issued by the New South Wales government. It is complex because, while the scheme is owned by the three govern-

ments, when it is corporatised the water licence will actually be a matter for one government, not three. I believe that even in that instance the position of New South Wales is not the same as the position of Victoria because Victoria wants environmental flows to the Snowy.

On the other hand, New South Wales wants to maximise return for its investment and also the electricity flows into its state. I therefore believe that New South Wales wants to be as free as possible, both in the volume and timing of the water releases. This licence could be amended from time to time by the New South Wales government, and that would consequently have an impact on the water availability to the New South Wales, Victorian and South Australian water users. In order to protect Victoria's rights it was intended that an inter-governmental water agreement be entered into between New South Wales and Victoria.

However, as South Australia would have no protection of its right under the proposed licence arrangements, South Australia has sought to become a signatory to the inter-governmental water agreement. In February 2000, senior officials from New South Wales, Victoria and the commonwealth agreed that South Australia should be a signatory to the proposed intergovernmental water agreement. The proposed new arrangements will also require changes to the Murray-Darling agreement which requires South Australia's consent. The South Australian government is not prepared to consider making any such changes until the appropriate safeguards have been put in place for the proposed alternative arrangements. Further negotiations between senior officials in the four governments are continuing to refine the provisions to be included in both the intergovernmental water agreement and the Murray-Darling agreement. The South Australian government will sign these agreements only if South Australia's position is protected.

In other words, it is a difficult and tricky problem. Our protection is basically now the agreement that we will be a signatory to the intergovernmental water agreement. As things stand now, no changes can be made to the Murray-Darling agreement without the signature of South Australia. It is one of our greatest protections. Therefore, our responsibility is to be extremely diligent in the negotiation of the process, because in our minds and in the minds of our advisers we have to be absolutely clear that the words on the paper are, indeed, adequate protection not only for the present but also for the future of South Australia. We do not object to the corporatisation. We do not even object to some diversion of flows back into the Snowy River scheme, provided that South Australia's entitlements in quantity, quality and flow regime are at least maintained.

However, we also argue to the commonwealth, Victoria and New South Wales that it is an arrant nonsense that in relation to a river, the Snowy, which currently flows at its mouth at 58 per cent of its original volume, there is talk of sacrificing pristine water flow back to that river when the river system from which it will be sacrificed is running at 21 per cent at its mouth and when the river system that is being used as the sacrificial lamb by Victoria is responsible for 40 per cent of the entire agricultural and horticultural wealth of this nation, notwithstanding the multiplier effect of the value of South Australia and the South Australian regional towns into the equation. We do not object to the Victorian government's doing that, but we do say—and say very strongly—that, if the Victorian government is interested in both its own economy and in the health of the Australia's greatest natural resource—the Murray-Darling Basin

system—we should first get the Murray-Darling right. Then, if we get that right, by all means we should put some back into the Snowy. However, let us get our own river system right before we fix up something that is in a lot better and more healthy condition than the one we have.

Mr HILL: I appreciate the minister's answer, but I found it somewhat confusing and a bit ambiguous. I agree with most of the rhetorical statements the minister made. As I understand it, in answer to my question regarding which constraints would necessarily be in place, he basically said that the volume of water, the flow and whatever is in place would not be made worse. Then he went on to say, 'However, we believe that, if there is any additional water, we should get it rather than it going down the Snowy.' That question did not really insist on that. I ask the minister again: will South Australia veto the Snowy agreement if it does not get access to some of that pristine water to which the minister has referred? I understand from talks interstate that it is relatively easy for the Snowy to get that extra water by minimal and relatively cheap reforms. If they go down that path and that water is then allocated to the Snowy, there is a danger that any additional water that may need to come down the Murray will be through greater effort and at much greater expense that may well be worn by us. I ask the minister again: can we veto it if we do not get agreement for additional water?

The Hon. M.K. Brindal: Yes, I believe our minimum negotiating position has been and always will be the protection of current flows in quality, quantity and timing. That would be our minimum position. In our negotiating position we will hold out to get the best deal we possibly can for South Australia. In direct answer to the honourable member's question, we are saying that the very least we will do is see that we are not disadvantaged. However, given that they want our signature on two pieces of paper, I am quietly optimistic of our ability to ramp up a somewhat better deal than we are getting. Quite frankly, the way it is at present, there is no agreement unless we all sign. It is a classic situation. By way of example, I refer to the practice of horse trading. It is a very silly horse trader where somebody ends up losing. Generally, it is considered that everybody has to win doing that sort of thing. I am saying to the shadow minister that we will not take any less than we are getting under any circumstances whatsoever. If any of the other states offer us anything less than we are getting in quality, quantity and timing of flows, the answer will be no. In fact, they had better not even bother asking us to come over, because it will be a wasted trip.

Swapping Darling water, with its turbid nature and high saline content, for Snowy water is not on either: they had better realise that quick smart. We will go there ready for honest and open negotiating, starting from, 'We're here now, and we won't take any less.' We are talking not about entitlement flows but about the above entitlement flows we have received for decades. I am sure I will get the support of the opposition on this matter to make sure that South Australia is not duded. We are in a position of having some good cards in our pocket, and we do not intend to get duded. If we are duded, I hope that the shadow minister, this House and the people of South Australia call me to account, because I would be ashamed to come out of this deal with any less than South Australia deserves, which is rather more than it gets.

Mr HILL: I refer to dot point 4 on those targets, which deals with the Lake Eyre Basin ministerial forum. Last year during estimates the then minister indicated that an agreement is about to be signed ensuring the long-term future of the

Lake Eyre Basin. It was the minister's intention to submit that agreement to this parliament. I may have missed it; where is that at?

The Hon. M.K. Brindal: The minister is very disappointed that he cannot inform you that that is all up, signed, sealed and delivered. I recently wrote to my federal counterpart the Minister for the Environment, Senator Robert Hill, urging the commonwealth to galvanise itself into action on this matter. South Australia has signed off; South Australia is waiting on the commonwealth, and the quicker it gets its act into gear and decides to do something the quicker this will be signed off. It is becoming a matter of exasperation for us. As the shadow minister knows, we are talking about the Coongie wetlands and about Lake Eyre itself. We are talking about a fragile, ephemeral system. It is one of the world's unique systems, and it is a very important system. We are ready to sign off. Strangely enough, even Queensland is ready to sign off. However, the people we are waiting on is the commonwealth government.

An honourable member interjecting:

The Hon. M.K. Brindal: I wish I knew. The ways of this parliament are somewhat mysterious, and the ways of the commonwealth are sometimes even more mysterious. I presume and hope that my commonwealth colleagues have good reasons for their seemingly eternal deliberations on this matter. I cannot for the life of me fathom what they are. That is why we serve in a provincial Parliament, dealing with real world situations, and trying to cope with schools, roads and education, and so on. We are not fitted for the higher offices of the mystic towers where things take time.

[Sitting suspended from 1 to 2 p.m.]

Mr HILL: I now refer to output class 2 and one of the highlights of 1999-2000 (the second dot point): to establish the Arid Areas Catchment Water Management Board. I am sure that the minister is aware of this, but I point out concerns in the conservation movement about the composition of that board, and I will refer briefly to two pieces of correspondence that I have received. The first is from Ann Prescott, the President of the Nature Conservation Society of South Australia, who sent me a copy of her letter to the Premier, Mr Olsen. The first paragraph states:

The society would like to express concern regarding the membership of the new Arid Areas Catchment Water Management Board. As you may be aware, the new board does not include anyone with specific skills in the conservation/biodiversity field who is able to reflect and discuss the views of the wider community on these issues.

I also have a note from Michelle Grady to the environment minister's office. Her organisation has made a similar complaint. It nominated Ali Ben Khan to the board. She comes highly experienced, including having served a number of years on the precursor, the Arid Areas Water Resources Committee. We think that this is totally indefensible and must be addressed as soon as possible. The current board has eight members, five of whom, according to the Conservation Council, are pastoralists, one who is from Western Mining, one who is an administrator of the Maralinga/Tjarutja lands and the other who is a semi-retired former director-general of agriculture. So, it is an unbalanced board. I ask the Minister why there is no representation on the board of someone with an understanding, knowledge of and experience in the conservation area.

The Hon. M.K. Brindal: The answer is, clearly, that the boards exist to provide expertise and protection for the resource. Conservation is a complex and myriad equation, of which water is obviously an integral part. The reason for the existence of the board is to provide locally an input of expertise not to represent the interests of any group but to represent such interests and such expertise as would protect the resource. We believe that in those terms the board is balanced and achieves its stated purposes. I regret that any group, having put up someone for nomination, would then go through the unedifying process of, basically, spitting the dummy because they do not get their way on a particular issue. I do not dispute Ali Ben Khan's expertise in matters pertaining to conservation. Neither does the shadow minister dispute that she was, indeed, the nomination of the Conservation Council, and the only one that it is concerned about is her. That is in contrast to this.

The shadow minister, in fairness, represented the position as being that one of the members is an employee of Western Mining. That is a true statement; that is Mr Victor Farrington. However, while Mr Farrington might work for Western Mining, he is its chief environmental officer. The shadow minister will acknowledge that, if there is one outstanding example of good conservation practice in the mining industry, it is in the work that Western Mining has done with rehabilitation of what I believe has been described in this House as 'clapped out sheep country', and some outstanding restoration work has been carried out in the environs and surroundings of the mine. Mr Vic Farrington is responsible for that work—in fact, he heads it up at Western Mining. So, I would say that whom he works for is less significant than the fact that he is a conservationist of note, not only in theory (with due deference to Miss Ali Ben Khan) but also in practice.

