

**HOUSE OF ASSEMBLY****Tuesday 5 July 2011****ESTIMATES COMMITTEE A****Chair:**

Ms C.C. Fox

**Members:**

Hon. S.W. Key

Mrs. R.K. Geraghty

Mr L.K. Odenwalder

Mr D.C. van Holst Pellekaan

Mr T.J. Whetstone

Mr M.R. Williams

*The committee met at 10:00*

**DEPARTMENT OF ENVIRONMENT AND NATURAL RESOURCES, \$126,491,000**  
**ADMINISTERED ITEMS FOR THE DEPARTMENT OF ENVIRONMENT AND NATURAL**  
**RESOURCES, \$10,837,000**

**Witness:**

Hon. P. Caica, Minister for Environment and Conservation, Minister for the River Murray, Minister for Water.

**Departmental Advisers:**

Mr A. Holmes, Chief Executive, Department of Environment and Natural Resources.

Mr R. Janssan, Executive Director, Corporate Services, Department of Environment and Natural Resources.

Mr A. Geytenbeek, Management Accountant, Department of Environment and Natural Resources.

Mr A. Gerace, Corporate Accounting Manager, Department of Environment and Natural Resources.

**The ACTING CHAIR (Mrs Geraghty):** Good morning and welcome to yet another day of estimates. Estimates committees are relatively informal procedures and as such there is no need to stand to ask or answer questions. Changes to committee membership will be notified as they occur. If the minister undertakes to supply information at a later date, it must be submitted to the committee secretary by Friday 30 September.

There is a flexible approach to questions based on about three questions per member, alternating each side. Do we have government questions today? We do. Questions must be based on lines of expenditure in the budget papers and they must be referenced. I would repeat that again: please do reference your questions clearly. There is no formal facility for the tabling of documents before the committee, but documents can be supplied to the Chair for distribution to the committee. Questions must go to the minister and not to advisers.

I will now proceed to open the following lines of expenditure. We have the portfolio for environment and the Minister for Environment and Conservation. I declare the proposed payments open for examination. Minister, do you have an opening statement?

**The Hon. P. CAICA:** I do, thank you, Madam Acting Chair. The Department of Environment and Natural Resources is a new department that brings conservation of the environment and management of natural resources together. Key objectives include: sustainable management of natural resources in the state's public land, including national parks, marine parks, botanic gardens and the coastline, heritage conservation and animal welfare. A major focus for

DENR this year has been further reform of the natural resources management system, including improving the delivery of environment and natural resources activity.

In October 2010, as the Minister for Environment and Conservation, I released a regional integration plan, improving natural resource management in South Australia, regional integration of South Australia's environment and natural resource management delivery. This was developed in collaboration with the state's eight natural resources management boards and key stakeholders, including local government and industry groups.

The statutory review of the state NRM plan will set the direction for the integrated and sustainable management of our natural resources and the environment. Central to the plan is ongoing investment in the regional communities and industries that use and manage natural resources.

Along with the guidance and direction of the State NRM Plan, we will review and update the legislative framework that underpins our efforts to better protect and manage our natural resources in the face of climatic and environmental change. The last 12 months has seen the delivery of a variety of projects in partnership with landholders, local councils and community volunteers as part of the successful \$2 million NRM community grants scheme. The outstanding level of volunteer effort greatly boosted the return on the funds invested.

Another critical project led by DENR is the Lower Lakes and Coorong Recovery Project in the Coorong, Lower Lakes and Murray Mouth region, one of five projects funded by the Murray Futures program. On 11 May 2011, the Australian government announced that an additional \$118 million will be provided to build on and support the projects and actions outlined in the region's long-term plan. Taking into account funding previously allocated for early works and the removal of a section of the Narrung Bund, the Australian government's contribution to restoring the health of the region is now more than \$167 million.

Another high priority for the department has been extensive work with regional communities and stakeholders to design a South Australian marine parks network that supports both sustainable use and protection of the marine environment. The marine park local advisory groups and stakeholders contributed an enormous effort to develop advice on preferred zoning scenarios for the state's 19 marine parks. This work ensures that the views of regional communities and stakeholders inform the development of draft management plans and zoning for each marine park.

Draft marine park management plans, with accompanying economic, social and environmental impact statements for each plan, are expected to be available for the public to comment upon later this year. The government anticipates that final management plans for the 19 marine parks will be implemented around mid-2012.

DENR continues to be the lead agency committed to delivering a range of targets under the South Australian Strategic Plan objective, Attaining Sustainability, all of which aim to improve the health of our natural environment. DENR has an ongoing program to identify and reserve land that will increase the contribution of the protected area system to conserving biodiversity in South Australia. The proclamation of 16 new parks and additions to existing parks over the last 12 months is an example of the good work done in this area.

The department has continued its prescribed burning program, despite above-average rainfall in spring and summer, with 82 burns treating 8,937 hectares on DENR-managed land across the state. DENR has also assisted with burns on SA Water and ForestrySA land under the Heads of Agency Agreement for fire management on public land. A plan to manage bushfire risk in the Onkaparinga Valley was adopted for implementation, taking the combined total of reserves now covered by fire management plans to 148, or 49 per cent of parks and reserves managed by DENR.

The 2011-12 state budget includes funding for a new initiative, Enhanced Capabilities—Fire Management on Public Land. This program will result in additional spending over four years, including depreciation, of \$24 million. This initiative also provides additional resources of \$7.7 million per annum (indexed) by 2014-15 for a long-term program of prescribed burning. The program will reduce the risk of significant bushfires on public lands and mitigate the impact of bushfires on communities. The program will focus on the high-risk areas of the state and includes the Mount Lofty Ranges, Lower Eyre Peninsula, Southern Flinders, South-East and Kangaroo Island.

Other key highlights over the year include:

- Construction of the Adelaide Botanic Garden First Creek Wetland and Aquifer Storage and Redraw project was commenced.
- The conservation of the 57 per cent of South Australia's threatened native plant species are within the Adelaide Botanic Garden conservation seed bank.
- Co-management negotiations are finalised over the Flinders Ranges National Park and the proposed new Aboriginal-owned conservation park at the Breakaways, north of Coober Pedy. Negotiations are also well advanced over Lake Gairdner National Park and the Gawler Ranges National Park.

The 2011-12 state budget papers reflect the operating budget allocation of \$126.5 million on a net cost of service basis to deliver a range of programs during the year.

The budget also reflects the ongoing commitment to meeting the government's savings measures announced in the 2010-11 state budget, with a further net cost of service saving to be achieved in 2011-12 of \$8.2 million (comprising expenditure reductions of \$5.3 million and revenue or cost recovery measures of \$2.9 million).

An amount of \$37.8 million has been provided in the budget for investing expenditure during 2011-12, which includes: \$21 million for the Adelaide Living Beaches Sand Transfer Infrastructure project; \$3.6 million for the Adelaide Botanic Garden aquifer storage system; \$1.8 million for Fire Management on Public Land—Enhanced Capabilities; \$1.7 million for the upgrade of facilities at Seal Bay; and \$1.3 million for the further upgrade to facilities at Belair National Park.

DENR will continue to engage with the wider South Australian community to promote the sustainable use of our natural resources and the natural environment that is both valued and enjoyed. It has been a privilege to be part of a portfolio that is based on the conservation and sustainable management of our natural resources action that will help support our quality of life into the future. That concludes my opening statement.

#### **Membership:**

Mr Sibbons substituted for Mrs Geraghty.

**Mr WILLIAMS:** I do not have an opening statement other than to observe that, as somebody told me the other day, this government spends more on consultancies than it does on the whole environment budget, which is a rather sad indictment of the greenness of this government.

*The Hon. S.W. Key interjecting:*

**Mr WILLIAMS:** No; I have been there, and there was only one major consultancy and that was to sell ETSA.

**The Hon. S.W. KEY:** You got that wrong.

**Mr WILLIAMS:** I would love to see how much money you guys are spending to sell the forests and the Lotteries Commission. That actually paid off your \$11 million debt. It was a good sale. Anyway, it is a sad indictment on the government.

I refer to Budget Paper 4, Volume 2, page 91, workforce summary for DENR, and it is about the park rangers. The budget shows that the government intends to shed 104 positions from DENR in the year 2011-12. Last year, you would not guarantee that filled ranger positions would not be cut. The number of park rangers employed within DENR as of 1 July 2010 was 108.5 full-time equivalents. What is the full-time equivalent of park rangers as at 1 July 2011? Can you inform the committee of how many park rangers have taken TVSPs in the last 12 months?

**The Hon. P. CAICA:** Do I wait to be invited to speak, Madam Chair?

**The CHAIR:** I am sorry. Because I was not here at the very beginning I will just state again for the record that, because the nature of estimates is very flexible, there is no need to stand when asking or answering questions. Indeed, to facilitate debate I know that technically you are all directing questions through me, but I am sure that the member for MacKillop and the minister can have a very civilised conversation.

**Mr WILLIAMS:** We will endeavour, Madam Chair.

**The CHAIR:** Excellent! Minister.

**The Hon. P. CAICA:** The number of park rangers employed within DENR as of 30 June 2011 is 108 full-time equivalents. A 2006 election commitment was the delivery of 20 additional park rangers for South Australia. Certainly I know that people of my left are aware of the graduate ranger program, which is an outstanding program. In fact, we have delivered 20 additional park rangers since that time as a result of the graduate park ranger program.

With respect to the specifics of the question, that is, the TVSPs list on park rangers, I am advised that as of this morning three park rangers have taken TVSPs. The 2006 election commitment that I want to highlight, with respect to the 20 additional park rangers for South Australia, is the funding commitment to deliver this initiative at \$7.2 million over four years, commencing in 2006-07.

The commitment, as I said, has been delivered, and the additional rangers are now working across the state's parks and reserve systems. I am pleased to say that throughout my travels across the state I have met many of these graduate park rangers. It is a highlight to see that their lifelong ambition to work on the land has been achieved. They are high-quality young people who are committed to the environment and conservation and making sure that the visitors to our reserve system experience what it is that is so great about our public estate.

The park rangers have also provided additional support for fire management works, including prescribed burns and bushfire response, nature conservation activities, as I have said, and, very importantly, support for volunteers and community groups.

As part of the 20 new park rangers initiative in 2008-09, DENR commenced a graduate ranger program, that I spoke about, to induct new recruits into a program of specialised training. These graduate rangers undertake a two-year program consisting of four six-month placements, three in regions and one in metropolitan Adelaide. During this time, graduates undertake a two-year competency-based training program and, based on their successful performance in these positions, they will be appointed to ongoing positions across the state, at the end of the program.

The number of rangers who have taken TVSPs has left the total ranger FTEs relatively unchanged, hence the lack of difference, if you like, or the similarity between the figures that were provided last year of 108.5 at 30 June 2010 to the 108 FTE equivalents occupying positions of park rangers as at 30 June 2011.

**Mr WILLIAMS:** Minister, can you confirm that park rangers in the Mount Lofty Ranges were told a month ago that they would no longer be working on weekends? Can you inform the committee who will now take responsibility, if that is indeed the case, for responding if a native animal is injured or if a fire breaks out in the park on the weekend?

**The Hon. P. CAICA:** I am not aware of any such instruction. In fact, the last two times I have been up into the Hills on weekends, there have been rangers on duty. Of course, that also includes the very, very important component of the firefighters who occupy positions, particularly at Black Hill, but who are deployed elsewhere. So, no, I am not aware of any such instruction.

**Mr WILLIAMS:** Just because you are not aware of it, are you able to ask any of your advisers to confirm to the committee that no such instruction has been given and that there has been no reduction in weekend hours in the Adelaide Hills?

**The Hon. P. CAICA:** That is a slightly different question to what you asked the first time around, member for MacKillop. Before I answered, I did—and you would have seen that—lean over to Mr Holmes and ask him whether or not any such instruction had been provided and I responded accordingly. No such instruction has been provided.

**Mr WILLIAMS:** Which is a different answer to what you gave a moment ago. Thank you, minister. I am sure we will get on well.

**The Hon. P. CAICA:** We always have in the past, so I see no reason why we will not today—

**Mr WILLIAMS:** Exactly.

**The Hon. P. CAICA:** —unless you have got some dastardly plan, Mitch.

**Mr WILLIAMS:** Not at all. Minister, volunteer days as a performance indicator are projected to remain static at between 21,000 and 22,000 hours per annum. Friends of Parks have provided a copy of a letter to the opposition saying that budget reductions are imposing more demands on member groups and their volunteers and, in some cases, requiring groups to fund

materials previously supplied by the agency. Member groups are becoming increasingly disillusioned and even angry about this situation. Have you met with the Friends of Parks and what strategies are you putting in place to appease their concerns?

**The Hon. P. CAICA:** I thank the honourable member for the question. I have met with the President of the Friends of Parks, but I have also, during my outings, met with individual friends of various parks and also the chairs or the presidents—or whatever they might like to refer to themselves as—of the Friends of Parks.

Volunteers are a very, very important component of how we manage the public estate. In fact, one of the first jobs that I did was up at Cleland, I think it was, where I met with the friends of the Cleland Park and discussed with them, amongst other things, their ongoing commitment to assisting in the roles that they perform, but also little things that could be done in such a way that would provide greater support for those volunteers. I am aware of some correspondence that has been sent, in particular, I think, from the Friends of Cobbler Creek; I do not know whether that is the letter to which you refer.

It is about managing our volunteers in such a way that underpinning that is the genuine relationship and the good relationship that exists between the volunteers and the department and, secondly, that they feel valued. I think this is a very important point: we will only continue to have volunteers if they feel that they have the appropriate level of support and are valued for the work they perform. That in itself is an ongoing priority for the department and an ongoing priority for me as minister.

I would like to finish off by just saying, Mitch, that there will be occasions—and I say this in the nicest possible way—when from time to time the views of the department and how a park might be managed might differ significantly, or at least differ, from the views of some of the friends, and it is a matter of resolving those differences.

At the end of the day, the overall management of our public reserves system is through the department; however, that management is greatly underpinned and greatly supported by the valuable role that our volunteers play. Nothing has really been brought to my attention as to concerns expressed in the way that you have described, but we are also, of course, able to access grant funding for friends groups, and that has been maintained.

Simultaneously, as I mentioned earlier, we have maintained the number of rangers we have within the system, notwithstanding the cuts that we were required to find. As a result of that, we have also increased the number of volunteer support rangers, so we are very committed to our friends, and our friends remain committed to the public estate.

**Mr WILLIAMS:** Just on the last point, minister, you mentioned in your opening statement that there have been 16 new parks and additions to existing parks, yet you have just said that the number of park rangers has basically remained steady. Does that mean that you have not appointed park rangers to look after these new parks? What are the management arrangements? You obviously have more parklands to look after and manage, but it seems that your workforce has remained static.

How are you managing this, and how can you guarantee to the state that, if you are signing up new parks as a government, they are going to be managed adequately? I say this as a practising farmer, and in my industry quite often the management of parks next door to farmland causes serious problems, particularly with feral animals, rabbits, goats, deer and your pet kangaroos.

**The Hon. P. CAICA:** What I actually said—and I think that will be confirmed in *Hansard*—was that within the park ranger system we have provided a greater level of support of those park rangers to the friends group. I think you raise a very, very important point, and that is that we have 21 million hectares of public estate, and not all of that public estate is underpinned by a friends group; some of it is in the most isolated areas of this state and, as a consequence of that, not all parks necessarily have friends.

The point I am making is that in some areas it is going to be more difficult to develop that relationship in regard to the broader community, because of the very nature of its isolation, and establish a friends group there. In those circumstances, it remains the responsibility of the department, working with the natural resource management boards, to look at how we actually manage. This is a very important point: there is more to biodiversity conservation than just managing simply the public estate.

That is why, through the reform that we are undertaking—through the further integration of natural resources management with the department, engaging local councils and engaging landowners—we aim to adopt a whole of landscape management approach, a component of which, that whole of landscape, is the inclusion of the public estate, the private estate and the non-government owned land that is owned by an ever-increasing number of NGOs.

I finish off by saying that generally parks are managed at a higher level than adjoining land when it comes to pest and animal control. That is exemplified by the work being undertaken in the Flinders Ranges. The point is that, from a whole of landscape management perspective, we need to continue to develop strong partnerships with adjoining landholders, just as we need to develop strong partnerships with our friends group. There are good examples of those strong partnerships, particularly in the area you come from, Mitch—I am sure you are aware of this—such as the strong partnership with James Darling in the Upper South-East. You would be familiar with that. So there are good examples where it is working very well.

**Mr WILLIAMS:** He is still having a problem with your deer, as far as I know.

**The Hon. P. CAICA:** I know that you are going to try to bait me. I heard about what happened yesterday and you want to continue that role.

**Mr WILLIAMS:** No, it was the other way around yesterday, minister.

**The CHAIR:** Order! Have you finished answering your question?

**The Hon. P. CAICA:** No, I have not, ma'am.

**The CHAIR:** I thought you had; it was very long.

**The Hon. P. CAICA:** No. I am not being disrespectful. As opposed to being a long answer, it is a detailed answer.

**The CHAIR:** Detailed, good point.

**The Hon. P. CAICA:** And that is what I want to provide to the committee. I will finish off by saying that the deer in the first instance did not escape from public land and you know that.

