

HOUSE OF ASSEMBLY

Tuesday 11 September 2007

The **SPEAKER (Hon. J.J. Snelling)** took the chair at 11 a.m. and read prayers.

STATUTES AMENDMENT (BUDGET 2007) BILL

The Legislative Council agreed to the bill without any amendment.

MURRAY-DARLING BASIN (AMENDING AGREEMENT) AMENDMENT BILL

The Legislative Council agreed to the bill without any amendment.

PUBLIC FINANCE AND AUDIT (CERTIFICATION OF FINANCIAL STATEMENTS) AMENDMENT BILL

The Legislative Council agreed to the bill without any amendment.

APPROPRIATION BILL

The Legislative Council agreed to the bill without any amendment.

SELECT COMMITTEE ON THE PENOLA PULP MILL AUTHORISATION BILL

The SPEAKER: I lay on the table the report and minutes of proceedings and evidence of the select committee. The report was presented to me on 5 September. It has been published pursuant to the resolution the house passed on 26 July.

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

That standing orders be so far suspended as to enable the report of the select committee to be noted before the house resolves itself into a committee of the whole house to consider the bill.

Motion carried.

The Hon. P.F. CONLON: I move:

That the report of the select committee be noted.

The Hon. S.W. KEY (Ashford): I am very pleased to have the opportunity to speak to this bill. In my view, the conduct of the select committee was of an excellent standard, comprising the Hon. Rob Kerin, Mitch Williams, Tom Kenyon, Kris Hanna and myself, with the chair being (most of the time) the Minister for Forests, Rory McEwen. The committee decided that it was important for us to stick to our agenda, which was the bill that we had before us, but because of some of the controversy that surrounded the bill, particularly the issue of there not being an environmental impact statement, that we make sure that we had as many submissions and opportunities for witnesses to appear before the committee as were possible. I think that we certainly made those possibilities available for anyone who wanted to come and speak to us or, in fact, present information.

We were also very keen to follow up on some of the claims that were made—sometimes substantiated, sometimes

not—particularly about environmental issues and issues which would affect people who lived around the proposed Penola pulp mill site. There were some teething problems to begin with because the committee needed to be aware of what the proposal actually was, because it did change over time, and also what the implications for water, and particularly underground water, would be for the area. For people like myself it certainly was a learning curve with regard to understanding the implications of using underground water in the South-East area.

The proponent, Protavia Pty Ltd or Penola Pulp Mill Pty Ltd, proposed that there be a 350-tonne per annum chemi-thermo-mechanical pulp mill built, first of all, in Heywood in western Victoria and then also a similar mill to be built (350 000 tonnes) in the South-East of South Australia. By the time we sat to look at this particular proposal the two sites were then merged into being one site in the area west-southwest of Penola and at Kalangadoo. So, that was one of the first things that our committee needed to deal with.

In our report we have included a chronology of key events and issues leading up to the bill. We believed that, because of the misinformation that seemed to exist in the community about this particular proposal, the history needed to be set out. What members will find is the history starting from, as I said, the proposal in 2005 from Protavia for the two mills, right through to when we actually set up the select committee to deal with these issues. Obviously, for a whole lot of reasons—but particularly because of concerns about the drought being experienced throughout Australia, and certainly South Australia, we were very mindful of the debate taking place regarding access to water licences.

We were very aware of the concerns being raised in terms of this bill perhaps undermining or interlocking with what the Natural Resources Management Council was doing, and we were also very mindful of the fact that, because there were criticisms with regard to there not being the usual development process involving such a major proposal, we needed to be very clear on getting advice from the relevant government departments, particularly with regard to environmental issues and issues involving hydrology and access to water.

The other area of concern, especially for me, was to ensure that people who lived in the area, in particular, had an opportunity to address us about their concerns. They varied from people who had views about access to water and water licences, right through to the native flora and fauna that many people believe would be affected by the proposed mill.

A number of written public submissions are set out in attachment 2 of the report and, as I have already mentioned, a number of oral submissions were made to the committee. The committee felt that it was important that we held public hearings not only in Adelaide but that we also made ourselves available in Penola, and some five public hearings were held by the committee to ensure that we got the maximum amount of input into the information available to the committee. In June, the committee also attended a public information meeting at Penola, which was organised not only by the government but also by the South-East Regional Development Board and which some 300 people attended. I understand that some of our members, particularly the local member (Mitch Williams), attended other meetings on this area.

What we have done with the production of the report was ensure that we addressed the issues raised with us, and the summaries of submissions are grouped under subject headings, which are divided into matters leading up to the bill

and matters relating to the bill. The matters leading up to the bill include the planning process, site allocation, flora and fauna, visual aspects, and economic benefits relating to the proposed pulp mill. The matters relating to the bill, and those of direct relevance, were introduced into parliament on 30 May and were also directly outlined.

It was the view of the committee that we should make sure that there was an opportunity to be very clear about what the amendments were, and we proposed a number which were set out clearly in the bill. We also sought advice from parliamentary counsel on a number of occasions because there were a number of issues that we thought needed to be spelt out in the bill. Members will notice that, in the report, we have gone to some length to make the definitions very clear and also to include a glossary of terms; for example, we explain the sort of pulp mill we are talking about—the chemithermo-mechanical pulp mill. We also wanted to ensure that people understood that we were talking about not only surface water but also that we had a particular concern with groundwater. Although we were talking about groundwater, it was important to underline the fact that the Natural Resources Management Act 2004 talks about groundwater as underground water and to ensure that we were talking about the same area.

Because of the way in which the water licences were structured, we also thought it important that we look at the issue of the unconfined aquifer—the aquitard as well as the confined aquifer. This took up a lot of time in submissions from people, particularly those who lived around the proposed site, and also from different industry groups, particularly the wine industry, which, I can assure members, all of us on the select committee took very seriously. We probably had a bias in that way, but we wanted to ensure that, in our view, the proposed pulp mill would not affect the wonderful quality and standard of the South-East, particularly the Coonawarra, and also the other wine areas in the region, and the wonderful reputation the food and fishing industries enjoy in that area. People were very mindful of those issues.

However, we were also very respectful of the submissions we received on the native flora and fauna in the area, because we believed that that was something the community was mindful of and had raised with us. The other issue that took up some of my thinking was the process and, because this did not abide by the steps of a normal development or major project, and the fact that there was not an environmental impact statement, it took up a lot of time of the committee because the matter had not been put before us and we needed to ensure that the steps normally put in place were covered. So, there was considerable questioning of Water, Land and Biodiversity Department officials and the Environment Protection Agency officials, and we sought reassurances on many issues.

