

HOUSE OF ASSEMBLY

Wednesday 27 June 2001

ESTIMATES COMMITTEE A**Chairman:**

The Hon. D.C. Wotton

Members:

Ms V. Ciccarello
 Mr K. Hanna
 Mr J.D. Hill
 Mr E.J. Meier
 Mr I.H. Venning
 Mr M.R. Williams

The Committee met at 11 a.m.

Department for Water Resources, \$43 134 000
 Administered Items for Department for Water Resources,
 \$2 201 000

Witness:

The Hon. M.K. Brindal, Minister for Water Resources,
 Minister for Employment and Training, Minister for Youth.

Departmental Advisers:

Mr R. Thomas, Chief Executive, Department for Water Resources.

Mr P. O'Neill, Executive Director, Corporate and Business Services.

Mr P. Hoey, Executive Director, Murray-Darling.

Mr B. Harris, Director, Resource Assessment.

Mr R. McLennan, Director, Resource Management.

Mr N. Nosworthy, Manager, Financial and Accounting Services.

Mr C. Schonfeldt, Director, Water Policy.

Mr A. Bodzioch, Director, Project Management and Business Development.

Mr S. Ronson, Chief of Staff, Minister's Office.

The CHAIRMAN: I remind members that the estimates committees are a relatively informal procedure. The committee will determine an approximate time for consideration of proposed payments to facilitate change-over of departmental advisers. I presume the minister and the opposition have come to an agreement as far as a program is concerned, and they may care to inform the committee of that program at an appropriate time.

Changes to the composition of the committee will be notified as they occur. Members should 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 must be in a form suitable for insertion in *Hansard* and two copies are to be submitted to the Clerk of the House of Assembly no later than 13 July.

I propose to allow the minister to make an opening statement (if he desires) of about 10 minutes but certainly no longer than 15 minutes and the same will apply for the opposition if they so desire. There will be a flexible approach given to the calling for questions based on about three

questions per member on alternating sides. Members can also ask a brief supplementary question to conclude a line of questioning but I would remind them that supplementary questions will be the exception rather than the rule.

Subject to the convenience of the committee, a member who is outside 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 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 can also be made to other documents, including the Portfolio Statements, but I would appreciate it—and I think all members would also appreciate it—if the page numbers or the program and the relevant financial papers are identified. Questions not asked at the end of the day can be placed on the next day's House of Assembly *Notice Paper*.

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. The incorporation of material in *Hansard* is permitted on the same basis as applies in the House of Assembly; that is, that it is purely statistical and limited to one page in length. All questions are to be directed to the minister and not the minister's advisers.

I also advise that for the purposes of the committee some freedom will be allowed for television coverage by allowing a short period of filming from the northern gallery, but that does not appear to be a problem at this stage.

I declare open the proposed payments for examination and invite the minister to make an opening statement if he so wishes.

The Hon. M.K. BRINDAL: In making my opening statement, may I say how well you are looking and how fair and impartially I am sure you will treat us all today. The Department for Water Resources was created last year to ensure a stronger and more effective management of the development of the state's water resources. It is the only department in Australia that is solely responsible for its state's water resources. Over the past year, considerable work has been completed on the consolidation of the portfolio. I am sure all members will understand that it was a fairly daunting task in that, while both Labor and Liberal governments in the past two decades have had some practice in amalgamating portfolios and sliding and creating new synergies, I think from the time of the Dunstan era this, in fact, is the first time a new department has actually been created.

The work that has been done so far includes development of the organisational structure and budget to improve customer service; the delivery of all state and national programs has been maintained and strengthened; the strategic directions and priorities have been published in the Portfolio Statement (also in the Directions for South Australia 2001-02 statement that will be published soon, I believe); and consolidated accommodation arrangements are now being finalised. The Portfolio Statement shows the linkages between government and ministerial priorities, the outcomes planned to be achieved, and the services (or outputs) to be provided to the community.

At a national level, the key areas of involvement in protecting and advancing South Australia's interests, of course, are the Murray-Darling Basin Agreement; Ministerial Council and the MDBC salinity strategy, which includes

environmental flows; the national action plan for salinity and water quality; the Snowy Mountains corporatisation and environmental flows problem; interstate water trade and the COAG water reforms; the Great Artesian Basin sustainability initiative; and, finally, the Lake Eyre Basin Agreement and ministerial forum.

At the state and regional level, the current priority actions in the state water plan, which was released in September 2000, are: the nine WAPs (water allocation plans) adopted this year, with a further five expected to be adopted over the next year; a draft INRM bill is being developed and is currently out for consultation; a draft environmental protection policy on water quality has been developed on a statewide basis; the South Australia Murray River Salinity Strategy and the State Dryland Salinity Strategy have been developed; the Mount Lofty Ranges Watershed Protection Strategy (with increased funding from \$28 million to \$36.5 million over the next five years) is currently being put in place—and I know, sir, you are very interested in that; together with a Mount Lofty study (\$4.8 million over the next four years); a State Floodplains Committee has been established—and that has been very topical in the recent weeks; and, finally, an integrated water strategy addressing storm-water and waste water developments and opportunities for innovation.

The other key priorities and initiatives are: a review of the Water Resources Act 1997; the Select Committee on Land Use; irrigation issues—salt interception schemes (Chowilla, Qualco-Sunlands), the Lower Murray swamps rehabilitation and the Loxton irrigation area conversion to a private irrigation trust and the rehabilitation of that infrastructure; levies; the Investigations Unit has been established since we last met in estimates and is now fully operational; new penalty charges have been gazetted, and also the Ombudsman's investigation of the 1997-98 penalty charges are proceeding; areas of water restriction include Marne, Baroota, Kangaroo Flat, Barossa, Clare, Willunga, Greenock Creek and Tintinara Coonalpyn wells area; WILMA (Water Information Licensing and Management System) has been announced in this budget; the WaterCare community awareness and education program is being developed; ASR projects have been brought on stream at Bolivar, Christies Beach and Northgate—which I hope members saw in the paper today; the South-East confined wells aquifer rehabilitation project is proceeding and doing well; and the Blue Lake investigation and assessment is being conducted in partnership with the South-East Catchment Water Management Board.

The government's policy of encouraging community responsibility and involvement is demonstrated by DWR's ongoing leadership and support for the Water Resources Council, the catchment management boards and the Water Resources Planning Committee. All this work is critical; for example, it has been estimated that a 10 per cent improvement in efficiency in irrigation in South Australia will release an additional 60 gigalitres for economic development—and considering current trade prices in the Murray River that is \$60 million worth of water a year. I think the factor is a five to one return on water, which would indicate that for \$60 million worth of water there would be an economic gain to the state of \$300 million, which is not, as any member would realise, without its significance.

Within our state budget priorities, the Portfolio Statement details budgeted spending in 2001-02 of \$60.7 million in recurrent expenditure; \$49 million for operating activities;

\$11.7 million for administered items; and \$12.37 million for investing activities, with a staffing level of 272 FTE employees planned for 30 June 2002.

The budget papers we are considering today reflect the key conditions, 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, enthusiasm and purpose.

The CHAIRMAN: Does the opposition spokesperson wish to make an opening statement?

Mr HILL: No.

The CHAIRMAN: Are there any questions?

Mr HILL: Yes. I should say in explanation of the way I will question that I intend to go through the output classes one by one, go through some of the highlights and targets, and then ask some more general questions about a range of issues that have been brought to my attention. My first question relates to the fifth highlight on page 11.5 relating to the Snowy Mountains Authority. Under 'Targets' for this year, the fourth dot point says:

Protect the State's interests in the process of the corporatisation of the Snowy Mountains Authority.

In the highlights it mentions that the process of corporatisation has been slowed down because of concerns expressed by the South Australian and New South Wales governments. Can the minister tell us what those concerns are; whether they have been addressed; and when he expects the corporatisation to be completed?

The Hon. M.K. BRINDAL: As the shadow minister will know, the commonwealth, New South Wales and Victorian governments are proposing to corporatise the Snowy Mountains Hydro-electricity Authority. In addition, these three government have agreed to pursue water savings in the Murray-Darling Basin to provide additional flows to the Snowy River and, to a lesser extent, to the Murray River. In fact, \$70 million provided by the commonwealth is predicated for (they announced) environmental flows to the Murray River. Legislation has been passed in these three jurisdictions during 1997, and South Australia obviously has an interest in this matter. Following corporatisation, the water access and release obligations for Snowy Hydro Limited will be detailed in a water licence to be issued by the New South Wales government.

Two aspects of the Snowy water licence are unsettling. This is in our opinion and it is still subject to negotiation, but I want to be quite frank with the committee on this subject because it is a matter of great import to South Australia. We are becoming increasingly worried that undertakings given are not the undertakings that we thought were being given and that South Australia may well be in danger of being duded on this matter.

As I said, two aspects are unsettling. First, the agreement itself has a 75 year life; and, secondly, it provides that Snowy Hydro Limited has a secure right to the water in the Snowy Mountains Scheme in what can only be classed as an ever changing environment. It is our opinion, on our reading of the subject, that the one instrumentality that is protected above all others is Snowy Mountains Hydro, even if the climate changes and there is less snow, less melt—and all sorts of things can happen, as the shadow minister would be aware, in the next 75 years, especially given what our scientists are saying about climatology predictions. However, against that environment, what we believe is happening with the agreement is that efforts are being made to ensure a guarantee to

Snowy Hydro, and if those changes come about and there are penalties to be paid, the penalties will not be equally borne by the Snowy Hydro Scheme, the irrigators, the users and the river itself: they will all be borne outside the scheme.

The scheme is, if you like, being insulated, and the only way in which it can be insulated is at the potential expense of the river and the irrigators, whether they be irrigators in New South Wales, Victoria or South Australia. I stress that part of our concern in this matter is not solely a South Australian concern: it is a Murray-Darling Basin concern. People in Victoria and New South Wales will be equally inflamed, as will the general population of South Australia, if some of these things come to pass.

Clearly over the next 75 years adjustments of flows from the Snowy scheme and the Murray River will be necessary to compensate for matters such as emerging environmental flow requirements in the Murray River or the impacts of climate change. Governments are developing an agreement to amend the Murray-Darling Basin agreement to protect the interests of Victoria and South Australia and, more importantly, the resources of the Murray-Darling Basin. It is important to note that the Murray-Darling Basin Agreement Amending Agreement was formerly referred to as an intergovernmental water agreement. I am not trying to paint for this committee entirely a picture of doom and gloom: I am painting a picture of rising concern that, unless we negotiate with the other governments, it will be a gloom and doom scenario for the river users.

On 6 December 2000 the commonwealth, the New South Wales and the Victorian governments agreed to progressively restore up to 242 gegalitres per annum to the Snowy River. In addition, up to 70 gegalitres per annum is to be directed into the Murray River. These flows are to be achieved in the next 10 years. The New South Wales and Victorian governments will each contribute \$150 million over 10 years towards achieving these goals and, in addition, the commonwealth government will contribute \$75 million over the same 10-year period, specifically to achieve the 70 gegalitre additional flow for the Murray River. These three governments have recently developed an intergovernment water agreement to establish a joint government enterprise to pursue the water savings needed to achieve these additional flows.

The water resources of the Snowy Mountains are the most secure and valuable water resources of the Murray-Darling Basin, and their value is increasing as we grapple with the national priority of restoring health to the Murray-Darling Basin system. South Australia acknowledges the efforts to restore the flows to the Snowy River. However, the current proposal omits South Australia from an agreement that will undoubtedly have an impact on the Murray River in South Australia. In addition, by focusing only on the Snowy River, an historic opportunity for an integrated approach for environmental water in both the Snowy and Murray Rivers is being missed. Quite clearly, at present, the New South Wales and Victorian governments, in particular, are committed to saving water for the Snowy River and ignoring what they all know are the environmental needs of the Murray River. We think that that is a nonsense and that the Murray River and the Snowy River should be linked so that, as the Snowy improves, so too does the Murray, hand in glove. So, the two would be inextricably linked and the health of both would improve equally at the same time. Currently, it could happen that the health of the Snowy River is actually bought to the further detriment of the Murray River. The opportunity could be realised if all four governments adopted a joint and

equitable approach for pursuit of water savings through environmental flows for both the Snowy River and the Murray River.

Finally, we are concerned because, while the early agreement said, quite specifically, that water savings from the Snowy River would be bought by efficiencies—and all members would know that we are closing in the Loxton irrigation scheme and we will save 4.8 gegalitres of water which otherwise would have evaporated or been lost in the channels, which is a significant amount of water—the original intent announced by the commonwealth and the state governments was that the water that they would put down the Snowy River would be water that they would achieve for similar savings.

It is interesting to note that the current cost of rehabilitation schemes in this state is about four to one—so for every \$4 you spend, you save \$1 worth of water. If you analyse the numbers, the financial commitment that each of the states is making is insufficient, possibly through rehabilitation, to gain the amount of water that they say is their target. If they were, however, to buy that water on the market in the upper reaches of the river, they could buy it dollar for dollar, rather than paying \$4 for every \$1 worth of water, and they would have enough money to buy the water. Initially, they said that they were achieving their flows through water efficiencies, so no water would be lost to our system and the water efficiencies would go down the Snowy River, to which South Australia does not object. There was a little bit at the end that said, 'Perhaps we will top up this need with a little bit of water that we might buy on the market.' That is the end-of-the-day, last-ditch resort. It is increasingly apparent that they might be thinking, more and more, about buying the water straight out of the river. That means taking buckets of water—swimming pools of water—from the Murray River and directing it back to the Snowy River.

I am pleased with the composition of the committee today because on the opposition side all committee members are very full bottle on the Murray River, and I know that they are on the government side as well, because they are members of the Select Committee on the Murray River—which I did not detail in my opening remarks. That committee is doing a most significant job. It is going to report soon and I think it will be a landmark report for this parliament. It has had a high degree of cross-party cooperation, and that needs to be acknowledged. I say that in the context that the opposition members understand the problem.

If Victoria and New South Wales try to buy water from the river, it will distort the market and it will cause absolute outrage, not only for South Australian irrigators and all South Australians, but those governments will have to wear the outrage of Victorian irrigators and of New South Wales irrigators, whose markets will be artificially distorted and whose river will be compromised in an attempt to save the Snowy River. I am sorry that the answer was a bit long, but it is important that I put it on the record and that you understand all that is going on.

Mr HILL: I have a supplementary question. Hopefully, I will receive an answer to the question I ask this time. I appreciate what the minister said and I am glad that it is on the record, but my question was directed to finding out when he anticipated the corporatisation would be signed off on. Perhaps he could answer that. Also, in answering, he mentioned some undertakings that had been given to South Australia. He was dubious about the likelihood of those undertakings being delivered upon and he said that we were

likely to be dudded. Can the minister expand on that? Who gave the undertakings, and what were they?

The Hon. M.K. BRINDAL: The undertakings were given by a variety of sources. Firstly, the date for the sign-off is 1 July; the date for the sign-off previously was 31 December; and the date for the sign-off before that was—well, there have been so many dates that I would say to this committee that we will believe it when we see it. I sincerely doubt that they will be able to meet the July deadline, in which case I anticipate it will probably be put off until about September, and then it will probably be put off again until about Christmas. I think it is a moveable feast. I do not say that with any degree of put-down. We are involved in protecting our interests more than we are involved in the corporatisation scheme, and I cannot give you an explanation as to why the other three governments keep moving the date. I hope they will continue to do so until there is a satisfactory arrangement arrived at with which South Australia believes it can concur.

As to who gave the undertakings, quite honestly, they came from a variety of sources. It has been discussed in the Murray-Darling ministerial council and it has been discussed in various meetings I have had with my counterparts in Victoria. There has, in each case, been the notion that South Australia would not miss out and that South Australia would not be compromised in terms of the quality of flow, the timing of flows and the quantity of over-entitlement flows, in particular. That has always been a given for South Australia, and we have met with most of the governments and on no occasion did they say, 'No, these goals cannot be met.' When we asked how they would be met, we received the answers that I detailed in my last question and, *prima facie*, they meet some of South Australia's objectives. We have no real objection if, high up in the reaches of the Snowy River, the Murrumbidgee River and the Murray River, there are irrigation schemes which, by closing themselves in—by stopping the seepage and by stopping the evaporation—allow water that has never come this far, anyway, to go back over the Snowy River. We have no objection to that. But, if they start buying it out of the river, we have basic objections.

So, the undertakings were given. When we asked how they would be honoured, we were given a series of answers. As this matter progresses, the series of answers that we were originally given does not appear to be as robust. I have written, specifically on this matter, to Senator Minchin, who is the senator in charge of this, and I have, obviously, copied that letter to Senator Hill, the Minister for the Environment and Heritage, and to Mr Truss, who is the chair of the Murray-Darling Basin ministerial council. Senator Hill, as the shadow minister will know, is a champion of environmental flows in the Murray River: notwithstanding, he is also a South Australian. In addition, I believe that the Premier has taken this matter up with the Prime Minister. As members would expect, we are leaving no stone unturned in the pursuit of South Australia's clearly stated objectives in this matter.

As to who has dudded us, in the desire to achieve maximum return for what three governments see as a corporate asset, they want to make the sale as advantageous as possible. No malicious harm is meant to South Australia; we simply cannot believe that some of what they propose to be a fair deal is a fair deal. It is a simple question that this parliament has to answer, can answer and knows the answer to—and many of the other parliaments around the nation have to answer it as well: it is not predicted that there will be any likely shortage of electrical power in this nation on a national level for 100 years. So, electricity is not the problem.

We have already identified that water is an increasingly precious resource, more and more valued across the nation. Yet here is a scheme that puts the price of electricity and the need to generate electricity ahead of the need to utilise the nation's water resources. It clearly takes electricity and says that the generation of electricity through the Snowy hydro scheme is much more important than the water used for that generation. If they want to try to convince Victorians and New South Welshmen of that, let them. I wish them good luck because I note that Victoria has had severe water shortages for the last four years. As we speak, some of the Mallee and metropolitan Melbourne water resources are at critical levels. The Victorian government will have great difficulty explaining how it thinks electricity comes before water when it has as much of it as it wants. It might be able to explain that it thinks money comes before water, but that is its business.

Mr HILL: I refer to the first dot point target, which is the state water plan 2000. Will the minister detail what is in the plan for the coming year and the costs involved for each of the components of that plan?

The Hon. M.K. BRINDAL: As the shadow minister knows, the state water plan was released in September 2000. The plan is part of the government's blueprint which will guide those entrusted with the management of our water resources. That sets out the government's strategic policy directions for the sustainable use and management of the water resources. It is a five year plan, backed by statute. So the shadow minister knows that, if he is ever in the fortunate position of sitting in this chair, we are the only state that has a water resources statute which incorporates a plan, and that makes it a powerful instrument. The plan contains 47 action statements, most of which are the responsibility of the state government. I could outline the major achievements of the state water plan. Nine water allocation plans have been adopted, with a further five nearing completion and expecting to be adopted before July 2001. The overarching integrated natural resource management bill has been developed to facilitate a more integrated approach to the management of land, water, vegetation, animals and ecosystems, as well as cultural heritage and amenity values.