Additionally, Lynn Brake, who is the presiding member of the board, and Sharon Oldfield are both deemed to have significant conservation expertise and experience. So, I would argue that three members of the board—specifically, Lynn Brake, Sharon Oldfield and Vic Barrington—bring to that board a measure of conservation expertise and experience, that the board is balanced and representative and that the board represents the best interests of water management.

I conclude by saying that the Water Resources Council recommends to me. It is then my responsibility to select a board that I think can serve the best interests of the particular resource. I listen to the Conservation Council, I listen to all the available advice and then I make a decision. Unfortunately, on this occasion, my decision varies from the Conservation Council. On other occasions I might, I am sure, heed the advice of the Conservation Council, and then I am quite sure that someone else will be disaffected and say that they are not represented. Such are the burdens of being a minister in government.

Mr HILL: I will not ask another question about this matter, because I do not want to delay the committee. However, I really do think that the minister is very defensive in his response. There are five pastoralists on the board, not one person who independently represents interests other than commercial interests. It may well be that WMC has on the board a person who is an environmentalist, and good luck to him. However, it would not seem to be a difficult thing to ask that at least someone from the conservation movement who is not tied to some other economic outcome is represented on that board.

I would now like to ask a number of questions about the Murray River, and I refer to page 11.19, Portfolio Statements,

budget paper 4, volume 2. What I would really like to do—and I suppose I ask it in a general sense—is try to understand the quantum of money that will be available in the forthcoming financial year compared to the 1999-2000 financial year allocation of money for Murray River projects and work. Having read through the outputs in that expenditure summary on pages 11.19 to 11.21, I am a little confused, I must say.

On page 11.19 there is a reference to a \$1.4 million reduction in net payments under the Murray-Darling 2001 program (I think that is a reduction in payments that we make to that program). On page 11.20 there is reference to a \$2.8 million decrease in estimated revenue for the Murray-Darling 2001 program; there is reference to a \$1.8 million increase in the state's contribution to the Murray-Darling Basin Commission; and there is a reference to a \$7.1 million decrease in grants, in the main from the Murray-Darling 2001 program, but also from other sources.

It is a little hard to gain an understanding from these figures whether or not the amount of money to be spent at a state level next year on Murray-Darling projects has increased, decreased, or stayed the same. Can the minister clarify how much the state is committed to spending in the next financial year, 2000-01, compared to the last financial year, 1999-2000?

The Hon. M.K. Brindal: It is important that the shadow minister understands that the Murray-Darling Basin Commission is separate from the Murray-Darling 2001 program. Moneys predicated to the Murray-Darling Basin Commission have increased by \$1.8 million for the next financial year.

Mr Hill interjecting:

The Hon. M.K. Brindal: No, going out. What has yet to be determined is what works they will undertake with the money. The amount is settled as to how much we contribute, then, knowing how much their income will be (that was arrived at at the last ministerial council, from memory), they will, at the next meeting of ministers I presume, put up a recommended budget and program for the next year. So, I will be able to tell the shadow minister exactly what the money will be spent on, in about August-September.

Regarding the Murray-Darling 2001 project it was expected that there would be—and it now appears that there will be—a \$4 million carryover from 1999-2000. Therefore, at the time of the publication the statements funding for 2000-01 had yet to be determined, but it can be estimated that this will be in the region of \$7 million which will increase the expenditure budget to \$51 million.

Mr HILL: The total water resources budget, you mean?

The Hon. M.K. Brindal: Yes, the total water resources budget, to \$51 million.

Mr HILL: I have a supplementary question. That means that we underspent last year by \$4 million: is that what the minister saying?

The Hon. M.K. Brindal: Yes, we underspent but that is not reflected in the budget papers.

Mr HILL: Can the minister perhaps explain why we underspent and what projects were not put into place?

The Hon. M.K. Brindal: The cashflows coming from the commonwealth were fairly late. That resulted in some delays in individual programs getting up which resulted in moneys not being expended. It is basically a classic case of what one refers to as 'slippage'.

Mr HILL: For 12 months?

The CHAIRMAN: I hope this discussion might cease. If the member for Kaurana has questions he might put them through the chair.

Mr HILL: Yes, Mr Chairman. The minister has told me that there has been slippage of something like \$4 million. I was a bit astonished that this had slipped for the whole of 12 months and it will be spent in next year's budget. I am wondering what the implications are for the projects which are obviously important to this state and which have not been implemented in the last 12 months.

The Hon. M.K. Brindal: I appreciate the political point made by the member for Kaurua. However, the member knows the whole of the Entertainment Centre slipped so much and for so long that it was built some 12 years after it was first promised. Also, the member for Kaurua in other lives is certainly aware of the problems of slippage in the education budget, some of which caused projects to be reannounced not once but in many consecutive years.

However, seriously, we do not like slippage and we seek to avoid slippage. It is not a good practice and it does not properly use the public expenditure of moneys. It is not a good planning result, either. There are many reasons we could both discuss as to why slippage should be avoided. In this particular case, however, a lot of the slippage is as a result of the NHT funding. In fact, my officers inform me that NHT funding has slipped so far that the commonwealth has now added another year to the program merely to keep its commitment. It may well be related to the matter that we raised before lunch. It seems to me that the commonwealth takes longer periods of time to get its planning processes into place than we do and that results in slippage. It has been a sequential slippage that started in 1998-99. That does not mean we still have projects outstanding from that time. Those projects have been completed. However, as you can understand, it is a wave effect: \$4 million was underspent in one year and that is now being carried through. The shadow minister can be assured that we will do our best to spend it wisely, well and as quickly as possible because we do not believe that slippage is much good for the state or the river.

Mr HILL: It will be interesting to see what happens next year. I would like to refer the minister to evidence given to the Murray River select committee by Mr John Scanlon who, I thought, summarised the priorities pretty well when he said that what was required in terms of the River Murray was strong national leadership, cooperation amongst the states and exemplary behaviour by this state in looking after the part of the river that is in South Australia. I guess few of us could argue with that.

In that context, does the Premier still intend to introduce legislation to attempt to regulate the behaviour of the other states in relation to water issues, and what effect might that have on the level of cooperation needed among the states to get good outcomes for South Australia?

The Hon. M.K. Brindal: I acknowledge the evidence given by Mr Scanlon, who called, as the shadow minister rightly identified, for national leadership, cooperation among the states and exemplary behaviour by South Australia. That is in an ideal world. I acknowledge the commonwealth's increased interest in this resource, but if I look at historical fact and at newspaper reports, one could be a little cynical and say that the commonwealth's commitment to this area somewhat follows a lot of statements made by the Premier of South Australia and, indeed, by other members of this House, by the establishment of the select committee and by people such as me and the shadow minister.

So, what Mr Scanlon said is true but, in the absence of the national government showing leadership at least initially, national leadership can in fact be provided by the state

government. The case of the River Murray in a national context at present is just that. The fact that the Premier has obtained the agreement of the Prime Minister that the next leaders' conference will have this high on the agenda is a reflection that, while the baton might pass to the leadership of the Prime Minister and the national parliament with the states cooperating, it will be a changing of the baton, because I believe that South Australia can quite rightly claim to have been the leader in this area in at least the past 12 months.

As to the Premier's intention to legislate, my understanding of his comments at the time he made them was that we are sick and tired of being the acquiescent, good boy on the block. I have heard the Premier saying that he has some minutes dating back to 1952 when the then Mr Playford went to Canberra and talked to the then Mr Robert Menzies about the situation that could result if South Australia were placed at a disadvantage because of the Snowy River scheme. I believe that later Sir Thomas threatened High Court action, and Mr Menzies at that time saw sense.

But the comment made by the Premier is that if you read those minutes in the context of the rights of South Australia as expressed 48 years ago compared to the problems that we have now, they are similar rights. I would say that 48 years of waiting by a succession of governments in this state, Labor and Liberal, a succession of parliaments and a generation of the people of South Australia, lead us to where we are now.

The Premier is quite right in saying that we have been acquiescent and we have played a team game but if, as a result of playing a team game, we are continually duded and disadvantaged, then it is time to see what else we have in our arsenal and enforce by legal means rather than just trying to work for a cooperative approach. In part of his question, the shadow minister asked: what are the implications of that for cooperation? Obviously, the more aggressive one becomes the harder it is to form a cooperative approach.

Equally, the more timorous one becomes, in the company of people who do not want to cooperate anyway, the more certain it is that you will lose ground rather than gain it. I suppose the answer to that question is that South Australia is standing up and saying that we want to cooperate; we will cooperate; we will do everything possible to play our part around the table in a corporate and cooperative way with allied jurisdictions and with the commonwealth, because we are after all part of the same nation. But if at the end of the day cooperation does not work, we will pursue by whatever means with whatever vigour we may and ensure that, if cooperation is not the answer, legislation may well be.

Mr HILL: I refer to a press release put out by Senator Nick Bolkus, shadow environment and heritage minister at national level, on 10 May following the federal budget. In his press release he says that the NHT has sustained a massive \$60 million cut, which includes \$6.4 million cut from the Murray-Darling 2001 program, and he states that these cuts expose the hypocrisy of Senator Hill's rhetoric on salinity and the lack of commitment of the Howard government. Will the minister tell us what impact that cut may have on programs in South Australia to reduce salinity?