One issue I was particularly keen to find out about was the process for prospective waste from the mill. Personally I was keen, having had considerable experience in the electorate of Ashford on this issue, to know about the expected odour from the pulp mill, and certainly reassurances as well as scientific predictions were provided by the Environment Protection Agency and its officers.

Concerns were raised about transport, and I was impressed that in this proposal a transport assessment will be made to ensure that the increasing number of trucks in that area shifting the pulp will be considered. I was quite excited by the proposal for a link with the rail system in that area, being a rail enthusiast (although not as enthusiastic as some members

of this place, particularly the member for Schubert), but, in the interest of public transport and moving things from one area to another, the rail prospects this project will bring to the area are exciting. I refer to not only freight but also possibly to future passenger transport.

Ultimately our findings reflect the fact that we considered the use of this special legislation for the project as acceptable. I underline the word 'acceptable'. Some of us on the committee had some concerns about its being an authorisation or indenture bill rather than going through what would be considered the normal processes of planning, resource sustainability and environmental, social and economic factors. Although that took some time to get to the committee, we considered we had been through an adequate process. We also ensured that we had an opportunity to look at the legislation we are supporting, as appropriate consultation and information needed to be given to the community so it was on the same page as the proponent while the building took place. We were particularly pleased to see, although possibly exaggerated we thought, major economic benefits to the area as well as employment. If the information we were provided with is the case, it would equate to considerable employment for the area, as well as the multiplying effect of having over 100 workers and their families permanently in that area.

Water allocation was obviously a significant issue that we needed to look at, and it took up considerable time in submissions and going through the views of committee members. We wanted to make sure that the issue with respect to the climate we are experiencing at the moment was addressed appropriately and that—whether or not it was true—different people in the community felt that the pulp mill was being given special consideration with regard to water allocation. We were very mindful of the fact that a lot of other legislation links up with this authorisation bill, and we were also concerned that there needs to be a connection between the natural resources management board processes and what is envisaged in the bill, that is, if there were to be any changes to water allocation, a cabinet and other government process would be involved. That took up quite a bit of discussion of the committee. However, it would be fair to say that the submissions we received related mainly to water and the allocation of water.

One area in the bill which, again, took up considerable debate—I think quite importantly—was the forest threshold expansion policy. Different views were expressed about what the forest threshold expansion policy meant and what the policy looked like. I had not seen the policy, so it was of great concern to me and other members, I know, that we had difficulty getting one answer on what the forest threshold expansion policy was about. I must say that I was a little shocked that we did not seem to get that information. Needless to say, I think that some committee members can feel quite good about the fact that they thought the forest threshold expansion policy probably should not have been in the bill from the beginning. Like me, other members really did not have a view but were guided by the experience of the committee. In the end, we unanimously agreed to withdraw that from the legislation being proposed.

A number of other legislative changes became more obvious as the select committee sat. I am very happy that we have addressed those changes in the best way to make sure that not only are safeguards contained in this legislation but also that we produce legislation which has some integrity and which will be a plus for South Australia, certainly in the South-East. The other point I would make is that there was

a great deal of cooperation amongst committee members. When we started—and I say this as one of the people who is probably the least informed in this area—there were different views and agendas, but we managed to sort those through in a very good way. I compliment my fellow committee members and our chair on a very civilised and enjoyable select committee. I do not know whether many select committees have a good time, but we seemed to. We worked very hard, I might add, but we did have a very good time.

The hospitality and support of the people in the South-East really do need to be commended. Although many of the people who made submissions to us were not necessarily very happy about the pulp mill proposal, they still had the grace and integrity to make sure that not only was their point of view made very clear to us but also that we were made very welcome in the area. We were very sad to hear that one of the people who made two very strong submissions to the committee, Mr Banks Kidman, passed away on 9 July, and I extend my condolences to his family. It was a very brief meeting, but I just wish to pass on my condolences.

Time expired.

Mr WILLIAMS (MacKillop): May I open where the previous member left off and also express my personal condolences to the family of Banks Kidman. He was a great supporter of the Liberal Party over many years and a great contributor to his community.

In noting the report, I will first give a brief potted history of forestry in the South-East, because what we are talking about today is underpinned by a fantastic industry that has evolved in the South-East over almost the last 100 years. It underpins about 30 per cent of the regional economy and it provides direct employment for about 25 per cent of the working population in the region. It stems from fantastic foresight by members of the parliament of South Australia in the mid-1800s, which led to the first plantation of forests in the South-East in the late 1880s/early 1890s, and the development of the first sawmill (which was a government mill) in 1930-31 adjacent to the town of Mount Burr, which happens to be where I live. The industry has grown from there.

In 1997, the Australian government launched the policy Plantations for Australia: The 2020 Vision, to treble the amount of plantation forestry across Australia. That was in recognition of the fact that not only do we have in excess of a \$2 billion annual deficit in forest products but also that a large proportion of the current timber industry in Australia relies on native forests. I think anyone who is following forest politics in Australia would understand that the ability to log native forests is becoming less and less as we move forward. I think those of us who are following forest politics see the time not too far in the future when it will be virtually impossible to log those forests.

The investment has been largely driven by managed investment schemes (MIS), which have planted tens of thousands of hectares of forest right across Australia. Most of those forests are in the form of blue gum or hardwood, and designed for the woodchip market. As luck would have it, a significant portion, probably 30 000 to 40 000 hectares, has been planted in the Green Triangle region, in the lower South-East of South Australia, and an even bigger area in western Victoria. The original plantings were to provide for export woodchip, but a few years ago a company called Protavia came along and suggested that it was interested in building a pulp mill, which I think fulfilled the dream of many of us. Having seen this resource developing in the

region, a number of us were wishing that someone would come along and propose to utilise that resource; to value add to it on site via a pulp mill.

The pulp mill proposed to be built at Penola is nothing like the pulp mill that has been proposed by Gunns Limited for the Tamar Valley in northern Tasmania. As the member for Ashford pointed out, the process here is a chemothermo-mechanical one (I challenge anyone to say that straight off). Basically, the wood is ground to the point where the fibre is separated and can be formed into paper. It does not make a high quality product, particularly when compared with the strength of the paper that is made by the craft process, which is proposed by Gunns in northern Tasmania. The craft process is heavily reliant on chemicals. One puts the woodchips into a digester with chemicals—principally caustic sodium hydroxide and sodium sulfites—and cooks up the chips (I forget the word used to refer to it) in this mixture in a big digester and uses the chemical reactions to break down the pulp and to dissolve the lignum, which holds the fibres together in wood.

What happens then is that they wash the dissolved lignum away from the wood fibre and end up with a recovery rate of about 25 per cent. So, in relation to greenwood chip, about 25 per cent of the weight of chip ends up as craft pulp; some 50 per cent of the green chip is water and 50 per cent is lignum, which is processed out. In the CTM process (which is proposed here) the recovery rate is 50 per cent because the lignum is left in the paper. I am told that it does not make paper of strength but there is a growing market in the world for CTM paper.