**Mr ODENWALDER:** My question to the minister also relates to the management of parks. I refer to Budget Paper 4, Volume 2, page 95. Can the minister explain how cooperative management arrangements between the government and Aboriginal communities for the operation of parks are contributing to the resolution of native title in this state?

**The Hon. P. CAICA:** I thank the member for his very, very important question. The government is committed to resolving native title claims through negotiation of Indigenous land use agreements and co-management agreements rather than through litigation. Negotiations to date have shown that the co-management of parks is an aspiration of many native title claimant groups and a key aspect in resolving their native title claims.

The government recognises that relationship to country is central to Aboriginal culture, identity, spiritual beliefs and wellbeing. Access to country is critical in maintaining this relationship and can provide additional social health and economic benefits to Aboriginal people. The Department for Environment and Natural Resources works closely with Aboriginal people to identify opportunities and to consider how cooperative arrangements can be effectively applied to parks in South Australia.

As a result of initiatives by the Rann Labor government, innovative provisions now exist within the National Parks and Wildlife Act 1972 to create a tiered framework for the cooperative management of national parks, conservation parks and Aboriginal freehold land. When a co-managed park is established the park is placed under the management of a board which includes Aboriginal representation.

The co-management framework also provides for the establishment of a progressive management structure from an advisory committee to a co-management board, depending on the nature of the community aspirations and whether there is a need for a staged involvement in park management. Entering into a co-management arrangement requires a number of factors to be taken into consideration, including the complexity of the reserve and associated issues, the capacity of the community to deliver on management outcomes, DENR's ability to deliver on partnership building and the provision of adequate resources to manage the park and community aspirations.

I am pleased to advise that three of the five current co-management agreements in place are linked to the successful resolution of the native title claims. These are the Vulkathunha-Gammon Ranges National Park with the Adnyamathanha Traditional Lands Association; the Witjira National Park with the Irrwaanyere Aboriginal Corporation and the Coongie Lakes National Park with the Yandruwandha Yawarrawarka traditional landowners. These complement other co-management agreements in place over the Mamungari (that is the formally unnamed conservation park) with Maralinga Tjarutja and Pila Nguru, and the Ngaut Ngaut Conservation Park with the Mannum Aboriginal Corporation, which were developed outside of the native title claim resolution.

Co-management negotiations are finalised over the Flinders Ranges National Park and the proposed new Aboriginal-owned conservation park at the Breakaways, which is north of Coober Pedy. As I mentioned in my opening statement, negotiations are also well advanced over Lake Gairdner National Park and the Gawler Ranges National Park. Negotiations are also commencing over parks within the Far West Coast and Ngarrindjeri native title claims, with the latter including the iconic Coorong National Park, where Ngarrindjeri elders are assisting government in developing strategies for the recovery of the Lower Lakes and the Coorong.

The co-management model in South Australia is a partnership with Aboriginal people that follows a single shared set of goals to manage land, a synergistic and inclusive approach, and reflects a change in our thinking of combining traditional knowledge with contemporary park management. Experience has shown that traditional knowledge and land management practices can inform and improve contemporary approaches to science and park management and, in turn, enhance visitor experiences.

**The Hon. S.W. KEY:** My question relates to CoastLinks park establishment plan, conserving native biodiversity in the CoastLinks area of Eyre Peninsula. The reference is Budget Paper 4, Volume 2, page 94. Minister, can you outline the achievements obtained in protecting biodiversity values in the CoastLinks area of Eyre Peninsula?

**The Hon. P. CAICA:** I was lucky enough to visit the region most recently and it is a beautiful part of South Australia. The CoastLinks are between Venus Bay and Point Brown on western Eyre Peninsula. It is recognised for its spectacular coastline and unique biodiversity values. It is also known—and I know that the member is aware of this—as the Chain of Bays. The CoastLinks area is recognised by the Australian government in its Caring for our Country Business Plan as a high ecological value aquatic ecosystem requiring protection from and management of threatening processes.

The CoastLink area falls within and contributes to the government's East Meets West NatureLinks corridor. As I said, I had the pleasure of visiting the region earlier this year and spending time with members of the community who are seeking to protect this area into the future. It is a prime example of what I mentioned earlier: the partnering of the government with not only the commonwealth government but also local communities to achieve this outcome.

The CoastLinks area contains significant remnant vegetation, comprising tussock grasslands, sedge lands, coastal scrublands, coastal heath wetlands and mallee vegetation communities. The coastal cliffs provide important breeding habitat for the white-bellied sea eagle and eastern osprey, both listed as endangered under the National Parks and Wildlife Act 1972 and protected as a migratory species under the commonwealth Environment Protection and Biodiversity Conservation Act 1999. The area also supports the peregrine falcon, listed as a rare species under the National Parks and Wildlife Act, and provides important breeding habitat for resident shore birds such as the hooded plover, listed as vulnerable under the act.

Because of the importance of the CoastLinks area, more than 5,000 hectares of land in this area has been protected under the National Parks and Wildlife Act in the last eight years. In 2009, the Department of Environment and Natural Resources acquired four land parcels at Cape Blanche near Sceale Bay and five land parcels at Searcy Bay for protection under this act. This will assist in protecting the important biodiversity values in the area.

A considerable amount of work around management and protection of coastal values is currently being undertaken in the CoastLinks area, including by the District Council of Streaky Bay (with whom I met), the Friends of Streaky Bay District Parks, the WildEyre Working Group and the Friends of Sceale Bay community group. DENR is actively establishing conservation parks in the area as part of broader conservation outcomes being sought. Approximately 8,400 hectares of crown land in the area is currently being assessed for addition to the parks system.

In May of this year, an additional four land parcels were acquired at Cape Blanche and Sceale Bay to add to the parks system, and this year I will seek approval to proclaim approximately 1,300 hectares as conservation park under the National Parks and Wildlife Act.

**Mr SIBBONS:** I refer to Budget Paper 4, Volume 2, page 99. Can the minister inform the committee of the latest developments with regard to the Million Trees Program?

**The Hon. P. CAICA:** I can, and I thank the member for the question. The SA Urban Forest Million Trees Program was established by the state government in 2003 and is dedicated to planting three million local native trees and associated understorey plants across the Adelaide metropolitan area by 2014. The program aims to reconstruct approximately 2,000 hectares of native vegetation throughout the Greater Adelaide Open Space System that will offset carbon emissions, provide habitat for wildlife and improve air and water quality.

The planting season of 2010, which was from May to September, included a significant milestone for the program, with the planting of the two millionth tree by the Premier, along with myself and the Deputy Lord Mayor. I was not sure whether it was—

*An honourable member interjecting:*

**The Hon. P. CAICA:** It was a very good calculating system. I was hoping that it was me who was to plant the two millionth tree, but I am advised that it was actually the Premier. It was an absolute pleasure to be able to be there, and it was wonderful to be a part of this significant event on 1 August last year, National Tree Day, on the banks of the River Torrens in the Adelaide Parklands.

Each year, the Million Trees Program works with the City of Adelaide to support National Tree Day plantings that are attended by hundreds of enthusiastic members of the public. I am sure that as local members we all attend some of the planting programs that are undertaken by some of the schools and community groups within our particular electorates.

I am pleased to advise that during 2011 a further 200,000 seedlings will be established throughout more than 50 project sites, ranging from large-scale habitat reconstruction in the reserve system to local amenity and education projects, including streetscapes, schools and local parks. In 2011, 19 schools are being supported to establish local native plants on their grounds to improve amenity, provide valuable habitat, and foster learning experiences through the Grow a Great School component of the program.

Teachers and students are supported with technical advice and funding to plan and carry out their projects. Many of these projects, which occur on school grounds, provide opportunities for the wider local community, as well as students, to become involved in caring for and appreciating their local biodiversity. The Million Trees Program is focusing on a long-term approach to maintaining sites and monitoring their progressive restoration by assessing factors such as natural regeneration, weed suppression and habitat value. Monitoring of early plantings is now focusing on measuring broadscale increases in native vegetation cover and providing information to guide ongoing management to foster the restoration of the ecological processes.

Regeneration, for example, is occurring at many of the larger million trees project sites whereby plants established through the program have set seed that has germinated, resulting in more plants being naturally recruited. One of the keys to bringing back Adelaide's vegetation is using plants grown from seed that has been gathered from the local remnant vegetation. By doing this, the program is helping to protect and maintain the original genetic integrity of the bushland indigenous to the Adelaide region. These local plant varieties have adapted to the local soils and climatic conditions, surviving for generations on rainfall alone.

When the program is completed by 2014, plantings representative of Adelaide's approximately 21 original vegetation types, most of which were largely cleared, will have been established. The Million Trees Program continues to work with many stakeholders, including all metropolitan local councils (21 in total), 12 state agencies, over 160 schools, and several environmental groups, including Trees for Life, Greening Australia and Conservation Volunteers Australia, all of whom I have met with.

In 2011, the program expects to again support the active involvement of around 4,000 members of the public in a range of activities, including planting days at a number of sites across the region. An additional \$300,000 from the Planning and Development Fund, over three years from 2010-11, has been made available to establish a further 15,000 trees in the Adelaide Parklands. Locations have been determined for this year's planting of the first 5,000 trees, with planting planned to commence last month, June 2011.



The Million Trees Program is a success because it has immediate multiple benefits for the environment and also provides educational tools that will certainly last for future generations.

**Mr WILLIAMS:** Just going back to the end of the answer the minister gave to the last question from the opposition, when he talked about deer and made a comment that the deer did not escape from public land, he said I would know about it. What I do know, and I have a keen interest in the history of this state, is that there are feral deer all over South Australia, and I do not think that anybody could identify exactly where they escape from. They have probably been in the bush for over 150 years, so I do not think anybody can blame anybody for where they came from. Most farmers I know control the feral deer on their land.

**The Hon. P. CAICA:** I am sure that is a view that is ascribed to by many of the constituents in your area.

**Mr VAN HOLST PELLEKAAN:** I refer to Budget Paper 4, Volume 2, pages 99 and 100, Performance indicators. I have a question that I am sure will be dear to your heart. The percentage of DENR staff who are trained and accredited firefighters has dropped dramatically from 85 per cent in 2009-10 to 36 per cent in 2010-11. Can you please explain this drop?

**The Hon. P. CAICA:** I thank the honourable member for the question and I may have to get greater detail. We can see from the footnote on page 100 that the figure is calculated on the number of 494 brigade staff as a percentage of the total of 1,141 DENR staff, which includes staff transferred from the Department for Water.

The last financial calculation was based on 1,100 DENR staff but, as I understand it, it also had a bit to do with—and I will seek clarification later if I am not quite correct—the fact that, through the integration program, some former DWLBC staff transferred over to DENR. We also have different arrangements now with respect to the way we have integrated DENR and the natural resources management staff as well. So, that is a contributing factor to the percentage to which you refer. I think it would be best to probably come back and give a more detailed answer. In my view, that figure looks a bit suspect, so I want to clarify it.

**Mr VAN HOLST PELLEKAAN:** Suspect and potentially alarming. I understand that you will get back to us with more detail, but are you saying that you do not think the number of firefighting capable staff is dropping but that the number of non-firefighting capable staff is increasing? Is that what you are saying?

**The Hon. P. CAICA:** No, I am not saying that at all. All I am suggesting is that that figure needs a bit more attention before I come back with an answer.

**Mr VAN HOLST PELLEKAAN:** It may not be accurate?

**The Hon. P. CAICA:** It may well be that the figure is not accurate, and that is what I want to clarify.

**Mr VAN HOLST PELLEKAAN:** Thank you. I refer to the same paper and volume, page 95, Targets 2011-12. With regard to marine parks, minister, the target indicates that the final marine parks management plans will be approved this year. You were asked last year about how the marine parks were to be managed, but you could not provide detail on this. Are you able to provide more detail now, and specifically with regard to the FISHWATCH program?

**The Hon. P. CAICA:** What do you want to know about the FISHWATCH program?

**Mr VAN HOLST PELLEKAAN:** I guess without putting too fine a point on it, coastal communities do not have a great deal of faith in the program. They believe that it is very hard to get a fisheries officer when you want one. So, in that context, what is your plan with regard to marine parks management?

**The Hon. P. CAICA:** I thank the honourable member for his question and, of course, he is quite correct in highlighting that FISHWATCH is a responsibility of fisheries, not my responsibility. However, the point I would make is this: for far too long there has been, if you like, the inability to extract from the marine parks process the matter of fisheries. In itself, the marine parks system is not a fisheries management tool: it is a habitat conservation program that benefits all species that live within the ocean, ranging from little fish to big fish to seaweeds and grasses and crustaceans, and everything else that inhabits the habitat that we are trying to preserve and protect.

On the matter of the management of the marine parks, again, you are quite right to highlight that the sanctuary zoning arrangements are still to be finalised for each of the 19 marine parks, and I want to thank the local advisory groups for the work they have done to date in

providing draft zoning scenarios for my consideration. As it progresses, we need to establish what are management plans for the marine parks, and those management plans need to take into account, amongst other things, not only the environmental values but also the social and economic consequences, if there are to be any, on those local communities that you so ably represent.

My view, in the process I have tried to undertake, is to ultimately have a representative marine parks system that is supported by the broader community. The best way of managing that, and then subsequently managing that marine parks system, is through that sense of ownership of the local community that it is their marine park.

It is safe to say also that, at this stage, we are a little way away from that, given the level of angst that has occurred, and I make no bones about that. I would be in denial if I said that there was not angst out in the local community because you guys tell me about it every time parliament sits, and I experience it when I go out there. But, really, if we are to be successful in this marine park system, and the establishment of a marine park system, it has to be owned by the local community. That in itself will go a long way to the way in which we manage those marine parks into the future, because with ownership comes that responsibility of the self to make sure that they are managed in a proper way.

Also, too, is the interface between land activity, if you like, and future planning when marine parks are ultimately established. I am more than hopeful that we will see some significant progress throughout this current year. I have been very pleased with the work that has been undertaken by the MPLAGs, the local advisory groups; some have done a little bit better work than some of the others. I am certainly now undertaking a process where I will be considering the information that has been provided to me by the local groups.

Just to finish off on this particular question, when we talk about the future management of marine parks, the existing complement of rangers will be used, and these will be supplemented as the management requirements become clearer. Basically, I would reinforce the point I made earlier that the best way of doing this is to get that sense of ownership within the community and then, through that, develop the partnership with the community and users as to how they will be managed.

**Mr VAN HOLST PELLEKAAN:** Minister, I need to probably press you on that a little further. Last year, when asked a very similar question, you referred to the FISHWATCH program, and you are telling us this year that community management and self-monitoring will play a big role. However, we are all aware of the angst out there in the community (as you put it), so that indicates that that may not be the most effective tool.

We have already discussed this morning the fact that there are 16 new parks, essentially to be looked after by the same number of field staff. Now we are going to have potentially another 19 new marine parks, and you are telling us that the same existing staff will look after them as well. I think it is probably fair for me and the community to be a bit dubious about how those staff are going to be stretched over all of these existing extra parks and how the community self-management and monitoring will be effective when such a large percentage of the community is not supportive of the programs, anyway.

**The Hon. P. CAICA:** When you mention the FISHWATCH program, I guess what is analogous is that people take FISHWATCH very seriously and utilise that program to identify things that are untoward in regard to the fisheries component of things. What I said is that marine parks are not a fisheries management tool, and my colleague and the fisheries section of PIRSA manage fisheries. What I am saying is that a similar system in regard to the ownership of marine parks is something that we are working towards so that the community will have that sense of ownership and get on the blower, if you like, when things are untoward.

Quite simply, we do not have marine park management plans in place at the moment. We have the outer boundary zones and, again, we can have a discussion about the long debate that went on about out of boundaries, but the main game in town is the establishment of sanctuary zones within those marine park systems. That, by necessity, involves community engagement, and we have undertaken that through the local advisory groups. There is still a lot of work to do, but the matter of management of marine parks will be clearer once we determine what the sanctuary zones are and then, subsequently, through the management plans, how they will be managed.

It is a bit speculative at this point in time and, again, the objective is to make sure that we achieve a representative marine park system that, within it, has sanctuary zones, that those sanctuary zones are supported by the broader community and that they are then, as a

consequence of that, owned by the broader community, and that will give us a clear indication of what level of management plans need to be put in place.

**Mr VAN HOLST PELLEKAAN:** In that context, then, minister, can you give us a time line after the declaration of the sanctuary zones when a management plan will be available?

**The Hon. P. CAICA:** Part of the process is that, once I determine, through this process, a statutory consultation program will commence on those draft management plans that will be further developed in consultation with the broader community. Also, we have engaged an independent person to develop an assessment of the impacts of those management plans, to take into account the social and economic impacts that need to accompany those particular plans.