The Hon. M.K. Brindal: The shadow minister would be aware that the NHT was originally announced as a five-year program, and it has now run out to a six-year program that is reaching an end. It is not a cut so much as a coming to an end of a financial commitment given by the commonwealth. If I take the spirit rather than the letter of the shadow minister's question to mean what do we do if the commonwealth money ceases, the answer is that I think every jurisdiction will join

together to lobby the commonwealth strongly in terms of a continued commonwealth inclusion and injection of at least similar amounts of money and, hopefully, larger amounts of money than were available under the NHT.

It is estimated that the problem facing us with the remediation of salinity—and the shadow minister will realise that that is only one of the problems of the Murray—is probably (in today's dollars) of the order of \$2 billion—\$2 000 million. It is estimated that across the basin that figure may well be an additional \$10 000 million dollars, so we are looking at total remediation works within the basin of something like \$12 000 million.

Our weir system, including the weirs at Goolwa, the Hume reservoir and a lot of the structures along the river, is now 60 and more years of age. While there has been an ongoing commitment of the Murray-Darling Basin Commission to maintenance, there have not been inputs, especially historically. They are better now than they were, but historically there was very little input into either the upgrading or sometimes even the effective maintenance of those resources.

I am minded of a few years back when every jurisdiction got a bit of a shock because the Hume weir actually physically shifted. We decided that it was not good to have the Hume weir floating down the river, so we thought we had better fix it up. That came as a \$60 million shock to the four participant jurisdictions.

In answer to the member's question, I point out that the continuation of reasonable, large amounts of money by the commonwealth will be absolutely essential. No matter what the arguments are about the budget, no-one in this committee would believe there is a lazy \$2 000 million sitting in some bank account somewhere. I put to the shadow minister that, even the comparatively wealthy and populous states to our east, particularly New South Wales and Victoria, do not have cash reserves of the order of \$10 billion.

No dry land salinity society in the world has ever survived: they have all gone down to salt. We are facing that. We are the oldest, saltiest continent on the face of the earth, and we have been indulging ourselves in dry land salinity. It is clearly an unsustainable practice. It can and will be sustainable, we hope, because in the 21st century we have more technology and a greater understanding of our environment than was ever possessed by our predecessors. It gives us a chance to survive, but that chance will only be created with a lot of money, and that is beyond the single capacity of any of the state jurisdictions.

After the NHT, the continued investment of the commonwealth in the Murray-Darling system is totally critical to the survival of the system. For either the commonwealth or ourselves to pretend otherwise would be an abdication of all our responsibilities.

Mr HILL: I have a supplementary question. I thank the minister for that answer and I will summarise what I think he was saying. He told the committee that the catchment needs \$12 billion for repairs. Other evidence that I have heard elsewhere suggests that that money needs to be spent over the next 20 years, so we are looking at an expenditure of something like \$600 million a year for each of the next 20 years to come some way towards addressing the problems. Is that true?

The Hon. M.K. Brindal: I am reticent to say that it is true just in the sense of how the cash flow would work out, but doing a simple piece of mathematics, as the shadow minister did, if it was divided on a yearly basis, that is what we would be looking towards. That is what I am told the cost of salinity

remediation is. If we look at the cost of maintaining and enhancing the basin, it is that plus whatever we need for re-establishment of wetlands, for works on the weirs, or if we shift the barrages. They are in addition to the \$600 million about which the member spoke.

Mr HILL: I thank the minister for his response. I refer now to practices along the river and I will cite examples that have been brought to my attention by a gentleman who lives along the river. I am sure the minister will not know about this. They indicate some of the problems that we might have. I can give the minister the details later, and I have been told that, on 5 March, on the hundred of Younghusband, a shack owner contracted by way of payment a company known as Dynamic Dredging, which trades as Mark Nayder Pty Ltd, and Houseboat Services Pty Ltd and Mr Ken Gowling, who is a local farmer, regarding the removal of a 500-year-old, 65-foot, 80-tonne semi-submerged river red gum tree on the bank of the river. The reason that the person wanted that tree removed was because his ski boat scraped the tree whilst mooring and he stubbed his toe, according to the person who gave me this information.

A considerable amount of machinery was used, including one floating dredge with four excavator arms, one loader/dozer of four cubic capacity and two Massey Ferguson 4500 tractors. My contact tells me:

Upon seeing this I went down and asked had they sought and obtained work permits from the council and department. The answer, 'Keep out of it or else.' I then phoned Mr Terry Franklin from the department and made him aware of the situation. Upon his arrival it became evident that no individual, contractor or body corporate had sought or obtained permission. The department ordered a cessation of work. . . within five minutes of phoning the department all the machinery and individuals were nowhere to be seen.

On 18 March, the contact writes:

I went down to the river with my wife for a walk when an individual appeared and went nuts. He informed me that I should not have interfered and that my time had come. He then proceeded to assault me. I ended up in hospital with concussion, cuts to my neck and throat and severe bruising. Charges have been laid.

On 7 June my contact says:

A notice of application for category 3 non-complying development appeared in the *River News*. It is, unbelievably, to 'landscape the banks of the River Murray, applicant. . . section 868 hundred of Younghusband'.

Once again the builder was Dynamic Dredging. The letter continues:

The construction, to extend the bank of the river into the river four metres by four metres and plant lawn. To use sandbags and the 500-year-old tree as a base.

The reason, to stop a tree falling into the river. The inland waters report from SARDI clearly identifies native snags as the only areas where our native fish stocks not only breed and eat but shelter from the increased boat traffic. Section 868 is directly opposite Lake Carlet, which is a listed gold preservation area.

My contact goes on to say that he is meeting with the commercial fisherman and, further:

John, this is the loophole that Dynamic Dredging use to do whatever they like. If this goes through there are another 16 applications waiting. Dynamic Dredging has been doing this for six years.

The letter continues. I am not suggesting that the minister knows the answer to this question but I bring it to his attention so that he can follow it up. If it is true, it appears that a lot of activity is occurring that removes and interferes with trees along the river bank.

The Hon. M.K. Brindal: If the honourable member provides the information I will have my officers look at it. It

might be a jurisdictional matter between ourselves and the environment department. I am not making excuses but we will have it analysed and see what we can do. People who have shacks along the River Murray have a privilege, which a lot of the rest of South Australia now cannot enjoy but which many of whom would like to enjoy. Good luck to them, because for one reason or another they were in the right place at the right time, so they enjoy a privilege. That is their right and there is nothing wrong with that. However, that privilege does not extend to the banks of the River Murray being their personal fiefdom or for them to sit in judgment on the health of the greatest river system in this country because they happen to own four, five, six, 10 metres or even 100 kilometres of frontage.

If the facts are as presented, I view very poorly any individual thinking it is their right to behave as they like, and I give the member my word that I will do everything I can, if it is our jurisdiction, to have my officers do something about it and, if it is not our jurisdiction, I will talk to my colleague the Minister for Environment and Heritage, who would be equally fascinated by such a story. It goes without saying that most of the member for Chaffey's electors do not pop out of trees and assault people, causing cuts and abrasions. The man sounds like he needs counselling, not only about trees along the River Murray, dead or alive.

Mr HILL: I thank the minister for that commitment. One of the great privileges of being a member is the ability to raise cases like that, and I do it not to suggest that the minister has been inadequate in his protection of the river but to highlight the problem so that we can be reasonably sure that it gets attention.

The same person who gave me that information has given me some other information, which is equally horrifying, so I will go through that as well. His letter to me says:

In the first two weeks of June 2000, the Boating Industry of Australia, SA Division, sought and received state funding to investigate the following:

1. To identify vessels, with particular reference to houseboats that dispose of their waste incorrectly.
2. To identify public areas that are currently not used as mooring sites by houseboats, and to clear those areas.
3. To check signage along the river banks.

John, are you aware of the following?

(a) Unforgettable Houseboats (full board members of BIASA) discharge their untreated spa water directly into the River Murray only 10 metres upstream from the Mannum-Adelaide water suction pick-up point.

The company currently has three boats—*Unforgettable 3*, *Unforgettable 4* and *Simply the Best*—that have a combined spa capacity of 3 500 litres. The boat spas are dumped into the river three times per week. The spa water contains chlorine concentrate, balance pack 100, balance pack 300, anti-foam concentrate, polysheen extra and descale concentrate. This amounts to 500—

I think he has the figures wrong—

[substantial litreage] of contaminated water being released into our river each year, just from three Unforgettable Houseboats. Their other three boats have smaller spas which are dumped daily. BIASA has 37 members in the river, most with spas and/or jacuzzis. They currently fuel the fleet over the water and on the banks of the river. Several large petrol and diesel spillages have occurred in the past—well documented—remembering all of this occurs within 10 metres of Adelaide's water pick up. Unforgettable Houseboats have applied for a category three non-complying development. This development is a construction of a triple fuel bowser to be located on the banks of the river. As fuel spillages occur twice weekly, all anyone has to do to see it is to be at Unforgettable Houseboats marina on a Monday or Friday morning between 8 a.m. and 12 p.m. You will know when they have over filled the tanks and pollution has occurred simply by looking at the water. They always engage both engines in reverse on

the boat concerned in an attempt to stir up the water so it goes unnoticed.