The proponents came along with their proposal, which raised controversy in a number of areas. They originally proposed to build a small mill at Heywood in Victoria and then a second small mill at Penola. Subsequently, the proponents, when it got to the point of detailed design, realised that costs had increased significantly since the initial estimations and one way of cutting the capital cost of the project was to redesign it as one single large project; and for various reasons they chose the Penola site over the Heywood site, principally because the Penola site is next to a railway line, has a natural gas pipeline and major power line, and is close to the resource. I think they are the principal reasons why the Penola site got the nod from the company. Obviously, it needed water, which caused one of the controversies. Water was one of the issues on which the committee spent time discovering the truth because, over a long period, a lot of scuttlebutt in regard to water was spread throughout the region.

As I understand it, the proponents put to the government that the planning assessment process (which had culminated in approval for the smaller mill) would have to start again from scratch (which would cause a long delay) and suggested an indenture type of process may speed it up in order to allow them to reach certain time targets, particularly as the resource was growing and would be harvested at a particular time—and most of it will be ready to harvest in about 2010. The forest owners had to make decisions about whether they sold their product to the proposed pulp mill or exported it through the port of Portland to processors offshore. There was a time imperative. The proponents successfully argued with the government and also spoke to members of the opposition about their attitude towards this process. The process of going through an indenture with a select committee is a legitimate development application assessment process. In fact, as a legislator I found it a very interesting and worthwhile process

involving a situation with a major project costing hundreds of millions of dollars. The indicative cost of this project is about \$1.5 billion. The problem with going through the normal process (as per the Development Act) is that the developer has to be able to answer every question the EPA, DWLBC and other government agencies put to them about how they will meet standards. They have to develop the minute detail of the project before they get a tick on their development assessment application. It may cost the proponent many millions of dollars—in some cases hundreds of millions of dollars—to get that amount of detail into a project yet at the end of the day they may not get approval. This process allows the proponent to come through the other way where they ask, ‘What are the limits by which we have to abide? What are the standards we have to meet?’ They can then say, ‘We will meet those standards,’ and then develop the project with the knowledge that they have to meet those standards. They can then develop the project to meet those standards after they have received approval.

In that way, they know that they are not spending maybe \$100 million developing the project and then not getting approval. It is a legitimate process and I think it is a process whereby, as a state, we could attract more very high cost projects. It is one that, as a parliament, we should be prepared to embrace from time to time as necessary. That is one of the issues at which the committee looked in determining whether it was a legitimate process. There was an argument in the community that it was not and that an EIS was not being produced, as well as all these other arguments to try to undermine the process which the government had agreed to undertake. The committee came to the conclusion that it is a legitimate process and that it answers the same questions that would be answered even if the minister had declared this a major project.

I think that is one of the important parts of the work of the committee and, as I said, I would recommend to the parliament that we favourably look upon using this process in the future. One of the other most significant controversies was over water and water use. The local NRM board is currently working its way through the new water allocation plan on which it hopes to sign off by the first half of next year. That has been an ongoing process. Obviously, they have to meet statutory consultation obligations and those consultations will take place over the ensuing months. The significant groups within the community, particularly irrigation groups representing irrigation industries, had problems with the bill inasmuch as it proposed to change the functionality of the minister responsible for the NRM act.

It was considered by some people that it gave an unfair advantage to the forestry sector. I will talk about some of those points when we reach the committee stage, because I think it is probably more appropriate to talk about them then. However, the committee has noted the concerns of the community and, for various reasons, I think there was virtually unanimous agreement by the committee to recommend that the very controversial clause 9 be deleted from the bill. That recommendation certainly has, I believe, allowed the committee to return a unanimous verdict on this matter, and we have a unanimous report from the committee.

The process, as the previous speaker has said, has been illuminating for all members. I think that the committee worked very well. I have served on a number of select committees in my time in this place, and can I say that every one of them has shown me that a committee type of process is far better than the process we normally use to pass

legislation through this parliament. As a result of the process which we have been through, I suspect that the bill will have a speedy passage through not only this house but the other place as well, with general agreement from all parties and all members. That is not because we have compromised but because we will be proposing a bill in a way that meets the aspirations of virtually all the stakeholders and satisfies legitimate community concerns. I think that is something which would have been much more difficult to negotiate in the normal adversarial manner in which we approach legislation in this place.

The report is a large volume. The copy that I have printed is only single sided, so it does not necessarily have to be quite that thick, but I recommend the reading of it—

Mr Kenyon interjecting:

Mr WILLIAMS: Yes, we are supporting the industry. Notwithstanding that I expect we will deal with the matter today, I would urge members who have not had the opportunity to read the report to do so. It is written in a very readable style. It will give all members an insight into the process and, as I say, I found it very worth while. The opposition supports the noting of the report of the select committee and looks forward to the speedy passage of the amended bill.

The Hon. R.G. KERIN (Frome): I also rise to support the select committee report. Indeed, in doing so, I agree with the previous two speakers about the process. I had not previously served on a select committee, and I found that the two major parties and the Independent member (the member for Mitchell) were able to work very closely together in trying to find some form of balance. I thank them all for their hard work, companionship and friendship during the process.

We say a big thank you to the witnesses, many of whom came forward, expressing a variety of views. I think most of the witnesses would have received some satisfaction, but I acknowledge that there is probably a group of local residents (those who live around the mill) who may not be satisfied. When development occurs in a settled area, it inevitably involves people who live nearby, and we certainly understood their point of view. Again, it came down to the balance within the report. I think at the other end there will be some people who are disappointed that we have recommended to take out the long-term guarantees for forestry. That was done for a range of reasons and, again, there will be some people from the forestry industry who will be disappointed in that. But I think that, overall, the report reflects a path whereby we have been able to satisfy most of the witnesses who came forward.

I convey my thanks to the staff and departmental officers for the way they went about doing their job, making the task much easier for all of us. Some of the issues were very complex and we needed to check and double check a lot of issues and, certainly, the staff and departmental officers did a terrific job in ensuring that we got this done in a reasonably timely fashion.

There is no doubt that many issues had to be considered, bearing in mind that this is an alternative planning process that we went through. On balance, I am satisfied that this is probably the best process. I know there are some people who very much wanted to see an EIS. I would say to those people that an EIS might not always give them exactly what they want. I think there is an assumption by some people that an EIS would have delivered a different result, but I think that assumption is wrong. I think that the way this measure sets some very strict environmental restrictions on the plant is an

acceptable alternative, given the time frames that we are facing and the support for this development as a result of the direction we have taken.