In the shadow minister's area, in particular, he would be pleased to note that in that context of sustainable use of all the resources and the interrelationship between the two, the Onkaparinga catchment is the first catchment board and currently the only catchment board—and somebody had better correct me if I am wrong—that is providing a rebate with respect to people who have native vegetation planted on their property. In acknowledging that native vegetation and natural ecosystems enhance the quality of water, they have said that, where there is natural vegetation on a property, a rebate applies. Similarly in the Northern Adelaide Plains/Barossa Water Catchment Management Board area, in its plans it is increasingly looking not only at the water that flows down but at the quality of the river banks, how the water comes in and the quality of the natural environment. That is a development which we would like to see, and I think will see, enhanced quite specifically in the next 12 months.

The draft environment protection policy (water quality) represents a statewide approach to the protection of water quality across South Australia, and that will cover a range of issues including water quality objectives, management control of both point and diffuse source solution, obligations relating to political activity and criteria discharge limits and listed pollutants. In response to the threats posed by salinity,

the government has developed the South Australian River Murray salinity strategy and the state dry land salinity strategy, and they were released for public consultation in late 2000. The action will be supported through the national action plan for salinity and water quality which commits \$1.4 billion over the next six years. Specifically for next year significant progress has been made in relation to the threats and opportunities in the Mount Lofty Ranges. We will be taking action to respond to them, to further understand them and then to manage them.

To manage these impacts, a watershed protection strategy has been adopted with a range of initiatives aimed at providing an integrated approach to remedial on-ground works, planning, monitoring, education and smart compliance management. The strategy has recently seen increased funding from \$28 million to \$36.5 million over the next five years. Consistent with the state water plan 2000, the state flood plains committee has been established to coordinate the work with its stakeholders. So, there is another development that will occur in the next 12 months. We will see that getting up and managing (I acknowledge the kisses being blown to me by the member for Norwood). The committee will establish an agreed approach to flood plain management and articulate the roles and responsibilities of the community, local government, state government and federal government in flood plain management of this state. Our shadow minister will realise that flood plains take a variety of forms. Many people would instantly think of the flood plains and Chowilla wetlands and the areas around the River Murray.

This committee will be important, because houses all over Adelaide are involved—in particular in my own electorate of Unley—which were probably built on flood plains and are now subject to, if not random flooding, some would say incessant flooding. This committee will have a very important job working out not who is to blame but how we can share the responsibility for actions that were probably taken in good faith in some cases 30 and 40 years ago. They will have to be managed. They will also have to very much address the turning of water as a contaminant or pollutant and a threat into a vision of water as an asset, which where possible we can manage, harness and utilise rather than send to somebody downstream to be flooded out three feet deep in their house.

The state water plan outlines area where water can be regarded as a resource rather than a nuisance, and some innovative solutions are already being developed where waste water and stormwater resources have substituted for existing water supplies. An enhanced program will be known as the integrated water strategy and will seek to open up new water resources opportunities for economic development and improve environmental outcomes by returning water to watercourses.

In the sense of absolutely being specific—I know the answer was slightly generalised—if the shadow minister wants, I will extract from the budget papers those specific points where we are saying that this is the work that we will do this year in the development of this plan. I would say to him however that, even if and when we give him that, what we are trying to do is all that plus more, because there are a lot of the overarching things which of course we are developing but which will not feature as a budget outcome. For example, having established this committee, you will see its work roll out in the next 12 months and two years. So, it is not easy to quantify that we will or will not be delivering that next year.

Mr HILL: My third question relates to the second target dot point about COAG water reforms, for which your department is responsible. Will the minister give some details about his department's responsibilities in relation to COAG, what his plans are for the coming year and the financial implications of those plans?

The Hon. M.K. BRINDAL: The goal of the Council of Australian Governments strategic water reform framework is to arrest the widespread natural resource degradation and to achieve an efficient and sustainable water industry. South Australia has successfully met its reform requirements for the first and second tranche payments, as conducted by the National Competition Council. The first tranche assessment of progress in the implementation of the framework was conducted in June 1997, and the second tranche assessment was conducted in June 1999, with supplementary assessments being conducted in September 1999 and June 2000.

The NCC assessed South Australia as meeting its obligations under the framework for the second tranche, subject to the implementation of the following reforms, approved in principle by the state government on 4 September 2000. They are: the phasing out of the free water allowances that are currently provided to commercial water customers; the introduction of a broader based trade waste charge to apply to all major discharges to the sewerage system; and advising the NCC that there is no intention to expand the use of property based charges beyond commercial water pricing and sewerage pricing. The water policy committee is responsible for the implementation of those COAG reforms.

An implementation report was forwarded to the NCC, providing additional detail for the third tranche water reform assessment. Bilateral discussions commenced in April 2001, and they are ongoing. South Australia has commenced negotiations with the NCC for the third and final tranche assessment. While recognising the value of having national consistency in some areas of water reform, South Australia will continue to promote the rights of sovereign governments to make decisions on behalf of their constituents. In this respect, South Australia will continue to insist that the NCC assessors adhere to the original content and intent of the reforms endorsed by all jurisdictions in the water reform framework of 1995. That means that we will not be railroaded and subverted by zealots. I think every member of this House has seen the NCC in certain of its aberrations insisting on all sorts of things that perhaps go beyond what we believe is its role and into telling sovereign governments how to determine public policy.

What we are quietly insistent on is that we must honour the agreement we signed up to, but so too must they. Notwithstanding some further developed model they may have in their own brain as to what they think competition means, it is for this parliament to decide that in its own jurisdiction, not for the NCC to come in and tell us or any future government what it has to do when it was not part of the original agreement. I think this is what you are really interested in. (This is a dreadful man: he actually knows the difference between what I am saying and what he is interested in!) Key water reforms arising during 2001, however, will include the management of the Murray-Darling Basin and the environmental flows in all the rivers. It is management of the environmental flows as much in the Onkaparinga, the Torrens and the Light as it is in the Murray, the Diamantina and the Cooper.

The ongoing development of the water allocation plans is critical to the process, and the catchment management

processes under the Water Resources Act are all part of how we will be assessed. The implementation of the reforms outlined in the state water plan are totally consistent. So, provided that we adhere to the plan we have put out and the framework that we have outlined, we expect no problems at all in the matter.

Mr HILL: That first question just threw you aside completely, with a half-hour answer. They want to go home before midnight! My question now is about the effective market, which is your third dot point under the targets. I do not intend to go through all these targets, but the first ones are interesting. Will the minister expand on that and tell us what action is taken? In particular, will he comment on the CSIRO proposal for establishing a water market in South Australia as a national model? Has he or his department looked at that, and what are their views?

The Hon. M.K. BRINDAL: My officers tell me that we are looking at the CSIRO report. I have heard the evidence presented to the select committee, as you have, and I can tell you that we are not only looking at the report but we are also looking at ways to implement a lot of their better ideas. We are doing more than just looking at it; I am quite keen on what Mike Young had to tell us. I will tell you that up front. The Water Information and Licensing Management Application (WILMA) system will be a new system used to manage the administration of water licences and facilitate the trading of water allocations and salinity credits. For the benefit of members who are not on that select committee, Mike Young from CSIRO led evidence to the select committee to the effect that there is nothing wrong with the notion of the water market. In fact, I think he quite approves of the notion and believes it will be good for the resource. He said that in practical terms what is wrong is that it is an immature and underdeveloped market, with no real comprehension yet of exactly how it will operate or of the efficacy of the processes in it.

I think he described it as being like having in your mind the notion that you wanted a stock exchange and that a stock exchange would be a good idea but you have not yet built the exchange. So, there is the notion that we should be able to trade and so on, but the exchange, the board and the rules were not yet in place. Mike Young is most keen that we do that because, as all members of this House know, water is now declared as a property right that can be traded. It has a large and increasing value, to the point where, as the member for MacKillop would know—if not in the South-East then certainly in other places—the value of some people's water rights now exceeds the value of their property. I know that is something over which the member for MacKillop agonises, and he has made many speeches in this House about that concept. That being the case, if it is a very valuable property right, we must ensure that people who have that property right have it protected so that it cannot be fraudulently converted, traded or undermined. That is the gist of the shadow minister's question and what Mike Young was talking about.

Until this budget and WILMA were put in place, with all the good theory in the world we would not have had the capability of implementing the type of scheme he was talking about. This budget and WILMA will be absolutely pivotal because, when we analyse it and work it out, it might not be exactly as Mike Young describes the system, but this computing system will give us the capacity to track trades and see that they are legal, viable and so on. It will give us the capacity to do exactly what Mr Young led his evidence to the

select committee about. I actually think it is not going to make tonight's TV and probably will not even make the *Advertiser*, but of all the things in this budget for water resources, water trade and the future prosperity of this state, it is probably this nuts-and-bolts computer system that represents the biggest potential and the most exciting thing in the entire budget.

Mr HILL: I agree with the minister that the water trading system offers huge potential. I refer now to the targets relating to irrigation within the Lower Murray swamps. I think the minister announced some time ago that there was a study, costing maybe \$400 000, into that area. Can the minister explain to the committee what the outcomes of that study have been; or, if not completed, what the interim reporting might indicate; what the next stages are; and what the costs of the next stages are, particularly in the next 12 months?

The Hon. M.K. BRINDAL: To answer the last part of the question first, it is estimated that the rehabilitation of the Lower Murray swamps will cost in the vicinity of \$30 million. That will depend on how many swamps are rehabilitated. The original assessment was \$40 million. It has now come down to \$30 million which is good news. To date, \$2 million has been spent from NHT money and from our sources on investigations into a whole range of issues. I got a report on this, and I think I read it last night. It is not in the briefing note in front of me, but I believe, and I know some officers concur with me, that at the end of the day you have to stop having studies and start getting on with making a few decisions.

I inform the House that it is my opinion that it is very close to decision making time. Shortly, I will be going to the Lower Murray Irrigation Advisory Board and asking them for a detailed road map of where they are going, when they are getting there, what money needs to be committed and what we are actually doing. After \$2 million worth of studies and investigations, funded by this government and the commonwealth government and supported by all members of this House, it gets to the time where we have enough base knowledge and it is time to start on the journey to do something. If that time is not today, it is weeks or months away: it is certainly not years away. It is time for action. I know I am supported in that by my officers and, I am sure, also by the Environment Protection Agency, which has a big interest in this.

That is not to say that the money was not worth spending; that is not to say that the money was not well spent. There is now an understanding of the issues and an understanding of some of the possible solutions, far superior to that which would have existed a few years ago. It is time to get past the investigations and the talk, and to actually get on with the job and do something.

Mr HILL: We will watch with great interest how that progresses. I refer to the final dot point on the target side on 11.5 which is the farm dams and other storage. I know this is a contentious issue. It is probably one of the last frontiers of regulation of water. Can the minister give some details of what is planned and any budget implications for it?

The Hon. M.K. BRINDAL: It is actually something about which I would like to talk with the shadow minister and any other members in this House with an interest, for instance, the member for Goyder who represents a rural electorate. What I have tried to do as minister—and what I hope the shadow minister would do if he were ever minister—is this: with the officers we have tried to work from the

premise that for human and animal needs, water is a survival tool. We do not get fatter by drinking water: we simply die if we do not get it. It is the same with most of our animals. We have tried in our thinking and our planning to quarantine legitimate stock and domestic use and say, if you like: that is an absolute primary right; a person's right to survive and the right to keep their stock alive is a fundamental basic human right. Whatever we do with the water resource, while we might have to measure the water that even humans and stock use to understand the resource better, we should not be fettering them or charging them more or limiting them for reasonable use.

We then have a discussion—I am sure you would pick straightaway—about what 'reasonable use' might include, for example, having washes and showers, washing clothes, and all those sorts of things. It might include a modest garden around the house. Is a modest garden seven hectares which includes your own private golf course and lawn tennis court? I think the answer is, if it is a scarce resource, you draw the line and ask, 'What is reasonable use?' Stock does not tend to be such a problem because you can only graze the stock that will be sustained by the vegetation. That is almost something that will fix itself.

That is the underlying principle. Within that underlying principle you have then the problem that a person is entitled thus far, if they have a property right, to build a house on the property and to erect a dam. The problem is that if you look at the number of land titles in the Adelaide Hills, and you consider that on every land title someone can, in theory, erect a house and perhaps put a dam on the land title as a matter of right, then the catchment area of the Adelaide Hills would, in theory, fail. There would not be enough run-off. That is a theoretical scenario. No-one is in any way contemplating that every one of the land titles would be built on and a dam put on each of them, but that is where you could go with this argument.

As a result, it is a matter that needs to be looked at. It also needs to be looked at from the point of view of a fairness principle. I remember one of the member for Schubert's electors, who had a whopping big dam on a huge paddock that it supported, saying, 'Surely, it is my right, if I divide it into two, to put another dam on the top paddock.' My answer was, 'Yes, it is. I do not think we should deny your stock their water, but the question arises: the huge dam you have down the bottom, which once supported three or four times the area, is it then fair that you keep that huge dam, which is obviously totally over what you need for your stock and domestic use? If you want to divide your property into two, you could put in two dams but in having the two dams their total capacity should not exceed what the capacity of the current dam is.'

All those matters really need to be worked through. They will vex me and the community (because we need to carry the community with us in this) for so long as I am minister. If the shadow minister becomes minister I am sure they will vex him for the whole time. They are quite profound issues. The New South Wales legislation, from memory, has covered it by saying that you are automatically entitled—and the member for MacKillop might be interested in this—to 10 per cent of your run-off, and all the rest of it is, if you like, the property of the ecosystem, the people, or whoever. This is anecdotal. I am told it caused absolute outrage in New South Wales: it was the government trying to grab all the water. I am now told that it has been implemented and people are very pleased because it gives certainty. They actually

know that they can do a mathematical calculation and providing they are harvesting 10 per cent of their run-off they need no permission; they need nothing. They simply have an automatic right. Where they were worried that the loss of 90 per cent was limiting them, they are now quite pleased because they have surety that 10 per cent of the water is theirs and they are entitled to take it. It is a simpler system.

So, what they feared in the beginning is actually working out well. I am not sure whether we will move down that track, but it is a vexed issue in which we have to take the community with us. There is no question about it: it is an issue that absolutely and certainly must be resolved. Not resolving it would be totally disastrous for this state, not only in terms of our own use of the water. We can talk about the Murray River as much as we like, but the Mount Lofty Ranges, depending on the year, still supply 50 per cent or more of our water. So, it is still a hugely important catchment to us and cannot be ignored. That is not even starting to discuss the needs of the ecosystems that constitute the flow into the dams—the Onkaparinga River, the little creeks and valleys and the sort of things that make lots of Adelaideans tear up to the Adelaide Hills to buy their quarter acre block and then want to keep everyone else out because they know the Adelaide Hills is a beautiful and relatively unspoilt environment—and that is the environment they want. We could inadvertently destroy it, but we do not want to do that.

Mr HILL: I thank the minister for his answer. The debate within his party room over the issue of the 10 per cent maximum for dam catchment would be a lot more interesting than the debate in my party room on the same issue.

I refer now to the bottom of page 11.5, which is your outputs statement and performance information for output class 1. I note with interest that you have not worked out how to measure policy advice in your department. You have a line there of \$3.477 million, which I note is almost 50 per cent greater than the equivalent line for the Minister for Environment's department, which covers a greater range of activities. Can the minister give details on that expenditure?

The Hon. M.K. BRINDAL: I thank the shadow minister for his observation in starting his question. I can absolutely assure him that it is true. We each have our own natural constituency and with many of my colleagues (the member for Schubert is one, the member for Goyder is another, and likewise the member for MacKillop), if I even discuss the issue of water on rural land, they are all there battling for fairness. So, the shadow minister is quite right. Sometimes I think that I would like to give it to his caucus to discuss and then bring the decision into the parliament. But that is a healthy part of democracy.

The reason for the difference in the two departments—as the shadow minister probably understands—is that the Department for Water Resources is a new department and was basically funded on the fund owner/purchaser provider type model. So, a lot of the operational issues for water, in fact, still reside with SA Water. SA Water is the corporate delivery arm of the metropolitan water supply; it operates the sewerage works and is the manager of the pipes and the reservoirs and such things. In fact, it manages the infrastructure (the locks and weirs) along the Murray-Darling and, where the catchment boards also have infrastructure, many of them go to local government. So, if you like, the Department for Water Resources is much more a policy department with much less emphasis on administration. We do have operational and administration capabilities, but they are generally in the provision of licensing and collection of

licensing fees, which is an administrative component, as well as hydrological-type assessments, which are highly specific. In contrast, the Department for Environment is a very heavily operational department—and the minister is right: it has responsibilities over a broader range of the natural environment. It is heavily operational in that it runs the Parks and Wildlife Service and does a lot more on-the-ground work. I think that recognises the difference between the two departments.

My department is basically there at a critical time to drive policy and thinking for the state—and that is fairly new. Water has been around since the beginning of time, but our realisation of its importance and the new water market require a policy input in my department at present which is much greater than in most other departments; first, because of its newness; secondly, because this is an emerging area; and, thirdly, because it is an area that is really quite taxing.

As the shadow minister would know from his own electorate, nobody worried much about water in his area until they realised that it was starting to become scarce and that it could produce extra money for them—and the shadow minister would notice that from the penalty charges. One of his own electors actually said to me when I was in the area, ‘Unless you put it over \$10 000 per megalitre, I’ll just turn on the taps.’ He had obviously calculated that his current investment (his current return from his wine grapes) meant that water to him is worth more than \$10 000 per megalitre. Given that every time we make a decision we are much more likely to end up in court, because we are talking about giving or depriving people of something that has a real monetary value, we are increasingly required to be thinking through the policy, strategy and legal requirements.

Mr HILL: I am comforted that the \$3.4-odd million is being well used. The minister reflected on the relationship between his department and SA Water. I have some figures in front of me provided by the Conservation Council in one of their regular meetings with me. They made an interesting point that catchment boards (and these are from the budget figures of 2000-01) had a budget of \$15 million and your department had a budget of \$46 million, which is a total of \$61 million for this financial year just ending, yet in 1999-2000 SA Water had a net surplus of \$100 million. So, they get all their water from the work done by your department; they do things with it and make a surplus of \$100 million and, in effect, only \$61 million of that goes towards looking after the resource. So, there is a shortfall or profit, if you like, of \$39 million that is used for other purposes. I guess the point they were making to me was: should not that profit we get from the use of water go back into the management of the resource? I ask the minister to reflect on that opportunity.