It is another issue; I do not expect the minister to have an answer, but I ask him to take it up and have it investigated.

The Hon. M.K. Brindal: I can answer at least part of this question. The jurisdiction for the question is, quite clearly, the EPA. The responsibility for the resource is, quite clearly, ours. It is a classic case where, as the department evolves, we will have to work very much hand in glove with the EPA for policing and enforcement of some of these matters. I can inform the shadow minister—and I think he would acknowledge—that while it is a little emotive to say—and I am not saying this in a nasty way—that this is done within 10 metres of the intake to Adelaide's water supply, the detriment to the environment occurs whether it is done 10 metres or 100 metres or a few kilometres away.

My officers are currently looking at this situation, and this is why I know a bit about it. Currently, there is fairly strong legislation that demands that black water, that is refuse containing solid waste and sewage, is sealed and deposited from houseboats at designated points. That is rigidly enforced. If there are lapses—and I suspect that occasionally there are—then they must be policed. It is simply a totally unsustainable and unacceptable practice.

The second problem is more complex. Much other water that does not go down the toilet—that is spas, dishwasher from washing up and shower water from every houseboat—not being in the category of black water but, rather, grey water is virtually sucked in from the river, is used on the houseboat and is then directly discharged to the river. You could say that the houseboat industry, which is an important tourist industry to this state and which provides a wonderful holiday for people—I am not denigrating it—within the rules does what it is allowed to do, that is, collects the black water but uses quantities of water which are then discharged straight back to the river in the form of grey water.

There is no particular health danger in that, but there is an environmental danger. I accept that spa water contains exactly what the honourable member says it would contain. The shower water probably has a measure of some chlorine treatment as it goes through and then would contain the phosphates that are inherent in our soaps and detergents, as would the dishwasher water and sink water. I have asked officers to investigate—and they are currently investigating—alternative methods. I am told at a first cut that, were we to require all houseboats to have huge holding tanks to hold all their water, we would need so many collection points that it would not work.

However, I believe there are methods by which we can progressively demand that houseboats at least ameliorate some of the damage that putting back the phosphates into the water causes. One of the suggestions put to me is that, in fact, if you use the bottom pontoon of the houseboat and actually set up, if you like, charcoal filters and a floating eco system you could suck up the water; and then discharge the water through the bottom of the pontoon in a way that would allow it to meander through the bottom of the houseboat to be discharged eventually back into the river but in a purified form because it was treated with activated carbon and biological biota.

In fact, I am told that, properly engineered, such a solution could mean that water taken up at one quality could actually be improved on the way out. A couple of other alternatives, again, would not amount to the storage of the water but,

rather, would amount to a requirement to ensure that the quality of the water is enhanced when it is discharged. That is the import of the member's question, except for one area and that is this: I will ensure that the allegations about discharge of hydrocarbons is passed on. Other than in a case of real human accident or error which is unavoidable—for example, when a houseboat blows up and the tank goes with it, you will get oil on the water—and unless in those most exceptional circumstances there is no excuse or reason why anyone should discharge hydrocarbons into our river system.

I will have that allegation looked at in that context. I will also see what we can do with the EPA to look at where such fillings occur to try to come up with regimes that, while not being over the top or stupid, try to bund or pond or somehow guarantee that such events can be quarantined from the river because I think that is important for us all.

Mr HILL: I appreciate the Minister's response. I would like to turn now to the issue of Honeymoon Mine, in particular your responsibilities in relation to bores at that site. As I understand it, all the bores that will be drilled at the site require a licence from you or your department, including a bore which may be drilled to discharge liquid waste back into the aquifer. First, can you explain the process; how will you exercise your power and, in particular, what advice will you obtain; will the EPA, for instance, be asked to provide advice; and will the public be asked to provide advice? In other words, what kind of assessment process will you go through to determine whether or not the mine gets a licence?

The Hon. M.K. Brindal: This is an interesting question. I read a briefing on this and it is a fascinating situation. In situ leach (ISL) mining of uranium has the potential to become an important mining activity in the far north of South Australia. The approval in 1999 of the Beverley Mine in the north-east of the state, east of Arkaroola, paved the way for other known deposits to be developed, and the shadow minister would be aware that the second of those is Honeymoon.

ISL mining involves dissolution of uranium compounds contained within an aquifer by the drilling of multiple systems of wells and by the cycling of chemically modified ground water from which the dissolved uranium is stripped in a chemical plant at the surface. The ISL process avoids the need for underground mine workings or the removal of the overburden in open cut mining, and enables mining in otherwise uneconomic deposits. With the old mining technology—and we will get to whether this is good or bad—when they either open cut or built the old mine workings, with the abandonment of the mine workings there was basically an environmental disaster. Leaching from those old workings—

Mr Hill interjecting:

The Hon. M.K. Brindal: It was pretty catastrophic. In terms of the theory behind this method, it is likely to leave much less impact than other methods of mining. The Beverley uranium project is being operated to strict standards, which have been developed by the proponent in conjunction with the regulating authorities. In addition, the nature of the highly saline Beverley aquifer makes the site uniquely suited to ISL mining and the reinjection of stripped ground water and concentrated waste water. The Beverley aquifer is not hydraulically connected to other aquifers, and we have been very careful about this. Consequently there is no possibility of ground water contamination as a result of ISL mining on the site. It is, in fact, a self-contained basin.

The uranium bearing aquifer at Honeymoon is also highly saline and contains significant levels of radionuclides well in excess of those considered safe for stock and domestic purposes. It is not as closed and discrete as Beverley but its character is considered to be safe for ISL mining. The water at Honeymoon already contains these radioactive particles, which means that it cannot be used. We are stripping out what is already there. The Honeymoon uranium project, if approved, will be similarly operated to strict standards as in the case of Beverley and, due to the nature of the ISL operation, no contamination would leave the mine site area.

Operating standards from the ground water perspective will include the consideration of well construction and integrity, the number of observation wells and monitoring, operating pressures, definitions for excursions of contaminated ground water and incursions, clean-up response and monitoring in the event of an excursion. The high operating standards provide assurance that surrounding ground water resources will be protected. Does the shadow minister understand the terms 'excursions' and 'incursions'?

Mr Hill interjecting:

The Hon. M.K. Brindal: Very good, because I did not.

Mr Hill interjecting:

The Hon. M.K. Brindal: One must be careful. One of the dangers in the South-East, and even with some of the basins, is that unless your pipe is properly lined a bore might go down to an aquifer and, on the way up, some of that water will leak out into other aquifers.

Mr HILL: That is the worry, of course.

The Hon. M.K. Brindal: Yes. Those procedures must be done but, in those areas, the hydrology has been tested. They are self-contained, they are highly saline and, in one place, they are already radioactive, so there is no use. Without being too cute, one could argue, at least intellectually in the case of one, that the resulting water at the end of the process might be safer than the natural water that is already there because of its radioactive nature, and I am not expecting to win five points from the conservation people to say that. It is considered that much of the protest voice is directed at the uranium mining industry and is not necessarily at the process of ISL.

However, the perceived environmental issues do provide a vehicle, I acknowledge, to deliver a protest attack. Whilst not wishing to trivialise the issue, just to put it in some perspective, the acidity of the injectant at Beverley and that suggested for Honeymoon is unlikely to exceed a pH of 2-3 and that is a similar pH level to orange juice. So it is not that we are putting in hydrochloric acid, sulphuric acid or any concentration. Alkaline injectants are used in some overseas projects but the choice of injectant is determined by the chemical nature of the minerals in the aquifer.

I think that the shadow minister, depending on who has given him his briefing, would be aware that there are some groups within the conservation movement who argue that they have no objection to ISL mining but they believe that the alkaline process is a more environmentally friendly process. They will therefore argue not to use the acid process but the alkaline process. That is why I make the last point that, in the case of the chemistry of these two aquifers, the alkaline process is not suitable and the acid process is being used because it is the most conducive to the extraction of the mineral within the environment in which it is found.

Mr HILL: I thank the minister for his answer, although I am not sure that he did answer my question completely. I have visited both the Honeymoon and Beverley sites and,

from a technical point of view, it is a very elegant technology compared to an open-cut mine: it is more akin to a chemical factory than a mine site. You see a group of people walking around in white coats and with clipboards—it is interesting from that point of view. There is minimal surface damage. The concerns people have are two-fold. The minister can mount an argument that it depollutes the aquifer by taking out the radioactive material. In fact, when the solution is put back into the aquifer more radioactive material is active. It is in suspension. It is no longer settled and so there is a potential then for it to move out of the aquifer.

The concern, particularly with Honeymoon, is that the aquifer is not known to be completely isolated; and, secondly, the issue raised by the minister himself is that, if you break the surface of the earth's crust, you then get water moving through and it may well leach and move into other areas. My question to the minister was not to explain in situ leachate mining but rather to ask him what process he will go through to assure himself that a licence is properly given, and will the EPA be asked to comment on the possible effects?

The Hon. M.K. Brindal: I am told that a number of players are involved: the EPA and, obviously, Mines and Energy. However, to get the approval an application must satisfactorily pass the stringency of an EIS. I think that the shadow minister will find that in my answer I did acknowledge that we are not saying that the Honeymoon project is a completely isolated aquifer. Permission has not yet been given. From the point of view of my own department, I can absolutely guarantee that we will use all of our powers to work with those other two departments, and especially the EPA, to ensure that there can be no possible danger of contamination to any other aquifer, especially any potable aquifer that might be used for stock and domestic purposes.