Environmental aspects were raised by a range of people, but I think we have addressed virtually every possible environmental issue with respect to restrictions on emissions from the plant. So, there will be some who will be a bit disappointed but, obviously, our job, as a committee representing the parliament of South Australia and therefore the people of the state, was to come up with what we felt was a balance.

I will mention a couple of the issues that were raised by a lot of people. There was the issue of the licence for water to be taken for the mill process itself. It was put to us by several people that, with this measure involving a minister different from the one concerned with the NRM legislation, the mill proponents might, for instance, 12 months after the operation commenced, say to the forestry minister, 'This water recycling has turned out to be too expensive: we need you to double our licence.' That was a fear that was expressed to us by some people, but the fact that we have recommended the word 'reduced' rather than just 'vary', I think, remedies that issue. If, in fact, the mill proponents wish to change the process or need more water than is granted in this allocation, they will need to go to the market and buy it.

I think that has removed a lot of the concerns about that issue. There was some confusion about the fact that it was direct competition and about what would happen if other irrigators were cut back, but that matter comes back to be managed by the minister in the future. There was also some misunderstanding about the fact that the water in this licence actually comes from the confined aquifer which is connected to, but which is not actually, the actual aquifer from which the irrigators draw.

There is no doubt that the forest expansion policy was the most significant of the issues raised with us and the one that caused the most controversy. A lot of people thought that because the proposed bill gave, if you like, priority to forestry, that meant it would automatically penalise other industries. During the time of the select committee there was the issue of government policy on water in the South-East being varied to some extent and, as the member for Ashford said, there seemed to be significant confusion with different interpretations by different people about what the current forest expansion policy actually meant; I think some people were reading it one way and some another. At the end of this process, we would like to see, with the revisiting of some of the water policies, a clear statement about what the forest expansion policy actually does mean now.

One of the problems of which we were all conscious (and it was raised by quite a few people) was the fact that, if we left the forest expansion policy in there as it was, there was a feeling that we were tying the NRM board's hands behind its back in terms of its adaptive management of water into the future. The resource down there has suffered from a series of dry years and, not knowing what future weather patterns will be, a couple of other members and I were quite concerned that, by putting it into the bill (particularly expressed as hectares), we were removing a lot of the NRM board's flexibility—and the NRM board is charged with managing that resource, and adaptively managing it into the future. I fully support the removal of the forest expansion policy from the bill, and I think the government will have an ongoing challenge in that area in terms of how it manages that particular policy. Along the way (and before agreeing to the

removal of the clause), we addressed another issue that was raised by many people: the fact that the bill, as presented in the house, actually included both softwoods and hardwoods. The committee had previously made a decision to remove softwoods from the equation because that was not relevant, as softwoods would not be used in the mill.

Overall, I thought it was a very good process. As the member for MacKillop said, I think we have reached the stage where the bill will have a pretty speedy passage through the houses. It will then be up to the proponents to ensure the viability of the mill and the financial backing for it to proceed. If they can do that then it will be a very good industry for the South-East. As I mentioned at the start, I would like to reiterate our thanks to the committee staff and also to the people from both the minister's office and the department, who helped us enormously in this process. Sometimes they may have felt that we were being pedantic, but we take great pride in our work. They kept making the changes we asked for, and then the changes we asked for again, and then the alterations that were made to those changes—and I think the staff will know what I mean. However, we really do appreciate their hard work and their companionship as we went to the South-East and met with witnesses down there. I support the report and hope the changes we recommended will be made to the bill.

Mr HANNA (Mitchell): I am commenting today on the report of the Select Committee on the Penola Pulp Mill Authorisation Bill 2007. The minister who handles forestry matters brought a bill into the parliament to authorise a pulp mill to be built at Penola. The appropriate course was taken to set up a select committee, and I was pleased to serve on that committee. Overall, the committee cooperated well and, despite some robust debates at times, we have come up with a unanimous view about what should be done with this bill. In essence, we are suggesting that the bill should proceed, but it should be heavily amended in its passage through parliament.

In terms of the issues covered by the select committee, I suppose I was one of the least knowledgeable about the issues when I began the process a few months ago. There were other members of the committee who were intimately involved in the issues of water and forestry in the south-eastern part of the state. Of course, we had the local member, Mitch Williams, who is inevitably involved in the local issues. One member of the committee, in the course of the public meetings, declared that there was no better friend of the forestry industry than him. We had a very keen proponent of getting the bill through with the least number of questions and as quickly as possible; and we had a member who declared he had an interest in Timber Corp, giving him a unique perspective in the committee deliberations. I should add that that interest was declared, and I could not see that it in any way prejudiced the findings or deliberations of that member. At any rate, the point I am making is that I came to the committee with an open mind and a fairly clean slate as far as the understanding of the issues was concerned, and I learnt a lot in the process.

One of the complications is that there is a great deal of history to the forestry plantations in the South-East and the allocation of water in the South-East. At first glance, it might appear that the bill had nothing to do with that history, but it soon became apparent to me that it was extremely important to go into the history of how water allocations are granted in

the South-East and how forestry became as prominent as it is.

I can do no better by way of introduction than to quote from a letter written by David Geddes, the Presiding Member of the South-East Natural Resources Management Board, to a local newspaper. I will quote extensively from the letter because his observations match my own so well. The letter states:

In the one million ha of the lower SE, there is currently about 140 000 ha of plantation forestry, of which 40 000 ha is bluegum. Plantation forestry is recognised by the National Water Commission and others as a water affecting activity through interception of recharge to the aquifer and in some cases by direct extraction where shallow water tables exist. Not accounting for the impacts on groundwater will result in water resources being overallocated.

The most recent assessment of the water resources shows that areas within the Lower South-East are approaching full allocation and in some instances are already overallocated. A number of areas are showing persistent signs of water level decline or salinity increase, which is of great concern to our community. To allow further unregulated demands on the water resource would damage the water resource and the environment.

In June 2004, under a Regulation, the government set aside sufficient water budget to account for the recharge interception effects of 59 416 ha plantation expansion. There is significant scope for plantation forest expansion on both sides of the state border, both in terms of land area and water resources. Over the last 18 months, there has been significant discussion with all water users, including plantation forest owners. As a consequence of those discussions, it is the board's policy position that plantation forests be issued a water allocation for recharge interception, and where applicable, for direct groundwater extraction.

The board has further resolved that where a management area is overallocated, and reductions are necessary, there would be no requirement for premature clearfelling.

I end the quotation there, and I will make a couple of points to explain some of those remarks. The key thing about the forest industry is that it has two impacts upon the water resource. When I talk about the water resource, I am primarily talking about the underground aquifers. There is a complication there because there are two underground aquifers: one closer to the surface, much of it less than six metres from the surface, and the other, which is deeper underground. There is a layer of rock essentially separating the two underground aquifers. I will come back to that point.