The Hon. M.K. BRINDAL: I will tell the shadow minister exactly what he would like me to say. If the Treasurer said to me, ‘Here is all the surplus,’ I would take it, and there are many things that we could do with it. However, it is fair to say that any cabinet of any government will take surplus generated by any department and reapply it to the whole of the budget. We have a commitment of \$100 million going into the salinity strategy—which is not in the figures provided by the shadow minister. So, it is not the exclusive budget, because it ignores the capital works and on-ground component, which I think the shadow minister and the Conservation Council would see as being absolutely essential. If we put extra money into this area—and we should—it should not be for more policy advisers or theoretical models: it should be for on-ground rehabilitation of the resource.

Therefore, those additional figures are not reflected in the figures that the Conservation Council gave you. I am quite happy with the share of the revenue that has been allocated. I would always argue that we could do with more, but to argue that we could be given more really means that we should get more revenue than we are currently getting from the people of South Australia, because SA Water money is really money that came from the people of South Australia. It is a charge for a service and not taxation but it is still money inflow to the government.

Certainly, I would like more, but I think what we have is adequate. In fact, I think that my department did rather better than most. In terms of what we asked for, what our new initiatives were, and what we saw our priorities as being, most of them have been met. The only other caveat I would say to the shadow minister is that sometimes it is easy to turn around and say, ‘Put more money in.’ However, you must be ready to do the works required—and LMIAG (Lower Murray irrigation swamps) is a good example. I said in reply to an earlier question that I think we are ready and we should be getting on with the job, but, if we had put that money there a couple of years ago, it would have just sat there, because they needed to do the research (which they have undertaken) before we could start the work.

Therefore, I am reasonably satisfied that what we have asked for and what we have received reflects our capacity to deliver in the next 12 months. Twelve months hence, there will be more things that we want to do, and I hope I can sit here then and say, ‘I am pleased with this budget, too,’ but I think it is enough money for the tasks required this year.

SA Water currently provides \$1.8 million in the Murray already, and \$1.5 million outside the Murray (once we license it), but that will just diminish their surplus which comes back. It is circular money anyhow; it is money that goes around the Treasury.

Mr HILL: It is really a rhetorical point, but those figures make the point that it is a very valuable resource out of which we make a profit to do other things in government, and we do not put the same level of support into protecting the resource.

The Hon. M.K. BRINDAL: I think the shadow minister knows this, but, from memory, the figure was \$86 million in water trade last year. That is not even our water; it is just water being traded around the place. I do agree with that. I think also the shadow minister understands that that money may not be going specifically into water, but if the argument was that it was going into something concerning ecosystem corridors, regrowth, native vegetation, or something such as that, it probably would be of benefit to water, and that would flow through to the other part of his responsibility and with my colleague the Minister for Environment.

Mr HILL: I refer to output class 2, page 11.6 ‘Water Resources Management’. The second dot point under ‘Highlights’ refers to Waikerie stage 2. These are the salinity schemes and the minister notes in the highlights that they are under way. Can the minister indicate when they will be completed; who paid what for the schemes; and how much salt will be removed from the system as a result of the construction?

The Hon. M.K. BRINDAL: This morning I was told by one of the officers that currently we are removing 1 100 tonnes of salt a day from the Murray River, but at Morgan they have estimated that currently 1.75 million tonnes of salt passes Morgan per year. While we are taking out that quantity of salt on a daily basis, it is not huge

compared to the amount that if, in theory, we remove would leave us with a perfectly pure, non-saline water stream. However, it is critical, because, without removing that 1 100 tonnes, the target of 800 EC units at Morgan 95 per cent of the time would not be achievable.

What is happening now is, if you like, adequate to keep the river at least in a system where it is not deteriorating, but what we are facing is frightening. Again this morning, I was told that the Chowilla wetlands, a very valuable ecosystem, is accumulating salt at the rate of 100 tonnes per day. Obviously, in situ, that is causing damage to the wetlands. The only way in which to restore health to the wetlands is to flush them and refresh them, but when that happens a slug of salt—100 tonnes times the number of days between the flushing—will come down the river, and that will not be very conducive to river health. It will have to be carefully managed, and it can probably be borne by the river only if these schemes are successful in reducing the flows.

The shadow minister would know—and the other members of the opposition present and I hope members of the government would realise—that there are really three problems with salt in the system. One is the historic intrusion of salt, because the Murray-Darling system truly is a sink, it truly is a drain—and I do not mean that in a put down sense. The land form and the underground water resources are tilted. They are unusual in that in most of the river systems of the world the direction of ground water flow is often parallel to the river. Because the Murray system is so ancient and a couple of sizeable earth movements have occurred since its beginning, it is a different sort of system in that it is a true collection point. All the ground water resources for one seventh of this nation flow into the river rather than parallel to it.

We have the most sodic land form on the face of the globe. Here we are in the saltiest nation on the face of the globe with a river that collects the salt—it always has and it always will. Sturt in his original journals spoke of icicles of salt at various points protruding into the river. So, there is that natural flow. There is that undoubted damage we inadvertently caused by clearing the Mallee, and not just the Mallee in South Australia but the Mallee in Victoria and the Wimmera in Victoria. All that great land clearance with its consequent wealth generation for grain and a number of other pastoral activities has added pressure to the ground water which flows beneath the Mallee.

There was really no flow before because Mallee scrub actually absorbs all but .2 per cent of rainfall: it is a very efficient ecosystem. So, there was no discernible movement. Now we are getting an intrusion into the ground water system of perhaps up to 10 per cent of all rainfall. That is putting pressure on the ground water system. It is moving sideways; it travels north-west and it ends up in the Murray River—and we are collecting that salt. The second cause of the problem is historic land clearance.

The third cause of the problem is unsuitably sited irrigation settlements, which, because of the soil type, their siting perhaps and some bad past practices, have put in more water than was needed to pass salt beyond the root zone. The problem is that the plant transpires and obviously leaves a certain amount of salt in the water, and that salt is then flushed down and makes the ground water much saltier and, if you like, magnifies the salt that was in the river. That then returns to the river. It is, if you like, the discharge under some of the irrigation districts back into river that are additionally the third source of the problem.

They are massive problems and they need to be addressed. Today, we have released, and I can provide all members of the committee with copies of, the Murray River salinity strategy for 2001-15. It sets out the 10 most important hot spots to be attacked as quickly as we can; it sets out eight second-priority areas which need to be addressed as well; and it sets out a 15-year program. The money is committed. The areas that require urgent attention include Lindsay River, Chowilla, Murtho, Pike River and Lyrup, Bookpurnong and Loxton, Sunlands, Toolunka and Markaranka. The other areas which are less of a priority but are, nevertheless, important include Renmark, Moorook-Kingston, Swan Reach, Nildottie, Mannum, Mypolonga and Murray Bridge.

In terms of the specific costs of the schemes that are currently operating, I do not have a briefing on that so I will take that question on notice and supply exact answers.

Mr VENNING: We appreciate the efforts that the minister is putting in, because it is a difficult area—as the member for Kaurua would agree—particularly for the first minister for water resources. Some of the decisions that the minister is making are groundbreaking decisions because there is no precedent for many of them because most people think that the water is automatically theirs. It is up to the minister to convince them otherwise, and he has done a fantastic job. I also appreciate the supportive role of the opposition because they, too, appreciate how difficult it is. My question is: what has the minister done to stop people taking water illegally in South Australia?

The Hon. M.K. BRINDAL: I thank the member for Schubert for his question. I have always listened to his contribution and I have always known him to be a wise and intelligent member of this parliament, but I did not know how wise and intelligent he is until I heard those remarks.

As a result of there being a definite need to ensure proactive investigation, compliance and enforcement of the Water Resources Act 1997, the Department for Water Resources investigation unit was formed in December 2000. It will play an important investigative, training and support role within the department and in the state of South Australia. It aims to provide an efficient, effective and timely investigative service by which offences are detected or reported under the Water Resources Act 1997 by which they can be identified, analysed and investigated so as to bring about the successful compliance and prosecution of persons, corporations or entities found committing offences against the act. It will positively promote the role and functions of the department for the water resources investigation unit and train, lecture and promulgate to authorised officers, other government departments and the public, relevant water and investigation issues.

Cooperative measures are my department's preferred means of achieving the objectives of the act but, human beings being what they are, on occasions cooperation and negotiation will be insufficient to achieve compliance and, as such, the government recognises that enforcement action will be required in the interests of all water users. To date, the investigation unit has logged over 60 incident reports.

I want to emphasise a point, and I am sorry that the member for Taylor is not here because she will think that I am picking on her constituents again. I am not picking on them, but I want to give an illustration and the Northern Adelaide Plains is a good case in question. There are 1 300 irrigators in the Northern Adelaide Plains. As a result of the member for Taylor's questions, I have had a close look and the fact is that, of those 1 300 irrigators, only about

100 irrigators go over their quota; they have volumetric licences and meters. Twelve of those 1 300 irrigators stick absolutely to the rules. Of the 100 in any given year who go over, there are, in my opinion, probably 70 whose names you see once, who pay whatever the penalty charge is and whose names you do not see again, at least in the next year or two—I am not saying that they never go over again: there are, obviously, instances when something has gone wrong with their crop, the meter or something and they have made an additional use of water, but it is not a habit. There are, however, in that 1 300, perhaps 30—perhaps not even that—who, every year, not only go over but go over significantly. We are talking about \$20 000 or \$30 000 worth of water each year, every year. Incidentally, you can bet that they are people who have never paid—it would not matter how late we sent out the bills and it would not matter if we sent the bills out on time: they have a record of simply not paying.

As the shadow minister and members know, that resource is critically stressed, and I might have to go and discuss with irrigators how we readjust the volumes in a way that is fair to everybody and sustains the resource. How can I go out there and say to literally 1 270 people, 'I am going to have to talk to you about how you run your properties on less water,' when I have not done anything about the 30 people who they all know are habitual flouters of whatever rules are set in place by whatever government—because it is an historic issue? When I became minister, I was told by a group of people about one particular person and they said, 'You fix him up and then you come to us.' We can take McLaren Vale, the Barossa Valley or the South-East: every member who has irrigators in their area knows that most of them are honest, absolutely decent and totally law-abiding people. But the one thing that frustrates—

Mr Venning interjecting:

The Hon. M.K. BRINDAL: Most. The one thing that frustrates them all beyond measure is when they look over the fence and see the one rogue person in the district who is not only flouting the laws but imperilling their future. That is why we have the investigation unit and that is why it is important. It is not some sort of policing unit for good people who are doing the right thing: it is meant for those people who are doing the wrong thing and who are basically robbing from their neighbours and robbing from the people of this state and the future of this state.

Those people are accorded a privilege, and I think very few of us in parliament—perhaps a few—would have a licence because we live on suburban blocks and we do not have a need for it. But there are other people who, having been given a water licence by the state of South Australia, have been given an asset which is worth in some cases hundreds of thousands of dollars and in other cases millions of dollars. That is a privilege conferred by the people of this state because those people, in trading their water and in using their water, will create jobs and economic benefit for the whole of the state. So, they will share their wealth with us—we hope, or we will tax them if they do not—and we will derive a benefit from it. It is a privilege conferred by the state and it is a privilege that should not be open to abuse. If it is abused, I say—and I am sure that every member of parliament would support me—that the state has an absolute right to say to them, 'You had a privilege which conferred on you an economic benefit but it does not confer on you a right to abuse it, and if you do abuse it we will throw the book at you.'

I conclude the answer to the member's question by saying that you will notice the increase in penalty charges. About two years ago, the penalties for the illegal taking of water were about 90¢ a cubic metre. They are now, for the illegal taking of water in the member for Schubert's area—the Barossa Valley—\$15 a cubic metre. The same applies in the McLaren Vale area. In the Angas-Bremer area, in the Northern Adelaide Plains, in the Southern Basins, Eyre Peninsula and Musgrave area and in the South-East it is \$5. Some people will ask, 'Why is there a difference?' The difference is commensurate with the return. In grape growing areas, if water is taken illegally, as I said in an earlier comment, much more money can be made. In the other areas where needs are pastoral or horticultural, we believe that \$5 000 a megalitre represents a serious disincentive and that people, if they do it once, will never do it again. We have now lifted that from 90¢ which was ridiculous; 90¢ is 1¢ less than you pay when you turn on your tap. We think we have now made the penalties for illegal use commensurate with what we believe is the gravity of the illegal use.

Mr VENNING: What about illegal wells? Are we finding any illegal wells? Does that attract an extra penalty?

The Hon. M.K. BRINDAL: No, illegal use is the taking of water without a licence or other authorisation. That is what we would describe as real illegal use. It might be that the well or bore itself is not illegal. A classic example would be of somebody putting down a bore originally for the purposes of stock and domestic use and then putting a T-junction in the bore to water five hectares of cabbages. That is clearly an illegal use. Permission was given for the bore to be used for stock and domestic purposes. So, the bore would not be illegal, but the use of the water is clearly illegal: they have no authorisation for that. There are probably other instances where people have sunk a bore for which they have no permission or notification. That would be an illegal use. That is the category we are talking about.

In terms of people who have a bore with a meter on it and who then exceed their allocation, because their allocation is in some cases volumetric, we would say that is illegal or outside the law. However, it is not illegal in the same sense as those who do it without permission. In the case of those who exceed what they are licensed to take, the penalties for over use are significant but much less; for example, the penalty for over use in the Murray/Angas-Bremer/Mallee area is 15¢ a kilolitre up to 10 per cent; in Southern Basin/Eyre Peninsula/Musgraves it is 15¢ a kilolitre up to 10 per cent; in the Northern Adelaide Plains, it is 30¢, because of the stress on the aquifer; in the Barossa Valley it is \$1; in McLaren Vale—

An honourable member interjecting:

The Hon. M.K. BRINDAL: Wait a minute! The member for Schubert should just listen. The McLaren wells area is also a grape producing area (although he would contest that it is not as good a grape producing area as that which he represents) and the penalty there is \$3. So, when the honourable member's constituents grizzle to him, he might say to them, 'You'd better be quiet, because in the shadow minister's area they have a \$3 penalty.'

An honourable member interjecting:

The Hon. M.K. BRINDAL: In Mawson. Incidentally, for the benefit of the member for Mawson, that reflects what the board asked for in terms of additional penalties. The member for MacKillop will be delighted to know that the South-East comes in at only 50¢, but that is because—

An honourable member interjecting:

The Hon. M.K. BRINDAL: No, it's not—the water resource there is the least stressed. There might be the most arguments about it, but it is the least stressed, and there is the most water there. I will not detail them. I have a table that is purely statistical in nature. Would members object to its being incorporated in *Hansard* without my reading it? It lists the penalty charges over 10 per cent.

The CHAIRMAN: Order! There is no provision for it to be incorporated in *Hansard*. If the minister would like to make it available to the chair, it will be circulated within the committee.

The Hon. M.K. BRINDAL: We will circulate copies to members then, thank you, sir.

Mr HILL: I refer now to the third dot point under the 'Highlights' which talks about the department having completed a scoping study for improved management of the lower lakes and Coorong, identifying a range of studies to address key issues. Will the minister briefly outline what some of the findings of that scoping study are and what budget commitment there is for the implementation of any of the recommendations?

The Hon. M.K. BRINDAL: The member for Mawson will be delighted with this answer. The scoping study has finished its work, and a consultant did the work. The scoping study basically investigated the scope of the studies that needed to be done and came up with the answer that \$800 000 worth of further studies needed to be done. And the shadow minister asks why we spend so much on consultants! All members who are on the select committee would know of the enormous body of evidence we took and the exact degree of uncertainty that surrounds most of the evidence. Everyone has an opinion and most of those opinions are probably valid, but most of them are not necessarily scientifically validated. So, the \$800 000 included the necessity for studies involving the Wellington weir, a weir at Sturt Point, management of the Samphire flats and a number of other related issues.

Who would be responsible for those studies is a matter for negotiation. However, most of those studies would clearly be funded under the auspices of the Murray-Darling Ministerial Council as part of its ongoing role and responsibility, or alternatively some may even be funded by federal Minister Hill who has a strong interest in the area in terms of the Ramsar wetlands. We will provide the honourable member with a copy of the report.

Mr HILL: The minister seems to be saying that his department has spent money on a scoping study to work out which other studies are to be done, yet there is no commitment to any of the other studies, and they are looking for funding from the federal government; is that correct?

The Hon. M.K. BRINDAL: No, the Murray-Darling Basin Commission funded the study to see what studies needed to be done. We all get hot under the collar about consultants and all the rest of it, and that is true. I have no need to stick up for the Murray-Darling Basin Commission because it can stick up for itself, but it is fair to say that it is such a complex issue. To decide what you need to do is probably a reasonable way to start. Whether you spend \$200 000 doing it, I do not know. That is a moot point. We will always argue about consultants but, given the complexity, it was reasonable to divide up the problem, analyse it and ask, 'What are the components of this, and how should we look at it?'

Mr HILL: I refer to the dot point which talks about an integrated water licensing system. I am not entirely sure what

that means. Will the minister explain that and the benefits it will provide for the water resource?

The Hon. M.K. BRINDAL: The integrated water licensing system (WILMA) is a new system.

Mr HILL: I refer to a further dot point under 'Highlights' which talks about the Bolivar aquifer storage and recovery trial. It states that the trial is to be extended. We all know that storage of water in the aquifer has great potential. There is a lot of nervousness about how it might happen. I understand that some planning includes doing a similar thing in the McLaren Vale region. What will happen in the next 12 months in relation to that trial? When will we have sufficient findings to know whether it can go ahead on a broader scale?

The Hon. M.K. BRINDAL: That is a very good question. I will start by saying that, while at the beginning of the trials there was I think a rightful nervousness about what it would do, we are increasingly finding that that caution was not well founded. In fact, many of our trials are indicating that there are fewer problems than we thought there would be. For instance, one of the earlier considerations was whether the ground water would become contaminated by microbiological sources. The more we study it, the surer we are becoming that, in fact, it is an excellent way of getting rid of microbiological organisms, because it is largely a sterile, dead, deoxygenated environment where those organisms simply cannot survive.

I was shown a very good illustration of the efficacy of natural resources in assisting the cleansing of water when I went to Amsterdam. They 'polish' all the water out of the Rhine. They remove all the metals and contaminants and filter the water so they end up with pristine water, contaminated solely by microbiological material, which is the most dangerous to humans. They then let out the water into long trenches in sandhills and let it percolate into the sand. They know that if water moves at least 8 metres through the sand and is in the sand for at least five days, and if they have the bores beyond those points, as they do, the water they extract is absolutely pristine, with no microbiological contamination. We are finding that one of the very big worries of this system is proving to be ill-founded.