We will work closely with the EPA to try to ensure that all those standards are met. In an inter-agency situation we are not the only player in the field. My opinion, as minister and as a member of this House, is that if we are absolutely sure that it is a closed system, that there can be no damage (and there are no 100 per cents), that we can say that this is a better solution than open-cut mining, that we are containing it, and all the rest of it, then it is fair enough that it goes ahead. But in terms of my responsibility to the resource which is water, we will be working with the EPA to make absolutely sure that we did not get it wrong, because a mistake in that area is just not a disaster for today but a disaster, probably, for thousands of years.

Mr HILL: This is a theoretical question, I suppose: when and if the minister decides to grant a licence for any bores at the Honeymoon site, can he place conditions on the licence, including a condition that the mining company rehabilitate the aquifer to the condition in which it was prior to drilling?

The Hon. M.K. Brindal: It is part of the EIS process. I am assured by my officers that that is one of the conditions we would propose.

Mr HILL: Will propose?

The Hon. M.K. Brindal: Will propose.

Mr WILLIAMS: The minister made an off-handed remark that I might have been prompting the shadow minister earlier. I would like to dispel any rumours about that. That is definitely untrue. I would like to ask some questions on the water allocation policy in the upper South-East, particularly in the moratorium area. It is with interest that I noted recently that the minister had put in train the process to proclaim the moratorium area. Once that area is proclaimed, and if it is found that excess water is available to be allocated within the

PAV, what process will be used to allocate that water? Will there be a pro rata roll-out in that area, as per the recommendations of the select committee into the rest of the South-East, or will some other method be used? What is the policy?

The Hon. M.K. Brindal: Which well area are you talking about?

Mr WILLIAMS: We are talking about the moratorium area—the Tintinara/Coonalpyn area.

The Hon. M.K. Brindal: It is an interesting if somewhat hypothetical question. My officers may correct me, but the known hydrology of the area and the applications on which we are sitting suggest that it will be highly unlikely that we will reach the end of applications before we reach the point at which we believe the applications must be cut off because of the unsustainability of the resource. Whereas certain parts of the South-East represent the greatest or the second greatest unused reservoir for water as a natural resource in the country, this area is known to be much more limited in its scope and has a lot of pressure on it.

As the member for MacKillop knows, every man and his dog has come into there, and they all want to develop 10 000 hectares of olives. I might be exaggerating, but they are huge developments. I do not think there is much chance when we reach the end of the allocation process that there would be any available for pro rata roll-out. If I was wrong (and I absolutely doubt that I would be; I will be fairly categorical in my first statement), I think we would consider the matter. The fact is that that is what we did in the South-East. To suggest that we should not give other land-holders in other areas the same sort of opportunity is not right. Basically, we should. It is what we did in the South-East. Unless I can come back to the honourable member or this House and say, 'There's a good reason why we have moved on from that sort of thinking,' were extra water available, we would have to do the same sort of thing. However, I do not believe for a minute that extra water will be available.

Mr WILLIAMS: In that answer the minister referred to applications that are being sat on. Do those applications involve people who put in an application to fulfil the conditions of the moratorium, that is, that they wished the minister at the time to take into consideration the financial commitment they made as per the terms of the moratorium, but were unsuccessful?

The Hon. M.K. Brindal: Are you talking about the disallowed applications?

Mr WILLIAMS: Yes; you said that you were sitting on applications for allocation in that area. Where did these applications come from? Are they the applicants to which you refer?

The Hon. M.K. Brindal: There were a number of special cases, all of which I have looked at. At the date that the moratorium came in and subsequently, we have received applications to take water that now wait on a queue until we resolve the planning issues and the allocation of water. So, some people had applied for water licences and, even though the situation was frozen, those applications are still alive. Until we decide the quantum of the resource and how we will allocate it, until we establish the water allocation plan, we cannot act on them. They are in the queue waiting to be served.

In addition, there were a number of people who as at the date at which this thing was frozen believed there were special circumstances such that they believed they could demonstrate that we should allocate them the water, because they were so far down the track on the date of the cut off as

to justify their argument to us that they should be given the water, regardless of the freeze.

I have reviewed all those cases, every single one of them, and I have determined to back the decision of my officers on the matter—in every case save one. I refer to the case of a small family farmer who wanted to irrigate his lucerne (and I am not sure whether the member for MacKillop drew this to my attention). He had a long-term, three or five year plan. He had embarked on stage 1 of that plan but at the date of the cut-off had not technically moved to stage 2. However, it was clear that he had not moved to stage 2 because of some environmental factor that had inhibited his plan. It was also clear that immediately the situation had redressed itself he was back on course and doing it. The problem in his application is that absolutely technically on the day that the applications were frozen he could not prove the intent that was necessary by law.

So, his case was a small family concern—two brothers on a property. We are talking not about 10 000 hectares of olives but about family farmers in the area. His was the one case where I said, ‘No, he should get his water.’ It was not in spite of the advice of my officers. Their advice was very even-handed and fair. Their advice said, ‘Technically, this guy is not eligible, but morally he should be. He satisfied every requirement except one technical requirement.’ In subsequent discussions with my officers, after I had allowed the application, not one of them said, ‘You shouldn’t have done that, Minister.’ It was basically by agreement that that was varied in his case. As I understand it, they are still on the list. Just because we did not give them special circumstances, it does not knock them off the list. They are still there and will be considered along with everyone else.

Mr WILLIAMS: In the light of the answer that he has just given to the committee, it may interest the minister to know that it has come to my attention in recent days that one land-holder in the upper South-East applied under the terms of the moratorium. Although he was in verbal correspondence with the minister’s department, he did not receive written confirmation one way or the other until only a matter of probably six weeks ago to say that he was unsuccessful in achieving a licence, not having proved a financial commitment. The reality is that, whilst he was waiting for confirmation or denial of an extraction authority, he proceeded with his work and has completed that work and irrigated his farm last summer. However, in recent times, to his horror he received a denial of authority. I can provide the details of that person for the minister later.

I am a little concerned about the minister’s previous answer regarding the applications that his department is holding on water applications made in that moratorium area. I wish to confirm what the minister said. Is he telling the committee that, since the moratorium, the department has been receiving applications for water other than those wishing to meet the terms of the moratorium and that they are being held and will be ranked in order of date of receipt by the department and at such time as the ending of the moratorium will be ranked in that date to achieve a water allocation?

The Hon. M.K. Brindal: We can stop anyone applying at any time. We can put a moratorium on it: we can say it is not available. But you cannot stop someone getting on the queue. I cannot give the member a quantum. The answer is ‘Yes.’ Since the moratorium people have applied for water, you simply cannot stop them. If Mitch Williams, farmer, moves into the area and buys land and thinks that he would like to irrigate that land to lucerne, whether there is a

moratorium in place or not, he has an absolute right to apply. Importantly, however, he will then be put on a queue in strict order of the date of receipt. The queue can get as long as it likes: it will be dealt with from number one application through to ‘N’ application: it will be dealt with in strict priority order. You can buy land in the area today and you can be added to the list tomorrow. But I have to tell you that, because of the length of the list, your chances of getting water at the end of the day are diminished. So, there is no danger in another 1 000 people applying: if the resource is there and if the resource is allocated to them it will be their right to be allocated the resource under current policy. If it is not there, the applications will be cut off at the point of sustainable yield.

It is for the member’s counsel whether or not he chooses to give me the details of that elector, because I would say this: whatever the reason or whatever the motivation of the person is not my concern. But if he drilled a bore and extracted water illegally in the last season he has breached the statute law of South Australia, and if the member chooses to draw that to my attention I am obliged to pass that on to my officers, and the person whom you draw to my attention might then find that he is prosecuted. He may well have a defence, that defence being that someone said something to him, and all the rest of it. But it is very wrong and it is a very foolish act for any farmer, no matter whether he has been on his land for five years, 50 years, or 500 years, to presume that he is above the will of this parliament and the statute law of this state.

The member for MacKillop well knows that part of the problem perplexing this parliament, and part of the problem that he and I have, is that if some of the people in that area were a little less enthusiastic about digging all sorts of things and doing all sorts of things before they obtained the rightful authority, he and I would probably find it easier to get the work done. It might happen one or two months after some of the member’s electors would like it to happen. However, just in the last six months I think that we have been proceeding rather well, and I wish that they would stop digging their holes and various other things and give us a go. No-one (and I know the member feels this way) wants to prosecute someone who is not really trying to do the wrong thing: they just get a bit impatient and they get on with the job. But the problem is that for me, as a minister, and for the member for MacKillop, as a member of parliament, if we are going to come down like a ton of bricks on, for example, irrigators in the Northern Adelaide Plains who are using domestic bores to irrigate crops, absolutely regardless of licensing requirements or anything else, if we are going to say to them, ‘There is a law in this state and the law has to be applied,’ then I cannot afford to come in here and say to the member for Taylor, ‘We prosecuted a few of your electors because they were doing the wrong thing,’ if she then finds out that somewhere in the area of MacKillop there was a person who did the wrong thing and who was not prosecuted. So, it is up to the member. He is more than welcome to pass on those details to me, but I suspect that he might reflect on that matter.