As I said, the forest industry has an impact in two ways. One is simply that it stops rain getting to the ground and therefore seeping into the underground aquifer. We therefore refer to that as the recharge interception. It is stopping the rain from recharging the aquifer. Secondly, and fairly obviously one would think, the trees suck up water where the water is less than six metres from the surface through the trees' root system. Historically, it was the case that the extraction of water by the root system was not taken into account. So, when policy was developed with the agreement of all stakeholders—some reluctantly, about five years ago—a document entitled the 'Forest threshold expansion policy' was created. As the member for Ashford mentioned, the committee did not actually end up getting a copy of that policy despite a request to the relevant government department.

Essentially, the policy allowed for expansion of forestry in the South-East and a certain amount of recharge interception. In other words, it was quite okay for additional trees to be planted and for the impact in terms of recharge interception, but there was a limit to the amount that could be planted without purchasing additional water. Since that time, the extent of water taken through direct extraction by forestry plantation has become better understood. The figure that is

put about is 2 megalitres per year per hectare—I think that is the figure. The fact is that this should now be taken into account in the water allocation policy for the South-East, and that is exactly what the South-East Natural Resources Management Board means to do. This is now out in the open as part of the consultation policy of the NRM board.

The strange thing about the bill, then, is that it sought to enshrine this policy of about five years ago in such a way that it raised a question about whether, indeed, it reflected the existing policy, or whether it was allowing the additional forestry plantation to have free access to direct water extraction as well as allowing for the recharge interception. Clause 9 of the bill, as it was brought into the House of Assembly, refers to the forest threshold expansion policy set out in the schedule. Schedule 1 referred to 'impacts of the activities' of forestry. So, the word 'impacts' was ambiguous in that context, and that led to a suspicion that there was, in fact, a means here of giving a significant additional benefit to the forestry industry. One of the curious things about the forest expansion policy is that different stakeholders seemed to have different interpretations and recollections of what the policy was and what it was intended to do. The policy is, in a sense, a means of sharing the water resource in the South-East. So, perhaps it was understandable that farmers and wineries would be on one side of the debate and the forestry industry would be on the other side of the debate. I have already commented that it was strange that we did not, upon request, receive a copy from the Department of Water, Land and Biodiversity Conservation.

I turn to the question of whether this was an appropriate process to deal with the proposal for a pulp mill in the South-East. The opponents of the mill have always said it would have been better to have an environmental impact study, a process that has been followed with a number of other significant developments. I am not so sure that we would have had more scrutiny, or a better approach, in terms of planning had we had the environmental impact statement. The fact is that the committee widely broadcast its interest in the issues, and dozens of witnesses presented to the committee. Some of those witnesses were people with local knowledge, some had technical expertise, and some were from the NRM board, or government, who would have responsibility for oversight of the pulp mill and the forest industry in terms of environmental impact and water usage.

If there had been serious environmental concerns that were not addressed in the bill, I would have thought that, through that process, which lasted a couple of months, the committee would have heard expert evidence to show that the proposal for the mill was seriously deficient. I cannot honestly say that we received such evidence. Concerns were raised and the committee recommended a tightening up of requirements in a couple of areas. Essentially, the process which has been undertaken is akin to the pole vault exercise in athletics competitions, whereby the bill has set the bar and it is a matter for the proponent to get over it in terms of the project meeting the specifications as to environmental impact.

There is, of course, an alternative process which is more commonly used in these matters, and that is for the proponent to come up with a project specifying as much as possible the details of the project and how it might affect the environment, and then for the Development Assessment Commission or relevant planning body to say yes or no. On balance, I think it is fair enough that, with a \$1.5 billion proposal, the proponents have a degree of certainty at least in terms of the standards that they must meet to get approval. So, although

this process through the parliament authorising the development is a rare one, and some of the other projects that have been through parliament in a similar way have raised serious questions about their impact on the environment and the community, the fact is that it has been a thorough process and the contribution of the EPA has been integral to this. It was the EPA that essentially set the standards and those standards have been enshrined in the legislation itself.

I am pleased that, in the final result, the committee unanimously recommended that clause 9 be deleted from the bill which takes out the reference to the forest expansion policy, and that leaves the Minister for Environment and Conservation and the NRM board, together in their different roles, to allocate water according to an objective process in the South-East. I think that is the appropriate way to go. I had that view early on and I was very pleased to see that the committee eventually was able to make a unanimous recommendation.

Secondly, it is very important to point out that clause 8 of the bill is the subject of a recommended amendment. The bill originally allowed the government to increase the water allocation to the mill itself without consultation. To me, on the face of it, that was quite outrageous. I am glad that the committee has recommended that the government should only have the power to reduce, not just vary the water allocation to the mill. It is also important to point out that, with its reference to the forest expansion policy, the bill gave a guaranteed water allocation to the softwoods industry as well as the hardwoods industry. The mill will only use hardwood and so, in my view, it was a scam that was uncovered through the committee process when we saw that it was absolutely unnecessary to give legislative approval to the softwood aspect of the forest expansion policy.

I have said quite a bit about water but the committee was also very conscious of environmental standards. The committee also considered the site of the mill, noting that it is next to a railway track and not far from major roads. Some of the witnesses suggested alternative sites based on water allocation in the South-East. At the end of day, we could only go on the evidence that was put to us. On the evidence put to us there was enough water in the general region to cope with the mill and the forestry industry supporting it.

The committee has been criticised for not considering such issues as the dangers of a hydrogen peroxide plant and the risk of terrorism. I differed with my colleague (the Hon. Mark Parnell of the Greens), whom I respect, when he raised this terrorism issue. There was nothing in the evidence to the committee to suggest that this might be a serious issue. If there were a terrorism threat it would much more likely be directed at uranium production and transport in this state.

Finally, I thank my colleagues, the members of the committee, and also the committee staff, the parliamentary staff, Rick Crump and Corey Ogilvy, and our researchers, Glen Weir and Vic Aquaro.

Time expired.

Mr KENYON (Newland): I also thank the staff of the committee and the departmental officers who were seconded to the committee for the course of our deliberations as well as the other members. As a new member to this parliament, it was very useful for me to be able to work with more experienced people in this parliament. I particularly enjoyed watching the Hon. Rob Kerin, the member for Frome, who was a previous forestry minister, I believe, and the current forestry minister. I came in with very little understanding of

the complexities involved in forestry policy in the South-East, and I can honestly say that, as a result of my time on this committee, the forestry portfolio is not one I will be chasing with any great relish. As I said, it was an enlightening time; it was very educational and informative. In the end, I think we came up with a decent set of recommendations.