The other, lesser matters, which obviously need investigation and some of which will be ongoing, because they vary from aquifer to aquifer, is that in some aquifers you can literally almost pour the water down, because the pressure gradients allow gravitational feed of the aquifer. In other aquifers, the water has to be injected, and in some it is not suitable. It can vary among parts of the same aquifer. If you choose to put down a bore in very fine sands, you will probably need to inject it and even then it might not work, because you have to force the water through the sand. If, on the other hand, even 20 or 30 metres away, you find a nice, calcium and limestone type of area that is fractured rock, broken up and fairly loose so it has a honeycomb appearance, you can just pour the water down and it will probably dissipate effectively.

Similarly for recovery, you have exactly the same problems; they can be very site specific. In concert with those site specific problems, if the sand is particularly fine and it then has colloidal matter in it, such as clays or any solid matter at all, and you then try to push it through that fine membrane, the member for Kaurna will be aware of a similar principle to a filter paper in chemistry: if you put colloidal solids down and push them out into fine sand, you will eventually create an impermeable membrane and the bore

will fail or need such pressure to push out water further that it will be no good. That is a problem, but it is an easy mechanical problem that can be addressed. The biological problems seem to have been addressed. The one further consideration that is possibly water body specific rather than site specific is being very careful of the chemical nature of the water. Is there any chemistry in the water which when added to the aquifer is likely to cause an adverse reaction in the aquifer or a chemical cocktail to be extracted which does damage rather than being of benefit? On all those things we are fairly well developed and are going exceptionally well.

Specifically, the trial that the member is talking about has gone swimmingly well and will be completed at the end of this year. This summer or recently we have injected 250 megalitres into the aquifer. That will be completed when we extract it in the irrigation season to see what it is like. There is a definite time line to that. Then we will repeat the injection recovery cycle. After we have done the first lot we will have a very strong indicator. I think the repeat will be more than a repeat; it will give us confidence that it will be the start of the system. At present we see no impediment.

The member for Kaurua will be delighted to know this; that is why we are trying to proceed posthaste on the problem he has in part of his area, which is how you get the Christies Beach winter flow stored somewhere. That looks as if it will present fewer problems than we originally thought. We have additional confidence in the scheme.

The honourable member would have seen the material on Northgate in the paper this morning. It is slightly different, because it is aquifer storage and recovery of stormwater, which has not quite the same problems as sewage. In sewage we have biological problems to worry about more, as well as residual heavy metals and pollutants to worry about, because they are coming from diffuse points. With stormwater you have to worry more about the colloidal suspension of clay, for instance—that is a big problem—and some microbiological material from faeces washing in from ducks, cats, dogs and horses, depending on where it is.

Membership:

Mrs Maywald substituted for Mr Myer.

Mr HILL: I refer now to the targets on page 11.6. The first target refers to the integrated natural resource management mechanisms. As the minister knows, the Deputy Premier has circulated a proposal about how integrated natural resource management should occur. I would say that I have had many pieces of correspondence from people in the community about that proposal. While everybody seems to agree that integrated natural resource management is a good idea, nobody who has written to me has said that the proposal that the minister has put is a good idea. In fact, many people have said to me that they believe the water catchment boundaries would make the ideal boundary for the integration of natural resources, and some have suggested that a modification of the existing water catchment board management would be the best way to handle the management of integrated natural resource issues at a local level. Does the minister or his department have a view about how this should best proceed, and has he considered whether the catchment boards and their boundaries would be the best vehicles for achieving the outcomes?

The Hon. M.K. BRINDAL: Is the member saying that nobody has got back to him saying they think it is a good idea?

Mr HILL: Everybody thinks integration of natural resource management is a good idea; not one person has said to me that the model that is being proposed is a good idea.

The Hon. M.K. BRINDAL: Have you had many responses?

Mr HILL: Yes.

The Hon. M.K. BRINDAL: I will make sure that the Deputy Premier gets that piece of *Hansard*. As you know, the matter of the Integrated Natural Resource Management Bill is currently out for public consultation. The reason I was asking the member for Kaurua is that, indeed, I make no secret of the fact that many people have put the same sort of proposition to me in terms of, again, not the theory of integrated natural resource management but, rather, how it will work in practice. That is why I was particularly interested in what the honourable member said because it reflects my own experience. My general belief is, 'What do they not want?' They do not want another bureaucracy under any condition; and they do not want another levy under any condition. There is then some division, like the member for Kaurua said. It has been said to me that if you are going to talk about managing natural resources, water flow and water catchment are, therefore, one of the most logical boundaries. I think that has efficacy in the sort of work that has been done in New Zealand and elsewhere around the world. If you have to draw boundaries somewhere, what are the critical resources; and which ones would be effective for the boundaries to be drawn? Water is the only one I know that consistently comes up.

I am very interested in the shadow minister's remarks. All I can say to him, in terms of my officers and my own opinion, is that it is out there for public consultation. The government, therefore, has no fixed view on it, but I have heard exactly as the member for Kaurua has heard, that is, people do not want a new bureaucracy or a new levy, but they would want some greater integration of natural resources management. How we achieve it will be a matter for everyone in this parliament, I think, to bend their mind to. The thing I have discussed with the Deputy Premier is, for instance, if we were to have an overarching natural resource body, even at a catchment board level, if it were to be given all the responsibilities for all the management of natural resources in its area—and the rural members here could probably help me out—including pest and plant control boards, soil, and in some cases the people who look after the dog fence, the water catchment board, and in the case of the South-East it would include the drainage scheme and landcare board, if they were all integrated into one board, I wonder whether that board would have the time to deal as efficiently with everything as currently the separate boards do.

If you are asking a personal opinion, I think that after public consultation perhaps the solution lies in a combination between an oversight group that sees that everyone is working together and specific expertise in specific areas. I know that the catchment management boards would be a logical vehicle, but I know that they meet often and for a considerable time to deal only with water. If they were to deal with all the other management things in detail, I fear they would not be dealt with properly or that some would be omitted. As part of the debate, I fancy an overarching system where someone sees that everyone is working together, but the individual expertise that we have built up in this state remains.

Mr HILL: I appreciate the minister's frankness in answering that question. I myself do not have a fixed view as

to what the mechanism should be. I feel strongly that the water catchment boundaries are the most logical boundaries. How you describe or develop a bureaucracy that works, I am not sure. In fact, it may be sensible to have a variety of models to check out what works best. It may be different models in different areas. In the South-East, where there is a stronger emphasis on drainage and other issues, you may want a different model from that which is in the Adelaide Plains, for instance.

My next question is in relation to the fourth dot point under 'targets'—'develop an environmental flows management plan for the Murray River'. You may have answered this, in part, in answer to other questions. I am not sure whether you are talking about the South Australian department developing that plan or as part of the Murray-Darling Basin Commission's developing that plan.

The Hon. M.K. BRINDAL: Mr Hoey will expand on this shortly, because he chaired the environmental flows project board for the Murray-Darling Basin Commission so he has a basin-wide perspective on it. The current intent, which I believe is logical, is that, as with the salinity strategy, the commission will develop a basin-wide concept and we will develop the South Australian component within the basin-wide concept. They will look at the environmental flows and basin-wide needs, and we will develop our plans in concert with the basin-wide needs for the South Australian sector.

It is a bit of both and it is overlaid by this: in developing the basin-wide needs, the Murray-Darling Basin Commission is, of course, subject to its member governments and it is a bureaucracy and it does not exist in isolation. My department is an absolute believer that if we want to get the best outcome for environmental flows basin-wide we should be in there at that level as well, doing as Mr Hoey did, and chairing part of it and, even if not chairing part of it, putting in expertise, input and opinion right down the track.

I have advocated in council meetings that I absolutely believe that the environmental needs of the basin transcend state borders and it is no longer good enough—it is arcane, archaic and just wrong thinking—that the Victorian government should say, 'The most important area for us in the Murray River is the Barmah-Mulwala area, the great red gum area.' It may be their most important segment of the river. New South Wales might pick the Narran Lakes and say, 'This is the most important thing for us.' We might pick Chowilla Wetlands or perhaps the Lower Lakes and the Coorong. When we do that, each of us then goes to the table and argues for our piece of the environment, and we may or may not have a win and get something for our piece of the environment.

I believe strongly that we should be going in there and saying, 'What are the important environmental pieces in the river system. Let's make sure we look after those and let's actually have some sort of priority order. What do we do if the river system starts to fail? Which of the bits of the environment in the whole system are the most frail and most fragile and need the greatest amount of protection?' We need not a state-enclosed borders approach: we need a basin-wide approach to environmental flows and to the environment of the river. That is the sort of thing I have discussed with my officers and that is the sort of thing we try to inject into discussions. We do not always win, but I think on that issue we may be on the right train heading in the right direction and I think it will not be long, I would hope one or two meetings, and perhaps the ministerial council will adopt an attitude that says, 'In caring for the riverine environment of the Murray-

Darling Basin we all are protectors of the Lower Lakes and the Coorong. We all are equally protectors of Barmah-Mulwala. We are equally protectors of the Narran Lakes. It is a heritage; it is part of the national estate that belongs to all Australians and it is not the property of state borders.'

It is very much like the concept—which I totally supported at the time—of the Prime Minister at the time telling the Queensland Premier that if he thought that he was going to explore for oil on the Great Barrier Reef he had better think again because the Great Barrier Reef was not Queensland's personal property: it happened to be off Queensland's shores, but it was the property of all Australians. I support that concept for environmental flows and environmental management in the Murray-Darling Basin.

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

Mr HILL: Before lunch, we were going through output class 2. The minister was working his way through the answers even more slowly than I was working through the targets. I referred to the dot point about halfway down, which refers to the water care, education and awareness program. Will the minister explain whether this is a bringing together of the various catchment boards' education programs into one united and sensible program, which I have been advocating for some time?

The Hon. M.K. BRINDAL: Yes; is the shadow minister on the Economic and Finance Committee? I am aware that he has been advocating this, and he may also be aware that, in its examination of the catchment management boards and their budgets (not the most recent round but the previous round), one of the abiding concerns raised by the committee was perhaps the lack of focus. I am not saying that all the criticisms were justified, but basically the committee said that money is spent by each board on education but there does not seem to be any consistency in the philosophy of approach between the boards, and that it was a bit arbitrary: one board might decide to do X and the other board did Y, and the figures were disparate.

While it was in everyone's bailiwick to do so, and is one of the four objectives of the water catchment management boards, the Economic and Finance Committee seemed to be of the fairly strong view, in a bipartisan fashion, that perhaps it was an area where we were not doing as well as we should be. I am aware of the member for Kaurana's view and, indeed, my view is not dissimilar. To finish the reply fairly succinctly—that is exactly right; we have actually brought it together. It is not a departmentally driven initiative; we have got people around the table—and the boards are all there—in a collaborative approach so that a single message on water goes out right across the state and money is not wasted.

Mr HILL: I support that, because I think it is a good initiative. I refer to the next targeted point, relating to the integrated water strategy. It talks about developing a framework for a strategic approach. I refer the minister to a document provided to the Murray River Select Committee by CSIRO, headed 'Water innovation options for Adelaide'. I assume that this dot point relates to the same kind of issues that are contained in this CSIRO document. Can the minister tell me whether the government will support the proposition put by CSIRO for a \$200 000 study? If so, is there money in the budget to pay for that?

The Hon. M.K. BRINDAL: As the shadow minister indicated, it is our intent to have an integrated water management scheme across metropolitan Adelaide and, wherever

possible, across the state. We believe it is possible that through that mechanism, if we are judicious and careful in a number of matters—aquifer, storage and recovery being one, and re-use of effluent being another—we can wean ourselves of dependency on the Murray River in the metropolitan area within 20 years—and CSIRO has said it is possible.

We have set up a steering committee (and CSIRO is on that committee) to examine how to formulate a plan and put it in place. When CSIRO said it wanted \$200 000, it was basically to start with a clear table and build the whole thing. We are now sitting down and talking to CSIRO, because we do not need to start with a clear table. There are a lot of things—and we have talked about many of them this morning—that we know we can do and we can build that in with CSIRO: we do not need CSIRO to tell us how to do those things. Probably, there will then be a need for some studies and CSIRO is helping to determine what those studies would be. At that time we will find the money and CSIRO will probably be one of the participants in doing some of the research and study. We are doing exactly as you have said; we are sitting around the table and building a plan. The bottom line is that in the end we do not think we will need to spend \$200 000 (at least) for the components where they would be telling us to do what is already being done.

Mr HILL: I refer to the last dot point under 'Targets' that talks about establishing an institute for water and salinity based in South Australia. Can the minister advise where that is at, where the institute would be established, how much funding will be required and the sources of that funding, and what is in this budget for its establishment?

The Hon. M.K. BRINDAL: I think the member for Kaurna has spoken to me about this on a number of occasions. I would strongly like to see this state become a centre for excellence in all aspects of water quality, water resource and the water industry generally. Our engineering capacity within SA Water is exceptional by world standards and, of its type, Bolivar was once the best in the world and I think it is now at two, three or four, but it is still well up there, and that is remarkable considering the age of that plant. So, we have very good residual engineering capability and we have the three universities; we have good expertise, our state is the right size and we have exactly the right problems to position ourselves, through self-interest, to be better in this area than any other state.

With that as a background, virtually within a month or two of becoming Minister for Water Resources, this has been an ongoing matter for my officers, and they are harangued if not on a weekly basis then at least on a monthly basis. I am reminded of that saying, 'You being of an age with me.' Does the member recall the scene in the *Agony and the Ecstasy* where the Pope kept coming in, while Michelangelo was painting the Sistine Chapel, saying, 'When will there be an end?' and Michelangelo replying, 'When it is finished.'? I feel very much the same with my officers: every month I say, 'When are we getting this thing?'

Mr Hill interjecting:

The Hon. M.K. BRINDAL: Not quite, but moving it along would be. I will light so many candles in whichever church anyone nominates when we finally get this thing up. The member cannot believe—or he probably can—the number of problems. It is beset with a number of problems, not the least being ownership and cooperation. I have not met one person in this state with whom I have discussed the idea who does not think that it is an excellent idea. But, among our universities, there is a degree of healthy competition, and that

means that they all basically think that it is a brilliant idea, but their first preference is for it to be their idea in their institution and, while they do not rule out cooperation, they see themselves as the prime deliverer of service, whereas the government really has no interest other than to get the very best institution we can.

Now there is an absolutely brilliant example, which really enthused me, that is, the Technion in Israel. The Technion is part of a university campus. It has a small secretariat and some people actually work in the water institute. The water institute is not quite a virtual electorate type situation, but it is not dissimilar in that the people who work in the water institute and who are world leaders are positioned throughout the university in the relevant disciplines; that is, the engineers are in the engineering faculty and the biochemists are in the biochemistry faculty, yet they are part of this water discipline. I think that is a very good model because the biochemists, rather than being biochemists working in water and in isolation with all but water people, are working with biochemists on problems associated with water.

We are trying desperately to get it up. How long it takes to get it up, being absolutely honest, depends partly on the goodwill of those involved, or perhaps on my talking to the shadow minister and other colleagues of this House, because I believe that, at the end of the day, having talked to people, if we cannot do it as a cooperative arrangement, I may well go to the shadow minister and ask him to go to his caucus, to my colleagues and to my party room because it is the right of this parliament to build something if we choose to build it. If we cannot get the degree of cooperation from the institutions and grow it organically, we can grow it from the floor of this chamber—and I think we should.

In terms of budget, at present there is not an identifiable budget, but the shadow minister could accompany me afterwards and I could show him that there are some identified streams as and when this gets up. One of the reasons for doing it is to be leading edge in research and in the development of technology. I have spoken to Senator Minchin, and through his innovations grants and through his centres of excellence I know that he is very keen to be involved in this. Indeed, the member for Chaffey has been helping me in some very constructive discussions with Professor Cullen, who is running the Centre of Excellence for Fresh Water Ecology.

Professor Cullen has a Lower Murray laboratory. He has three: he is in Canberra with the ANU, a laboratory at Mildura and a laboratory in New South Wales. He wishes to relocate out of Mildura. We are very interested in getting him into this state, and his funding source is already identified. The member for Chaffey and I have been talking about the help that we can give him, because there is a lot of synergy with the Bookmark Biosphere and with various benevolent moneys that have already been identified. With regard to Professor Cullen—if we can attract him (and he is certainly interested)—it is not so much a matter of our having to put in some money (we certainly will), but the amount of money will be relatively small compared to the benefit.

I am sorry that I am not specifically answering the member's question and saying that it is this budget line, but we have made contingencies within a number of budget lines that, if this arose, it will not fail because it does not have the money. The important thing is that we want it to be put on the ground, we want it to be done as soon as possible and, if it is not possible to achieve that just through talking to the various bodies involved, as I said, I will come to the shadow minister,

ask him to go to his caucus and we might put something through this House.

Mr VENNING: I have one question relating to the water catchment boards. I will also say how much I appreciated the minister's involvement when we had a difficult situation in the Barossa with my catchment board, which, I think, we resolved to everyone's satisfaction. Constituents continually ask me who appoints these people and for how long they are appointed—and I have had discussions with the minister before. For how long are members of these boards appointed, and who reappoints them? Is it the minister's and only the minister's decision?

The Hon. M.K. BRINDAL: No, they are generally appointed either for two or four years, and the ongoing appointments are generally for four years. When a board is initially appointed, half the board will be appointed for two years and half the board will be appointed for four years, and thereafter appointments are made on a four year cycle. The way in which new appointments are made, or replacements are made, is that the vacancies are quite widely canvassed in local media and public advertisements, through expert bodies and wherever we feel we can put out feelers, and expressions of interest are encouraged.

Incidentally, we encourage some people to nominate others. For instance, it is not always the case that Ivan Venning feels that he is a good person, so he must nominate himself. It can often happen—and it often does—that the Farmers Federation will nominate someone as being suitable and get their concurrence to do so. It then goes to the Water Resources Council, which identifies a panel of people who it believes may well be suitable, and sometimes, but not always, ranks that panel. It then goes to the minister, who makes the final decisions. It is not unknown for me when making my final decisions to consult with local members.

I do not think it has happened in the case of the Onkaparinga board because I have not replaced them, but especially in country areas, where often there might only be one local member, it is quite easy to speak to the local member about whom we are thinking of putting on the board and what they think of them. I make no apology for that, because the boards have a very important role to play. They are the minister's eyes and ears and, if you like, the first face not of water administration but of water policy in a local area. They are also the conduit for expert advice on the local resource back to me.

I think it is important that, while they are not political, they actually must have at least partly a political nose for the politics of water, if not the politics of major political parties. Generally, the final decision rests with me, although obviously I can and do put it past my cabinet colleagues as well—and I believe that the Labor Party were it in power would as well—its being a courtesy as much as anything else to inform your colleagues.

Mr VENNING: Eight to 12 months ago in the Barossa Valley an accusation was made that some—not all—of these members were not representative of the catchment area. That sort of criticism will always be levied by the grape growers, the pastoralists or even the people on stock waters. These boards have been in existence for almost two years, so would not there be some vacancies soon?