Mr WILLIAMS: It is my understanding that the minister’s department is aware of this land-holder, who has engaged in correspondence with his department, and I will certainly pass on the details to the minister. I still have some concerns about the earlier part of the minister’s answer regarding the receipt of applications. I can assure the minister that the general feeling and, I believe, the knowledge of those

land-holders in that moratorium area was that when the moratorium was put in place that applications were not being received. If the department has been receiving applications since that time and is to rank those in order of date of receipt, the department will create another huge problem in the Upper South-East, because the majority of the land-holders there have been sitting back waiting for the moratorium to end and waiting for the department to make the next move.

I have attended, I think, every public meeting that has been held in that region, and I can assure the minister that members of the general public in that area were unaware that the department would be receiving applications that would be processed at some later date. I ask the minister to take that on board and perhaps discuss it with his departmental officers, because if it does transpire to be the case that those people have gone ahead and put in an application since the moratorium was put in place on 13 January last year, it will cause a furore in that area, because I know of many land-holders who have just been sitting back waiting for the next step to arrive so that they could put in an application.

The Hon. M.K. Brindal: I will let Mr Schonfeldt answer that question, because there are some aspects that I think need clarification. I think that, in my limited experience as Minister for Water Resources, one of the problems in the South-East is that there is too much formulation of a belief in the community that everyone thinks is right or wrong; they all head in one direction because they think this is happening. They do not bother to find out the facts, and then when it is not happening they all become upset. I would suggest that people down there would help themselves much more—and I mean this constructively—by finding out what the facts are and acting according to those facts, rather than forming this sort of public folklore opinion—which is what happens—and then, when they discover that is not correct, getting all excited and upset about it. It is human nature, but it is not helpful. It is very difficult for me to stop them, if people have a legal right to submit an application. I can understand how people feel who honestly did not know that was their right and did not apply, and that is what the member is talking about; they will get very cross afterwards. I can understand that. But I am sure that the member can understand and that they could understand that, if they removed themselves from the emotional bit. It is very difficult, though, legally to extract yourself. If the people had a legal right to apply, they had a legal right to apply. You cannot easily take away that legal right simply because other people did not bother to know or to find out.

I do not mean that as a criticism of anyone, but I do rather hope that the local member will help me to make sure that people are better informed, because the more information we can give those people the less likely both he and I are to have sleepless nights because they are jumping up and down about another problem which was not, after all, of our making but which was a result of their misunderstanding. I will let Mr Schonfeldt clarify that question.

Mr Schonfeldt: The distinction to be drawn here between applications is that the term is used broadly, but there are two very distinct situations. The first is that, whilst there was a period of restriction applying, during that period people were not applying for a water licence. What they were doing was applying, in a sense, for registration, or authorisation as an existing user, and they are the applications that we have been processing. At this stage, the resource is not even prescribed, so no-one has to yet apply for a licence. But because the area is restricted under a notice of restriction, the only people who

are legally entitled to use water are those who are authorised as existing users. That is what we have been dealing with: people who are applying to get themselves recognised as existing users. They are the ones to whom the minister referred: where some people were rejected in the first place but came back and thought they had special circumstances.

The minister has dealt with all of those special cases and resolved them as he has indicated. With respect to the notice to prescribe what is currently out there, there is a period of consultation on that. When the decision is taken to prescribe (and it is then prescribed after this first period) we get to the point where a water allocation plan has to be first prepared, through the processes under the Water Resources Act, and then any further allocation that has taken place—and this is where people then apply for a licence—is in accordance with the water allocation plan.

The water allocation plan will describe the policies, and they will be developed in consultation with the community and finally approved by the minister. It would be hypothetical to suggest what would be in that water allocation plan at this stage. It could be a pro rata allocation basis but, as the minister has indicated, it is likely that precious little water will be left anyway. That is why we have a situation there: a lot of existing users are taking up most of the resource. Or you could come up with any other policy that was to be put into that water allocation plan. The point is that any applications for a licence at that stage would then be dealt with in accordance with the policies in the water allocation plan. So, I hope I have differentiated between what these applications were for, for these two quite distinctly different circumstances.

Mr WILLIAMS: I have a supplementary question just for clarification, because that answer is somewhat at variance with the minister's earlier answer. I take it from the answer the committee has just heard that the only applications that the department is holding and is ranking in date of receipt order are those people who applied originally under the terms of the moratorium and put a case that they were either existing users or had made a financial commitment to be users?

The Hon. M.K. Brindal: In fact, they have all been dealt with, and that is why I asked Mr Schonfeldt to clarify this. What now remains open for us is, if there is any water left over, then we develop a plan. In developing that plan we can worry about anybody who might apply tomorrow, or the day after, who is not an existing user and how we deal with them and the rest of the community. So, the answer that Mr Schonfeldt just gave clearly indicates that we will not reach a situation where anybody can believe they have been duded, because the community will have a chance to work through all of those issues in the unlikely event that there is something to be given out. The likely scenario continues to be, when we reach the end of working out all of those who are there and putting up their hand for a share, that they are asking for a bigger share than is probably currently available, so there is not likely to be any left over.

Mr HILL: Can the minister tell the committee what is happening with the Mount Lofty catchment report? I understand that the report has been produced and perhaps even printed. Can the minister say when it will be released and what is holding it up?

The Hon. M.K. Brindal: I am aware that a report was being prepared. It falls under DEH—I think it involved the Department for Environment and Heritage and it was being

looked after by the EPA. I will ask Minister Evans to respond.

Mr HILL: I thought it was part of yours because it is a catchment.

The Hon. M.K. Brindal: No, it is a little different. Certain issues are evolving that will be, in a sense, tripartite. I think this is one of them in which the Department for Water Resources will be integrally involved. The DEH will be involved and, because of the nature of the Mount Lofty catchment, a lot of which is horticultural, PIRSA will be involved as well. Those three agencies will have a senior officer group that works through some of those things. We still believe in integrated management. The reason for having a water resources department is the specific focus that we believe to be currently necessary on water, as part of the integrated management necessitates a water focus.

Having said that, the Mount Lofty catchment is a classic case. To say that water is the only part of that catchment management is ludicrous: the horticultural practices are pivotal to the quality of the water. The urban run-off, the STED schemes in the Hills, and things like that, are critical components. The very high level interaction of PIRSA, DEH and Water Resources will be critical to this event. As for the authorship, I was not involved in it; it pre-dates my time. That has been in minister Evans's bailiwick. After today I will give him a ring, say that the honourable member asked about it and ask him to provide the honourable member with some information.

Mr HILL: I refer to an article in *LAWN* (Land and Water News) of February 2000 which states that the head of South Australia's peak water resources council, formed to give independent advice to the SA government on water issues, says that SA Environment Minister Dorothy Kotz has never sought any advice from the body and that its position needed to be reviewed. WRC Presiding Member John Fargher told Land and Water News:

The five member council cost SA taxpayers \$11 000 each year in salaries plus the cost of a part-time assistant and backup departmental resources, but had never been approached by Mrs Kotz for any advice.

Has the current minister approached this body for any advice?

The Hon. M.K. Brindal: Good try, but this one will go for six! Yes, I have met with the members of this body at least twice to date. Mr Case, as acting chief executive, has met with them on at least one occasion and I have met the presiding member less formally and for briefings on another two occasions. My formal meetings with the entire council have been on two occasions. I think my informal contacts with the presiding member have subsequently occurred on another two occasions, and the CEO has met with them—all within a four month period.

I am finding it to be a very useful and valuable peak body. We need to work through some issues, because the members of that body often recommend to me whom they would like to see on catchment management boards. They provide a list of all those people whom they consider to be suitable, similar to what the Education Department does (a list of successful applicants, if you like), and from that list they draw those whom they think would constitute the best board. Already, my opinion of the best board and their opinion of the best board might be at variance, which is my prerogative under the act, and they understand that.

But I am trying to work through a process with them whereby they understand what I would be looking for, so that it is not a 'you send me your advice and I will do what I like'

sort of scenario. That is only one of their duties. I think that it is a valuable organisation, and we are seeking to use it as a very important part of the department's approach to water.

Mr HILL: I will stop trying to ask dorothy dix questions now. No wonder the minister has replaced the former minister, if he is meeting with the key operatives. I refer to a letter that I think has been sent to the minister, according to the carbon copies list at the bottom, from Seabreeze Farms, an organic foods producer with a Prospect address. They have written regarding the Virginia pipeline scheme, and loss of organic certification. They advise me that the national organic certifiers' body intends to amend the National Organic Standard to specifically preclude the use of reclaimed water for organic food production, and they say in part:

... the proposed change to the national standard to preclude the VPS water and other such reclaimed water jeopardises the entire Northern Adelaide Plains horticultural industry. It would be naive to believe that the commercial elements behind this change would stop at forcing one large grower out of the organic food market when they could subsequently force an entire region of both organic and conventional growers out of the market to their own benefit.

I think that the minister would agree that it would be most unfortunate if producers who are using reclaimed or recycled water and thus benefiting the environment in general terms and reducing the demand on fresh water would be penalised in this way. Will the minister comment and, if he is not aware of this, will he take it up at the appropriate levels?

The Hon. M.K. Brindal: I am not aware of the letter: I hope that it is in the system. In fact, the shadow minister might help if he would give us a copy afterwards, because I would like to get onto it straight away. I agree with the shadow minister's proposition: to me it smacks a little of the sorts of tricks pulled by some of our overseas trading partners.