It may surprise some members to know that I went into the committee with some reservations about a pulp mill but, over time, most of those concerns were allayed. Initially, it was water use and dioxin emissions that concerned me. We were assured fairly early on by the EPA that dioxin emissions were not a problem and it was a different process from that used by the pulp mill proposed in Tasmania. The water use itself is just over two megalitres, which is not actually a large amount of water in the general scheme of things, but being the whole allocation of industrial water from the confined aquifer in the areas from which they are proposing to take it I was concerned to ensure that there was flexibility in the allocations. I think that the changes we have recommended will make sure that there is a certain degree of flexibility in their allocation of water so that they are not given a privileged position as it were.

The other issue was the forestry policy. Again, I was pleased to see the recommendation to delete that from the bill. I think that flexibility in this area is the key. The government, the department and the industry itself should be free to amend that policy as they see fit and in a way which will ensure that it is a sustainable industry, so I am pleased that it is not enshrined in legislation and that it will not be if the recommendations are accepted. I think the process was enjoyable and, as I said, it was illuminating for me, so I thank the other members of the committee for the time they put in and for putting up with some of my less informed questions. I commend the report to the house.

Motion carried.

In committee.

Clauses 1 to 5 passed.

Clause 6.

The Hon. P.F. CONLON: I move:

Page 5, lines 18 and 19—Leave out all words in these lines and substitute:

Subject to this Act, the authorisation under section 4 and any authorisations granted under section 5 have

There are more substantial amendments later to which I will say more, but this is an amendment which merely tidies up some words and removes ambiguities administrative in nature.

Amendment carried; clause as amended passed.

Clause 7 passed.

Clause 8.

The Hon. P.F. CONLON: I move:

Page 6, line 17—Delete 'vary' and substitute:
reduce.

This is probably the most substantial amendment unanimously recommended, I understand, by the select committee. The original act allows the Governor to vary the allocation of water. I should say that there is an allocation of water set out in the act, and the provision, as it stands in the original bill, would have allowed the Governor to vary that. It was the view of the committee that the Governor should be able to reduce the allocation; that is, it can only be varied downwards and not upwards. I am quite happy to put that amendment to the house. As I say, my understanding is that the select committee is unanimous in its support of that and I am sure that some members of the committee may wish to say more.

Mr WILLIAMS: One of the principal things that clause 8 sets out to achieve is to establish the authority to do certain things with regard to water under the minister responsible for this act rather than under the minister responsible for the Natural Resources Management Act. The reason for this is that, with a project of this size and scope, obviously the impact of varying, in this case, the water licence would have a much greater impact on very many more people than, say, in the case of varying the water licence for a local farmer who is running a dairy, growing a particular crop or fattening his lambs with the use of irrigation. This particular operation, it is proposed, will employ over 100 people and will have an annual turnover in the hundreds of millions of dollars.

The rationale behind the whole clause is that the minister responsible for administering the Natural Resources Management Act has to look at, in a holistic way, the water allocation across the region and may be convinced that they need to reduce everybody's water allocation, because the act says that if they reduce the allocation it has to be even and impact in the same way upon every licence in the management area. The minister may come to the view that they need to reduce by 10 per cent everybody's water allocation for sustainability purposes or some other reason. In reality, to regard this particular operation in that manner may cause the whole operation to collapse. The rationale was that having a different minister administer this particular part of the water allocation would enable that minister to negotiate with the proponent or the operator of the mill and maybe provide some sort of flexibility as to how they manage their water use, achieving the same end at the end of the day, but it was about giving that flexibility.

Certainly the word 'vary' caused consternation amongst a wide group of stakeholders in the region and, of course, the allegation was made that the word 'vary' was there because there was some conspiracy that at some future date the licence would in fact be raised rather than lowered. The reality is that that would have been virtually impossible because the total amount of water available in both zones 2A and 3A for industrial use has already been taken up by the proponent for this mill. So, the capacity to raise the water licence was zero under the legislation because the legislation says that we cannot issue water licences in an unsustainable manner.

I think the whole process around this was a little pedantic, to be quite honest, but the committee, I think, came to a sensible conclusion in recommending that we simply change the word 'vary' to 'reduce'. It has taken all the heat out of that particular part of the debate and that has allowed us, I think, to bring a recommendation to the house which will satisfy absolutely the needs of the proponents and, of course, allay any fears that were held by other stakeholders in the region.

Mr HANNA: Clause 8 deals with the water allocation to the mill itself, and recommendations 6 through to 10 of the select committee deal with this clause. I make some general remarks about the allocation of water to the mill because it gave a lot of concern to stakeholders, especially other users of the water resource in the surrounding region. The amount allocated to the mill is substantial, although it will not make the mill the biggest user of water in the South-East. It is important to note that the allocation of water to the mill was granted under the usual water allocation process. So, it was all duly done and above board, and that is under the current regime.

Another important point to note about the water allocation to the mill is that it is from the lower aquifer, not the aquifer closest to the forestry plantation and the surface. Under the first aquifer there is the lower underground aquifer, which is fed very slowly by water travelling underground, generally from the Victorian region toward the coast. Because it has a very slow recharge, and it is water that has probably been around for hundreds of thousands of years, the water allocation policy for the aquifer has always been extremely cautious. Although the mill proponents have secured just about all the water they could from the immediately surrounding area in respect of the underground aquifer, it has been within the cautious limits set by longstanding water policy.

The other users of the lower aquifer are industrial or township users. There are not many industrial users in the area, but there are one or two townships that use it. This just makes it all the more important that we get this bit right, because we do not want that underground aquifer to be diminished unduly when communities actually rely on it for their drinking and household water. A lot of concern was expressed by farmers and other water users in the Penola region about the significant water allocation to the mill. Some of that concern was based on a misunderstanding that the allocation of water was from the top aquifer, which is where the grape growers and irrigators generally get their water.

In respect of the top aquifer, there are a number of areas around Penola where the water is already overallocated (in other words, there is an unsustainable drawing of water), and there are also a lot of bores where the trigger levels have been reached. These trigger levels are simply measurement points where the sustainability of the bore is threatened. There are many bores in the region not far from the mill where those trigger points have been exceeded. In other words, for some water users around Penola, and around the area where the mill will be situated, there are real problems in drawing sufficient water for their crops, their orchards, etc.

The problem really arises if, indeed, there is some sort of interconnectivity between the upper and lower aquifers. If there is heavy additional use of the lower aquifer, and if there is a connection or a leakage between the two, there will be additional pressure on the upper aquifer.

There was some evidence of such interconnectivity. Mr Glen Harrington, a long-time public servant and now independently an expert consultant in relation to water resources, acknowledged some interconnectivity. However, our science is simply not at the level where we can determine what or even where it is. But there is probably some sort of leakage between the upper and lower aquifers in the region not far from where the mill will be and where Kalangadoo, for example, draws its water.