The Hon. M.K. BRINDAL: Yes, there are vacancies at various times for various reasons. The member is quite right in saying that some of them would be coming up for natural turnover. Can I say that that is the eternal problem. The member for MacKillop has raised similar problems with me,

and it is not that easy to answer because the board is there to serve the interest of the resource and the development of policy for the resource. What we need on that board are experts in their understanding of water and how water might be used. Just because the predominant use of the water in an area might be viticulture, it does not mean that of necessity there has to be a viticulturist on the board. If there is a viticulturist who actually understands the needs of water on that plant crop and also understands the needs of the resource, it is very good and very sensible to put somebody on with that background. We try, where possible, to pick people who can be experts in their understanding and use of the resource and who also have a breadth of vision about the type of surface area, the type of crops and the type of people involved; but sometimes it is difficult.

For instance, at present, with the member for MacKillop's board, one of the criticisms that some people made while talking to me last week (not members of parliament) was, 'Look, the problem with that board is that there is not an irrigator from the Upper South-East currently on the board. We believe the Upper South-East should be represented.' And I keep saying to such people, 'I understand what you are saying and we are trying to spread the expertise but the first rule is getting the best board we can to represent the expertise.' It is not—and I believe the boards never should be—a collection of all the interest groups so that they can be there speaking for the dairy people in the lower South-East and so on, saying, 'I represent the dairy people' or 'I represent the viticulturalists' or 'I represent the dry land farmers'. If people go there as representatives of a group, you end up with conflict and you end up with lowest common denominator decisions such as, 'What is the least offensive decision on which we all agree?'

If, as the member for Chaffey said, we concentrate as we have on skill based boards then we will get much better decision making processes because such people bring their skills to the board and they are conscious of the needs of the potato farmers, the vignerons, the dairy people and even the forestry people; they are conscious of all those needs but they attend to those needs from a skills based point of view.

Is any board perfect? I would say no; no board is perfect. Is this parliament perfect? No; these are human institutions. Some of the people I appoint prove to be absolutely inspired choices; and others, for other reasons, do not contribute as much as I would have liked. But that is the nature of any committee, any human institution, and all we can try to do is to improve them.

Mr VENNING: I have one other question and that is probably the last this afternoon. Minister, as you know, my constituents are pretty vigilant in relation to water matters, particularly now that they are paying for it. You know the controversy that was raised by the simple issue of having to fence rivers and reservoirs. We did solve that problem, thanks to you, and to your staff's credit. However, a constituent of mine noticed last week, on the second page of the Mount Lofty catchment board plan, those same words concerning the fencing of rivers and reservoirs. I do not necessarily oppose having to do that but, as we all know, I believe that our catchment boards went too far too quickly. I think we could have introduced this sort of thing years down the track but not straightaway. Does the fact that this was mentioned in the Mount Barker water catchment plan mean that there will be pressure to bring this back into the North Adelaide and Barossa plan?

The Hon. M.K. BRINDAL: That sort of plan will be introduced as and when necessary, with one rule in mind, and one rule only, and that is common sense. There is no common sense at all—I mean, it is the purest ideology of the most inane kind which says that, ‘We shall fence every centimetre of every watercourse in this state.’ That is sheer lunacy and idiocy. If you go into your own area, and the many areas of the Adelaide Hills, where do you trace a watercourse? Indeed, the shadow minister would probably be interested in this. It is one of the abiding concerns of the Murray-Darling Catchment Commission and anyone who is dealing with water. If you trace water to its source in your area (and it is a good area, member for Schubert), and if you go up to the top you get a ridge, and from the ridge there is a geography from which all the water flows downwards. So, that is the top of the catchment. But every swale, every depression towards which water runs on its way to a valley could be argued to be part of the watercourse. So, if you want to take this philosophy to its logical conclusion and you get up into the hills and catchment areas, where do you have the fences? Every rivulet, every depression, every little valley has a fence on either side of it. That is absolute and pure stupidity, and nobody would argue that.

What are the consequences of totally fencing every watercourse? If we did that, who would control the weeds and plant pests? Who would look after them then? I bet you it would not be the catchment boards and I bet you it would not be any government, because we simply do not have the money to do so. In the absence of it being any government, I know what will happen: the farmers will drive their tractors along the fence line and spray something that we would not like—and it would probably be worse than Zero and glyphosphate—on all the woody weeds and intrusive perennials that might encroach into their paddocks. As a result, the watercourses would probably be more poisonous when they run than they currently are.

On the other side of the equation, there are in some areas problems with cloven-hoofed beasts descending willy-nilly to the water and drinking, especially where there are examples of steep banks and erosion. It may well be that we will become more educative in this process and take the community with us—and the member for Schubert made that point and made it well. Increasingly, we may see parts of watercourses where to enter the watercourses at that point would cause erosion to the banks that would impinge on and degrade the farmer’s own land because, if his topsoil is ploughing into the river, it is a nuisance in the river (it will kill the fish because it will sometimes clog their gills) and it is no good to his neighbours. So, we simply do not want his bank in our rivers; neither, I suspect, does he want to lose his topsoil.

So, down the track, fencing at some places along watercourses for good and sufficient reason is not a bad idea. I am not saying that there should be no fences in any case, but I am saying that the sorts of schemes that we are introducing and will introduce in the future will be voluntary. As long as I am minister, I can assure this committee that there will be no thought of compulsorily fencing every watercourse in this state. It is a nonsense. I know that the member for Schubert’s electors are very vigilant about this and I know that, having seen it in the *Mount Barker Courier*, they are likely to worry again. But I say in this committee, as I said to him before: no government—whether it is a Labor or a Liberal government—is ever perfect, but we are as human as they are and we try to govern.

I know of no public servant who works for me who is not, first and foremost, a South Australian and who is not, first and foremost, a person with commonsense. Some people say, ‘Look at this: it is written in black and white; we are all idiots, and because we are all idiots they take it to a conclusion that is not sustainable.’ There is no intention of fencing every watercourse. There never has been such an intention and, as long as I am minister—and, I suspect, as long as most of the people who work in my department are members of my department—I do not expect that there will be such an intention. People take it to a conclusion that is silly. If we gave them as little credit for running their properties as they give us credit for running the government, we would not be \$2 000 per head in debt: we would probably be \$30 000 per head in debt.

Mr HILL: I now turn to the three output groupings—2.1, 2.2 and 2.3. I have a general question similar to the question I asked about output 1. Can the minister provide a breakdown of the way that the funds in each of those outputs will be expended over the next 12 months? I made the point yesterday during the environment estimates that you get a couple of paragraphs and \$30 million at the bottom which does not really tell you a lot. Could the minister provide some program detail—

The Hon. M.K. BRINDAL: Were they as much fun as these estimates?

Mr HILL: Your colleague the Minister for the Environment has a more sarcastic turn of phrase and a more defensive mode. I think you are a far more open minister in relation to the estimates process. Could you provide some activity statements or breakdown of the funds in that way?

The Hon. M.K. BRINDAL: I do not have that detail in front of me but I am very happy to take it on notice and provide it to you.

Mr HILL: In terms of licensing compliance, can the minister indicate how many breaches of licences have been identified; what action, in a general sense, has been taken; and what is the nature of the offences that have been detected?

The Hon. M.K. BRINDAL: It was in another briefing and I know that approximately 60 matters have been investigated; I know that at least two, because I have had a full briefing, are being prepared for consideration for prosecution; and I know that a number of others have been resolved. I can add a little more to that. To date, the unit has received 60 incident reports, as I have stated. So far, 18 files have been issued for investigation since February 2001. Of those 18 files, 14 are currently under investigation; one is being considered for prosecution by the Crown Solicitor; and one is being currently prepared for delivery to the Crown—in other words, it is ready to prosecute. Of note, the unit was recently able to shut off three open flowing bores in the South-East at Biscuit Flat. This occurred as a result of voluntary compliance by the water licence holders. The shadow minister will be interested to note that, while we are proud of that, we estimate—and it is an estimation because there are no meters—that a billion and a half litres of absolutely pristine artesian water was lost before we got a voluntary compliance. The important thing is not how much we lost but that we have stopped the loss, although I actually put on record the measure of what it could have cost us.

The unit will focus on the principles of best practice in undertaking and managing complex investigations into statewide breaches of the act. The shadow minister might also be aware that we have authorised some police officers—

especially in country areas—to have an investigative power under the Water Resources Act. Often, they are on properties looking at various things and, just by simply authorising them, they too can report a breach. That means that, rather than having a small unit, we have widened the net by giving an additional power to police officers.

In terms of anything further, I suggest that, with the shadow minister's compliance, rather than put a further answer to this question on notice, I am quite prepared to arrange for him to have a private discussion. A number of these matters which we are preparing for prosecution I am quite prepared to discuss with the shadow minister but I do not think putting them in *Hansard* would be good for a successful prosecution. I do not think we need to tell the people whom we are seeking to prosecute what we are going to prosecute them for.

Mr HILL: I will happily accept that. I refer to page 11.9, which is the outputs net expenditure summary. I note some significant variations in the figures from last year: in particular, I note that the output revenue for the coming year is anticipated to be \$10.297 million whereas last year it was \$4.235 million. I assume that that is explained by salinity money, but I will seek clarification of that. I note that licensing and compliance services have gone from \$2.366 million to \$5.310 million. I assume that they are the figures that the minister has already revealed. Can the minister clarify those points?

The Hon. M.K. BRINDAL: Specifically, output revenue is expected to increase by about \$6 million, mostly through the receipt of \$10 million from the national action plan for salinity and water quality which is also offset by a reduction in revenue associated with projects under the MD 2001 program which were completed this year.

In terms of compliance and licensing, expenditure controlled by DWR will increase for 2001-02 mainly, as the shadow minister rightly identifies, because of the establishment of the investigations unit and the employment of additional staff to improve the administration of the water licensing function across the state. The increase in administrative expenditure allows for a larger payment to consolidated revenue of penalty charges associated with the use of water in excess of the licensee's entitlement.

Finally, I should also add that on the exchange of contracts it has always been the right of the state government—and the law requires this—that a stamp duty be payable to the government of South Australia, and this has been the case for many years. As water licences have not been easily tracked and could be done over a kitchen table, significant legitimate revenue has been forgone to the state. The stamp duty simply has not been paid, and we have not been able to collect it. While there is an increased expenditure, that expenditure will be more than offset by increased revenue flows—not by putting any additional savage penalty on anybody but merely by collecting what is due from people. People in this state are all good, honest people; they just must have just forgotten or not quite realised that they should have been paying.

Mr HILL: I would like now to turn to some more general issues and perhaps get back to some of the budget lines a little later. How much money will be carried over from this year into next year's budget, and is there a comparable figure from last year into this year?

The Hon. M.K. BRINDAL: I will take that on notice. I will be very interested in the answer myself. I hope the answer is 'Very little indeed.'

Mr HILL: How much money in the current year's budget and how much money in next year's budget will be provided by the commonwealth and other sources of funding which are not the state government?

The Hon. M.K. BRINDAL: I will certainly identify that for the shadow minister and let him know. The papers we have before us do not list any commonwealth moneys, except the national action plan moneys. I will identify that. Generally speaking, the money here is from the state Treasury for state purposes.

In answering the last question of the shadow minister, because of the establishment of the department midway through the last financial year, I will endeavour to answer the question but I do not know quite what form it will take, because we really did not have a budget. We were established six months into the year, and the first real budget we had was this last financial year.

Mr HILL: I will put a question mark in my own mind against the question. I would like to now turn to some general issues that have been brought to me by people in the community. I refer to an alert I received on 4 June from the Australian Water Association (AWA) regarding a change to the Fuel Quality Standard Act 2000, which is considering whether importation of petrol containing the additive MTBE should be allowed. The report to me says:

There is substantial, well documented evidence that the use of petrol containing MTBE has led to water quality problems. The problems have arisen in surface waters where recreational boats without outboard motors are used. Recreational lakes may be a source of drinking water.

I am not too sure whether this comes within the minister's province or whether it should have been directed to the EPA. However, I thought that, since concerns were raised by the Australian Water Association, I should bring them to the minister's attention.

The Hon. M.K. BRINDAL: I thank you for doing so. I have not seen that alert, and I do not know whether any of my officers have. Rob Thomas tells me that he is aware of it; I would like to see a copy, too. Primarily it will be a responsibility for the EPA; the shadow minister is quite right in that. However, given that our most vital water resource is the Murray River and that recreational boat use is a very important component of life along the Murray River, I will be most interested in that alert. I am sure all my officers will. While it primarily might be an EPA problem, it is not exclusively an EPA problem. We will certainly be looking at the matter and doing whatever is necessary if any danger is presented. The last thing we want is a further contaminant of our water.

Mr HILL: I would like to turn to holding licence fees in the South-East. The minister just recently agreed to the charging of a holding licence fee. Some concern has been expressed to me that the fee will not be issued until the end of the next financial year, in about 12 months' time (conveniently past the next election, I would note). The more general point rather than the political point is: is this not another example of issuing fees for licences at the end of the period rather than at the beginning? There was some concern about this issue—although in a different area—in relation to the Northern Adelaide Plains, where the penalties were sent well after the offence occurred.

The Hon. M.K. BRINDAL: The shadow minister can stand up and take a bow on this one. The reason for this is not political at all. It was a matter of my trying to second guess the shadow minister, and I will explain why. As with all

accounts, the accounts will go out at the beginning of the financial year. So people will shortly get notification of the amount of money that is due and payable. I have discussed this with the member for MacKillop and a number of my colleagues. Indeed, I have read some of what the shadow minister has said on this subject, that is why I am saying that part of it is trying to second guess him.

The only reason we are not making the due date until towards the end of the financial year is that we believe that a holding allocation—and we have to remember the Member for MacKillop makes this point often and gives you only an entitlement to be able to extract water if you can extract it. Before you can exercise your entitlement, you have to find a piece of land, dig a hole and prove that hydrologically that hole will enable you to extract the water. So, the holding licence is a theoretical amount of water that you can have, provided that you can get it out of the ground somewhere.

Therefore, it is not the same as in the Northern Adelaide Plains or many other places, where everybody who has a licence just has to turn on their pump and they can extract water, even if they are not doing it. They are sleeper licences; a holding licence is different. What this parliament did not want to see—and the select committee clearly expressed this view—was people sitting on water—hoarding water—and not being called to account. That is why the Economic and Finance Committee said that there should be a levy on holding allocations. However, there was an understanding that in an area like the South-East, where in some places there is no shortage of water, even if you put it on the market nobody would want to buy it. If you attempted to sell it, there would not be a buyer; if you attempted to lease it, there was not a lessor.

So, we said that they should pay for a holding allocation to activate the market. However, if they make a genuine attempt to try to put their licence on the market and there simply is no uptake or demand it is unfair to charge them the licence fee. I know the shadow minister was disinclined to support this alternative: we send out the bills, collect the money and then make them prove that they had the thing on the market then we send it back.

The shadow minister described that as cumbersome, bureaucratic, etc., and I agree. It is totally silly; with the double handling of money you would need extra administrative staff and there would be a cost for handling the money. We thought we would send out the bills so they have the bill and they know it is due and payable. They will be told up front that if they lease or offer to lease or sell their water they will not have to pay the fee. That being the case, at the end of the year, instead of sending money, they will send a statutory declaration or something on a prescribed form to prove that the water was on the market, and no money will be payable. If they do not chose to put their licence on the market they will just send us back the cheque. The only reason for doing it towards the end of the financial year is that we will then not have double handling. The only ones we will have to chase up are those who simply do not fill in their return, or the general late payers. It will save double handling and will save us a lot of money and will be a much easier and better understood system. The bonus is that they will get their bill at the beginning of the year, and that will give them an impetus to put their water on the market or at least up for an offer of lease.

Mr HILL: That is a very sound explanation for what you are doing. Receiving the bill at the beginning of the period will act as something of an incentive for people to do

something about the water, and that makes sense. It will be interesting to see how it works in practice, as these things always are.

The Conservation Council has expressed to me a concern that large areas of the state are not prescribed under the Water Resources Act, that the level of administrative effort in the unprescribed areas is minimal and that therefore the resource, such as it is, in those areas is under some threat. Will the minister comment on that and what his plans are for the further prescription of parts of our state?

The Hon. M.K. BRINDAL: This is my personal belief, because it has not yet been discussed by cabinet. If you look at the journey we have been taking with water since the chair was minister for water resources in his capacity as minister for the environment, it would suggest to me that the logical conclusion is that in the future (and I cannot gaze into the crystal ball to say how far in the future) every water resource in this state will be prescribed. We are the driest state in the driest continent—that is a cliché, but it is also a fact. Because we are the driest state in the driest continent, I think that before too long all our water resources will need the necessary protection of prescription. When that will happen I do not know. If I were making a rough, ballpark guess I would say certainly within the decade and possibly within the next five to six years.

The limiting factor at present is our ability, without quadrupling the size of the department of water resources, to administer it and get it all going. Once you prescribe a resource, the water is 'frozen'. As the shadow minister knows, you then have to go through a fairly elaborate, two-year consultation process. Then the water has to be allocated and the whole thing has to be administered. We have done that progressively, as the shadow minister knows. In the past 12 months the Eyre Peninsula board has been established and efforts have been made there. We have signed the Eyre waters agreement—which is not a prescription but it is an agreement—and the great artesian agreement which is slightly different but which tends to have the same effect. In the more settled rural and pastoral areas in the South-East there is prescription.

So, I would say to the shadow minister that, while I hear what the Conservation Council is saying and while I agree with the logical consequence of where we are going, being that all water resources will be prescribed, I think that what we have done, given the resources we have, is prescribe the resources as they need prescription. In some cases when we started, such as the Northern Adelaide Plains, there may not have been that mechanism for doing it at the time we realised there was a problem. We certainly should have prescribed them or done something with them many years before we did; it is just historic. Having started the process I think we are reasonably on top of it.

I am fairly sure the Conservation Council and the shadow minister would identify with this problem. In an ideal world perhaps we would prescribe the whole state. What we have done is a measure of what we are capable of doing, because even if we quadrupled the size of the department I would put to you that we probably could not get the expertise in South Australia to fill the positions. It is a specialised and limited area, and I believe I have most of the best people available. We might be able to squeeze a few more out of universities or other sources, but to do the entire job quickly I doubt there would be enough expertise around the nation at present.

What we do at the moment deals with a natural tendency about which the member for Schubert might be concerned.

One area is prescribed and next door there is some underground water. So, everybody says, 'The member for Schubert's area is prescribed, so I can't do anything in there, but I want to plant olive trees.' They gallop up to the next area that is not prescribed and start a development there. The minute we find that out, it results in prescription. They do not really gain much, and I do not know what the point is, because we are capable of large and small.