What we are certainly hoping is that, later this year, the development of the draft management plans and impact statements for public comment will occur and, certainly from my perspective, I anticipate the final management plans will be submitted for government approval in 2012. That is the time frame to which I am working.

**Mr VAN HOLST PELLEKAAN:** So that is the management plans, not the sanctuary zones?

**The Hon. P. CAICA:** That is the management plans, but the management plans are about the management of the marine park, a component of which will be the sanctuary zones. So it is a holistic management plan for the marine park. Zoning is part of the management plan process and they go hand in hand. As I have said, I think during question time earlier this year, we need to zone before we can develop those management plans and agree what it is we are going to zone; and zoning is part of the management plan process and they are inextricably linked.

**Mr SIBBONS:** I refer to Budget Paper 4, Volume 2, page 98. Can the minister provide an update on the status of the regional integration project following the establishment of the new Department of Environment and Natural Resources on 1 July 2010?

**The Hon. P. CAICA:** I can, and I thank the member for the question. The Natural Resources Management Act 2004 assists in the economic development of our state by providing a policy and management framework for the ecologically sustainable use of our oceans, soils, water, landscapes, native vegetation, animals and ecosystems. The Department of Environment and Natural Resources was established on 1 July 2010 by integrating the former department for environment and heritage and the natural resource management division of the former department of water, land and biodiversity conservation.

DENR's role is to help the government and community of South Australia achieve a prosperous and sustainable lifestyle where natural resources are used wisely. A healthy environment is understood to be the basis of a good quality of life. The health of us as a species, just like all species, is linked to the health and wellbeing of the environment which we inhabit.

In October 2010, a plan, entitled 'Improving natural resource management in South Australia: regional integration of South Australia's environment and natural resource management delivery', was released to guide the additional integration of resources supporting the functioning of the state's eight natural resources management boards. This project will deliver more accessible, effective and efficient natural resources work in all regions.

I think it is important to note—and I might have said this last year—that when I was the agriculture minister one of the things that was often raised with me was the lack of coordination of projects within regional South Australia and, indeed, our Mount Lofty Ranges, where the left hand did not necessarily know what the right hand was doing. Coming into that, of course, was local government as well and the proper coordination of non-government organisations. It seemed to me to be a no-brainer that we could do better through integrating this particular process.

Regional integration will enhance the role of NRM boards by strengthening their leadership in regional communities. To support this work, and to coordinate it in the best possible way, a single delivery service for natural resources management is under development for the eight regional NRM boards. The regional integration of environment and natural resources is well underway with the appointment in each region of a single regional manager to deliver the business of NRM boards and DENR. A task force has also been established to help connect the many interests and stakeholders in the planning and delivery of natural resources management.

Over the next 12 months, we will begin to see a cohesive and integrated environment and natural resources management service emerge, including rationalisation of the office accommodation, consistent branding and business systems, and a sharp focus on collaborating

with and involving the community, industry and NRM agencies in integrated planning and delivery of all NRM work. It actually links to what I said earlier about a whole of landscape approach in the way in which we manage our natural environment.

The regional integration initiative will deliver a shift to whole of landscape approaches, as I have mentioned, and managing our environment, delivered across both public and private lands. The model for regional integration reflects the six broad issues identified as key to this integration process: aligning regional boundaries, redesigning organisational structure, improving community relationships and community interface, clarifying governance and intergovernmental relationships, integrating planning and investment, and streamlining corporate and business services.

By June 2012, further stages of the implementation plan will be completed, including: fully integrated and more accessible delivery service for natural resources management; improved communication with community through establishing a one-stop shop interface for NRM boards, a single delivery service in community engagement opportunities; improved collaboration between the different government interests in natural resources management, including, of course, DENR, the Department for Water, the Department for Planning and Local Government, and primary industries and resources; and improved engagement with communities, industries and the three tiers of government.

This might be a bit disorderly, but you are aware of the amendments to the Natural Resources Management Act that were the subject of the 2007 review. They have been passed by this house and are now in the other place. It is critically important that those amendments go through, given the fact that their genesis was the 2007 review and that they were also issues that the NRM boards themselves have put forward as ways whereby we can streamline the way in which they deliver their services in an integrated way with the department and individual representatives of the community they represent and work for. I thank the member for the question; it was a very important question.

**Mr ODENWALDER:** I refer the minister to Budget Paper 4, Volume 2, page 97. Can the minister provide an update on the achievements of the Department of Environment and Natural Resources fire management program?

**The Hon. P. CAICA:** I can.

*Members interjecting:*

**The Hon. P. CAICA:** I will. I will not talk for very long, and I know that will make you happy, because I did mention this within my opening statement. Again, I thank the member for the question. At the Premier's Bushfire Summit in 2003 (I know many people who attended and I was pleased to be there), the state government provided \$10 million over four years in 2002-03 to increase the Department of Environment and Natural Resources fire management program. In 2007-08, this funding was announced as ongoing and the funding has provided additional capability to undertake fire management planning. More firefighters have been recruited and trained—notwithstanding the figure that we are going to clarify within the budget papers—and we have significantly increased the amount of prescribed burning across the state's park reserves, focusing on those priority areas.

In 2009-10, the state budget included the government announcing further funding of \$1.1 million annually from 2009-10 for the recruitment of 10 additional fire management officers to increase DENR's fire management capabilities. These positions will assist with a range of fire management works, including the development of comprehensive fire management plans (which I spoke about earlier), planning and delivery for an increased prescribed burning program, training, delivery and collection of data for monitoring the impacts of effects of fire on the landscape, with an emphasis on the Mount Lofty Ranges—a very important but also very volatile part of the state with respect to the potential for fire. We have seen that in the past.

Following the final report of the Victorian Bushfires Royal Commission and the state government bushfire task force analysis and recommendations of this report, the government committed an additional \$24 million in funding over four years, which I highlighted earlier. This funding is specifically to address identified gaps in DENR's fire management capabilities.

We are certainly not simply committed to fire management but also making sure that it is adequately resourced. In total, DENR's fire management budget for 2010-11 was \$7 million. It was funding 34 full-time positions in a brigade of 494 staff. Also too, the relationship, if you like, between DENR's firefighting management team and the CFS is a very, very good program. DENR is a brigade of the South Australian Country Fire Service and provides valuable support during

bushfire emergencies through the provision of experienced and skilled incident management personnel, with firefighters trained in managing fire in native vegetation, remote areas and specialised equipment.

I also mentioned earlier about DENR assisting with the burns on SA Water and Forestry SA land through the Heads of Agency Agreement for fire management on public land. I am pleased to say that approximately 9,627 hectares was completed through 110 burns under that heads of agreement. I could go on and on about this particular program but I do not think I will. I will just say that the department and the state remains very committed to making sure that we manage the threat of fire. Mitch, I know that you have been a firefighter, I presume.

**Mr WILLIAMS:** You know or you presume? Make up your mind, minister.

**The Hon. P. CAICA:** I am presuming because I do not know, but you have been involved with fires down there. As we all know, the best fire to fight is one on someone else's property, so we need to make sure that, from a public estate perspective, we do all we can to make sure that we limit the potential for fire escaping from the public estate. I thank you for the question.

**The CHAIR:** I would just alert those on the committee to the time. It is beyond 11 o'clock, so we should be moving on. Do you have any further questions? You have omnibus questions.

**Mr WILLIAMS:** We have one further question we would like to ask in this section, I believe.

**The CHAIR:** If you wish to do that, with the minister's concurrence we can do that, but that will, of course, then take time away from the Environment Protection Authority.

**The Hon. P. CAICA:** I am happy for the question to be asked, Madam Chair.

**Mr WHETSTONE:** Thank you for your flexibility, minister.

**The Hon. P. CAICA:** That is alright.

**Mr WHETSTONE:** Budget Paper 4, Volume 2, page 95, Highlights in the 2010-11 year. The fifth dot point relates to People and Parks: A Draft Visitor Strategy for South Australia's Parks and Reserves. In last year's budget papers the government expected to raise \$500,000 in the 2010-11 year, and it is expected to rise to \$2.5 million in the 2013-14 year. Has the government achieved this target for the 2010-11 year and what happens if the department falls short of those targets? Will this mean that savings will have to be found elsewhere?

**The Hon. P. CAICA:** The answer is yes and yes. Yes, we have achieved those targets, and yes, if we fall short of those targets, we will need to find those savings elsewhere.

**The CHAIR:** Excellent.

**Mr WILLIAMS:** Are you able to tell us where those savings might be found?

**The Hon. P. CAICA:** I think, Madam Chair, that that is a hypothetical question.

**The CHAIR:** I actually did not hear the member for Chaffey, sorry. I did not hear his hypothetical question, but that was a very snappy answer.

**The Hon. P. CAICA:** I beg your pardon?

**The CHAIR:** That was a great answer, 'yes and yes'. So short.

**The Hon. P. CAICA:** Thank you. I am very pleased, as a minister, when we achieve the targets that have been set for us, and—

**The CHAIR:** As are we all. There being no further questions, I declare the examination of the Department of Environment and Natural Resources concluded. We will now move on to the Environment Protection Authority.

## **ENVIRONMENT PROTECTION AUTHORITY, \$6,301,000**

### **Witness**

Hon. P. Caica, Minister for Environment and Conservation, Minister for the River Murray, Minister for Water.

**Departmental Advisers:**

Ms H. Fulcher, Chief Executive, Environment Protection Authority.

Mr T. Circelli, Director, Strategy and Sustainability, Environment Protection Authority.

Mr P. Dolan, Director, Science and Assessment, Environment Protection Authority.

Mr K. Baldry, Director, Regulation and Compliance, Environment Protection Authority.

Mr R. Jacka, Chief Financial Officer, Environment Protection Authority.

**The ACTING CHAIR (Mr Odenwalder):** We are now moving on to the estimates of payments for the Environment Protection Authority and I declare the proposed payments open for examination. Minister, do you have an opening statement you would like to make?

**The Hon. P. CAICA:** I have a very short opening statement, and I am very pleased to provide that. As the state's primary environmental regulator, the Environment Protection Authority (EPA), in the 2011-12 financial year, will continue to progress the implementation of the government's priorities in striving to protect and restore the environment.

The EPA's ongoing environmental goals of clean and healthy air, land and water that is fit for purpose, communities protected from unacceptable noise, sustainable use of resources, and communities protected from unacceptable radiation aid in progressing the government's priorities. In 2011-12, these goals will be pursued through: improving access to EPA services and information; enforcing relevant legislation; working in partnership with other government agencies, industry and the community; and streamlining internal systems.

Key projects for the forthcoming year which demonstrate these priorities include: improving accessibility of information held by the EPA; implementing the environment protection waste to resources policy and resource recovery specifications; progressing the licensing, administration and modernisation project; and continuing the implementation of the third party accredited testing of X-ray apparatus, stages 2 to 4.

The 2010-11 highlights provide a solid basis for progressing the government's environmental priorities. These highlights include working actively with South Australian businesses to expand on the sustainable licence program that promotes beyond compliance of sustainability outcomes; providing management, scientific and operational input into the delivery of the Save the River Murray program and the SA Drought Response program; complementing a consultative review of the guidelines for the site contamination audit system and the guidelines for assessment and remediation of groundwater contamination; progress in developing aquatic ecosystem condition reports in consultation with other portfolio partners that will support Action 46 of Water for Good; and continuing to implement third party accredited testing of X-ray apparatus.

The EPA's focus for 2011-12 will ensure continued progress in meeting key environmental challenges and its regulatory responsibilities.

**The ACTING CHAIR:** Member for MacKillop, do you have an opening statement?

**Mr WILLIAMS:** No, I do not, Mr Acting Chairman. I wonder why ministers continue to go through the farce of making opening statements when we have already read all of those things in the budget papers. About 99 per cent of what the minister just read into the *Hansard* is read straight out of the budget papers (from the Highlights and Targets), and it just fascinates me that we waste the important time of this committee going through that sort of nonsense.

**The ACTING CHAIR:** Do you have a question, member for MacKillop?

**Mr WILLIAMS:** I have a lot of questions, but I do want to make the point because—

**The ACTING CHAIR:** That was an opening statement.

**Mr WILLIAMS:** Well, Mr Acting Chairman, I've got this minister for Zero Waste in a little while, then we have him for SA Water and then we've got him for the River Murray. I am just trying to train him.

**The ACTING CHAIR:** Currently, member for MacKillop, you are wasting your own time.

**Mr WILLIAMS:** I am willing to give up half a minute now to maybe gain 10 minutes later on in the day.

**The Hon. P. CAICA:** Mr Acting Chairman, I am running on the assumption that has been proven in the past that the member for MacKillop doesn't always read the things!

**The ACTING CHAIR:** Indeed. Member for MacKillop, do you have a question?

**Mr WILLIAMS:** And read it very diligently, minister. I refer to Budget Paper 4, Volume 2, page 129, the Expenses line: increase in expenses from \$38 million to \$42 million in the current year. In the wake of the Edwardstown and South Plympton debacles earlier this year what initiatives has the government budgeted for to ensure that people are kept up to date about contaminations in their area?

**The Hon. P. CAICA:** I thank the member for the question. I guess he is leading with the way in which he asks that question to the extent that he has unilaterally decided that Edwardstown and the other area that he mentioned has been a debacle, and I dispute that. Quite simply—

*Mr Williams interjecting:*

**The Hon. P. CAICA:** I think again—you say you read it—you want to go back to the 2000 report; Steph can help me here. In fact, it was the 2000 report into the EPA that was undertaken by the ERD Committee under the chairmanship at that stage of the member for Schubert. Quite simply, much within that report reflects today, if you like, the way in which issues of contamination had been historically managed. It set, if you like, what would be the program for handling contamination that we experience today.

Is it as satisfactory today as it was during that period of time: from the time when you were last in government and determined the way in which things should be done to today's environment in which we live? I mentioned in my opening statement—I think it is important that we do opening statements—we want to become, from the EPA's perspective, far more transparent about the information that we have and the ability to be able to inform, and properly inform, the residents who may be affected by any contamination issues.

That is something that I have not only discussed with the EPA, but it has been evidenced in our most recent handling of incidents: that we want information to get out there and we want it to get out in a timely fashion. We do not want a situation, without being disrespectful to my friends in the press, where a greater level of angst is provided to those local communities through the manner in which the opposition, or indeed the press, might report such incidences. What we want to do is get information out there when we can, in the most timely fashion, based on the evidence that we have as to the situation that exists at a contaminated site.

The other point is the matter of contamination in urban landscapes is not unique to metropolitan Adelaide: it is an issue that is confronting the developed world in all parts of this globe. We only need to take a snapshot of what Adelaide was like 50, 100, 130, 140 or 150 years ago. We had a whole lot of pugholes, landfills and foundries in certain areas, not only along the River Torrens but in what grew to be our industrial areas. Of course, what was custom and practice in those days with regard to how we managed those situations is not custom and practice today, but the consequences for the communities of today of what was custom and practice has meant that we have serious, not so serious and varying levels of contamination in many sites around metropolitan Adelaide.

When I grew up at Henley Beach every household had an incinerator and a pit. Down those pits went your paints and solvents—all these types of things. Again, custom and practice, but that has all been a contributing factor on the environment that we are left with today. We have an obligation as a government to identify those areas as best we can and put in place appropriate management plans to mitigate against the effects of those contaminants, and that is what we are committed to doing.

We are undertaking a lot of work on the website regarding contamination. I am told we have had thousands of hits and very few direct concerns from the public ringing in. Edwardstown is an issue; it was an issue when you were in government. In fact, I recall some of the situations that arose when the then minister for environment—I think it was David Wotton early in the piece—was not speaking to his other government agencies about what the situation was.

We want to get far away from that and accept that the way in which we have lived our lives, what was custom and practice of previous generations, is having an impact on our environment. It is the EPA that is responsible for identifying those regions, and we can only identify those regions through a proper working relationship with the community, and then in turn providing that information in the most timely fashion to those residents that are being impacted upon.

If we look at Edwardstown, how many times have I and others said that the advice from Health in the groundwater exclusion zones is: 'Don't use groundwater. If you are going to use it, get it tested and get it tested every two years afterwards.' The matter of groundwater exclusion in Edwardstown, amongst other sites in South Australia, is underpinned by that advice. I think I have answered the question.

**Mr WILLIAMS:** Minister, notwithstanding your claim that you have answered the question, the question is about resources being put into this particular function. I noted when I asked the first question that there is an increase in expenses in this budget line. Will any new resources be put to use to ensure that there is regular testing of potential contaminated land and water, particularly in residential areas? Will any new officers be employed in the department as contact persons for people who may be concerned about contamination? Can you assure the committee that, where there is contaminated land and/or water in residential areas, the residents are appropriately notified?

**The Hon. P. CAICA:** I thank the honourable member for his question. I think I have answered most of that in my first reply.