I am minded of an American requirement: some little cyst existed in mutton, which caused no particular harm to anyone, from memory, but the only way of finding whether the cyst was in the meat was basically by chopping it into mincemeat. Then you found it was clean, and you could not sell it anyway. It was a very effective way of keeping Australian meat off the American market. The shadow minister would be aware of many instances where artificial trade barriers are invented.

There are those in the wine industry, for instance, who think that all the fuss about any saline content at all in wine is nothing other than an artificial barrier put up, because there are no health risks, no health problems, I am told, with moderate quantities of salt in wine, yet it would exclude us from world markets were we not to meet rigid standards. To me this smacks of much the same thing.

The people I know who are keen to consume naturally grown organic foods would prefer food grown organically by water that saves the environment. The water is highly treated, and absolutely rigid standards of health are required, and that includes biological organisms and any possible contaminants.

I would actually argue—and the shadow minister may well agree—that that water is probably safer and of more certain quality than some of the water that could be drawn from creeks that meander down natural watercourses, and all sorts of things. It smacks to me a little bit of a group trying to get rid of the competition by constructing artificial constraints. I do not know of it: I will absolutely follow it up; and we will do all we can to try to protect people who are doing their bit for South Australia's environment by reusing water.

What comes out of that system is largely organic in the true sense of the word, and those who do organic farming of lettuces, etc., pride themselves on using sheep, cow and pigeon manure and such things in fairly raw form. To say that processed sewage that contains the organic nutrients of processed sewage are not suitable for organic farming is, to me, a bit of a non sequitur.

Membership:

Mr Ingerson substituted for Mrs Maywald.

Mr HILL: I refer briefly to water catchment boards. There are two issues in relation to them, but I will ask them in the one question, to give the minister only one opportunity to answer. Currently, we have seven water catchment boards. Will the minister indicate what percentage of the state is now covered by water catchment boards and what are the intentions for the remainder of the state?

The minister would be aware that there was some controversy, particularly in relation to the Onkaparinga catchment board, about the rating schemes that were to be used to work out the levy, and there was a dispute between the then minister and the board and some changes were made, but the changes were not passed on at the consumer level. I think that there is still an impediment to what the catchment board wants to do, and I am not sure what that impediment is. Will the minister address it and tell me what is planned?

The Hon. M.K. Brindal: There are currently seven catchment boards. The approximate geographic coverage of the state is about 70 per cent. The last remaining large area is Eyre Peninsula, and a catchment management committee is operating there at present. We are looking at the development of a catchment management board in that area. That will basically cover most of the state.

There are perhaps a few odd areas, and I mean 'odd' by geography not by nature because one of them is the area of the member for Finnis. Recently I visited that area with the member for Finnis, and the councils of Alexandrina, Victor Harbor and Yankalilla appear to be anxious to develop the notion of a catchment management board in that district. If the councils are so minded, I have asked them to write to me, putting that proposition, so we can think it through. The only proposal that is in train and is starting to evolve is on Eyre Peninsula, and that would take coverage to most of the state.

In terms of the specifics of the Onkaparinga catchment board, I believe there was no controversy this year, but I am unaware of the details. I will read *Hansard* and I might ring the shadow minister for further information, but I will refer it to the board and get a detailed explanation. Rather than record it in *Hansard*, I will probably write directly to the shadow minister, find out what it is, get an answer or put him in contact with the board for a direct answer.

Mr HILL: I refer to the report that was produced recently by the commonwealth parliament with regard to its inquiry into Gulf St Vincent. It made a number of recommendations and they have implications for the disposal from land into the sea of stormwater and sewage and it highlights the issue relating to the Barcoo Outlet, which is a matter of some controversy in the western suburbs. Has the minister looked at this report and, in particular, looked at the issue of Barcoo Outlet? Will he say whether or not there are superior ways to dispose of the water that will otherwise go out to sea via a pipeline, if it is constructed? I am thinking particularly of on-land disposal.

The Hon. M.K. Brindal: The answer to the shadow minister's questions are no, yes and yes, and I will expand on the last one. The problem of the natural flow to the sea at that point of the Sturt River system and the allied creeks that flow into the Sturt River at the Patawalonga is and has been part of the natural cycle of the Adelaide Plains since the first European settlement. There are historic records of barges taking timber up the Sturt Creek for Oaklands House, which is where the old driver education centre was on Oaklands Road.

There have been a number of problems and one was caused in the 1960s with the south-western drainage scheme, when the creek was concreted and made a speedway, so that the water that used to meander down into the Patawalonga now cascades and gushes. As the shadow minister knows, the built forms—the houses and sheds—mean that quantities pour off roofs and down the creek quickly. That is overlaid with industrial pollution and pollution from roads caused by tyres and oil, and that has created a significant problem which is greater than at any time previously.

What disappoints me about the Barcoo protesters, and I applaud the shadow minister's question, is that they have not considered what the problem really is. The problem is how not to get that water out to sea, and that is part of what the shadow minister asked. The Barcoo Outlet does not matter. If I have my way, there will be a wonderful system that keeps the Patawalonga clean as a marine environment because most of the water will go elsewhere.

There are two possibilities: one is an environmental wetland on Morphettville racecourse, which I will not canvass because of time and because the shadow minister is aware of those possibilities; the other possibility, which I commend to the shadow minister, concerns the recently announced world-leading work of the Salisbury council. It has just received a grant from the federal government and it will build the first industrial wetland in South Australia. Most of our wetlands are environmental wetlands that have an aesthetic quality. The council will build an industrial wetland between the two arms of the airport at Parafield.

It is an intriguing project. Council believes that there will be no problem with birds because it will plant the microphytes at such a density that they cannot see the water and cannot land there because it will be like a prickly bush. It will keep the birds away. It is more mathematical and regimented. It is not there for environmental aesthetics but to purify water. Although it is a natural system, it is more clinically engineered. If that works at Parafield, and I am sure it will, it will clean all of Michell's water.

About one third of stormwater run-off for metropolitan Adelaide falls in the Salisbury council area. Within two or three years it will have collected all that water and returned it to aquifers rather than discharged it into the gulf, which is a significant reuse of our water. That system will work and it would also be a possibility for the Adelaide Airport. We could build a similar, large wetland at Morphettville or an additional one at Adelaide Airport.

The other great thing about one at Adelaide Airport is that it would create the distinct possibility that the secondary treated water at Glenelg, which already runs by pipe to that airport, could be similarly treated so as to reach tertiary or potable standard at the end of the system. We might be able to use that system not only to cope with all or the huge majority of the run-off from the Sturt Creek, and to purify it, but to provide proper treatment of the secondary treated water from Glenelg.

By then I would hope that SA Water is in a position to say that such water is not waste and can profitably be utilised somewhere. A few weeks ago I was disappointed to hear SA Water say that, in a business case scenario, it was not profitable to divert water from that area back into the city for use in our parklands. Indeed, provided the health quality is acceptable, why not just put it in the River Torrens and let it flow back to the sea in an aesthetic way that manages that river system better than it is currently managed? I was disappointed, as I am sure the shadow minister was, to hear any agency say that the best thing to do is dump it. We are past that. I am sorry I had to go on a bit, but in this case the important answer is not the Barcoo Outlet; the solution is not the Barcoo Outlet but, rather, better use of our water to stop it getting to the outlet.

Mr HILL: I am extremely pleased I asked the question, and I am very gratified by the answer which is sensible and which is different from the answers we have been getting from other parts of government. The sum of \$16 million has been talked about for the extension of the pipeline at Glenelg. If that money was spent doing the sorts of things the minister is talking about, it would be a much better use of the money. I agree with the minister: we need to start seeing waste water not as waste water but as a resource which can be used for commercial purposes. We need to develop some 21st century solutions to some of these problems and not just spend more money on 19th century solutions.

One of the issues gets back to the question about pricing. The COAG kind of arrangements, when applied to water, will in fact make the waste water more valuable and, therefore, more likely to be used. I know some cross-subsidies are going on at the moment which means that some of the heavy water users in that area get water virtually free of charge. If they had to pay a commercial rate for that water, then the waste water would start looking attractive to them. At the moment, because they get it relatively cheap, it is not so attractive. I commend the minister for that.

I now raise the application issue, which has been reported on recently in the *Southern Times*, taking water from Pages Flat, near Myponga, over the hill into the Willunga Basin. This would see extra water being used in that area for viticulture primarily and certainly would deplete the available water in the area from which it is taken. It is an issue of some controversy in that area. Will the minister explain his government's policy in relation to this issue?

The Hon. M.K. Brindal: The simple answer to the question is that it is evolving. I know that the member for Mawson (whose electorate is adjacent to the shadow minister's electorate, I believe) and the member for Finnis are equally concerned about this matter. A development application, indeed, has been lodged with Yankalilla District Council by Water Brokers SA Pty Ltd to construct a pipeline to pump approximately 2 000 megalitres per annum of ground water into the Willunga Basin. That is a significant amount of water. The application has raised community and landholders' concern in the Pages Flat area regarding the impact of this proposal on ground water resources at Pages Flat. That particular water is good quality water and it is used mainly for the irrigation of pastures associated with dairying in the area.