I do not know whether the shadow minister followed it, but Morambro Creek is a small resource in the member for MacKillop's area. This year we prescribed that resource in its own right, because we believe it can have an input to aquifer recharge in the Padthaway area. Similarly, in the member for Stewart's area, the Baroota area was prescribed because people went up there wanting to develop olives and grapes, and we believed that that was under stress. The Marne catchment is another example. We are doing it as we need to do it and before the resources become stressed, so we think we are in front of the game. I think that eventually all resources in this state will be prescribed. That is a personal opinion, but I do not see that there will be any choice. One of the interesting areas will be the Adelaide Plains, because we need better to control it. We were talking earlier this morning about the CSIRO, stormwater holding and retention, the re-use of sewage, the use of the waters out of the Torrens River and such matters. We will be able to have an integrated approach only when we have the mechanisms for integrating the approach.

At present there are very few rules about who can withdraw water from the Torrens River, for instance. There are virtually no rules. You need only a well permit in this city if you want to access underground water. The shadow minister knows, because he was a teacher, that you only have to go around to schools to see that most schools have a bore and use underground water, it being the cheapest source. The brewery obviously uses underground water, because I notice there is always a line-up of cars to get the spring water from the Adelaide brewery. I think that Coca-Cola and many of the big manufacturing plants use underground water supplies. That is fine, but if we are to have an integrated approach to water management in this city we will have to look at controlling all the water resources. If we have a hierarchy of water use and we want people to use recycled effluent as a first choice, they will never use it if we have given them unlimited and unfettered access to an underground aquifer that costs them the cost of electricity. Despite what is often said, the electricity pumping costs are a lot less than the cost of any other form of water. That is why in the end even the Adelaide Plains will be prescribed.

In anticipation that you might ask a supplementary question about the Adelaide Hills, I am not saying it will be prescribed, but I think logic suggests that it must be eventually, and that is why a study is under way. The South-East has been problematic for us in many areas, but it is in many ways a simpler problem than the Adelaide Hills which is and always has been a prime horticultural district. It is, nevertheless, the city's catchment area—and a significant catchment area—and increasingly it is an urban living area as well. You would not have many catchments in the world that have such a diversity of uses as the Adelaide Hills catchment. Incidentally, it is a forestry area as well. If there is a land use, you are likely to find it in the Adelaide Hills—and the overarching use of the Adelaide Hills is water. Before we decide to do anything in the Adelaide Hills, we are putting significant money into research and study so that, when we decide to do

something, we know what to do because, if we put the whole of the Adelaide Hills on hold for two years, it would be a political, social and economic disaster.

Mr HILL: I refer to the controversy of a couple of years ago regarding the catchment management subsidy scheme, that is, the flood mitigation scheme the government still operates but at a reduced level. It has been a year or so since the level of subsidy has been reduced. Can the minister give an update on how councils are coping with this reduced level of support?

The Hon. M.K. BRINDAL: The sophisticated councils are coping well; the less sophisticated councils are still like the troglodytes grizzling from their cave. The scheme was first funded in the late 1960s, and funds through the 1960s, 1970s and 1980s were directed towards major stormwater and flood mitigation which was due to the prevalence of flooding. Such works included the First, Second, Third and Fourth Creeks in the Norwood, Payneham, St Peters, Burnside and Campbelltown council areas; a series of flood control dams along the Para escarpment; and extensive drainage provisions along the northern Adelaide Plains. It started with the south-western drainage scheme which sorted out major flooding of the Sturt—perhaps not one of our proudest moments as the member for Mitchell knows.

Books on the history of his area show that when one of the large houses just off Oaklands Road was built the materials were barged up the Sturt and delivered by boat. You would not want to go up that concrete drain now on anything other than a skateboard, unless it was in torrent, and then you would be likely to be drowned—and I think only a few years ago someone was. It might be a great engineering feat but that drain is an environmental disaster and I do not think any of us are proud of it. Nevertheless, it did stop a whole area of the member for Mitchell's electorate from flooding. In terms of engineering and protecting houses from flooding, it was a good scheme.

That is the advent of the scheme, and it did serve a useful purpose. I suppose it is to water what stobie poles are to electricity—good, functional and practical and serving a useful purpose but perhaps we have gone past it—for aesthetic reasons, if nothing else—and would like to underground, if and where we could. Because we have had that scheme, it has been a draw-down capacity for local government. It has had about \$4 million in it and it gets topped up by federal funds. It has been something for which they have asked year after year and they are in the habit of dipping into it.

In recent years, the scheme has experienced underspending. Even with a reduction in funding for the scheme for 2000-01, the level of underspending on committed projects has continued. A lot of the councils put in, ask for schemes and, after asking for schemes, it takes them several years to get them up. In some cases, they have been known to return the money. In fact, having said they wanted the scheme, they look at it and say, 'No, we don't want it.' If you look at the nature of some of the schemes, you see that they are not of the type that I described to the shadow minister: they are much more localised and much smaller in nature.

I notice that the member for Norwood is shaking her head. I know that, if there is one thing about which she is a passionate defender, it is local government. She was a very good and very competent Mayor of Norwood and she eternally defends them in here, but you cannot argue with figures. There is underspend this year: after all their grizzles and after halving the fund, there is still an underspend this

year of \$675 000. Over a third of the money available has simply been underspent. In addition, there have been occasions on which funding has been withdrawn for projects—not by me but, rather, by a committee—as there has been an unsatisfactory project.

Notwithstanding any of this, the government has maintained its commitment at \$2 million for the scheme and funding support on the matching basis will allow new works of the value of \$1.4 million to commence; the state to attract commonwealth funding through the regional flood mitigation program; and all commitments to existing and approved projects to be met. The Minister for Water Resources and the President of the Local Government Association have agreed to review the catchment management subsidy scheme.

We are not looking for better and more constructive ways forward. There are some big works that actually need to be done, and a flood mitigation dam is proposed for outside Gawler as being the only real way of dealing with effective flooding in much of the lower Para area. But the scope and size of that dam is such that it could not be met from this fund anyhow. We have the case where the work we truly need to do is beyond the scope of the project—and that would have been so even if we had not diminished the project. So, we are looking to the President of the Local Government Association and to local government for constructive input as to where to go with this scheme.

As the shadow minister said, there has been some isolated criticism from a number of people and some of it after recent flooding events in Port Adelaide Enfield (raised in this House by the member for Ross Smith) and in my own electorate of Unley. I have looked carefully at the scheme—and these schemes are assessed independently of me—and I can absolutely report that the Corporation of the City of Unley asked for no works under the scheme in the last round, and in the round before asked for two or three particular projects, which the committee ranked at 54, 55 and 56, or thereabouts. There were 110 projects so they came in halfway down. Even with \$4 million, \$8 million or \$12 million—vastly increased on what we have been providing before—they would not even have come anywhere close to being funded.

Port Adelaide Enfield, in contrast, in the past few years has had significant amounts of money. In 1999-2000, the Port Adelaide Enfield subsidy was 23.4 per cent of the entire scheme: it got \$900 000. In 2000-01 it got \$250 000—again 22.4 per cent of the whole scheme. In essence, it continues to do equally well even though the scheme is smaller. All that has happened in diminishing the size of the scheme is not cutting the funding in half for individual projects: it is not being able to do as many projects in any given year.

I am sorry it is a long answer, but it is an important issue. One of the reasons for looking at new ways forward in all this is that the catchment management subsidy scheme was in fact a scheme which quite deliberately and quite strongly looked at water as a threat, as a contaminant and as a commodity to be got rid of and put somewhere else as quickly as possible. That is why you have, classically under the scheme, a whole series of cement drains that carry water at dangerous speeds straight into the Barcoo Outlet where the member for Colton's electors all object; or straight down the Torrens River and it comes out at the end of the Torrens River where the Mayor of Charles Sturt is jumping up and down and saying how dare the rest of Adelaide pollute his beaches. That was the ethos behind such schemes, but we are trying to create a new paradigm that is very much embodied in the member for Mitchell's own electorate and in the city of

Salisbury. The former Corporation of the City of Marion and the catchment boards have put in the Warriapendi Wet Lands towards the top and we have announced the establishment of, and will work in concert with the South Australian Jockey Club to establish, significant wetlands in the Morphettville Racecourse.

The Marion council has some notion of developing further wetlands in the area adjacent to Oaklands Park Driving School; at least that area is being considered as a possibility. At other times, I know the Corporation of Marion has looked at whether the full retention of the cement floodway is advisable, and at least one feasibility study of knocking the walls down a bit so that there was a bottom trench where the water could flow more naturally when it was higher. All those matters are in train, and I absolutely refute that any negative impacts have resulted from this. I believe it is forcing a constructive dialogue between state government and local government and that we will all be better served at the end of the day. With a few exceptions (the City of Salisbury being a very notable one), I believe that local government has yet to perceive that during the next 10 years they will be desperately trying to keep what they have busily been trying to get rid of for the last 20 years, or make some downstream council pay them a benefit for delivering to them. As councils start to wake up that this is not a pollutant but a very valuable resource, rather than wanting to get rid of it as quickly as possible they will want to capture and keep it or charge someone else to deliver it to them.

In conclusion, a great example is Northgate, which is a brand new development on what was previously fairly flat wheat fields. I doubt that there would have been any significant run-off (it has an absorptive type of soil profile), because the water would probably have been absorbed into the field. Of course, now that there are roads and houses, there will be considerable run-off. In answer to that, in concert with Port Adelaide Enfield, the developers have built a series of five lakes, and all the run-off from the roofs and roads will go into those five lakes. Through natural processes, it will settle and be filtered to a suitable quality—and there are sensors to ensure that the quality is suitable—and then be taken to a bore and injected into the aquifer.

In the summer, the water will be reclaimed from the aquifer to water the parks and gardens in the development. That will create a more aesthetic and pleasing environment, and I am quite sure that increases the bottom line for A.V. Jennings and the developer—which is fair enough. When the development is handed over, they will potentially have the same bun fight that arose for part of Delfin. All members would be aware that Delfin, as the developer selling the properties, created beautiful lawns and gardens and quite thirsty areas that attracted people to the area and caused them to buy. When Delfin had completed the development and passed it over to the council, council suddenly realised that what they had inherited in terms of parks and garden maintenance was much more than they were prepared to pay. Plants therefore started dying, and outraged Delfin residents were basically attacking the council and saying, 'How dare you not maintain this to the standard that we expect,' and the council saying, 'Hang on a minute; you are not paying rates for us to maintain it to that standard.' This will not happen at Northgate because the basic prerequisite—that of water—has been provided.

The additional benefit, which is really important, is that the Port Adelaide Enfield Council, which was there, is and has been part of this project, identified yesterday that had this

not happened it would have had significantly to upgrade all the stormwater pipes from the top of Hampstead Road—in that area behind the Northfield Infectious Disease Hospital—so it is at a high point. It would have had to upgrade every pipe from that point down to the Barcoo Outlet, which would have cost several million dollars. So, this good use of water on site has cost the council nothing, but it will be a benefit to the council when it gets the parks and gardens and will potentially save it several million dollars in the upgrading of its stormwater system. I think that is the way forward. By cutting this scheme I, on behalf of this parliament, have done the people of South Australia and local government a service. At the end of the day, they will say ‘Thank you’ and will actually forget that they were the ones who complained when the scheme was cut.

Ms CICCARELLO: In relation to this issue, I am surprised to hear that the figure that the minister quoted as being underspent was \$600 000 on this scheme. The Norwood council was in a particularly vulnerable position for many years because we were at the tail end of First and Second Creeks and experienced a lot of flooding, particularly in the early 1980s. You have mentioned that many of the creeks have been turned into concrete drains. My council was forward thinking and actually reclaimed and opened up some of those creeks, particularly Borthwick Park and Bond Street (or Free street as it is also known), where there are retention basins in which water collects. However, Norwood was spending about \$1 million on infrastructure to upgrade it because, as I have indicated, we had some serious flooding in the 1980s in Norwood, particularly around the area of Osmond Terrace and William Street and under Prince Alfred College.

Since the amalgamation, the council has discovered—and we will not go into the why’s and wherefores of the amalgamation—that the former St Peters and Payneham councils had not spent very much on infrastructure. We have recently experienced very serious flooding in both those areas, and I think the council has to commit up to \$7 million to upgrade the drainage system. I think in this year’s budget, the rates will increase by some 7 per cent, and that does not necessarily take into consideration all the upgrading required of the underground drainage system in the St Peters area. If there is underspending, is the council able to access this money? I would like you to comment. I was very surprised when you indicated that reducing the funding is actually good for local government because a huge amount of work needs to be done.

The Hon. M.K. BRINDAL: I think it would be a very interesting matter to debate in this chamber because, in essence, I believe the member for Norwood has, in some measure, supported my argument. She describes her council, which I acknowledge was visionary and actually did what it was supposed to do with ratepayers’ money. It thought things through and spent the money wisely and well. When it realised that there was a flooding problem, it fixed it. Again, I do not want to go into the amalgamation or necessarily imply criticism of another council, but it is necessary in this case. In contrast to her council, where rates were paid to do the necessary work, another council, for whatever reason, did not apply the rates to the same purposes that it was supposed to. They can, should and probably legally, in a sense, were obliged to fix those flooding problems.

In the act, flooding is clearly one of the administrative responsibilities of local government, but they chose not to do it. The councils then amalgamated, for whatever reason. So,

the member for Norwood, as a ratepayer in the old Norwood council, now finds that she is suddenly saddled with a burden that she probably considers is unfair. I must say that, if I was the member for Norwood and living in her house, I would consider it a bit unfair if my council had done all the right things and I was then paying an additional burden because it had inherited a new area that had not been doing the right thing.

The member for Norwood then says, ‘Well, because of this, the state government should pick up the tab.’ I am not knocking that, that is a valid way of looking at it. Let me tell the member for Norwood that it is quite possible for the council to apply a differential rate in the old Payneham-St Peters area to get them to pay for the additional infrastructure work necessary over there. Under the Local Government Act, they do not have to charge you to do work in an area where that work was previously neglected. That is a choice of council. We could debate this for many hours, but is it fair that, because a particular council did not do the work that it was obliged to do, this parliament picks up a subsidy to do the work?

We grizzled—I think absolutely rightly—because we spent a lot of money under Tom Playford building public housing stock in this state. It was a commitment that we made that people should be able to be housed and that housing should be competitive. As an instrument of social policy, Playford built public housing for anyone who wanted it, which, obviously, kept down the price of real estate and rental in Adelaide. It was a good policy instrument. However, when the Federal government decided it needed to become involved in welfare housing, who suffered? South Australia, because South Australia had invested its money in public housing and then was penalised for doing so.

I am saying that, in exactly the same way, that is where some of the argument can come down. That is a fair argument. I am not saying I am right; I am not saying the member for Norwood is wrong, but I am saying that it is a debate we could have in this House. Should the member for Kaurna’s electors be paying for the fact that in my own electorate of Unley, for whatever reasons, the infrastructure is no longer adequate? For instance, it was not put in sufficiently in the beginning or it was put in so long ago. That is the case in Unley and I think it was the same in Norwood. Unley and Norwood were settled so long ago that people did not realise the volumes of water that would come down and, once the areas were settled, we realised that there was a problem which probably did not exist in the old days.

Therefore, should the member for Kaurna’s electors have to pick up the bill for a problem in Unley? Should the member for Norwood’s electors have to pick up a bill for a problem in an area that was not of their creation? If the member for Norwood believes the answer to that is yes, then the member for Norwood is quite entitled to say to me, ‘Let us take the money out of salinity strategies in the Murray River and let us put it into flood mitigation in those areas that did not provide for it.’ I would honestly say to the member for Norwood that I would be sitting on the other side saying, ‘No, no, no. We should be making those council areas that did not provide for it take greater responsibility and provide for it.’ After all, they did in Norwood and they have in many other places in the state.

Ms CICCARELLO: The minister is suggesting, as I said, that there has been unspent money. I do not think that now is the time to debate local government and whether amalgamations were right or wrong. However, part of the whole

amalgamation argument was that there would be an equalisation of rates and social equity. I do not know therefore how the minister can suggest that the ratepayers in these areas would subscribe to having differential rates put in place.

The council is currently looking at equalising its rates for the commercial ratepayer because there has been a differential rate in place and the argument has been that it is not fair. The council also has a liability issue because it would be responsible for any flooding that happens. Can the minister comment on how he thinks the ratepayers of Norwood will wear these increased costs? I am not saying the Murray River is any less important, but we have a very important built-up area and what happens to those people if there is flooding?

The Hon. M.K. BRINDAL: I understand and I respect the member's passion for her electorate and also her passion for local government, but whether my party sits on the right of the Speaker or the member's party sits on the right of the Speaker, there is an immutable fact. Frank Blevins, whose policies I often disagreed with but whose political acumen I admired, often used to say to me, 'Mark, I can give you anything you want. Do you want Millswood station reopened? Do you want a five minute train service? What else do you want?' At that stage I would normally shut up because I knew he would have me. He would then answer: 'This parliament can deliver its electors, its people, anything at all that they want—nothing is really beyond our capability. The limiting factor is the price that the people of South Australia are prepared to pay: it is the budget.'

While the member for Norwood will argue, and does argue, passionately for the needs of her electors and the fact that they should not pay increased rates, if we are to do all that we need to do in this House, we have to find a source of revenue. That source of revenue is either the commonwealth, whose payments to South Australia it rather likes to limit and are fairly fixed, or things such as gambling tax. I do not know where the member for Norwood stands on this issue, but there are plenty of people in this House, who, having accepted hundreds of million of dollars on behalf of the people and then spent it willy-nilly, suddenly say 'We do not want gambling in South Australia.' Or what do we do? Do we put up payroll tax—a decision this government made not to do. Do we introduce higher stamp duties? What new tax do we introduce to pay for all the things we need?

I acknowledge the member for Norwood's passion and her concern, but local government is an autonomous third tier of government—

Ms Ciccarello interjecting:

The Hon. M.K. BRINDAL: The member for Norwood interjects and says, 'They are a creature of the state.' They are a creature of the state through legislation, but I have not met a mayor yet who will acknowledge that he is a creature of anyone in this House. They generally tell us how they are closer to the people and imply that, no matter who is in power here, if it was all run by them the world would be a much better place.

I did not suggest to the member for Norwood what the council should do: that is the point. They do not tell us how to raise taxes and I do not expect to tell them how to raise taxes, but I do say to the member for Norwood that—and I say this in terms of being the ex-Minister for Local Government—if we had the same elegant taxation abilities that they have, then I would be very thankful indeed, because they have a tool for social justice provisions that is much more elegant than anything I currently understand to be at the state government's disposal.