**Mr WILLIAMS:** All you tried to do is say that this is something that has been around for 20 years.

*The Hon. S.W. Key interjecting:*

**The Hon. P. CAICA:** That is right. I think I did talk about notifying people, and that is the objective: to make sure that we notify people as quickly and as timely as we can, based on the information that we have available to us so that we do not increase the level of angst that they might already feel. As I said, site contamination issues are facing urban societies around the world. Our EPA Act assigns responsibility for site contamination using the Polluter Pays Principal. It establishes a statutory audit system for South Australia, and gives the EPA powers to retrospectively deal with site contamination.

Where site contamination is detected, the EPA has powers under the act to determine the cause and the extent of the contamination, and regulates the site contamination system, ensuring responsible parties meet their obligations. The EPA has a long standing relationship with SA Health, which I mentioned earlier, which has expertise to assess public health risk when site contamination is confirmed. Companies, their consultants, and site contamination auditors have an obligation to report certain types of contamination, or potential contamination, to the EPA. The EPA oversees the systems and maintains a database of those notifications, and may require companies to take action such as testing or remediation.

The EPA has recently reviewed its approach such that if there is any evidence of possible impacts on public health or the environment, the EPA advises the public, beginning with those who are potentially directly affected, as I said.

In relation to the specific component of the question that related to resourcing, at Edwardstown we have temporarily increased the level of resources that are available to manage that situation from within our existing resources. We were budgeted and continue to be budgeted for the matter of site contamination, given Edwardstown, and a few other areas that are being managed at the moment. We have shifted resources to where they can be most effective in managing the EPA's coordination of the management of those site contaminated areas.

**Mr WILLIAMS:** Minister, in April this year, you wrote a letter in answer to some questions posed by the opposition, and you stated that there were 188 notifications of groundwater contamination across metro and regional areas in this state. How many of these areas are subject to regular testing, and have all the residents who may be affected by these contaminations been contacted by your agency?

**The Hon. P. CAICA:** I think it was closer to 189 sites, and we have been going through and validating those sites. We are up to 179 sites that have been validated at this point in time. Coupled with that is a process by which appropriate levels of notification regarding those sites is detailed on the website, and they have also been prioritised internally as to which ones would be assessed as a priority.

Again, I go back to my opening statement, which was an important opening statement, that, quite simply, we want to ensure that there is a level of transparency but also the ability to be able to provide information to people in such a way that they understand the situation that might exist in relation to groundwater contamination in an area in which they live. That will be posted on the website. We also have people available who will answer phones. The community today has



much better access to information on the website, and all new section 83A notifications are also now published in the local newspaper. So it is about making sure that there is that accessibility of the information.

Again, I reinforce the point that has been made by Health, and their advice is: do not drink ground water; do not use it; if you are going to drink it or you are going to use it, get it tested, and get it tested every two years thereafter.

**Mr WILLIAMS:** Minister, it has been reported in today's local paper that testing has shown that there was contamination at a site in Edwardstown and that the test results were forwarded to the EPA. The EPA has stated that it is not its responsibility to advise local residents of the contamination. What are the EPA's responsibilities regarding notification of contaminations when these contaminations are brought to the EPA's notice?

**The Hon. P. CAICA:** Fifteen years ago, in 1996, Bridgestone advised the EPA that 38 water samples from domestic bores had been analysed in the area around their plant on South Road. It believed that contaminants had leaked from their solutions plant. In mid-November 1996, Bridgestone advised of chlorinated hydrocarbons detected in three of the water samples at levels of concern for residents using water for domestic purposes. The three properties included 61 Woodlands Terrace, which is the subject of the report in the paper this morning.

The EPA immediately notified Marion council and requested that it contact the three bore owners to advise them against using groundwater until further notice due to potential health risks. At this stage, the EPA itself had no powers and so worked closely with councils. I am told that council officers met with and advised the property owners, and the EPA requested that Bridgestone carry out further samples.

Elected members of Marion council were briefed at a meeting on 18 November 1996, I am advised. Bridgestone undertook to brief the local MP and the Edwardstown Advisory Committee, which included local industry, residents and council members. I am told that the EPA then briefed the then minister. Bridgestone continues to cooperate in continuing to monitor and work to remediate groundwater with some success.

We have a public communication on site contamination on our website, [www.epa.sa.gov.au](http://www.epa.sa.gov.au), under a section called Public communication statement. I am happy to go through that for you. The EPA's public communication on site contamination states:

When notified that actual or potential site contamination (soil and groundwater) exists in an area, the EPA's first steps are:

- to make a preliminary assessment, particularly to ensure exactly which properties/Certificate of Titles are affected,
- directly advise utilities and local and state government authorities—

as I mentioned earlier—

so that they can be aware when planning any excavations in the area, and

- to place a copy of the notification on the EPA Public Register—

and, as I have said, it is certainly my commitment as minister and that of the government to make sure that that public register is more readily accessible with information that is relevant, and that we be more transparent about information and the timing of the delivery of that information to the broader community—

the EPA website and a public notice in the local media to advise that a notification has been received.

After this occurs, the notification will be further assessed—which will include a risk assessment based on the information provided. There may be a need for more work which may include further testing outside the notified area and/or the completion of a health risk assessment. During this process, site owners or other government agencies may communicate with affected residents and stakeholders.

If there is any evidence of possible impacts on public health or the environment, the EPA will first advise those who are potentially directly affected. This could include residents living where contamination may exist, site owners and relevant industries.

The EPA will ensure that residents living in nearby areas are directly advised, and subsequently that those people not directly affected are notified through the media.

The EPA's method of communicating will be tailored to the level of, and evidence of, any risk to the public. For example, residents can expect urgent information to be communicated face-to-face and with follow-up letters.

In addition to advising potentially affected residents, the EPA will maintain a searchable web-based index of groundwater site contamination—

that I spoke about earlier—

notifications e.g. by suburb. This will be progressively rolled out to other site contamination notifications (e.g. site audit reports received).

This statement is available on the website.

**Mr WILLIAMS:** To finish this topic, I have one small question. Minister, do you acknowledge that there is a significant number of people in our communities, particularly the elderly, who do not access the website and that, notwithstanding that it is a very important tool, there are a lot of people in our communities who do not have access to the web?

**The Hon. P. CAICA:** I do admit that there are those people within our community who might not be as techno savvy as the member for MacKillop and, as a consequence of that, we need to ensure that the matter can be communicated.

In regard to the specific example you gave, I am advised that they were contacted as soon as we validated the tests that were undertaken. Information provided by *The Advertiser* required to be validated by the EPA—you would accept that—and that happened last week and, at that point, the EPA, I have been told, advised the relevant site: as such, the EPA has advised the property owner.

Anyone who takes the results of monitoring on any site, should provide the information to the relevant owners or occupier. This is not to diminish the EPA's role in advising persons but, as I mentioned earlier, there is a collective responsibility of advising people on these matters, particularly people who may well be affected by any contamination. To that extent, the EPA will continue to work very closely with councils on issues as it relates to site and groundwater contamination in the areas in which it is identified.

**The CHAIR:** Before I ask the member for Mitchell to speak, it may be of some interest to the journalists in the gallery on the government side that most of us on the floor can hear what they are saying. Just letting you know. The member for Mitchell.

**Mr SIBBONS:** Thank you, Madam Chair. I refer to Budget Paper 4, Volume 2, Sub-program 1.1, page 128, where it states that one of the environmental goals of the EPA is the sustainable use of resources. Can the minister give an example of how this is being achieved?

**The Hon. P. CAICA:** I can, and I thank the member very much for his question. I have been very pleased to attend the granting of two sustainability licences, one at Yalumba, I think it was, and at OneSteel, and, in fact there may have even been a third one, at Adelaide University, which I recently attended.

What has occurred is that the EPA introduced sustainability licences in 2009, a new type of agreement which combines a streamlined EPA mandatory licence, which is legally binding, with a voluntary sustainability agreement, which is not legally binding. As I mentioned in my very important opening statement, it is about going the extra yards with respect to sustainability licences.

These licences form an important part of the EPA's compliance framework, providing an incentive towards better compliance and, beyond compliance, practices to complement traditional licensing approaches. The first sustainability licences were awarded to New Castalloy and Yalumba Wineries in 2009-10, with OneSteel Whyalla awarded its licence in August 2010.

Again, I was honoured to be able to attend two of these announcements, with Yalumba receiving an accredited sustainability licence, which includes even greater accountability and targets. What is interesting, for the member for Mitchell's benefit, is the obvious champions who had subscribed to this program within Yalumba; it goes to efforts to recycle, energy use, efficient water use. It really is a shining example and, of course, it is an incentive as well for the companies because they become more efficient and save money as well whilst doing this. To see the people there and their commitment (and I am talking about the workers) was outstanding.

Based on the success of the sustainability licences and the significant interest from a number of other licensees, the EPA expanded the sustainability licence program into 2010-11. Licensees assessed for sustainability licences in 2010-11 are generally more complex, with multiple sites and activities under their responsibility. In April 2011 the EPA board endorsed the sustainability licences for Whyalla City Council and the University of Adelaide. I was very pleased to participate in the awarding of the licence to the University of Adelaide in June this year; and I am

informed that the Whyalla City Council will receive its award later in the year and I hope that I can be part of that celebration as well.

Transpacific Industries, the Jeffries Group and Salisbury council have also been assessed for sustainability licences. Further, General Motors Holden, the Pelican Point Power Station and Amcor Glass are being assessed for accredited sustainability licences, similar to that for Yalumba. As is evident, the sustainability licence program is generating proactive interest from high-profile South Australian businesses who want to be recognised for their green credentials and compliance history, while reducing the regulatory effort for the EPA.

As these organisations are of greater complexity, the process of assessing and developing a sustainability licence has been further refined. This has involved developing a formal process to assess and grant sustainability licences, including a sustainability assessment check based on international standards resulting in a robust and transparent assessment process. The assessment criteria include resource efficiency measures, attitudes towards noncompliance, internal behaviour change, environmental management systems and stakeholder relations, to name a few.

The new assessment system was refined with the assistance of existing and prospective sustainability licence holders, and it has been welcomed by potential applicants to determine how they can improve their sustainability performance. Another area, of course, is the container deposit legislation.

I think the companies that I have dealt with to date that have been provided these licences are very proud of their achievements and, by word of mouth, we hope that those leaders in the business areas will not only continue to raise the bar with respect to how they are doing things but also challenge and engage other industries to do likewise.

**Mr ODENWALDER:** I refer the minister to Budget Paper 4, Volume 2, sub-program 1.1, page 129. Can the minister provide an update on how the water quality in the lower River Murray and lakes is recovering following the recent floods in the Murray-Darling Basin?

**The Hon. P. CAICA:** I thank the member for his question, because it is such an important issue. The EPA, in collaboration and working with the Department of Environment and Natural Resources, is continuing, and will continue, the monitoring and scientific assessment of water quality at a number of sites within the lower River Murray and lakes.

Drought conditions in the Murray-Darling Basin between 2007 and 2009 resulted in a severe deterioration of the water quality in the Lower Lakes. Very high salinity and nutrient levels and several localised acidification events occurred during the drought period. Local communities and aquatic ecosystems were severely impacted, with some on the verge of collapse. The floods in the Murray-Darling Basin during 2010-11 have flushed large amounts of salt and other water quality constituents from the Lower Lakes. The Lower Lakes have also been reoxygenating after the blackwater with low dissolved oxygen that has flowed into South Australia during the floods.

However, while these outcomes are encouraging, there is still a legacy of the drought in the Lower Lakes region. First, the salinity in Lake Albert has been diluting, but diluting only very slowly, as flushing of the lake is limited by restricted flows through the natural confines of the Narrung Narrows.

*Mr Williams interjecting:*

**The Hon. P. CAICA:** But, as we mentioned one day, you do not know your bund from your regulator, Mitch. Quite simply, if you had gone down to have a look at it, you could see the significant work that has already been undertaken to remove that. I presume that you understand that it is called the narrows. It is the Narrung Narrows and, by its very nature, it has natural confines and salinity levels still remain too high for irrigation and restoration of healthy freshwater ecosystems within that area.

Secondly, there is localised acidity persisting in the surface and ground water of some of those marginal lake areas. The long-term impacts and recovery time of these components are unclear. We went through the most unprecedented drought in anyone's living memory. The entire system was on the verge of collapse. Whilst the return of water is welcome, the consequences and the impacts of the drought will persist for some time. I challenge the member for MacKillop to say that we dillydallied. I think that this state can be very proud of the way it managed that most unprecedented drought to the extent that the system lives to fight another day—

**Mr WILLIAMS:** You've been dillydallying for over nine months.

**The Hon. P. CAICA:** —and, indeed, quite simply, not only does it fight to live another day, but we are also working on what will be its future survival, that is, the Murray-Darling Basin plan that must deliver appropriate levels of water back to a system that has been over allocated for some period of time.

Getting back to the question that was kindly asked by my friends, as I said, the long-term impacts and recovery time of these components is unclear. While the lake bed ecology and aquatic plant communities are recovering slowly across the Lower Lakes, they are still in relatively poor condition.

Another legacy of the drought was discovered by the EPA in February 2011. Several drainage channels in the Lower Murray reclaimed irrigation area had turned acidic. As the water tables dropped under the Lower Murray reclaimed irrigation area during the drought, acid sulphate soils were exposed to the air. When river and ground water returned to high levels during 2010-11, acidity and metals were mobilised into the drainage channels. The EPA has been leading the monitoring and technical investigations into this issue and also installed buoyed exclusion zones and signs to minimise the risk of the community coming into contact with this water.

Under the current high river flows, the acid water is diluting rapidly as the drainage water meets the main channel of the River Murray. Potential risks under future lower flow conditions are being evaluated by a joint government agency committee, led by the Department for Water. Water quality issues during the 2007 to 2009 drought and their ongoing legacy are being documented and used to strengthen the case for increased flows, as I mentioned earlier, to South Australia in what will be the Murray-Darling draft plan when it is released.

**The Hon. S.W. KEY:** I refer to Budget Paper 4, Volume 2, page 130. I am looking at the issue—you have answered this to some extent—of the managed aquifer recharge code of practice for the managed recharged systems. Can you outline the benefits of that code of practice?

**The Hon. P. CAICA:** I thank the honourable member for her question, a very important question. The managed aquifer recharge is the intentional recharge of water to aquifers for subsequent recovery or environmental benefit. There are a number of methods of undertaking managed aquifer recharge, but aquifer storage and recovery, where water is injected and extracted via the same well, is the most common in South Australia.

As detailed in the state's water plan, Water for Good, existing stormwater harvesting schemes in Adelaide have the capacity to harvest six billion litres of stormwater per year. Projects initiated over the last 12 months are advancing the state towards the target of 20 billion litres by 2013. I am pleased to say that we are well on track to achieving in excess of those 20 billion litres by the end of 2013. The application of managed aquifer recharge to capture, treat and store stormwater is a key component of many of these existing and new schemes.

The government recognises the importance of managed aquifer recharge schemes, and is also mindful of protecting the state's aquifers into the future. It is sought to make the administrative process relating to establishing an MAR scheme as simple as possible. A draft managed aquifer recharge code of practice was prepared in consultation with stakeholders and industry by the EPA in 2009 and 2010 to provide clear guidance for developers and operators of managed aquifer recharge schemes.

The draft MAR code is based on the National Water Quality Management Strategy: Australian Guidelines for Water Recycling, and applies the risk management-based approach to identify hazards, determine risks and apply multi-barrier protection measures.

The EPA and Department for Water are collaboratively developing one point of entry for the assessment and regulation of managed aquifer recharge in South Australia. A common managed aquifer recharge portal is being established for the provision of information and application forms for all aspects of MAR. The draft MAR code is being rewritten into a more accessible document that will be delivered via this portal.

This will provide better protection of the state's aquifers, particularly for any stormwater and wastewater MAR schemes. The first operational treated wastewater MAR scheme was licensed in September 2009, allowing SA Water and the Willunga Basin Water Company to inject and extract 400 megalitres of treated waste water from the Christies Beach Wastewater Treatment Plant.

For the long-term sustainability of these schemes, it is paramount that MAR is undertaken competently and appropriately regulated. To assist with the assessment and ongoing management of metropolitan schemes, the environmental values for aquifers across the Willunga Basin,

metropolitan Adelaide and Northern Adelaide Plains have been reviewed and updated as part of the Healthy Waters project.

Setting environmental values for aquifers is an important step in determining the future use of recovered waters from those sources. Environmental values are agreed criteria that mean that the key stakeholders—that is, those who access a particular aquifer—have water quality that is fit for the purpose they wish to use it. If users of an aquifer desire potable water, there are obvious implications for what water can be injected into the aquifer and how much treatment it needs. If people are looking to use water for food production, then the standard varies appropriately, as does the manner in which it is treated.

Having agreed use through these environmental values provides consistency and predictability for those who use, manage and regulate these systems. As we know, the Water for Good target sets—I will not call it a stretch—by 2050, 60 gigalitres of stormwater re-use in metropolitan Adelaide and, indeed, a significant figure for the use of recycled wastewater, all of which is going to diversify our water supplies.