So there is a scientific basis for some real concern about additional large allocations of water from the underground aquifer. Water has only been cautiously allocated from that aquifer. I set out all that information because of the real concerns of a number of existing water users, particularly of the upper aquifer. If we find out in future that there is substantial leakage from the upper to lower aquifer, we will have to revise the allocation policy for the lower aquifer, including that for industrial users such as the mill, in future. These are the concerns that led the committee to recommend that the government have the ability to reduce water allocation to the mill but not increase it.

Amendment carried.

The Hon. P.F. CONLON: I move:

Page 6, lines 18 and 19—Delete ‘undertake consultation, in such manner as the minister thinks fit, with the holder of the licence’ and substitute:

‘consult, over a period of at least three months, in such manner as the minister thinks fit, with the holder of the licence, the relevant regional NRM board (under the Natural Resources Management Act 2004) and any other persons who, in the opinion of the minister, have a substantial interest in the recommendation’.

This amendment relates to the consultation required if an order is to be made consistent with earlier discussion on this clause. Essentially the bill as it stands requires consultation with the holder of the licence, but the amendment would set down a period of consultation and broaden the scope of those legislatively required to be consulted, including the relevant natural resources management board and anyone else with a substantial interest. My understanding of the views of the committee, consistent with the discussion earlier and consistent with the view that this is one of the key substantial issues in the act, is that the legislation itself should give greater direction to the minister as to necessary consultation.

Mr WILLIAMS: I said in my contribution to the last amendment that one of the principal functions of clause 8 is to take the functionality for water matters away from one minister and have them reside with another minister with regard to this project. The committee is recommending that, notwithstanding that, we want to ensure that this other minister must still have regard via discussions with the local NRM board. Notwithstanding that we accept that it is an ideal situation for the Minister for Forestry, who is and hopefully will continue to be at arm’s length or at least a different person wearing a different hat from the minister administering the NRM act, they must be cognisant of what the NRM board is doing, what are its policies and where it hopes to move with future planning. This simply clarifies that and ensures that there remains a connection and advice flowing to the minister from the NRM processes.

Mr HANNA: From the outset I was always keen for government action such as this having an impact on water allocation in the region to be the subject of consultation with the NRM board at least, which makes sense. I am not saying it does not happen at the moment but, if we are to have legislation specifying that sort of government power, we should also specify that degree of consultation. I am pleased to see the government picking up that recommendation.

Amendment carried; clause as amended passed.

Clause 9.

The Hon. P.F. CONLON: I indicate that this clause will be opposed. It is listed as amendment No. 4 as circulated but, in effect, we are opposing the clause. I am not quite sure that I have ever done anything like this before, but the amendment is to oppose clause 9 as set out in the bill. This is the clause—and there has been some discussion about this already—that would call up the forest threshold expansion policy. It was the studied and, I understand, unanimous opinion of the select committee that that was not appropriate in this bill; and we are happy to amend the bill according to the unanimous view of the select committee.

Mr WILLIAMS: Again, clause 9 as presented in the original bill is the other very controversial clause, and it goes to the heart of water allocations in the South-East. It is interesting that, in the time between when the bill was introduced in this house, debate first started and today (when we are now noting the report and concluding the debate on the bill), there have been significant changes, such that minister Gago in another place issued a statement which said

that, as from that date (either 30 or 31 July), forest activity would be obliged to account for what is referred to as ‘direct extraction from the watertable’.

I will come back to that in a moment, but I reiterate what I said earlier that the local NRM board is in a statutory process in terms of developing its new water allocation plan for the region; and, of course, the impact of forestry is an integral part of that. Certainly, the decision to make this recommendation was unanimous. The reasons behind individual members of the committee agreeing to this recommendation did vary, but probably the most compelling one is that the forestry threshold expansion policy has taken a volume of water, which has been set aside in the water budget, and said, ‘This quantum of water will be set aside for future development in the forestry sector.’

The same thing has happened with regard to other industries. Some other industries argue that that is not the case, but, in reality, of the quantum of water that has been allocated through licence allocations to other industries in the region—and principally to irrigators—only a percentage of it is being used today. Most irrigators hold a licence, a portion of which they are not utilising at the moment but which they will use for future expansion of their industry. The forestry sector under this policy (which was, I guess, agreed to after at least three years of debate in the local community) was also given a quantum of the total of the resource and told that that would allow for their expansion into the future.

The forestry industry, notwithstanding what a lot of people have argued, was not being given a leg up—it was not being given anything that has not been given to any other industry. Interestingly, the debate with regard to forests and the water use hinges on two different types of water use. One argument is that forests actually prevent the natural rainfall from getting through the soil profile and reaching the underlying water-tables and therefore contributing to what we call ‘recharge’ of the aquifer. As we are debating this, the local NRM board is working through establishing a policy which would say, ‘Notwithstanding that you have a water licence, if we find that, due to sustainability matters (whether that be through lack of quality or quantity), we have to reduce the licences to irrigators, we would reduce licences to the forestry sector at the same rate.’ So, it wishes to allocate a volume of water as a licence to a forest operator, which it has calculated as what the forest would use, or the impact of the forest on both the recharge and direct extraction (which I will come to in a minute). It is saying, ‘We will allocate you that volume of water. If we reduce the volumetric allocation to the irrigator down the road, we will also set the same obligation for a reduction on your forest activity, and when you clear fell that forest, if there is a 10 per cent reduction across the board, 10 per cent of your forest area will not be allowed to be replanted.’

It is an interesting concept, particularly because it is predicated on the idea that the forest allows less water to reach the aquifer than would a grassland or a pasture that is grazing sheep. The reality is that the majority of the forests that currently exist in the South-East did not replace pasture; in fact, they replaced native forests. So, the reality is that the net effect and the net impact of existing forests—particularly the pinus forests across the South-East—on recharge to the aquifer has been absolutely zero.

It is a point which the irrigation lobby, which represents a number of irrigation industries, fails to acknowledge, and which the natural resource management board (and I have argued this plenty of times before, because I believe that

board has been captured by the irrigation lobby) also fails to acknowledge. However, the reality is that the vast majority of the softwood plantations in the South-East have replaced native forests and, therefore, have had no negative impact on the amount of recharge getting into the watertable.

The other issue that is causing consternation in the local area is the impact of what we call direct extraction, where we plant a forest (and a lot of the blue gums are planted in these circumstances) where the watertable is close to the surface; in many cases the standing watertable is only a metre and a half below the surface and, in the height of winter, quite often it virtually comes to the surface. Again, interestingly, the argument is predicated on the difference between the impact it would have on a pasture and the impact it would have by planting a forest. The argument now is that, if the watertable is closer to the surface than six metres, the forest directly extracts water from the watertable; therefore, we will penalise the forest grower, or oblige them to hold a water licence of some sort to account for that water use.