The Department for Water Resources has conducted a preliminary review to identify the aquifer system in the area, its water quality, its current level of use and the implications of taking the additional volume of water proposed. There is limited information on the extent of the ground water

resource and the potential impact that the proposal would have on the resource and its existing users. The Department for Water Resources has received a copy of a consultant's report on a hydrological study undertaken for the proponent to review. Following assessment of this report and the department's own preliminary assessment, the department will be in a position to advise the minister on whether some controls on the taking of water from the ground water resource are required.

When I say 'evolving', it is because of a number of interesting contemplations which this parliament will have to consider. First, if you have a ground water resource and it is a good quality ground water resource below good quality land, why would or should we seek to allow people to pump that basin dry merely for the purpose of pumping it elsewhere, perhaps onto land that is even slightly less suitable, and perhaps then causing dry land salinity by forcing up water tables in that area? The area we are talking about has good water and good land and is used for dairying. If, however, an area such as that has such high rainfall that no-one wants the underground water, what do we do with it? Do we leave it there or do we allow a certain amount to be utilised elsewhere in an area which is drier but where there is suitable land?

In a different situation in Western Australia, they found a very large, good volume of potable water under land that is virtually arid and not suitable for growing much at all. In that case, what do you do with that water? Do you pump it onto the land and grow second rate crops because of the nature of the land or do you allow the water to be pumped elsewhere? I am not answering any of those questions. That is something all members in this House will have to think through. They are the profound policy decisions of this century. What do we do with the water? Do we tie it to the land directly above it? Do we tie it to the best available land? In all those answers, how do we ensure that, if we do shift it from one place to another, we do not do more damage in the shifting than in the leaving alone?

What we will ensure in this case is that no-one, just because they have a business plan, is able to take any precipitative action that comes at a danger to the resource or to the economic detriment of those who have been using the resource for a long time.

Mr HILL: I ask the minister to respond to the member for Taylor's earlier question; he gave that undertaking.

The Hon. M.K. Brindal: The rate in the dollar of capital value for the land-based levies of catchment water management boards based on capital value are as follows: the Patawalonga board in 1999-2000 had a rate of 0.0118 cents in the dollar and in 2000-01 that rate has reduced to 0.0107 cents in the dollar. The Torrens catchment board had a rate of 0.0142 cents in the dollar and that reduced this year to 0.0132 cents in the dollar; that reduction in the rate, as the shadow minister would know, does not mean a reduction in the levy, just an escalation in the capital value. In Northern Adelaide and Barossa, it was 0.0137 cents in the dollar and this year it is 0.0144 cents, an increase. Onkaparinga had a rate in the dollar for 1999-2000 of 0.0254 cents and this year 0.0229 cents.

It should be noted that this year the Murray River Catchment Water Management Board does not have a land-based levy in its catchment area and that the South-East Catchment Water Board has a land-based levy based not on capital value but on site value. Next year the Murray River Catchment Water Management Board has given notice that

for river users it will continue to apply a user levy, but for residents in the towns (shackholders and so on) a land-based levy will come into play, so they will have a combination of the two from next year.

Mr MEIER: I ask a question in relation to page 11.6 of the Portfolio Statements. I know there are concerns on Yorke Peninsula about the ground water supplies, and the minister is probably aware that through the Department of Tourism \$150 000 is being provided to do some further research work on the Carribie Basin near Corny Point, whereas the Parawurlie Basin is currently being used for Point Turton and Warooka. I am not expecting the minister to provide answers, but I wonder whether he can comment on what I believe is a significant decline in ground water levels across the Eyre Peninsula and how the government is addressing the issue to ensure that current resources continue to meet the demand on Eyre Peninsula in the foreseeable future.

The Hon. M.K. Brindal: I thank the member for Goyder for his question and acknowledge a significant problem for the government which, luckily, is something that even the opposition will admit is not actually of the government's making. God, and not the government of South Australia, declares the rain. In the past seven years He or She has apparently declared less rain than has previously been thought to be our rightful entitlement.

Mr Hill interjecting:

The Hon. M.K. Brindal: The honourable member interjects that it is a punishment. He will note that since this government created a ministry of water resources it has rained abundantly. Having said that, and quite seriously, we have had lower than average rainfall for the past seven years. It is true to say that in the member for Goyder's area and the basins to which he refers in Eyre Peninsula, in the South-East and, in fact, all over Australia, ground water resources are stressed. Even if we are taking a sustainable level, when we have dry years and the replenishment levels are not there, the actual level of sustainability drops.

So, you are putting less into the bath than you are taking out, and there is a resultant decline. In the past 25 years all members would be aware that the level of the Blue Lake has dropped two metres. There is still plenty of water for the people of Mount Gambier, but a drop of two metres is significant. On the Eyre Peninsula that represents a serious problem because the Murray-Darling pipeline largely services Whyalla, which means that most of the Eyre Peninsula relies on the southern basin and the county of Musgrave regions, which are prescribed under the Water Resources Act 1997 and which are presently administered by the Eyre Peninsula Water Resources Planning Committee.

It is anticipated, as I have said earlier, that a catchment management board will be established in that area. Up until 1998 the Todd River Reservoir provided up to 25 per cent of the reticulated water demand. However, the recent years of below average rainfall have not provided water of sufficient quantity or quality to be harvested from the Todd River. The Todd River, even in good years, is not a class one water resource because there are levels of salinity in the soil which means that, at its best, it is not one of the most brilliant reservoirs.

To meet the shortfall, a new well field was developed in the Uley South Basin, but one can see the compounding effect: there is not enough surface water and it is more saline, so one must go into the aquifer. If the surface supplies are not being replenished neither is the aquifer, so you start to put more stress on something that is already under stress and it

is not potentially a good situation. The reticulated water supply for much of Eyre Peninsula comes from a number of well fields developed by SA Water within the southern basin area, these include Lincoln A, B and C well fields, Coffin Bay, Uley, Uley-Wanilla and Uley South.

The last major recharge event, as I said, occurred in 1992. Since then rainfall has been significantly below the mean monthly average, resulting in an increased rate in decline in those ground water levels. Since 1985 the water level decline in the Uley-Wanilla lens has been about 4.5 metres. A lens is very interesting. It is actually freshwater floating on a saltwater aquifer. You must be very careful. If you suck in too much of the lens the lens disappears and only salt water is left.

As I said, since 1985 the water level decline in the Uley-Wanilla lens has been about 4.5 metres, which is very large, whilst in the more important Uley South lens the decline has been approximately 2.5 metres. The Uley East Basin is located between the producing Uley-Wanilla and the Uley South basins and does not experience any pumping by SA Water. Uley East is not hydraulically connected to either of the two producing basins and therefore is not influenced by the pumping that occurs from these two lenses. However, since 1993, like the other two lenses, ground water has continued to decline, albeit at a slower rate, as a result of the below average rainfall. Whilst the water levels in the producing basins are influenced somewhat by extraction (.1 metres per annum in response to pumping demands), the overall trends between rainfall and ground water levels are quite evident.

Given the current knowledge and under the current extraction regime with prevailing climate conditions, it would take approximately 30 to 40 years for the water levels to decline to 50 per cent of the current levels in the major producing basin. Ground water levels are currently low across the Eyre Peninsula and appropriate risk management is required. One risk management option being considered by SA Water is the desalinisation of brackish ground water. Negotiations are currently in progress with SA Water to develop a numerical model that will help in forecasting the possible impact of the new well field on the Uley South lens and to allow the optimisation of appropriate risk management strategies under different operating and climatic scenarios.

I assure the member for Goyder that this is a matter in which my officers are taking a fairly deep interest. While I detail to this House what is told to me as known and scientific fact, it is also true to say that if the honourable member speaks to his colleague the member for Flinders, he will realise that some of the old-timers and longer-term residents in Port Lincoln are much more worried about this situation than the paper suggests. I am not for a moment suggesting that the scientists are wrong and that the locals are right, but I have been around too long to believe that we should not be listening to both and that we should be very cautious in our approach.

It has often happened that scientists, being as accurate as possible and using all available information, can sometimes come up with a result that is actually less accurate in the final event than a local who has sat around for 50 years and watched what happens. I am not saying to the member for Goyder that my answer is wrong: it is the best available scientific evidence, and it is given to the House in good faith. I am saying that locals say that the situation is not quite as rosy as I would present it to the House today. We are

therefore accepting the responsibility of trying to keep a really good watch on it, just in case.

Mr Chairman, I thank you for your wise and benevolent chairmanship of today's proceedings.

Ms Ciccarello interjecting:

The Hon. M.K. Brindal: I know that he is similar every day, but this is the first day I have been to estimates under his chairmanship. It has been a pleasure being here today. I thank my colleagues and the members of the opposition for the questions. As they will mark me, so I mark them. I think that they were very good questions and questions that, put on the public record, will serve to further the debate on water resources in this state. To all those who took part, I thank them.

Finally, I thank my officers. Mr Chairman, you would be aware, because you have been minister in a number of governments, of the amount of work and time that goes into

trying to anticipate the questions that might be asked on both sides of the House so that honest and detailed answers can be provided. My officers are as diligent as they were, Sir, when they were your officers. They have put in a 100 per cent effort to see that, so far as it is possible, the House is provided with proper and accurate information and, on your behalf and that of the parliament, I thank them for their time and effort.

The CHAIRMAN: Thank you, minister. There being no further questions, I declare the examination of the votes completed. I lay on the table a draft report of committee A.

Mr MEIER: I move:

That the draft report be the report of the committee.

Motion carried.

At 4 p.m. the committee concluded.