Coupled with that, is knowing that we have the ability through regulation to make sure that we are able to store that as well because, as night follows day, the draw on that particular water is usually during the summer period when it is oversubscribed. In the winter time, it is undersubscribed, so this is a very important part of that particular process, and I thank the honourable member for the question.

**Mr WHETSTONE:** Budget Paper 4, Volume 2, page 132. The performance indicator is to ensure that the X-ray machine registrations comply with the regulations. Minister, only 50 per cent of new dental, medical and veterinary machines are expected to be registered in the so-called timely fashion which is, I think, around six months in metro areas and about 12 months in rural and remote areas. It is defined by the budget as within six months—there we go.

Minister, what is the longest time it took for the other 50 per cent of the machines to be licensed in? If the machines are not licensed, can they be used? If they cannot be used, how many machines are resting dormant in South Australia, not being utilised?

**The Hon. P. CAICA:** I thank the honourable member for the question. The EPA is continuing with rolling out a system of third-party accredited compliance testing of dental and medical X-ray machines. Under the system, owners of dental or medical X-ray machines awaiting registration under the Radiation Protection and Control Act are required to engage the services of a person accredited by the EPA to test their X-ray machines.

The system is being introduced to address a significant increase in the number of these machines being installed each year and also to meet national competition policy commitments. Historically, EPA officers have tested all X-ray machines, prior to them being registered. As a result of the third-party accredited compliance testing, we will be able to ensure that we test more machines.

Over the past three years, there has been a significant increase in the complexity and the number of installations of dental and medical X-ray machines compared with previous years. The number of applications to register X-ray machines has more than doubled. While this has been of benefit for South Australians, increasing installations have exceeded the EPA's capacity to test these machines, resulting in a backlog of the machines awaiting inspection and registration.

The rolling out of the system will take place in several phases. Phase 1 of the project involved accrediting people to perform compliance tests on dental X-ray machines and notifying the owners who have applied to register these machines that they need to have them tested by an accredited person to enable registration to proceed. Phase 2 of the project covers accrediting people who may perform compliance tests on plain radiography, medical, chiropractic and veterinary X-ray machines. Phase 3 includes fluoroscopy, mammography and computerised tomography machines, and the final phase (phase 4) covers OPG and cone beam dental units.

I am told that we have put two additional full-time equivalents on, and in this budget there is funding for two additional people to help address the backlog. Quite simply, when we are prioritising what needs to be registered and tested, if we know that a machine is brand new and it has been set to the specifications which it has, we will get to that, but it is a matter of, with the backlog, creating a prioritisation. Of course, the focus will be on those higher risk machines.

It would be wrong for me to deny that there is a backlog, because there is. As I have mentioned, we have a four-phase program in which we will address that. A critical component is the third-party compliance officers and, indeed, working very closely with various components of

the industry to make sure that we do manage this appropriately and in as timely a way as we can. The two extra people who have been budgeted for in this budget will help address, in part, that backlog, as will the third-party accredited compliance testing of dental and medical X-ray machines. I thank the member for the question.

**Mr WHETSTONE:** Minister, in sub-program 1.2, the radiation protection indicates a net profit of \$1.325 million. Minister, how will this money be spent?

**The Hon. P. CAICA:** Of course, it will be spent most wisely and most sensibly. Essentially, if we look at those figures with respect to an adjustment, if we add in direct expenditure not included in the expense budget, there would be a corporate cost of \$340,000 and a recoverable cost—that is, from the divisions and the branches, which includes policy investigations, communications—of \$756,000. That takes that line up to \$1.1 million.

If we then look at less the adjustment to revenue for radiation protection, add the adjustment to expenses for radiation protection at \$200,000, less the adjustment to expenses for TVSPs, and then less the adjustments to the fees and charges, when we look at the 2011-12 budget revenue versus expenses, we come up with a figure of \$2.296 million, as opposed to the revenue of \$2,362,000. I thank the member for his question.

**Mr WILLIAMS:** At this stage I take the opportunity to read into *Hansard* a series of omnibus questions and I request that the minister take these on board for the previous budget line as well as the ones later on this afternoon.

**The Hon. P. CAICA:** Absolutely.

**Mr WILLIAMS:** Thank you, minister:

1. Will the minister provide a detailed breakdown of expenditure on consultants and contractors above \$10,000 in 2010-11 for all departments and agencies reporting to the minister—listing the name of the consultant, contractor or service supplier, cost, work undertaken and method of appointment?

2. For each department or agency reporting to the minister how many surplus employees were there at 30 June 2011, and for each surplus employee what is the title or classification of the employee and the Total Employment Cost (TEC) of the employee?

3. In financial year 2009-10 for all departments and agencies reporting to the minister, what underspending on projects and programs was not approved by cabinet for carryover expenditure in 2010-11, and how much was approved by cabinet?

4. Between 30 June 2010 and 30 June 2011, will the minister list the job title and total employment cost of each position (with a total estimated cost of \$100,000 or more)—

(a) which has been abolished; and

(b) which has been created?

5. For the year 2010-11, will the minister provide a breakdown of expenditure on all grants administered by all departments and agencies reporting to the minister—listing the name of the grant recipient, the amount of the grant and the purpose of the grants, and whether the grant was subject to a grant agreement as required by Treasurer's Instruction No. 15?

6. For all capital works projects listed in Budget Paper 5 that are the responsibility of the minister, list the total amounts spent to date on each project?

7. For each department or agency reporting to the minister, how many Targeted Voluntary Separation Packages (TVSPs) will be offered for financial years 2010-11, 2011-12, 2012-13, 2013-14 and 2014-15?

**The CHAIR:** Thank you very much, member for MacKillop. Does anybody wish to say anything else?

**Mr WILLIAMS:** I have another question; we have lots of questions. I refer to Budget Paper 4, Volume 2, page 128, Sub-Program 1.1: Environment Protection, Environmental Goals. One of the goals is for clean and healthy air. Last year you advised that there are 12 air quality monitoring stations in South Australia and you also informed the committee that the carbon monoxide monitoring station in the CBD has not been working. Has that monitoring device been fixed or does the government continue not to measure carbon monoxide in the CBD? How many

air quality monitoring stations are there now and are there any plans to expand the air monitoring program?

**The Hon. P. CAICA:** We have an objective to improve air quality as indicated by the number of days per calendar year where the air quality NEPM PM to the 10<sup>th</sup> particle standard of 50 micrograms of particles per cubic metre air is exceeded at the following sites: LeFevre, Christies Downs, Elizabeth and Netley. We also have, as you would be fully aware, measuring stations in other parts of the state, particularly in Port Pirie at the Frank Green Park; Ellen Street, Port Pirie; Oliver Street, Port Pirie; and Port Pirie West Primary School.

I am advised that we still have 12 monitoring sites and that will expand to cover the growth in population under the 30-year plan. We do not intend to install one at this point where it was previously located on the basis that I am advised that metropolitan Adelaide, with respect to its exposure—in particular, the city square—is not like being in Sydney or Melbourne where we have a multitude of tall buildings and carbon monoxide is more contained within those areas and less able to escape.

What I am advised by the EPA is that we do not have a problem in the CBD with respect to that and, as a consequence, the operational decision by the EPA is not to monitor within the CBD and to utilise that monitoring system in such a way that it monitors those areas that are identified by the EPA as being areas of concern based on, as I mentioned earlier, the number of days per calendar year and where we believe there are problems with air quality.

**The CHAIR:** Thank you, minister. There being no further questions (except for the ones that the member for MacKillop is hiding and is not allowed to show us on account of the time), I declare the examination of the proposed payments concluded.

*[Sitting suspended from 12:00 to 13:00]*

#### **Membership:**

Mr Pederick substituted for Mr van Holst Pellekaan.

#### **Departmental Advisers:**

Mr V. Levitzke, Chief Executive, Zero Waste SA.

Mr P. Fioretti, Manager, Corporate and Business Support, Zero Waste SA.

Ms V. Caire, Corporate Governance and Liaison Officer, Zero Waste SA.

Mr I. Harvey, Manager, Strategy and Programs, Zero Waste SA.

**The CHAIR:** Good afternoon. We are back with the Minister for Environment and Conservation and I believe we are talking about Zero Waste. Minister, do you wish to make an opening statement?

**The Hon. P. CAICA:** I have a very brief opening statement. Zero Waste SA was created by way of the Zero Waste SA Act 2004 as a catalyst to reduce waste to landfill and for the long-term sustainability of South Australia. In 2005, South Australia released its first waste strategy, South Australia's Waste Strategy 2005-2010, which set ambitious targets and actions to reduce waste to landfill and has helped to achieve some outstanding results.

For example, in 2002, South Australian councils diverted on average about 20 per cent of kerbside collected material from landfill. By June 2010, all metropolitan councils had implemented or committed to high-performing kerbside collection systems. Audit results indicate kerbside recycling rates are now at approximately 55 per cent.

The state government recognises that, in order to achieve higher householder recycling rates, incentives for kerbside collection of food waste and improvements to reduce contamination will be required. This is why Zero Waste SA provided funding to 10 councils to pilot domestic food waste collection in 2008-09, which tested different designs of bench-top containers, with and without the use of compostable liner bags. Households could recycle all food scraps, including meat, bones, shredded paper and tissues.

The pilots informed a further Zero Waste SA program entitled Kerbside Performance Plus in December 2010. Total funding of \$695,000 was offered under this program to five councils, which will help approximately 89,000 households to increase their recycling efforts and complements a state government commitment to provide \$6.1 million over four years for the rollout of food waste collection systems in councils.

Since 2004, a total of \$8.2 million has been directed towards grant funding for waste infrastructure across the state under two Zero Waste SA programs: the Metropolitan Infrastructure Program and the Regional Implementation Program. This funding has contributed to new ventures in the areas of electronic waste, composting, recycling of construction and demolition waste, and improved regional waste planning and infrastructure, which services local government as well as industry recycling needs.

These improvements have also leveraged investment from the waste and recycling industry and local government of more than \$40 million. Through a state government commitment in 2010 to provide \$7.3 million over four years for investment in key waste infrastructure across SA, Zero Waste will continue to build the resource recovery capacity of our state. South Australia is in a good position to tackle some of the harder challenges ahead, such as sustainability and behaviour change, due to the work of Zero Waste SA.

Specifically, Zero Waste's work advances avoidance and reduction objectives at the top of the waste hierarchy through research with the University of South Australia through the Zero Waste SA Research Centre for Sustainable Design and Behaviour, its Resource Efficiency Assistance Program, providing sustainability advice and assistance to industry under the state government's Business Sustainability Alliance, and working to tackle the avoidance and reduction objectives at the top of the waste management hierarchy.

The South Australian government will soon release South Australia's Waste Strategy 2011-2015, which will build on the significant work achieved over the period of the first waste strategy. The new waste strategy will retain a focus on reducing waste to landfill, with increased emphasis on sustainable practices, community engagement and sustainability. Zero Waste SA is an agency dedicated to progressing the government's strong desire to continuously improve the way South Australians manage their waste, ensuring that recyclable materials are diverted from landfill to beneficial uses. I commend the agency for its work over the last eight years.

**Mr WILLIAMS:** Thank you, Madam Chair, that was almost short. We will go straight to questions, and my first question is referenced by Budget Paper 4, Volume 2, page 129, Financial commentary. The commentary states that there is an increase of \$7 million from the Solid Waste Levy revenue, which we know is on the back of the government's decision last year to increase the levy. Can you tell us on average how much more families will be paying per year for this additional levy?

**The Hon. P. CAICA:** I thank the honourable member for his question, and I highlight that this line of questioning would have been more appropriate under the EPA line, given the fact that that is where it belongs. Notwithstanding that, the levy is collected via councils and industry and, quite simply, that levy is aimed at reducing the amount of material that finds its way to landfill; that is, it is an incentive to avoid material that would otherwise find its way to landfill. That is the very basis of it—to provide that incentive—so that we can reach those very stretch targets we set for ourselves as a state in regard to the interception of material that would go to landfill that can then be recycled and used for other purposes.

In regard to the cost on families, that is a matter that will need to be directed to councils that collect the levy that then apportion their rates based on what it is they determine to either pass on or not, so I cannot answer that question.

**Mr WILLIAMS:** So, minister, you are telling me that your government mandates that councils pay this fee to your government, yet you have no understanding of the impact that it has on families?

**The Hon. P. CAICA:** What I do know is the impact it has on solid waste finding its way to what otherwise would be called the waste stream or landfill. That has a positive benefit not just on families but on all South Australians because it is utilising our materials in a far more effective way than otherwise would be the case by ensuring that it is intercepted. Quite simply, it is critical that we continue to make sure that we use our finite resources in such a way: produce only what it is that we need to produce; that that waste is intercepted in such a way that it can be reused and recycled; and then the benefits of that accrue to all communities and households. It would have a



very small impact on households, in particular, because it is a third of the waste stream, I am advised, that is collected from 500,000 households.

I would also remind you—because I think you might need reminding, although I am pretty sure that you are aware of this—that I also instructed that a review of the Solid Waste Levy and the Waste to Resources Fund be undertaken. That is a review that is jointly being undertaken under the auspices of Zero Waste but also includes representatives of industry and the Local Government Association. The review will consider, amongst other things, the impact to local government of the increases in the Solid Waste Levy, and that is why it is being reviewed.

**Mr WILLIAMS:** I am really interested in this because I would have thought that it was time your government looked at the cost impost on families and households for the measures you are introducing. Right across government, you keep introducing measures in the silos of various agencies. In this case, you are saying that this is being collected from 500,000 households. The arithmetic is not very difficult; it is \$14 each.

We debated a bill in the house about a week ago about solar cells and rooftops. The minister was telling me that it is not very much; it is only about \$50 per household. The reality is that these things all accumulate in the budget of individual households. At the end of the day, all these measures which you claim are small—the NRM levies and all of these things that you are extracting from households—add up to hundreds and hundreds of dollars per household per year. That is why I am asking the question and that is why I think the government should be cognisant of its actions and the impact of these actions on households.

I think we all fear the cost of living increases that householders will be facing as we move forward, particularly with unavoidable costs for things like energy and water. I am surprised that you answered the question by glibly saying, 'Oh well, the councils will have to worry about that.' Obviously, it is your government that imposes these costs on councils, which you know have to flow directly through to individual householders.

I now refer to Budget Paper 4, Volume 4, page 210, where there is a decrease for funding in grants and subsidies. Under Program 1: Waste Reduction and Resource Recovery, there will be a decrease in grants and subsidies in the 2010-11 budget from \$4.084 million to \$3.426 million in the 2011-12 year. No doubt the minister has had representations from the LGA, which argues that waste reduction is subject to the law of diminishing returns. So, if the government wants local government to keep reducing waste landfill, you are going to have to pay even more money per tonne as per the law of diminishing returns. Why at the time when local government will be bearing the brunt of increases in the solid waste levy is the government cutting the grants to support the very process which you have just described, that is, diminishing the amount of waste that goes to landfill?

**The Hon. P. CAICA:** I thank the honourable member for his question. I was wondering when he was going to get to a budget line, because it was sort of like an opening statement on a whole host of particular issues. On the solid waste issue, we made it clear that the solid waste levy will increase from \$26 a tonne in metropolitan Adelaide and \$13 a tonne in non-metropolitan Adelaide to \$35.10 a tonne in metropolitan Adelaide to \$17.55 a tonne in non-metropolitan Adelaide.

The levy is planned to increase over the next four years—and I have made no bones about that—as it aligns with what is paid in New South Wales and Victoria. I do not think my response previously was glib on the basis that how council covers its costs is a matter for council. However, I did state that the impact upon local households—unlike the \$13 and \$14 simple calculation that you have worked out—will be far less than that when we look at the waste stream that is contributed by households.

The whole idea behind the waste levy is to drive behaviour change through a stronger economic incentive to divert waste from landfill. We have listened to industry feedback and, consequently, in conjunction with this increase, as I have mentioned, I have sought a review of the levy, which is being commissioned by Zero Waste SA. That review will consult with key sectors that pay the waste levy, including landfill operators, local government and recyclers.

Key areas of the review will include: consideration of the merits of a differentiated levy—and it just seems to me to be a very blunt instrument to have that levy paid on total weight when we know there might be more clever ways of doing it to further increase the level of material that we can intercept from going to landfill—implications for compliance and enforcement activities and, broadly, how we can further improve waste reduction and resource efficiency in our state.

I recognise that increasing the levy could exacerbate the risk of illegal dumping, and the government is committed to managing this risk and as such has made a significant investment to set up an illegal dumping unit to proactively combat illegal dumping and to ensure that those people who are operating outside of the law are dealt with appropriately.

With respect to the variation that you mentioned in regard to the 2011-12 budget and the 2010 estimated result on total expenditure, the variation is against the budget and estimated result on total expenses of \$0.9 million is mainly attributed to a reduction in expenditure of Zero Waste SA's Recycling at Work program of \$0.5 million. The variation in the 2011-12 budget and the 2011 estimated result on total income of \$3.5 million is mainly attributed to an increase in the solid waste levy of \$3.8 million, and the variation in the 2011-12 budget and the 2010-11 estimated result on the net cost of providing services of \$4.4 million is attributed to an increase in the solid waste levy revenue in 2011-12. I hope that answers the member's question.