They have the right to impose differential levies and rates and all sorts of things. If they choose not to exercise that right for their own political reasons, that is entirely their business, it is not mine. However, I cannot see that making the business of governing more comfortable for the electors in any given council area is the business of this chamber. They have the wherewithal to do it. The member for Norwood, if she reads her *Hansard*, will see she clearly said 'and they have the legal responsibility'. It is their liability. They have known for decades that they are responsible for stormwater. The member for Norwood all but said that in her speech. In some areas they have ignored that liability and now, for some reason, they expect us simply to bail them out.

I am saying that, in my opinion—and I am but one of 47 votes in this House—it is not our business to bail out local government. If 24 of us decide that this is an issue of major consequence that cannot be borne by local government, then we have every right to apply some money to it, but from where I am sitting and from my point of view at present—and I am sure that the shadow minister, if he is sitting in this seat on some future occasion, will also argue this—there are more significant water issues which we have to address than bailing out local government.

Mr HILL: I am so glad I raised that issue some 45 minutes ago. I refer now to an article in the *Australian* on the weekend 16-17 June, Under the headline '\$40 million handout to balance lost water licences', the first paragraph states:

Deputy Prime Minister John Anderson has offered \$40 million in unprecedented compensation to Namoi Valley irrigation farmers whose groundwater allocations must be reduced in the interests of long-term sustainability.

When I read that, I thought that the most interesting word in that article was 'unprecedented'. Will this action by the Deputy Prime Minister create a precedent which will be difficult for state governments to deal with? If the federal government is prepared to pay out or buy off water licences when valleys or river systems are stressed, surely a precedent will be created for state governments, and irrigators might say, 'They have done that elsewhere; you should be paying compensation here as well.'

The Hon. M.K. BRINDAL: Yes, I am aware of an announcement of what people have unkindly suggested is a \$40 million handout to the Namoi, which just happens to be in the Deputy Prime Minister's bailiwick. It is interesting as to what that actually says. We all know that whoever is in power in Canberra—be they Labor, Liberal or (God perish the thought, Democrats)—will act without fear or favour in the interests of all Australians. They are bound to do so by the Constitution. What we are very interested in is what this means in our state in areas where we have absolutely inadvertently overallocated water, but done so honestly. I would draw a clear distinction here: in this state there are some areas where we could argue that there is an over-allocation of water, but we have overallocated water honestly, in an unknowing fashion.

We have never set out to allocate more than 100 per cent. In some cases, inadvertently, through time, we have. That is in stark contrast with areas like New South Wales where they basically said—and I have heard this argued in this House—'You have allocated 100 per cent of the water and only 60 per cent is utilised, so you can allocate another 60 or 70 per cent. You can overallocate the resource to about 170 per cent because by overallocating the resource to 170 per cent you will get about 100 per cent usage.' That is exactly the type of

philosophy they used in New South Wales, and they are in diabolical trouble because of that. I think that in some areas the water resource is up to 300 per cent overallocated. It is an absolute scandal.

We have not done that in South Australia. We have said, 'We will allocate to 100 per cent and then, if there is under utilisation, the water market will create the impetus for full utilisation. But we cannot, will not and must not allocate more than 100 per cent.' So, I think we have the runs on the board in terms of reasons for our overallocation. If then the Deputy Prime Minister is, for the Australian government, espousing the view now that in areas where an overallocation has been made there can be a claw back and the government—that is the federal government—should be paying for the claw back, I will be writing to the appropriate ministers in Canberra to see that South Australia gets its fair share. The Northern Adelaide Plains is absolutely and definitely overallocated, and we will be asking for a buy-out scheme for irrigators in the Northern Adelaide Plains. There is, because of the 90 per cent rule, an overallocation. We have never exceeded our cap but if everybody who has a licence in the River Murray were to draw the water from the river we would go over the cap. We think—and the shadow minister knows this because of select committee matters—that we need to, in the next year or two, address what we do about that 10 per cent allocation. We think we need to buy it out or to some way ensure that if everyone draws their water from the river the amount of water withdrawn from the river is never over 100 per cent of our allocation under the cap. We think we have a moral imperative to do so; we now might have an economic imperative because, if the Deputy Prime Minister is announcing, on behalf of all Australians, that where there is an overallocation of the resource it can be bought out, then we will be around the table scrapping for South Australia's fair share of this great largesse from the commonwealth government.

I am surprised ('surprised' being a mild word) that they are, in fact, sending such a generous message, and I can only believe that it is to us all. I could not possibly believe that it would be predicated towards one electorate, although statements have been attributed to the Deputy Prime Minister in Murray-Darling council meetings which seem to suggest that he knows more about water than the rest of Australia put together, especially as it affects his own electors.

It also indicates, on a more serious note, that when the going gets tough for the Murray River the commonwealth may be prepared to put its hands in its pockets to assist in finding water to reinstate the flows to the Murray and to reopen the mouth of the Murray. So, as to whether this is a pork-barrelling exercise (and I suspect from the cynical look on the member for Kaurna's face that he might have thought there was some pork-barrelling), I must say that, as a member of a party which is in coalition federally, I could not believe that of my colleagues. This must be an attempt by the commonwealth government to introduce sanity, rationalisation and equity as a first step in the environmental saving of the Murray River.

Mr HILL: In relation to the Deputy Prime Minister's creation of an unfortunate precedent which will put enormous pressure on the states—

The Hon. M.K. Brindal interjecting:

Mr HILL: Fortunately, according to the minister. I am sure that the minister is correct and that it was done for pretty narrow political objectives.

I turn now to the issue of the Loxton irrigation scheme. I note, with confusion, that the budget lines for this scheme are in the Deputy Premier's budget, and I cannot understand why that is the case, although it is not really that important. In estimates the other day, I asked the Deputy Premier about the savings from the implementation of that scheme and how those savings would be utilised. He and his officer said that about half the savings would be sold in order to help finance the scheme, and there had been no decision on how the other half of the savings would be allocated. Mr Wickes, in fact, says on page 69 of *Hansard* of 20 June:

It has been agreed that some of the split will go into development to help with the scheme, but a decision has not been made about the other component and what part of that will go into the development and what part will go into the river. There is still an amount of water that will be saved—and it will take us a number of years before we save it—but the decision is still out on that component of the water.

Who will make the decision about how that water will be utilised, and is it the minister's view that it should go into environmental flow, or should it be used for economic purposes?

The Hon. M.K. BRINDAL: Basically, the financing arrangements to underpin the rehabilitation of the Loxton irrigation district were made on 19 June 2000, which was very early in the advent of my department; in fact, as the shadow minister would know, they were the end of a rather long process. That is when cabinet made a decision, but it had been going on for a while. Formal procedures for conversion of a government irrigation district to the private irrigation trust are described in the Irrigation Act 1994. Cabinet required a review of the estimated operating costs for the Loxton irrigation district as a conditional approval for the financing arrangements for rehabilitation and the change to self-management. The review is now complete and confirms the estimates that were originally presented to cabinet. The Loxton rehabilitation steering committee has been established to oversee the rehabilitation of the infrastructure and the final stages of the conversion of the Loxton irrigation district to a private irrigation trust. I am going there on Sunday with Minister Truss to mark the transition of the scheme.

An honourable member interjecting:

The Hon. M.K. BRINDAL: I am sure they will, and I will mix with them.

Ms Ciccarello interjecting:

The Hon. M.K. BRINDAL: Certainly. I will find out the cost and let the member for Norwood know. She is quite welcome to take it out of her travel allowance! All formal procedures to ensure that the conversion takes place on 1 July 2001 have been completed, including the formal appointment of board members. Financial and administrative arrangements have been established to provide Loxton with a sound basis for its long-term viability within the district. The new infrastructure has of itself environmental benefits by enabling irrigators to control the application of water to crops, thereby ensuring efficient use. There is an immediate saving of 4.8 gigalitres per annum which the honourable member identified through lack of loss in channels and in evaporation. Interestingly, in the early days of negotiation of this scheme, the irrigators thought that perhaps they should be credited with the benefit of the 4.8 gigalitres. That would have enabled them to completely fund the scheme in seven years, until we quite rightly pointed out on behalf of the state, 'That is water which you never received. It was lost to the river from the channels. You never accounted for it and never received it, so you can hardly claim it as your savings.'

That being part of the arrangements, my understanding of what happened is—and I may need to correct this, although I am fairly clear on it—that in relation to irrigation districts and irrigation acts those water savings are held in the name of the Minister for Water Resources. However, they have been delegated to the Minister for Primary Industries as the appropriate person for that section of the waters that may be leased or sold to determine what is a good use of it. I know or care little. I do not mean that in a put-down sense; it is not my job to be an expert on the best use of water for irrigation practices, how much is needed, and so on. Similarly, it appears in the Deputy Premier's budget line because they were managing this before the creation of the department.

As I described in answer to an earlier question, generally speaking we are a policy development and specialist department in a number of areas such as hydrology and the administration and collection of accounts and bills for water matters, but not in capital works. We have no capital works capacity, and we do not seek to have one. In the case of the Barcoo Outlet, which will vest in me on turnover, the Minister for Government Infrastructure has handled the project and the building of the project. It will then pass under my care, custody and control. As I explained to the shadow minister, many of the works along the River Murray—the lochs and weirs—which vest in the name of the Crown in the form of the government of South Australia at present are vested through the Minister for Infrastructure, and they are operated by SA Water. I will check the vesting, but I know they are certainly operated through SA Water. In this case, the construction manager was the Minister for Primary Industries.

A final part the answer involves what will happen to the water. The decision will be made by cabinet. As the shadow minister rightly identified, a portion of the water has already been targeted to help pay, and that water will clearly be sold on the market to get the highest return. The use of the rest of the water—whether it is all predicated for the environment, leased or whatever—is left for us to determine. The shadow minister did ask my personal opinion, and I will give it to him in this form.

I absolutely know that we need to find more water for the environmental flows of the Murray River system. Having served with him on the select committee and being on the ministerial council, I know that there is nothing as certain; what we do not know is the quantity that is required. Whether some of those 4.8 gigalitre savings should go into environmental flows is a moot point for the following reason. In the mid-1970s this state decided that the river was in crisis in terms of the management of flows. We capped our levels of extraction in the mid-1970s and have twice addressed the issue so that our current levels of extraction reflect the usage that we made of the river in the late 1960s—the years 1968 and 1969 spring to mind. We withdraw 5 per cent of the total flow of the system for all purposes. In contrast, Victoria withdraws three times as much and New South Wales seven times as much as we do. While the great, much vaunted Snowy Mountains diverted huge quantities across the mountains and helped us a little with certainty of flows, mathematically, South Australia did not receive one teaspoonful. It has been soaked up by the huge irrigation systems in New South Wales and Victoria.

As we are a 5 per cent user, when it comes to who should contribute to environmental flows I say that, because we capped our use in the mid-1960s, we have at least the moral high ground in this state to say to Victoria and New South

Wales in particular, 'If you want to get back to your 1960s uses and then talk to us about any other savings that in theory may be needed, we would make an equal contribution. When you are as genuine as we are in what we have done, we will be playing on an equal playing field.' What I am saying to the shadow minister is that I do not think the playing field has been quite equal since we capped in the late 1960s while they did not cap until the early 1990s and extracted like wild things in the intervening 30 years.

Having said all that, when it comes down to a negotiating position, should South Australia take the lead and set environmental water aside in spite of the fact that we have the moral argument to say, 'No; we don't have to'? I think we will have to, if for no other reason than to set a decent example. We are morally ahead of the game now, and I think we will be further morally ahead of the game if we put water aside.

Finally, as I am sure the shadow minister would agree, if we put aside that entire 4.8 gigalitres or whatever was left over for environmental flows, its significance in terms of what is needed would be totally minimal. At best, whatever we put aside in that scheme would be of a symbolic nature. I suggest to the shadow minister that we need to look more studiously at the possibilities for savings in evaporation that might accrue in the lower lakes or a rechanneling of some of the wetlands. When you come over the Blanchetown bridge near Barmera at lock 1, you see a huge lock pool there created simply by flooding wetlands, and there are dead river red gums like you would not believe. If for instance we were to reinstate a levy bank there to keep the river more to its channel, reinstate the environmental wetlands and manage or manipulate the environmental wetlands (as they do in the Everglades of Florida) to the benefit of the river, the saving we could accrue from one of or two of those schemes might be much more significant in terms of savings in evaporative losses than putting aside some of this water saving. I am not precluding it, but I am trying to say that, yes, we could do it, but whether it is worth doing other than a symbolic gesture I am not sure. I am sure that we should be looking at means within the capacity of South Australia for making some true contributions to the environment.

Mr HILL: I have a couple of other questions about the Murray River. I note that in the press recently Senator Hill was talking about using national powers to control or make decisions about the Murray River cod. Is the minister aware of that proposal, and what are his views in relation to it?

The Hon. M.K. BRINDAL: I am aware of the statements and I am also aware that under the EPBC Act he could exercise such control over it as an endangered species. I believe that anything we can do in this nation at any level to preserve what we have and preferably to reinstate what we have lost is something that has to be supported. Senator Hill has to prove nothing to me but, if as a South Australian on reading the case I could be convinced that the possible enhancement of the species would be supported by federal intervention and control, as one member of this House and one person sitting around the cabinet table I would put up my hand and say that they can handle it better than a collection of states and can and should exercise that control. In theory I have no problem at all about ceding a power to the commonwealth if in the exercise of that power the commonwealth is more efficient or can deliver better than we can. There are things that they can do better than us and, conversely, there are things that we can do better than them. I think there should be a constant dialogue about who is best

placed to run what. If the Murray cod is something that they can look after better than we can state by state, then I will be putting up my hand in cabinet or this parliament or the party room to vote in that direction.

The shadow minister would know that we then get to the larger question—which I thought would be a supplementary question—about who should run the Murray River. I am on the public record as saying, and will repeat here, that the Murray-Darling Basin Commission and the ministerial council are viewed around the world as best practice for the management of a waterway in a nation that is viewed as the best or at least one of the best in the world. I know and the shadow minister knows that it groans, it is laborious and it can drive you crazy at times, but in many ways that is the nature of the democratic process, too. There would not be a member of this House who would not feel that, sometimes, about the process of this House. It is an excellent system, despite its failings, because there are four states, each to watch the other and each jealous of its sovereign powers, which must concur in all issues. That can be a strength and also a weakness. There is in addition the commonwealth, with a more globalised interest, and the ACT, which has some interest—not as big as the rest of us, but it certainly has some interest because it is within the waters.

That tension among levels of government and states makes sure that, whatever decisions we make, it is impossible with the current set-up for any state to make a decision arbitrarily or against the best interests of the river. Despite its laborious nature and ponderous decision making processes, I would say that rarely, if ever, is a decision made that at the time is not in the belief of all the states, the commonwealth and the ACT in the absolute best interests of the river. It is the only way everybody will concede a point. I think that is good. Turning it over to the commonwealth is sometimes talked about. If every state went to the commonwealth government—of a Labor or Liberal complexion—and said, ‘Here’s the Murray-Darling system; we want you to manage it,’ I think they would be so far out of the door and out of the building and not interested in the proposition that you would not believe it. Why would the commonwealth want to take on something that can absolutely be a national problem but at the same time it is also very localised problem—reach by reach, river by river, state by state?

Why would they want to take that on their own with all the odium and the lack of credit they would get. I think it works best as it is? I am on the public record as saying that time is running out for the river. If the four states and the commonwealth cannot agree, rather than see the river perish, I would rather hand the river to the commonwealth. I do not think there is one person in this nation who would not agree with that statement.

Finally, I do add the caveat that, if we ever had to do that, it would be the greatest disappointment of my life, because I would consider that, in the exercise of my powers in this job, I had failed and I would think this parliament would have a right to be bitterly disappointed, too. The day the states together cannot manage on behalf of the nation will be a sorry day for the nation. At the end of the day, if that is what is needed, that is what we should have the courage to vote for.

Mr HILL: I refer to the Murray River catchment board— or whatever its proper title is—which was recently recreated (to put it in a euphemistic way). Can the minister say when he will be announcing the new board and who has been appointed thereto?

The Hon. M.K. BRINDAL: Very shortly; within a week or two a submission will go to cabinet. There have been one or two unforeseen glitches in the process. I intend to take the matter to cabinet. I do not want to canvass the matter here—it is inappropriate because it is a forum which is too public—but, having taken my proposition to cabinet, I intend to come to the shadow minister and discuss the proposition with him because the way in which I want to move forward I will not do other than with his concurrence. I do that on the unlikely mathematical possibility that after the next election he may be the minister, and I do not want to have even a fraction of a percentage that this matter is in doubt. Therefore, as it is a possibility that his party could win government, I want to move this matter forward in a way in which both he and I can stand up and say, ‘This has the concurrence of the parliament of South Australia.’

Mr HILL: I asked a question about Whyalla. I visited Whyalla a couple of months ago and was briefed by leading members of the council, including the CEO, about a proposal to have a desalination scheme implemented at Whyalla which would have the effect of making Whyalla independent of the Murray River and which would provide sufficient water, I gather, to supply other local towns. Is the minister aware of this scheme; have members of the Whyalla community approached him; and is there any support in government for helping this scheme to develop?

The Hon. M.K. BRINDAL: The question should be, ‘How many times has Whyalla approached me?’ I am aware of this fascinating scheme. The shadow minister knows, but other members might not be aware, that it involves the generation of solar electricity using very large solar dishes. I think it will generate almost enough electricity for the town of Whyalla. As part of the solar generation, there is an errant heat source which could be used for distillation purposes and which could be either used for desalinating water or, equally, for the purposes of evaporating treated effluent. It does not necessarily have to be solely desalination: it can be distillation of effluent with a saline stream added. It would make Whyalla self-sufficient of the Murray River.

I am told that in cost terms it is a project that could work. The cost of delivering water to Whyalla via the Murray River system, although they pay 91¢—the same as we do—the cost of delivering it there is several dollars. The interesting proposition that we have is that much of the cost of delivering the water to Whyalla is not in the cost of the water because that comes out of the river for virtually nothing. Rather, it is in the cost of the pumping and maintenance of the pipeline from the river to Port Pirie, Port Augusta and Whyalla.

If we were to make Whyalla self-sufficient, does the infrastructure simply cease to exist? The answer is no. Do we maintain it? The answer is that we probably should because it is an important piece of infrastructure for this state. Who pays for it? I think the figure for producing water is \$1.30 a cubic metre. We will produce water for \$1.30 a cubic metre desalination cost. It may be cheaper for us (as the people of this state) to buy that water from someone for \$1.30 than to pump it through the pipe. If we have to keep the pipes and the pumps there and we say that we will pay \$1.30 for our water (this is the cost to maintain the pipe), and that comes to more than we are currently paying, then it does not work. I am not trying to confuse the shadow minister: I am saying that it is interesting to work it out.