**The Hon. S.W. KEY:** The question I want to ask you, minister, concerns something that is very dear to my heart. In fact, I like to think that an Ashford constituent, along with our office, lobbied the government to seek clarification in the area of electronic waste. Not only do we have a recycling electronic waste system in the electorate (I think other electorates have the same) but also we have been really keen to see the electronic waste collection incentives move along. I notice in Budget Paper 4, Volume 4, page 211, there is a scheme the government is looking at to help households dispose of electronic waste items. I wonder whether you can outline what those services are.

**The Hon. P. CAICA:** I can. I will start off by saying that not only am I lobbied by constituents of the member for Ashford but I am lobbied quite regularly by the member herself on issues that relate, amongst other things, but in this case to electronic waste.

Quite simply, it is a fact that televisions, computers and other electronic items that fall under the e-waste category contain non-renewable resources such as tin, nickel, zinc, aluminium and copper, as well as hazardous materials such as lead and mercury. Many households generate e-waste when they seek to replace or upgrade older or unwanted equipment, such as analog televisions, with newer technology, such as digital television.

The Australian government is developing legislation that will establish a national recycling scheme for televisions and computers, and it will be under this legislation that industry will be required to take responsibility for taking back and recycling their products at the end of life. I was very pleased to see the passage of that legislation through the federal parliament recently. The Australian government, I am told, expects that the legislation and its operations will be in place either later this year or early next year.

In the interim, Zero Waste SA has assisted councils with funding to collect e-waste from householders throughout South Australia, and the collections have been highly successful. In September 2010, Zero Waste, in conjunction with the Local Government Association of South Australia and a major brand owner, Apple, coordinated a two-day metropolitan-wide e-waste collection event on 11 and 12 September 2010 in seven locations.

This collection event provided the public with an opportunity to drop off a range of electrical products free of charge. The event was funded by the major brand owner, with Zero Waste SA providing expertise and financial support in the communication arrangements leading up to the event. It was participating councils that were responsible for providing a collection facility and promoting their event to the community.

It was an incredibly successful event, with 515 tonnes of electrical equipment material collected for recycling, and a total of 9,878 participants. I had to carry an old television the other day, and they are heavy but, even as heavy as they are, the 515 tonnes of material that was collected is a lot of TVs and e-waste.

On 15 December last year, a large portion of regional South Australia, including the Spencer Gulf, and as the member for Chaffey would attest, the Riverland, the South-East and Broken Hill switched from analog to digital television signal. This affected 29 councils and approximately 115,000 households in four of the five local government regions. The switchover will be progressively implemented across Australia, with regional South Australia and Broken Hill scheduled first. Other states will switch over from July 2011, and metropolitan Adelaide will switch over between 1 July 2011 and 31 December 2013.

That means that a large number of televisions that are currently used today will not be suitable, and householders are still able to continue using analog televisions by using a digital set

top box. It was anticipated that a number of householders would divest themselves of old analog TVs in order to purchase new, digitally-ready televisions.

Recognising this potential, Zero Waste, with the support of the Local Government Association, partnered with the Australian government to fund a television collection and recycling program to coincide with the December 2010 digital switchover. This program commenced on 20 December 2010 and officially closed on 20 February 2011 and was based on the use of 46 shipping containers in 19 major regional locations to collect unwanted televisions from households.

A total of 19,086 televisions (equating to 428 tonnes) were collected and processed at the E-Cycle Recovery-CRT recycling facility located at Gepps Cross in South Australia. Zero Waste committed \$260,000 to this program, which was supported by an additional \$160,000 in federal funding for the collections, with the Department of Sustainability, Environment, Water, Population and Communities and the Department of Broadband, Communications and the Digital Economy contributing \$80,000 each. I thank them for that contribution.

The 2011-12 Zero Waste business plan provides a budget of \$500,000 to continue to support councils in the collection of e-waste in the lead-up to the national scheme, and Zero Waste will continue to work with the commonwealth government and relevant industry associations in relation to the introduction of the extended product responsibility scheme for televisions and computers. A sum of \$70,000 will also be allocated for Zero Waste SA to develop a specific strategy to support implementation of bans proposed in the waste EPP which will have regard to the national scheme.

**The Hon. S.W. KEY:** I have a supplementary question. I also notice on the same page, page 211, that there is a program for returning light bulbs and, also, I think, fluoro lights and the like. Is that process in place now, or is it just in some areas?

**The Hon. P. CAICA:** Quite simply, there are areas where I think we can improve. One focus over the next 12 months will be to have a more regular and readily accessible point of drop-off for things such as paint and other hazardous waste material, and Zero Waste is working very well to get that in place. We still have to look at those other areas.

In regard to the take-back pilot scheme for householders that the member for Ashford mentioned, that was launched in January 2011 and, as she quite rightly mentioned, it is the BackLight Household Light Globe Recycling Program (we will just call it the BackLight program) to enable householders to drop off a range of fluoro globes for recycling at 50 Mitre 10 stores across the state. The program provides access to 24 metropolitan and 26 regional stores that will accept used household globes free of charge, which are then recycled by Chemsal Resource Recovery.

The BackLight program honours an election commitment of directing \$100,000 towards a householder take-back scheme for used globes with retailers. The globes are being reprocessed in Adelaide and then sent to a facility in Sydney where the materials will be separated. I am told that the aluminium and mercury will be used to make new light globes, the phosphor powder will be made into fertiliser, and the glass will be reused into a variety of other glass products.

The program is being piloted for three years, providing South Australians with much greater access to the disposal of light globes, free of charge, in an environmentally responsible manner; and it complements the Australian government's ban on the retail sale of incandescent light bulbs from November 2009 to encourage the use of energy-efficient alternatives to incandescent globes such as compact fluorescent lights.

The program also complements the Australian government's voluntary fluoro cycle scheme that aims to recycle the majority of commercial mercury-containing lighting. The Environment Protection (Waste to Resources) Policy 2010 will actually ban fluorescent and other mercury-containing lighting from landfill from September 2012 in metropolitan Adelaide and September 2013 for the rest of the state which, again, we hope will further increase the level of return of such material for recycling purposes.

**Mr ODENWALDER:** I refer to Budget Paper 4, Volume 4, page 210. The minister may have touched upon this a little earlier, but I wonder if he could expand upon what the government is doing to assist the resource recovery industry to support increased recycling in South Australia.

**The Hon. P. CAICA:** I am not suggesting that we live in an insulated world, but in South Australia we do not often take a good look at what it is that we do well. This is to the extent that, most recently, a colleague from Victoria, the new minister for the environment, visited South

Australia specifically to have a look at, amongst other things, the operations of Zero Waste SA and also our iconic container deposit legislation.

We have an understanding with the Northern Territory to complement, through South Australia's perspective, their introduction of a container deposit scheme and also a ban on plastic bags. Sometimes, while self-praise is no recommendation—that is what my mother always told me—it is nice to reflect on what it is that we do well; one of those areas is the recovery of resource, and Zero Waste plays a most important part. I thank the member for his question.

Waste management, including recycling and associated infrastructure, is a key priority of this government. That is why in 2010 the state government made a commitment to invest \$7.3 million over four years in key waste infrastructure across South Australia. In 2009, independent consultants completed the South Australian Recycling Industry Investment Review, which assessed current recycling infrastructure capacity, recycling industry growth and priority investment opportunities.

Resource recovery in South Australia is expected to increase by over 600,000 tonnes (20 per cent) by 2020. The investment review found that South Australia's resource recovery sector, with considerable support from Zero Waste SA, had managed exceptionally well to anticipate supply and demand for infrastructure. Zero Waste has provided significant assistance to the resource recovery industry to help deal with the increasing amount of material recovered from recycling.

A total of \$9.8 million has been directed towards grant funding for waste infrastructure across the state under two key Zero Waste programs: the Metropolitan Infrastructure Program and the Regional Implementation Program. The funding has contributed to new ventures in the areas of electronic waste (as we spoke about); composting; recycling of construction and demolition waste; and improved regional waste planning and infrastructure, which services local government as well as industry recycling needs.

These improvements have leveraged an investment from the waste and recycling industry in local government of more than \$40 million. That is a factor of 5.5 of every dollar invested by industry and local government for every dollar received a grant from Zero Waste SA. The Regional Implementation Program has provided more than \$4.2 million for regional infrastructure, including the upgrade of the new transfer stations using state-of-the-art technologies and sorting equipment.

Of course, members here from regional South Australia know that challenges still exist with respect to being able to ensure that we continue to recover those resources in regional South Australia, but it is a challenge we look forward to confronting.

Through the Regional Implementation Program, financial support was provided by Zero Waste SA to enhance resource recovery of materials from country areas. Programs stimulated a combined investment of almost \$19 million to improve the recovery of materials in country South Australia. As I mentioned, it is not without its challenges, given the dispersed population centres, fewer people and considerable transport distances. That creates additional difficulties for achieving viable recycling outcomes in many regional areas of South Australia.

In recognition of these difficulties, South Australia's Waste Strategy 2011-2015, to be released over the coming months, does not set specific recycling targets for regional South Australia to provide for the flexibility that the regional councils have been requesting. A total of \$3.9 million has been invested in the Metropolitan Infrastructure Program for recycling infrastructure, targeting plastics, organics, mixed waste and e-waste, including the southern hemisphere's first TV and computer glass screen processing plant, which I mentioned earlier, in Gepps Cross. I thank the honourable member for his question.

**The CHAIR:** Thank you very much, minister. Member for MacKillop, I would draw your attention to the time.

**Mr WILLIAMS:** I am wondering what we are doing here myself, Madam Chair. This estimate committee seems to be a complete waste. It is worse than a joke. It is an absolute abuse of the estimate committee. I think I have asked two questions. There is only a half hour allowed for this and then we are going to go into a half-hour for the Department for Water and a half-hour for SA Water.

**The Hon. P. CAICA:** I understand you agreed on the times.

**The CHAIR:** Yes, this was a timetable organised by both the opposition and the government.

**Mr WILLIAMS:** Every time we have not agreed with the times, it has never helped us, minister. Those ministers who are capable and across their brief do not make introductory statements and they do not have Dorothy Dixers with huge longwinded answers—

**The Hon. P. CAICA:** Detail.

**Mr WILLIAMS:** —from their own side.

**The CHAIR:** Order!

**Mr WILLIAMS:** It is pretty obvious which ministers are actually on top of their brief—

**The CHAIR:** Order!

**Mr WILLIAMS:** —and which ones aren't.

**The CHAIR:** Order!

*Members interjecting:*

**The CHAIR:** Order! First of all I would like to make it very clear, just in case those listening have any doubt whatsoever, that the program we are dealing with today was a program that was agreed upon by the opposition and the government. So, please do not let there be any thought other than that. How a minister chooses, in committee, to participate in that committee is, indeed, up to him. It is only fair that there should be questions from both sides.

**Mr WILLIAMS:** It is not fair at all.

**The CHAIR:** It is not fair? Right.

**The Hon. P. CAICA:** Madam Chair, not only was the timetable agreed to, my understanding is that my officers also had discussions with the member for MacKillop about the matter of Dorothy Dixers, as he calls them, and opening statements, and that he never bothered to get back or resolve that issue. Quite simply, I would also say that, in the absence of any decent questions from the opposition, at least we get some decent questions from the government benches.

**The CHAIR:** Well, with that happy thought, let us move on.

**Mr WILLIAMS:** Just on that, Madam Chair, I would like the record to know that I am unaware of any discussions or any suggestion about the government not asking Dorothy Dixers. If that had been brought to my attention, I certainly would have invited the minister to dispense with Dorothy Dixers and spend the time allotted to answer some real questions. I am totally unaware of that claim that the minister has just made.

**The Hon. P. CAICA:** I cannot make allowances for any inadequacies from your side but, anyway, I will desist.

**The CHAIR:** There being no further questions in relation to Zero Waste, I declare the examination of the proposed payments concluded.

#### **DEPARTMENT FOR WATER, \$79,488,000**

#### **ADMINISTERED ITEMS FOR THE DEPARTMENT FOR WATER, \$6,844,000**

#### **Witness:**

Hon. P. Caica, Minister for Environment and Conservation, Minister for the River Murray, Minister for Water.

#### **Departmental Advisers:**

Mr S. Ashby, Chief Executive, Department for Water.

Mr T. Goodes, Deputy Chief Executive, Department for Water.

Mr M. Cawthorne, Director, Corporate Services, Department for Water.

Ms K. Prideaux, Manager, Budget Strategy, Department for Water.

**The CHAIR:** I declare the proposed payments open for examination. Minister, would you care to make an opening statement?

**The Hon. P. CAICA:** I do have a very detailed opening statement, as you would expect, Madam Chair, but for the benefit of the opposition I will speak quickly. I am pleased to provide some information about programs managed by South Australia's Department for Water. As we know, the Department for Water came into being last July to lead the management of the state's water resources. The department has achieved a lot over the past year; however, there is still much work ahead to ensure a sustainable and secure water future for our state.

The prolonged drought meant that in recent years substantial resources have been focused on immediately responding to many issues that arose as a result of the drought, plan for difficult scenarios, and develop long-term solutions. Australia's wettest spring on record in 2010 and widespread rainfall over catchments in summer created flood conditions upstream in the Murray-Darling system. High flows over the South Australian border helps regenerate the river system and bring a much-needed lift to communities who depend on the river.

Dredging at the Murray Mouth ceased for the first time in eight years. In the Riverland, the Lake Bonney regulator was removed and the Cobdogla and Berri Basins and Bookmark Creek were opened for the first time in a decade. A major repair program was undertaken to fill 3,500 metres of cracks in government-owned levees between Mannum and Wellington. Work is underway to remove the Narrung bund to fully reconnect Lake Albert with Lake Alexandrina for the first time in three years. While the Clayton regulator at Goolwa was partially removed last year, negotiations are continuing to secure funding for the full removal of that regulator and the regulator in Currency Creek.

Riverbank collapse remains a risk, and the department has continued efforts to maintain public safety, working with local councils in the Lower Murray region to proactively address the recommendations of technical experts. I make this point: one good year cannot undo the effects of years of low flows. We expect the Murray-Darling Basin Authority's proposed basin plan will soon be released for community consultation, and it will be this plan that will set enforceable, sustainable limits on river and groundwater extractions to return the basin to health, underpin sustainable industries, and ensure critical human water need. The plan must ensure that the basin is managed as a whole through a 'no borders' approach, and we are working together with the Murray-Darling Basin Authority to get the balance right.

I could touch on matters that relate to the 67 per cent over the past year that we announced, and we have announced that in this coming year, irrigators will receive 100 per cent of their allocation this year, and that is news that has been welcomed by irrigators in South Australia, particularly those above Lock 1. We also want to develop a long-term carryover policy, given the fact that we now have permanent storage rights. We intend there to be a significant boost, which will be made to help restore the health of wetlands and flood plains through the backwaters of the River Murray through the \$96 million Riverine Recovery Project. Also, work continues on the Water for Good plan that was developed and launched in June 2009.

As everyone would be aware, in February the state government accepted the recommendation from water security commissioner Robyn McLeod that the position of commissioner was no longer required. I have lots to say and can say about the achievements of the Department for Water over the last 12 months, but maybe I will get an opportunity to talk about those if the opposition asks some reasonable questions this time around.

**The CHAIR:** Thank you, minister. Member for MacKillop.

**Mr WILLIAMS:** Thank you, Madam Chair. Given the opportunity, the opposition will ask plenty of reasonable questions. Before I go on, I want to put on the record that I have been contacting my office, and there is no knowledge in my office of any contact from the minister or the minister's office in regard to the dispensing of opening statements and/or Dorothy Dixers. I just want that on the record.

I refer to Budget Paper 4, Volume 4, page 183, Urban water. Minister, I note this morning you held a press conference and issued a statement about the stormwater management strategy for providing a road map for the future. The last of, I think, nine action dot points states:

- Complete the review of the current government's arrangements with a view to establishing an appropriate governance body that has the power to ensure the timely delivery of storm water management projects.

Is this an admission that the current Stormwater Management Authority has not been able to fulfil the functions it was assigned when it was set up some years ago under your government?

**The Hon. P. CAICA:** I thank the honourable member for his question. On 1 July 2007, the Stormwater Management Authority was established as a body corporate under schedule 1A of the Local Government Act 1999. The following board members are appointed to 29 February 2012: Mr Barry Grear, who is the Presiding Member; Mr Kym Good, from the Adelaide and Mount Lofty Ranges Natural Resources Management Board; Mr Andrew Grear, from the Department of Planning and Local Government; Ms Julia Grant, from the Department for Water; Mr Brian Clancey, from the District Council of Mount Barker; Ms Wendy Campana, from the Local Government Association; and Mr Colin Pitman, from the City of Salisbury.

The Stormwater Management Authority is responsible for the operation of the Stormwater Management Agreement between the State of South Australia and the Local Government Association. The agreement sets out the roles and responsibilities of state and local government and provides governance arrangements for stormwater management on a catchment basis throughout South Australia.

In addition, the state government agreed to contribute \$4 million per annum, adjusted in accordance with the CPI, for a period of 30 years from formation in July 2007. The 2011-12 contribution is \$4.525 million. As you would be aware, the funds are used for various initiatives, including the preparation of stormwater management plans, carrying out works or acquiring land in accordance with an approved stormwater management plan, or for other stormwater management purposes.

The funds are also used towards projects relating to water quality or pollution abatement, and investigation and research pilot programs, or other projects relating to stormwater management. Community education and awareness programs and the payment of the operational costs of the Stormwater Management Authority are also funded by this contribution. Since September 2006, a total of \$20.187 million has been approved towards 62 projects which have a total value of \$47.87 million. This includes projects across the metropolitan and regional areas of the state.

We have undertaken a review of the governance arrangements of the Stormwater Management Authority; and both state and local governments have consulted on this review, and this consultation is nearing completion. The outcomes of the review and consultation will be the first steps towards considering a new state and local government stormwater agreement, and this will be completed over the next six to 12 months.

Of course, one of the very fine objectives in the stormwater strategy that was announced this morning is to look at and deliver on the review of those governance arrangements. In a nutshell, no, it is not in any way an admission of failure by the Stormwater Management Authority, as could be evidenced by the information I provided to you prior that sentence.

**Mr WILLIAMS:** I think that was the very long answer. Minister, I still have my doubts, when you say you want to ensure the timely delivery of stormwater management projects. I think that some of the members on your side of the parliament and some on our side of the parliament are very anxious about the lack of action in some stormwater management projects. All we need is a wet winter and there will be serious flooding in this city. I think we are all aware of that, and the Stormwater Management Authority, as you have pointed out, has had since 2007 and has achieved very little in regard to some major potential flooding issues.

Minister, your fourth dot point is, 'Develop access rights to stormwater for re-use scheme owners to provide certainty for stormwater resources.' You are picking up that if somebody is going to invest in a stormwater harvest and re-use scheme that they should have some rights so as to ensure that the stormwater will continue to flow to where they have invested their money.

The next dot point states, 'Complete further studies to improve the knowledge and management of public health risks relating to the recycling of stormwater, including assessing the risk of augmenting drinking water supplies.' To me, minister, that is code for the fact that you are at last getting out of the denial phase with regard to stormwater and starting to move to the phase where you are accepting the policies that the Liberal Party took to the last election.

Minister, quite simply, when will you fully adopt the Liberal party's stormwater policy as proposed at the last election and have a policy where stormwater is brought up to drinking standard so it can actually be used?

**The Hon. P. CAICA:** For one that is such a stickler for the rules, I would be interested to know what budget line this might particularly relate to.

**Mr WILLIAMS:** It is Budget Paper 4, Volume 4, page 183, Urban water.

**The Hon. P. CAICA:** It's fine. Don't have a crack at me for longwinded answers if you are going to ask longwinded questions. What I will say is that the policy of the Liberal opposition in the lead-up to the 2010 election was irresponsible and reckless. The reason it was is that the fine member for MacKillop was suggesting at that stage, 'Oh, run it through some reeds for a week, whack it underground—'

**Mr WILLIAMS:** Don't mislead parliament.

**The Hon. P. CAICA:** I'm paraphrasing here—and Bob's your uncle; it'll be fine to drink.'

*Mr Williams interjecting:*

**The CHAIR:** Order! Actually, minister, may I interrupt here? I do not notice anywhere in this fascinating booklet in front of me a reference to Liberal Party policy. It is very good of you to answer, obviously, but you do not have to answer that particular part of the question. That is my thought.

**The Hon. P. CAICA:** Thank you very much, Madam Chair, but I want to take the opportunity of making a few points in answering this question. The policy was reckless and dangerous. All the advice that we have received, including the most recent advice from the CSIRO—of which we are contributing some not insignificant funds to promote the research of polishing stormwater to an appropriate standard that might render it capable of being able to be used as drinking water. So, we are investing in that.

One of things I would remind the member for MacKillop and others is that stormwater by its very nature contains a significant amount of contaminants; that is, there is no sense of consistency with the stormwater that is collected. Unlike wastewater that comes through the sewerage, it is fairly constant in its consistency. The advice I have received from Health and the experts is that more research is required before we will be in a position to even contemplate that. In addition, the implications that the injection of stormwater—if we get to that standard—would have on our potable water distribution system is such that it changes the very complexion of that particular water. So, there is a lot of research to be done.

In answer to the question, what we will not do is adopt a reckless and dangerous policy that was promulgated by the Liberal Party prior to the last election. We will continue to manage stormwater and its re-use in such a way that we believe that the best effect that we can have on that is through providing a diversified supply of water that can be used for 'fit for purpose' and purposes other than drinking.

We know within Water for Good that we have a target of 20 gegalitres of recycled stormwater by the year 2013. We expect that to not only be achieved but also come in at about 23 gegalitres by the end of 2013, and that by 2050 metropolitan Adelaide will have available to it 60 gegalitres of recycled stormwater, supplemented by significant amounts of recycled wastewater. Quite simply, no, we will not be adopting a dangerous and reckless policy.

I will say that, amongst the approved priority research projects up to a value of \$14 million over the four years under the Goyder Institute research programs, one of them is Managed Aquifer Recharge and Urban Stormwater Use Options. Of course, we have the chief scientist, Don Bursill, who has expressed views that accord with mine about the dangerous and irresponsible policy of the Liberal Party on this matter. You can say absolute rubbish but—

**Mr PEDERICK:** And they don't do it anywhere else in the world?

**The Hon. P. CAICA:** Look, if you want to—

*Members interjecting:*

**The Hon. P. CAICA:** Don't bully me, please. If you want to use South Australians as guinea pigs and, quite simply—

*Members interjecting:*

**The CHAIR:** Order!

**The Hon. P. CAICA:** —potentially compromise the health and wellbeing of the population of South Australia through contamination of their drinking water supplies, well, you do that when you may be in government, but I am certainly not going to do it, because what you propose is reckless and irresponsible.



**Mr WILLIAMS:** Minister, I was most interested in your comment that you are now expecting to have the harvesting and storage of 23 gigalitres of stormwater by 2013. Your government has been claiming these sort of numbers for a long time now. Surely, by now, you have identified where you are going to use this water? The reality is that your predecessor made the statement, back in September 2009, that to re-plumb Adelaide to provide a second pipe system to deliver non-potable water would come at a cost of \$6 billion.

The Water for Good document, which your government put out a couple of years ago, identified that all the public gardens, parks and playing fields across the whole of metropolitan Adelaide only use 15 gigalitres of water a year, some of which has already been replaced by water from the Adelaide to Parklands pipeline. Where are 20 gigalitres of non-potable water going to be used? Have you yet identified the users?

Whilst you are answering that question, you might tell the committee how much of the water, which potentially could be pumped up the Adelaide to Parklands pipeline, is actually being used? How many customers are there for that water, and how much commitment has been given to take water from that particular pipeline?

**The CHAIR:** That is a long question—a fantastically long question.

**The Hon. P. CAICA:** So much for me being longwinded. South Australia has been successful in attracting over \$67.4 million in commonwealth funding for eight stormwater projects across Greater Adelaide. The combined cost of the projects is in excess of \$153 million and, in addition to the commonwealth funds, approximately \$47.4 million will be contributed by the South Australian government, with the balance being provided by local councils and other partners.

These projects include the \$5.8 million Adelaide Botanic Gardens Aquifer Storage and Re-use project—where I was this morning and it is going to be a fantastic project. In fact, as a result of that project, the entire Botanic Garden will be self-contained with respect to the water supply that it requires. Also, the \$58.6 million Water Proofing the West project; the \$9.8 million Adelaide Airport Stormwater project; the \$14 million Unity Park Biofiltration project; the \$30 million Water Proofing the South Stage 2 project—I was down there the other week as well; the \$8.1 million Barker Inlet Stormwater Re-use Scheme; and the \$8.4 million Oaklands Park Stormwater Harvesting and Re-use Scheme.

I am pleased that all these projects have commenced and are in various stages of planning, design and construction. All the projects are currently scheduled to be completed by the end of June 2013. Collectively, those projects will harvest over eight gigalitres of stormwater per annum, and one of the conditions of funding is that there would be a distribution system and that users and customers have been identified for the water that will be generated by these schemes—some of which, as mentioned, will ensure that the Botanic Garden—

*An honourable member interjecting:*

**The Hon. P. CAICA:** Well, that in its own right makes the Botanic Garden a customer. It will use that water in its entirety, and that is a good thing. On 19 June, the Australian government announced that \$100 million has been made available for round 3 of the National Urban Water and Desalination Plan: Special Call for Stormwater Harvesting and Re-use Projects. This grant round will again support stormwater harvesting and re-use projects that use urban stormwater to reduce demand on potable water supplies and deliver improved water quality to our urban waterways. There are two aspects to it: one is that we produce water that is fit for purpose so that it reduces our draw on the potable water supplies that have historically been used; and, secondly, it delivers improved quality of water to our urban waterway, and that, again, is an added benefit.

The Department for Water will be working with the current project proponents to assist in the development of bids for round 3, as I alluded to, and the department will also offer advice to any other new proponents that will bid for funding under this round. Part and parcel of the funding provided to the proponents of these very innovative stormwater projects was contingent upon having identified users and customers for the water that will be generated via these schemes.

**Mr WILLIAMS:** Will you publish the identified users so that we can all see that the water is going to be used?

**The Hon. P. CAICA:** We connected 500 houses the other day through a component of Water Proofing the South, and that is through a dedicated lilac system, similar to Mawson Lakes. The idea is that we will progressively build up to 8,000 houses and then 16,000 houses that will be connected to the system. I am happy to give you the names of each of those householders as they progressively come on—

**Mr WILLIAMS:** No, the water re-use. The stormwater re-use ones.

**The Hon. P. CAICA:** But that is a combination of waste water—

**Mr WILLIAMS:** Well, your Water for Good says that, if you have connected all the new houses in Adelaide between now—

**The CHAIR:** Order!

**The Hon. P. CAICA:** The program—

**Mr WILLIAMS:** —and 2050, it is only four gigalitres of water, Paul.

**The CHAIR:** Order! If people are going to ask questions, they will get answers, and they should probably listen to those answers before the shouting starts again. In fact, I have forgotten if we are on a question or an answer.

**The Hon. P. CAICA:** Madam Chair, I thank you for calming the member for MacKillop. I reinforce that, contingent upon the provision of that funding for these very innovative projects, users and customers would be identified and that a distribution system and network would be part and parcel and would be contained within those particular projects.

The Adelaide Airport stormwater project is being undertaken in partnership with SA Water at a total cost of \$8.9 million and an estimated harvest of 400 megalitres per annum, with a capacity to be upgraded to 1,000 megalitres, I am told. Again, this will reduce the amount of water that is being used by Adelaide Airport in its operations and also, I expect, a lot of the businesses within the area that are now flourishing on airport land.

With the independent pricing that will occur with respect to water through ESCOSA in the future, it is important that it is done in such a way that a viable market is established with regard to the value of a diversified water supply that comes from the re-use of stormwater that makes it far more attractive to consumers and customers than might be the case when accessing potable water supplies. I will ensure that, as information becomes available, subject to the agreement of the proponents of the projects, that information will be made available. We will have to get their agreement for that; it is their project.

**Mr WILLIAMS:** And how much water is being used in the Glenelg to Adelaide Parklands pipeline? What is committed to that?

**The Hon. P. CAICA:** I will take that on notice. That might be a question you might want to ask SA Water, not the Department for Water.

**Mr WHETSTONE:** I have two questions for the minister regarding his opening statement. Budget Paper 4, Volume 4, page 179, under Targets 2011-12, the sixth dot point states that the government aims to develop a long-term carryover policy for implementation in 2012. Is this a commitment by the government to reintroduce carryover provisions in 2012? How much permanent storage has been negotiated to house that water, and can you indicate to the committee how much carryover water went unused last water year as a result of the minister knowing carryover provisions for irrigators in the 2011-12 year?

**The Hon. P. CAICA:** I thank the member for his multi-pronged question. As he is aware, temporary River Murray carryover arrangements were introduced as a drought measure in 2007-08 to allow River Murray water users to manage their annual inter-seasonal risks. These arrangements were continued and expanded during 2008-09 and 2009-10 based on projected low inflows continuing. I remind everyone that we were still tracking in August 2010 what were near-record low inflows, and that changed, as I mentioned, in a very short period of time.

The current drought-specific policy of providing carryover for River Murray users, which I mentioned was going to cease, ceased on 30 June 2011. The government recognises that enduring carryover arrangements can be an important risk-management tool for irrigators under variable flow conditions. As the member for Chaffey would be aware, consultation is occurring now with industry and stakeholder groups on a new long-term carryover policy that can be implemented. Of course, that was contingent upon our being able to ensure that we had permanent storage rights and, as part of the recent settlement with Victoria, they signed the relevant schedule to allow us to permanently store approximately 300 gigalitres (or 150 per cent of South Australia's critical human needs) in Dartmouth and Hume.

The new long-term carryover arrangements will be established within an appropriate legislative, administrative and operational framework and be underpinned by robust and transparent long-term storage rights, as I have mentioned. We are very pleased that Victoria

signed the relevant schedule to allow that permanent storage to occur. I thank New South Wales for their signing somewhat earlier.

Yes, we do want to have permanent carryover arrangements. Quite simply, the Murray-Darling Basin plan, when it is enshrined, needs to be underpinned by appropriate storage arrangements that are shared between the jurisdictions, but it also needs to be underpinned by a robust and transparent water market to allow for the travel of water throughout the system to where it can be best used.

It is our intention to continue to work with and on the Murray-Darling Basin plan to make sure that not only we deliver to the Murray-Darling Basin system a sustainable and productive future through that plan but we also have within it the ability to maximise the economic potential that will be unleashed as a result of permanent storage and robust, transparent trading rules. Does that answer the question?

**Mr WHETSTONE:** Yes.

**The Hon. P. CAICA:** You were not listening, were you?

**Mr WHETSTONE:** Well, it was all going to be not exactly what we wanted.

**The Hon. P. CAICA:** What do you mean? Tell me what you want? You have representatives I am consulting with through this particular process. I am meeting with them again in Swan Reach on, I think, 11 August. Are you telling me that you no longer talk to the body of which you were the former president because I am sure they are going to be proffering what you want?

**Mr WHETSTONE:** Yes, minister, I do talk to them, and I appreciate your answer; thank you.

**The CHAIR:** Do you have another question, member for Chaffey?

**Mr WHETSTONE:** Thank you, Chair. Minister, I refer to Budget Paper 4, Volume 4, page 176, highlights for 2010-11. The last dot point refers to water plans for icon sites, including the Chowilla flood plain. When is the work on the Chowilla regulator expected to recommence and, due to the delays on that work resulting in downtime for workers, how much downtime has there been and how much is the downtime costing the government?

**The Hon. P. CAICA:** As the member would be aware, work ceased as a result of the fact that the welcome water that was returned back to the system meant that that work was very difficult to proceed with.

I do not have those figures with me. Again, without being too cute, that is a project that is being managed by SA Water, not the Department for Water, but I will take that on notice and get back to you with an answer. I do not have those figures here in front of me.

We are very pleased that water returned back to the system, but one of the unintended consequences of that, of course, is that various projects that were in various stages of advancement were impacted because of the inflows that came in. Whilst we welcome that, it is unfortunate that this has been delayed but, as soon as the water subsides, that work will continue.

**Mr WHETSTONE:** The second part to the question was how much is the downtime costing the government per day?

**The Hon. P. CAICA:** I said that I do not have that in front of me, and I think I said that I would get back to you with those details.

#### **Departmental Advisers:**

Mr J. Ringham, Chief Executive, SA Water.

Mr P. Mendo, Chief Financial Officer, SA Water.

Mr P. Prodanovski, Financial Controller, SA Water.

Mr G. Henstock, Corporation Secretary, SA Water.

**The CHAIR:** We are now on SA Water. Minister, I assume—I could be wrong—that you do not have an opening statement?

**The Hon. P. CAICA:** I have one.

**The CHAIR:** I am sure you have one; would you like to give it or—

**The Hon. P. CAICA:** I actually think the opening statement is of more value than the questions that have been asked.

**An honourable member:** He's referring to you guys, isn't he?

**The Hon. P. CAICA:** No, they are quality questions. What I would say, Madam Chair, is this government's number one priority for SA Water is to ensure that South Australia has secure and safe water supplies for our future economic and population growth. I believe that South Australia has always led the nation in innovative water management. Adelaide continues, as I mentioned earlier, to recycle more waste water than any other Australian city, but we are not resting on our laurels.

Having said that, it is probably against my better judgement but, given the fact that we have approximately 23 minutes left for this line of questioning, let's forgo the rest of my very detailed opening statement and get straight into questions.