I believe the Minister for Infrastructure is actively looking at this matter because, on top of the needs of Whyalla, there are the needs of Eyre Peninsula. The Todd River Reservoir

was built some years ago as a stop-gap measure because they knew at its construction that it would salinise; it has salinised and it is now virtually unusable for human purposes. That means the sole source of water at present on Eyre Peninsula is the Uley Basin around Port Lincoln and, to a lesser extent, the Robinson Lens—about which the shadow minister has probably been contacted and knows—which is under so much stress that we can allow no more use of that basin for development in Streaky Bay. So, Streaky Bay is frozen in the sense that you cannot put a building or dwelling there unless you supply your own water—and you cannot get it from the town water supply.

While we do not yet believe that the Uley Basin is under any stress, it is obvious that it cannot sustain the level of development that we believe that Eyre Peninsula is capable of achieving. There is no question that there is land on Eyre Peninsula that is suitable for olives and grapes; it is good grape and olive growing land, and it is land that is suitable for primary production other than grain or wheat, the traditional uses there.

Equally, there is no question that there is no water supply there capable of supplying the quantities of water that would be needed for irrigation. It is doubtful whether there is enough water there to supply the increasing demands of the aquaculture industry, which, as the shadow minister knows, is going through the roof. There has been 30 and 40 per cent expansion in the past couple of years; it is a huge expansion with huge employment opportunities and, with every one of those employment opportunities, if there is another house, there is another demand for water.

We believe that the demand for water on Eyre Peninsula will very quickly outstress any capacity naturally occurring to supply the water. There are no rivers, apart from the Todd River, that are capable of rivers or dams being built on them in that sense. So far as we know (and we think we have a fair handle on this), there are no more natural aquifers into which we can tap. It would strike me that a natural consequence of that, for the Eyre Peninsula to develop, is that we will have to look at answers such as desalination. Whether it happens this year, next year or the year after—and I am saying that rather than five or 10 years into the future—it is absolutely certain that in Israel and other places around the world they are starting to produce water at a cost which will make it economically viable, doing all the sorts of sums that I suggested SA Water will need to do. I think it is not a matter of, 'Will it happen?' In my own heart, I believe it is a matter of when it will happen and, whether something is announced this year, next year or the year after, we in this state are on the cusp of a new world, and in that new world a lot of water will be supplied by desalination.

It seems like a very good scheme at Whyalla, with which the people there are really enamoured, but there are techniques. The more conventional one for desalination is reverse osmosis, which needs electric pumps, and there is the lesser known but very good one of lower temperature distillation: the pressure is lowered so that the water boils at a much lower temperature. You could perhaps put those plants in tandem with a steel works. The greater virtue of the Northern Spencer towns is that each has a heat source that might be capable of being tapped into. In Pirie there is BHAS, in Port Augusta you have the power station and in Whyalla there is the blast furnace. So, there are perhaps very good possibilities for water by distillation techniques in every one of those three towns.

Mr HILL: I am pleased that the minister is taking this matter seriously because I think it has real potential. The other to be made is that if desalination could provide Whyalla with water, you can sell the water that you currently supply, which would produce some resources as well. Ultimately, if you have a working desalination plant, why would you need to keep the pipeline going. It would be a bit like keeping the gas lighting system after electricity was installed. You might do it for a while but after a time it would be if it works, it works and if it does not, you get rid of it.

My next question relates to the Qualco Sunlands trust. On behalf of a gentleman from that area who contacted me, Mr Jeff Rohrlach, I ask the minister about the placement of an easement over his property. He was pretty hostile about the way this was done. He has appeared in the local media and I know he has contacted the minister on a number of occasions. He has contacted me and I said that I would raise the issue with you. Has the minister had a chance to reconsider his position in relation to this easement?

The Hon. M.K. BRINDAL: No, I have not. I would say that no elector in South Australia has been better served than Mr Rohrlach. After Christmas, upon the representation of the member for Chaffey, and together with Mrs Maywald, I spent a day to go and speak to Mr Rohrlach to explain the scheme and what was needed as well as to try to come to a compromise with him on something that he considered to be fair and equitable. In my opinion, the only solution that Mr Rohrlach considered to be fair and equitable was that he simply did not want an easement, and that was not an acceptable solution to this government or the people of the Qualco Sunlands region. Saline is, in fact, entering the Murray River through the Qualco Sunlands area and we needed a salt interception scheme because a mound was building up. It was, not too slowly, destroying some of the orchards because there was a perched water mound, and that had to be addressed as well.

So, a scheme was devised and entered into and the water had to be taken away. Unfortunately, the water had to be taken away via Mr Rohrlach's property. Mr Rohrlach knew, because he asked, what the cost would be to go around his property—it was something like \$750 000. Mr Rohrlach then said that instead of getting fair compensation for the interference with his land, perhaps he should receive something a little less than \$750 000. If that is what it would cost to go around his property, that should be the fair compensatable price. Having negotiated with and explained the situation to Mr Rohrlach, I also explained that it is and has always been the right of the people of this state, as expressed in this parliament—to which I and every minister answer—and through the executive government, if it is a matter for the public good, to declare easements and do all the sorts of things that we did.

Having exhaustively examined this matter—and I do not mean capriciously—the easement was necessary for the good of that district. This parliament had passed the bill, which included an absolute right to proceed with the easement, to enable the scheme to continue. At the time, I believe Mr Rohrlach described it in the local press as the minister informing him that he had a panzer tank. The panzer tank that he described was, in fact, the parliament of South Australia and the legislation that was passed. If that is a panzer tank, it is a very healthy one to have. It upsets me that Mr Rohrlach is not totally satisfied with the explanation about the reasons that this parliament sometimes takes upon itself the right to compulsorily acquire.

There are occasions when the good of a district and a group of people exceeds what any individual believes are his

rights—and that was invoked. Mr Rohrlach was a little disappointed because he thought that he could hold the scheme up, in a sense—maybe not negotiate to increase the price, but basically hold up the scheme. I informed him that he could not because, legislatively, we had the power to come in and act expeditiously. He could certainly hold us up in court for years on how much he was paid in compensation. If that is what he wanted to do, he was quite entitled to do it because it is his right as a citizen under the law. We were arguing over the 10 years and the applicable compensation—and I do not know if that matter has been finally negotiated or not, and I do not much care; he will get what is fair and reasonable as determined by either my officers in negotiation with him or by the courts. It is not within my capacity to determine.

The scheme was opened by the member for Chaffey and is up and running. I am disappointed that Mr Rohrlach is not all that happy. I am very pleased that he has contacted you because it is his absolute democratic right and he can and should have this matter heard. I am quite sure that if the shadow minister were sitting here and I were sitting where he is, he would be answering in exactly the same way. It is a good scheme and it was done for the good of the district. I am sorry that Mr Rohrlach does not like it but the scheme was constructed under budget with a total capital cost of \$3.8 million. The operating cost of approximately \$3 million over the next 30 years will be funded by the growers. We were entitled to do so under the Qualco Sunlands Act. All but four growers have committed to the scheme by completing irrigation declaration forms, and that represents over 95 per cent of the irrigation area.

While it may not suit Mr Rohrlach, we have tried to accommodate his wishes as well as trying to reinstate the land. In fact, through a muck up, we started to clear the land and a swathe was being cleared much too wide. The minute I found out about it—which was within one or two hours of it starting—I made sure that it was stopped. We discussed the matter and issued new orders, with a promise to rehabilitate and compensate for the damaged area. I believe that he had a right to say that it was damaged. We then proceeded with the rest of the work—which was the majority of the work—strictly in accordance with what had been promised. I believe Mr Rohrlach has been treated more than fairly at the hands of this government and parliament.

Mr HILL: Will the minister advise the committee whether or not his department is now housed in the one building? When I asked you this question a year ago, your department was still spread all over the place. Has the administrative side of the department been settled or are you still looking for new accommodation?

The Hon. M.K. BRINDAL: This is like the previous agony and ecstasy quote. It is settled in that they know where they are going and that building space has been allocated and designed. Tenders have been let and they will shift in in late October. The shadow minister frowns. Wait until you get the chance, much later in your career, to have the experience. It is extraordinary—

Mr Hill interjecting:

The Hon. M.K. BRINDAL: No, it is just a modification of existing space. You would not believe the amount of time it takes to do something that I would have thought is relatively simple. Some of it is explainable by someone having a lease and that lease has to expire, and leases have to be changed without too much waste of money. From when the department was created, it has been almost two years to find

somewhere for them to live. In the meantime, you should see where the head of the department is. I invite you to visit him. It is in the Reserve Bank building and looks like something between a padded cell and a ghastly apparition.

I do not know whether the shadow minister remembers, but the late Don Dunstan had a fit of pique and modified this place in virulent 1960s taste, and we regretted it for the next 30 years, until just recently we have brought it back to something like it should be. Unfortunately, the head of my department lives in something that I think Don Dunstan must have personally designed in his heyday in the mid-1960s. It is either a garish exhibition of mid-1960s bad taste or a padded cell that they have now decided the Reserve Bank can lease to the head of my department.

Mr HILL: I make an observation that it is interesting that the department will take occupation of the new offices in October, which is when the state election is due, and it could well be that an election held around that time might result in a new organisation which would make the accommodation redundant.

The Hon. M.K. BRINDAL: In that most unlikely event, I can promise the member I would be sitting where he is next year being absolutely outraged at the money he has wasted.

Mr HILL: I point out to the minister that it may well be him doing the wasting. I have two or three questions which the minister may wish to take on notice. First, can the minister provide the costs, purposes and details of all consultancies carried out in his department in the 12 month period just ended?

The Hon. M.K. BRINDAL: The Department for Water Resources expended \$698 000 on 102 consultancies for the period of—

Mr Hill interjecting:

The Hon. M.K. BRINDAL: If you are going to say, 'It's extraordinary,' try to say it without a smile on your face, please.

Mr Hill interjecting:

The Hon. M.K. BRINDAL: If you are going to exude a grave look, look as if you are being grave. For the period 1 July 2000 to 15 May 2001, there were 102 consultancies; of these 76 consultancies (totalling \$2 221 300) were under \$10 000. The remaining 26 consultancies totalled \$476 000—and obviously they were above \$10 000. Major expenditure was incurred on the following programs: South-East Select Committee implementation, \$27 900—so I will blame the parliament for that one; at Morambro Creek, catchment definition, \$31 800. Finance and accounting advice involves setting up a new department, because what we are trying to do in Water Resources is not duplicate effort. We are getting our HR; we have our payroll and things such as that done outside the department. We do not even have all the core services because we think 'Why should we?' I mean, someone else can do it for us. It is cheaper than our setting it up. Further major expenditure involved replacement of water meters in the Murraylands, \$49 000; the water licensing review, \$21 200; the environmental flows in the arid zone rivers—the biggest for the year—\$93 800—a considerable amount of money, which I presume is due to distances involved and the speciality, but if the shadow minister would like a bigger breakdown on the environmental flows I will get it for him; education, key to sustainable resources, \$30 000.

Four consultancies were undertaken as part of the administered funds, totalling \$10 600. I presume that means we administer other funds which are not core to the budget. Those four consultancies totalled \$4 600, so obviously they

were all under \$10 000. In terms of the other 76 consultancies, I do not think the member would want me to read those—

Mr Hill interjecting:

The Hon. M.K. BRINDAL: There were 76 consultancies under \$10 000 each.

Mr HILL: Can the minister give general categories rather than specific detail? Can the minister perhaps table those rather than read them out?

The Hon. M.K. BRINDAL: I will take the question on notice and provide them to the member.

Mr HILL: Can the minister also provide details across his department in terms of costs, purposes and so on of public relations, promotions and publicity?

The Hon. M.K. BRINDAL: I will take that on notice and provide the answer. That does overlap the previous question a little, because I notice that O'Reilly Consulting, for instance, was employed on the state management of the National Water Week community program last year at a cost of \$17 169. If I provide those two answers separately, I will leave it to the member to see that in fact some of them are the same money.

Mr HILL: My final question relates to the investing summary statement, page 11.11. The capital works project shows outlays of \$12.37 million for the year. I thought the minister said at one stage that there were no capital works in his portfolio, but I am not quite sure what he meant by that. Can the minister give some detail of those works? While he is doing that he might also explain why the budget under other works for 2000-01 of \$1.245 million was under expended by \$800 000 or so.

The Hon. M.K. BRINDAL: I am sorry, I did not mean to give—and I obviously did give—the wrong impression before. As I said, in the Barcoo Outlet instance the capital work, at the end of the day, will vest in the Minister for Water Resources. What I was trying to explain before is that what we do not have and do not want in the foreseeable future is the capacity to manage the project of building the resource, and often what we have avoided thus far is the capacity to even manage the resource upon completion. The Barcoo Outlet is a good instance where it has been built under the aegis of the Minister for Government Enterprises. On completion, the capital project will vest in me, but we will probably contract the management of the project to the City of Holdfast Bay, to the catchment water management board, or to another group.

I am sorry if I gave the impression that we did not, if you like, hold in the name of the Crown capital assets. It was more to imply that we do not want to be either a construction agency which builds capital assets, or necessarily a management agency which manages them. We would rather have them managed on our behalf by people who already have that expertise. Therefore, in terms of the investing statements raised and the DWR budget of \$12.370 million, the program includes the following major expenditures: national action plan for salinity and water quality, \$8 million—and this applies for the implementation of various programs, including salt interception schemes along the Murray River as part of the national action plan for salinity and water quality.

The expenditure allows for matching contributions from the commonwealth government, so we expect that to be at least 4 and 4, but that would be a bit augmented if, in the case of the Qualco-Sunlands, for instance, there was a 20 per cent contribution from local people, or indeed from the catchment management board. The water information and licensing

management application system (WILMA), which has been referred to a few times, involves an allocation of \$1.7 million. This work will commence on the development of the new water licensing system to replace the existing outdated system. The new system will support the administration of the Water Resources Act and will facilitate the development of a water trading system.

Another \$.52 million is for equipment to proceed with a study on water usage of various irrigated crops in the South-East—and I am sure the member for MacKillop would be interested in that. This is needed to develop reliable conversion factors to translate water allocations from an area base to volumetric. In that connection, I will get a copy of the *Gazette* for the member for MacKillop. I recently signed a gazette notice to clearly state the basis on which water usage will be calculated to cope with irrigation equivalents. I will make sure that the member receives a copy of that so that he knows what it is about. It is not about prosecuting anybody; it is about the fact that we needed to put a framework in place to say, 'If we are going to charge for overuse of the resource, where do we start from to work out when it is being over-used?' Perhaps some of those people who let it run down the roads, not in his area but in adjoining areas, might be the ones to think about that.

I now refer to the sum of \$465 000 for the enhancement of the monitoring network in key ground water basins within the state. The shadow minister would be aware that we are playing catch-up on water resources. The resources have been around as long as we have been here, around 150 years, but I think it is true to say that in the last two decades nobody took a whole lot of notice. If you sank a bore and the water came out of it, that was a successful bore; if the water ceased to come out of it, you cursed and swore, went out and dug the bore a bit deeper until you got sufficient water out of it—until such time as you got no water out of it, and then you really panicked. We have to become much more sophisticated than that; and we are. We have an amazing number—I invite the shadow minister to visit my office one day and have a look—of monitoring bores, particularly in the South-East. It is little short of amazing, yet I am told that it is totally inadequate and that we must have many more monitoring bores before we can fully understand the extent or the workings of the resource: where it flows from and how it flows.

The sum of \$415 000 is provided for the development of the state water information management system to link existing water data to existing information services. Further details of the capital investment program are included on pages 44 and 45 of Budget Paper 6, but I have covered the main points.

In terms of the 1999-2000 estimated result, the estimated result for 2000-01 is \$909 000, an estimated decrease of \$336 000 from the budget estimate of \$1.245 million. The result was mostly due to a decision—and I think this is the question that the member asked—not to proceed with a water replacement project in the Murraylands, pending a review of the metering policy for the whole state. This review is expected to be completed in this financial year. When it is complete, we will expend the money that we have withheld for those purposes. We thought that if we made a decision up there and proceeded with one sort of meter and then found that there was something wrong and we had to make another decision elsewhere, we would end up with different decisions in different parts of the state. So we thought it was better to hold that, see what we were going to do, and then implement it consistently across the state.

The shadow minister asked me earlier about potential salt interception schemes in South Australia. I would like to read them into the record:

Waikerie Phase 2A—on which construction has already commenced, the approximate EC benefit is 4.9 per cent and the approximate capital cost is \$2.34 million.

Waikerie Phase 2B—the approximate EC benefit is 4.9 per cent and the approximate capital cost is \$2.22 million.

Chowilla—the approximate EC benefit is 14 per cent and the estimated cost is \$9.8 million.

Bookpurnong—the approximate EC benefit is 12 per cent and the approximate capital cost is approximately \$3.4 million.

Loxton—we believe there will be an EC benefit of 12 to 14 per cent and there will be a cost of \$10 million to \$15 million.

The rest are guesses. We do not know the EC benefit and we have a very approximate cost. They are as follows:

Pike River—we expect to cost in the ballpark of \$5 million.

Ral Ral—we expect to cost in the ballpark of \$4 million.

Taylorville—we expect to cost ballpark between \$1 million and \$2 million.

Berri Barmera—the capital cost is approximately \$7 million.

Pyap to Kingston—the capital cost is ballpark \$8 million.

Murtho—the capital cost is approximately \$6 million.

Cadell—the capital cost is expected to cost ballpark \$2 million.

Mr VENNING: I make one comment in relation to the minister. I thank the minister and his officials not only for their cooperation today but also for the cooperation that they give us as members. The area they are dealing with is difficult and there is no precedent.

Also, I want to thank you, Mr Chairman, this being your last estimates committee. You certainly chair with a great deal of decorum and a good attitude, which we appreciate,

because very seldom do your committees get out of control, as do those of some other chairmen. We thank you for your efforts and for the way that you have conducted the committee today, as you have done for many years prior to this. I wish you all the best in the future.

The Hon. M.K. BRINDAL: Mr Chairman, I was not aware that it is your last estimates committee. I suppose that there will be a time for more formal farewells later in the session, since you have announced your retirement, but I echo the comments of the member for Schubert. You have long been highly regarded on both sides of parliament and I know it is not only Liberal members who respect your efforts. I think this place will be the poorer when you and other people like you have left. Very good members have left before and very good members will leave again, but it is fitting, I think, when we have a good member, to note and lament their passing from parliament.

Mr HILL: I also join my colleagues in thanking you for your efforts today and in the past, and I join with my colleagues to wish you well—I will not go into retirement details, but I think you have done a good job and that you help to make the committee move smoothly, and it is appreciated.

The CHAIRMAN: Thank you, minister, and thank you to your officers for the way that you have handled the proceedings today. Thank you, the member for Schubert and the member for Kaurua.

There being no further questions, I declare the examination of the votes completed. I lay before the committee a draft report.

Mr VENNING: I move:

That the draft report be the report of this committee.

Motion carried.

The CHAIRMAN: That completes the business of Estimates Committee A.

At 4.57 p.m. the Committee concluded.