**The CHAIR:** You are generous, minister. The member for MacKillop.

**Mr WILLIAMS:** The reality is that there is very little reference to SA Water in the budget but I will draw the minister's attention to Budget Paper 5 at page 51, the Capital Investment Statement. The first question is: why is the government still, three years after the announcement, failing to satisfy the commonwealth that it has met conditions for the provision of \$228 million towards the doubling of the capacity of the desalination plant from 50 to 100 gigalitres a year?

**The Hon. P. CAICA:** As the honourable member is well aware, the total federal funding budgeted in 2010-11 was \$97.8 million, with the revised budget now at \$66.4 million. The reduction in budget of \$31.4 million is primarily attributable to the revised first water milestone of the Adelaide desalination plant, and this has led to a revised timing of the receipt of federal funding attached to the 50 gigalitre component of the plant.

The federal funding forecast for 2011 is \$9.38 million, which is \$57 million lower than the revised budget. This is timing related, and the \$57 million variance is attributable to the delay of the 100 gigalitre federal funding implementation plan, which is currently being finalised and awaiting approval from the state and the commonwealth for the \$228 million commitment which, I have said previously, is secure and safe.

**Mr WILLIAMS:** Minister, do you not accept what the federal government is saying about the supposed deal, that the state government conned the federal government into committing \$228 million in funding for the desal plant by making an ambiguous promise to 'reduce our reliance on the Murray', and can you confirm that the federal government is seeking a reduction in SA Water's Murray River licence before it will part with the \$228 million?

**The CHAIR:** I think the word 'conned' is clearly debate.

**Mr WILLIAMS:** It was a quote from a local newspaper.

**The CHAIR:** In that case, the minister does not have to comment on media reporting.

**Mr WILLIAMS:** No, he does not have to comment. If he wishes to confirm it, his silence will do that.

**The CHAIR:** Well, no. Nice try, member for MacKillop, but no banana, because in this particular instance I am directing the minister, I am informing him, that he does not have to comment on comments made in a local paper, in that distinguished organ *The Australian*, or on any media report.

*The Hon. S.W. Key interjecting:*

**Mr WILLIAMS:** Point of clarity, Madam Chair.

**The CHAIR:** Oh no, do not take me there.

**Mr WILLIAMS:** Are you telling the minister that he must not respond?

**The CHAIR:** No. I am giving him—

**Mr WILLIAMS:** I just wanted to clarify that.

**The CHAIR:** I have not finished speaking. I am giving him what I would call measured advice. Whether he chooses to take that advice or not is entirely up to him. I would, but that is just me.

**The Hon. P. CAICA:** I thank Madam Chair for her advice and such is her advice that has been provided on previous occasions, I know that you disregard that advice at your own peril and I apologise for doing this but I am going to answer the question. What the Deputy Leader of the Opposition refers to is an article that appeared in one of our august papers that was not *The Australian*, so I will correct that.

Part and parcel of the modus operandi of the opposition is not to do any research in its own right, but to utilise the papers as its form of research. As I have said, without being disrespectful to my friends in the media, I do not always believe what it is that I read in all papers that are produced in South Australia.

Quite simply, I have never heard anyone refer to the fact that they believe—and particularly here referring to the commonwealth officials—that they were conned by the South Australian government. Quite simply, the agreement that we reached was to reduce our reliance on the River Murray.

That means that we currently access water that is supplied on a 650 gigalitre five-year rolling average and it is what we will always have access to, save and except if there is any agreement reached in regard to sustainable diversion limits where we have said, in the past, that SA Water will play its part in restoring the River Murray to an appropriate level of health.

So, far from being—in the words of a local paper and, I guess, quoted by the great researcher that is the Deputy Leader of the Opposition in this regard—conned, it was an agreed position that we reduce our reliance.

What I would say, and I think I need to clarify this, is: what does reducing our reliance mean? That has been a subject of some discussion with the commonwealth and I am pleased to say that we are very close to what is a landing point. What it essentially means is that we are not going to increase our draw on it.

The work that we are doing—and I have mentioned this in previous questions—recycled water projects and wastewater projects, the desalination plant in its own right is going to ensure that we never have a future call, from SA Water's perspective, on water that is drawn by South Australia from the River Murray.

To finalise this answer: no, we have not had any direction or discussion from and with the commonwealth with respect to reducing our current level of draw on what is SA Water's entitlement.

**Mr WILLIAMS:** Are you saying that the commonwealth has not at any stage during the discussions on the \$228 million expressed that it thought that reducing your reliance on the River Murray meant a reduction in the rolling water licence held by SA Water?

**The Hon. P. CAICA:** Certainly any discussions that I have had—

**Mr WILLIAMS:** You or your agencies.

**The Hon. P. CAICA:** —with my commonwealth colleagues did not focus on—

**Mr WILLIAMS:** You or your agencies.

**The Hon. P. CAICA:** My agencies have never put to me in any form of concrete proposal that there was any expectation that this state would reduce its current draw as it relates to the SA Water entitlement from the River Murray.

**Mr WHETSTONE:** As it relates to SA Water.

**The Hon. P. CAICA:** As it relates to SA Water.

**Mr WHETSTONE:** Who's going to take a hit?

**The Hon. P. CAICA:** Is that a supplementary question?

**The CHAIR:** I do not know; I cannot hear. Was it from the member for Chaffey?

**The Hon. P. CAICA:** It would be disorderly for me to answer an interjection by the member for Chaffey, so I am asking whether or not, Madam Chair, that is a supplementary question? If it is, I will answer.

**The CHAIR:** Having said that, it would be disorderly to make an interjection. In that case this house has been in a severe case of disorder for some five days now. I did not hear the member for Chaffey. Member for Chaffey, were you asking a question?

**Mr WHETSTONE:** A supplementary, Chair. Minister, if you have not had negotiations with the commonwealth government over a reduction in South Australia's diversion allocation in accordance with the return water for the \$228 million, if some of your agencies have, there are negotiations going on at the moment, as I have been told by the commonwealth bureaucrat telling me that South Australia are playing hardball as to how much water they will give up and the question is: who will give up the water on behalf of the \$228 million if it is not SA Water?

**The Hon. P. CAICA:** I do not know at what level the member for Chaffey is dealing with commonwealth bureaucrats or, indeed, it may well be commonwealth members of parliament on this particular matter and I would reinforce the point: there have been no discussions, nor is there any requirement for South Australia to reduce its water allocation entitlements as it relates to SA Water as part of the agreement for the \$228 million.

We have resolved the issue, as far as it goes, with respect to what reducing reliance means. It does not mean shaving off SA Water's entitlement, nor does it mean shaving off any water from what it is that other consumptive users are entitled to. Quite simply, it is about reducing our reliance, as I have said, and that is our future draw on the River Murray. Maybe the member for Chaffey has more information that might assist me as to what he means by 'Who's going to take a hit?' and on what and what for, but I have answered that as best I can and I hope it is satisfactory to you.

**Mr WHETSTONE:** I have had discussions with departmental heads in the commonwealth water section and they tell me that they are in negotiation with the South Australian state government in giving up water for the \$228 million. Again, they have said that our state government is not playing the game and they are still in negotiations with how much water will be given up out of South Australia's diversion allocation for the \$228 million.

**The Hon. P. CAICA:** I am not going to be disrespectful to the member for Chaffey but, gee whiz!—at one stage before the last federal election he was making claims that it was his policy that was being adopted by the commonwealth government at that stage and how he might have lost some very important components of his body parts for making that statement. He has also made statements about the fact that, through the carryover and the removal of the carryover policy, it would cost in the vicinity of \$30 million to production up in the Riverland and that—

**Mr WHETSTONE:** I said that there was one grower who lost \$15 million.

**The CHAIR:** Order!

**The Hon. P. CAICA:** Two growers, you said, and you used figures of a significant amount of money that have never been verified by anyone else. Quite frankly, Madam Chair, I am not going to continue to answer a question from the member for Chaffey based on what is his hearsay in discussions that he purports to have had with commonwealth officials. That would just be ridiculous.

**Mr WHETSTONE:** You can't answer the question.

**The Hon. P. CAICA:** What do you mean, 'You can't answer the question?' I am not answering an illogical question that is being proposed without any basis of evidence as to its proposition. Either put up or shut up.

**The CHAIR:** Member for Chaffey, are you going to do one of those things?

**Mr WHETSTONE:** Minister, if Adelaide are not taking any more reliance out of the River Murray with the \$2 billion desal plant (\$1.8 billion desal plant plus the interconnector), are South Australian taxpayers paying increased rates, an increased cost for a desal plant, for what reason? For insurance? So that they can have a plant sitting there doing nothing until it goes drought again?

**The Hon. P. CAICA:** I am sorry if I have ruffled the feathers of the member for Chaffey, but that was a slightly incoherent question, but I will answer it the best I can and attempt to be coherent. The decision to construct a desal plant was in the midst of the most unprecedented drought in anyone's living memory. In fact, as we know, sections of the river system—particularly on this side of the border, but most particularly below Lock 1—were on the verge of collapse. We went through that this morning.

Of course, the decision to construct a desal plant is to have an independent source of potable water that is independent of and not reliant upon climatically dependent water sources—that is, those that fall out of the sky, that flow through the rivers—and it ensures South Australia's water security into the future. In reducing our reliance on the River Murray, it also ensures South Australia's expanding population, its increase in mining and its continuation for productive industry being able to operate in this state, but also that we are able to ensure reliable, secure water supplies (and potable water supplies) for our citizens of this state.

Of course, it was an insurance policy against what scientists tell me was the most unprecedented drought in anyone's living memory, that was a glimpse into the future where we expect droughts. I am no scientist, but droughts of ever-increasing intensity (if that is the right word) will be more frequent than they have been in the past as a result of climatic change. So, it was a sound decision to construct a desal plant when that decision was made, and it will prove to be a sound decision in the future when again South Australia is faced by what might be ever-increasing exposure to droughts the type of which we experienced in the last few years.

**Mr WILLIAMS:** Has the government recovered any of the \$79 million paid to AdelaideAqua in order to ensure first water by December 2010?

**The Hon. P. CAICA:** I am advised that we have not paid \$79 million. What has been paid is \$46 million that was paid on the basis of targets that were achieved by AdelaideAqua via the 10 by 10 by 10 program.

**Mr WILLIAMS:** So, you are telling the committee that you have signed a fixed-price contract to construct a desalination plant yet you went and gave the constructing company another \$46 million—and another \$46 million simply so that they would have a safe worksite? Minister, is that what you are asking the committee to believe?

**The Hon. P. CAICA:** Again, you have to deconstruct the question. Quite simply, the \$79 million to which the honourable member refers, of which \$46 million has been spent, not \$79 million as he asserted, is within the \$1.83 billion fixed price of the desalination plant. It was also a matter that was brought before the Public Works Committee in the submission that was made before that Public Works Committee. The 10 by 10 by 10 initiative was implemented in July 2009 as a risk mitigation measure and it was implemented jointly by SA Water and the AdelaideAqua Design and Construction Consortium for the purpose of providing certainty of delivery while maintaining a focus on key outcomes such as safety, the environment and plant performance, including durability of the asset. The aim was to achieve 10 out of 10 for each of the three key areas: safety, environment and performance.

Again, I do not understand the manner in which the question is asked because it seems to be asserting that something untoward has occurred here when, quite simply, it is within the \$1.83 billion that has been budgeted. In addition to that, it had the transparency of this component of the Public Works Committee during its examination of the desalination plant. So, I do not know what you are talking about, Mitch. You are trying to get a little bit of mileage.

**Mr WILLIAMS:** Minister, you are saying that you signed a contract with AdelaideAqua to design and build the desalination plant, and then, when they got part way through the process of building it, you decided that there were some safety issues, that there were some environmental issues, that there were some performance issues with the plant they were building and that you would dip into your pocket and give them another \$46 million. What sort of original contract did you sign up if it did not take into account matters such as safety, the environment and the performance of the final product?

**The Hon. P. CAICA:** I will reinforce the point I made earlier. The 10 by 10 by 10 initiative was implemented jointly and agreed by SA Water and the AdelaideAqua Design and Construction Consortium for the purpose of providing certainty of delivery, while focusing on the key outcomes that I mentioned: safety, the environment and the plant's performance.

It was a risk mitigation feature and, of the three key outcomes, safety has been given the highest priority. Safety initiatives include decongestion, deployment of additional resources via relief crews, additional personnel, protective equipment—just like the protective equipment that you and I wore when we went on our most recent tour of the desalination plant, Mitch—additional training, additional safety infrastructure, and enhanced management initiatives.

I can and maybe I should go through the environmental outcomes that were posing the risk and this agreement was going to mitigate against those risks through the 10 by 10 by 10 initiative, but I do not really think you are interested. I think you are interested in making some absurd bloody

claims—excuse me for saying 'bloody', Madam Chair—absurd claims that are not based in fact or have any substance.

**Mr WILLIAMS:** Minister, given that you signed a contract, and I can only assume that part of the contract was that first water would be delivered by December 2010, were there any penalty clauses in that contract which would come into play if that date was not achieved?

**The Hon. P. CAICA:** I think you are aware, or you should be, that there were penalty clauses contained within the contract that I did not sign but SA Water signed on the delivery of the desalination project. As I understand it—and I stand to be corrected—those penalties relate, amongst other things, to the milestones of achievement but, in particular, to the milestone that relates to first water. First water has not been delivered as yet, so at this stage there has been no invoking of the penalty clauses, on the basis that the penalty that might so be ascribed (if that is the right word) to the consortium cannot be determined until such time as the first water milestone is achieved.

**Mr WILLIAMS:** Why did SA Water make an offer to AdelaideAqua to write off, for want of a better expression, any potential to activate penalty clauses for a \$10 million payment?

**The Hon. P. CAICA:** Quite simply, there was an offer that was the subject of negotiation between AdelaideAqua and SA Water for a level of payment that would reflect, if you like, some aspects of a penalty. That was not accepted by AdelaideAqua on the basis that they would not agree, as I am told, to the no further claims aspect that was included within that offer to settle.

**Mr WILLIAMS:** Why did SA Water make the offer? Is it the expectation that AdelaideAqua is not going to make claims against SA Water?

**The Hon. P. CAICA:** I am advised that, with respect to major projects like this, there is an expectation that there will be claims. Part of what was said on settlement was that acceptance of that which was being offered was against any further claims. I cannot speak on behalf of AdelaideAqua.

Unless the member for Chaffey has inside information on discussions that might have occurred at that particular level, I think that question is best left unanswered because I cannot speak on behalf of AdelaideAqua. I can only say that I am advised that, with major projects like this, with the size and the complexity of this, there is an expectation that there may, in such projects, be claims. We will have to wait and see.

**Mr WILLIAMS:** So, it is not a fixed-price contract?

**The Hon. P. CAICA:** It is a fixed-price contract.

**Mr WILLIAMS:** Well, how are they going to make claims if it is a fixed-price contract?

**The Hon. P. CAICA:** The claims come according to the risk. It is still built within. So, \$1.83 billion is the fixed price, and contained within that \$1.83 billion is a contingency amount that takes into account exactly what it is that you have asked for.

**The CHAIR:** Minister, thank you. I would just draw the committee's attention to the time.

**Mr WILLIAMS:** Madam Chair, I find it acceptable if you say that the committee has run out of time rather than 'as there are no more questions', because there are a lot more questions.

**The CHAIR:** Well, there being—

**Mr WILLIAMS:** No more time.

**The CHAIR:** The time having expired, I declare the examination of the proposed payments concluded. Before we conclude the proceedings, in reference to the past five days I would like to thank all the ministers and their staff, members of the government and the opposition, and the parliamentary officers and house attendants for making this a truly pleasurable process.

**The Hon. P. CAICA:** Madam Chair, may I just say one thing if I can before we conclude?

**The CHAIR:** Yes.

**The Hon. P. CAICA:** This morning a question was asked in relation to firefighter numbers, and I said that I would get back with that information. If I could take this opportunity it saves me coming back in a more formal way later. I have been advised that, in previous years, the percentage of firefighters has been calculated using the regional staff numbers. Now, the percentage of firefighters is calculated using all the department staff. Back when it was at



85 per cent, or thereabouts, that was 85 per cent of approximately 400 people who made up regional staff. Now the reduced percentage figure, whilst the number of firefighters is roughly the same, is taken as a percentage of the entire staff of 1,100. I thought that those figures were a bit crook.

Madam Chair, can I also reinforce your points, and thank you, because you are not going to thank yourself, for the manner in which you have conducted the examination today. I also thank both the government and the opposition benches for the way in which they have behaved and performed. I also reinforce what you said and express my gratitude and thanks not only to my office staff at the ministerial office but all the people within the agencies who have worked very hard to ensure that I was properly prepared for this examination.

**The CHAIR:** Thank you, minister.

**Mr ODENWALDER:** I move:

That the draft report be the report of the committee.

Motion carried.

At 14:33 the committee concluded.