Interestingly, a little further north in the South-East, we have a project (and I think the final cost is about \$70 million) where we are digging drains to ameliorate the impacts of dryland salinity. It is important that we understand what dryland salinity is. Where a watertable is close to the surface—within 1.2 metres is the accepted standard—the capillary action—that is, the water just rising through and dampening up the soil profile—will reach the surface, if the watertable is within 1.2 metres, and the water will evaporate during the summer months, leaving behind the salt that is in that water in the watertable. What we know in the Upper South-East is that the capillary action ensures that the watertable dampens up the soil surface to a level of at least 1.2 metres above the watertable.

I would argue that, where the watertable is within 1.5 metres of the surface, even grasslands and pasture species will be directly extracting water from the watertable, because the water is rising up due to capillary action and getting within a few centimetres of the surface, and even grass will use water from that watertable. Again, that is an issue that has been ignored by the local NRM board, and the numbers that it is using to suggest how much impact grassland or pasture has on the water balance are based on science that has been carried out where watertables are much further below the surface. So, this is an ongoing debate.

I am disappointed that minister Gago in the other place made her statement at the end of July, because I believe that she has pre-empted the statutory consultation that the NRM board has to go through. She has prevented the forestry sector from rightfully making its points, putting its arguments and presenting an alternative to the science that she is relying on. Having had the ability to review the science that the minister is relying on, there are certainly a number of unanswered questions, including the two that I have just proposed. The opposition supports the committee's recommendation to delete clause 9 from the bill. It will make the bill much more palatable to many detractors (as we said earlier in noting the report), because this is a point of contention. Unfortunately, it also waters down the undertaking that the government gave to the proponents of the mill. I understand that one of the things the proponents asked for was security for the forestry industry so that the proponents could sign long-term contracts—I believe 20 year contracts—for wood supply.

The Hon. P.F. Conlon interjecting:

Mr WILLIAMS: No, but I understand that the government did undertake to present to the parliament a bill to try

to provide for the requirements of the proponents. The government will have to work its way through that with the proponents. I have one question for the minister. It is unfortunate that ill-health prevents the forestry minister from being here. The minister standing in for him today may not be able to answer the question, but I would like it on the record—whether the answer is given here or an answer is sought between the houses and put on the record in the other place—that the quantum of water, which is reflected in the forestry threshold expansion policy, will remain for the use of forestry and forestry expansion into the future. That level of assurance is the very least that the forestry industry is expecting, and I am sure it will be expecting some sort of definitive statement from the government along those lines; so I pose that question to the minister.

Mr HANNA: I am pleased there is support for this clause to be deleted from the bill. The question that arose was how a clause, which gave a certain security to the softwood industry, could be put into a bill that was to approve a mill that only used hardwood. At the hearings, I put that to Kirsten Gentle, South Australian manager of Timber Communities Australia, and the answer certainly clarified the timber industry's perspective. I said:

The guarantee in the bill is good for the softwood industry but not necessarily there for the pulp mill.

In part, she said:

Yes, Mount Gambier has been built on the softwood industry and look at the size of it now. However, it still needs security into the future, but needs to continue to build its plantations as well and be sustainable. You have to take into account the fires and everything like that. Then we have the blue gum in regard to sustaining the pulp mill.

That sums it up and makes it clear that the inclusion of a softwood component, in reflecting the forest expansion policy in the legislation, was for reasons which had nothing to do with the pulp mill; so it is appropriate that it came out. The minister for environment intervened and on 31 July made it clear with her announcement that direct extraction must be accounted for by the timber industry, from that point onwards at least. Clearly, this is the direction in which the NRM board was heading in any case, and no doubt the water allocation policy—which we expect to be published next year—will reflect that. Therefore, the timber industry has gained certainty even if it has not gained the degree of water security it wished.

The Hon. P.F. CONLON: In relation to the question of the opposition's spokesperson, I have a view on it but I think it is best if we take advice between the houses to get a proper answer as this issue involves two ministers and it also involves ministers who have had discussions with many parties to which I have not been privy. I would say that the issue of water policy, water allocation and water security in the South-East is one on which there is a very large number of very strong viewpoints, and it is the desire of the government that we get the right policy on water allocation and water security. That has been the motivation of the government.

The specifics of it, in the interests of fairness to principal ministers dealing with this, should be supplied by them—or whoever can supply it for the absent Rory McEwen—between the houses and it will ensure that whatever I say does not have to be corrected subsequently.

Clause negatived.

Clauses 10 to 14 passed.

Schedule 1.

The Hon. P.F. CONLON: I move:

Page 10, line 26—Delete ‘proponent’ and substitute: person undertaking the project

As I understand it, where the rest of the bill refers to the same subject matter, it refers to the person undertaking the project and not the proponent. I am not quite sure why it was drafted in this way in this provision, but this makes it consistent with the drafting of the remainder of the bill.

Amendment carried.

The Hon. P.F. CONLON: I move:

Page 11, after line 19—Insert:

5A—Conditions relating to soil testing

Prior to the operation of the pulp mill, the person undertaking the project must—

- (a) in accordance with any written directions of the minister, obtain, and have analysed, samples of soil from land that is, or may be, affected by the pulp mill; and
- (b) provide a report to the minister detailing the results of the analysis.

5B—Conditions relating to dioxin testing

- (1) The pulp mill must be designed, constructed and operated so that the level of dioxin emitted in the waste gas from the boiler combustion zone does not, at any time, exceed 0.1 nanograms per cubic metre at standard temperature and pressure, dry basis.
- (2) Testing for dioxin in the waste gas from the boiler combustion zone must be undertaken immediately after the end of the commissioning period for the pulp mill and at least once every 12 months thereafter and the results of the testing must be reported to the minister.

This amendment inserts clauses 5A and 5B. The first insertion refers to conditions related to soil testing. It requires the person undertaking the project to obtain and analyse samples of soil from the land and prepare a report, the purpose of that being to set a baseline for the quality and nature of the soil at the commencement of the pulp mill against which to work any further testing effects, potential effects or possible effects of the pulp mill on the soil. I understand that this, again, is a provision unanimously supported by the select committee.

Clause 5B sets out conditions relating to the dioxin testing. It is my understanding that this was a result of a public submission, and the committee considered that public submission and was persuaded by the argument.

Amendment carried.

The Hon. P.F. CONLON: I move:

Page 13—After the entry relating to ‘chloromethane (methyl chloride)’ insert:

Chlorophenol Toxicity 3-minute 0.083

Page 14—After the entry relating to ‘2-pentanone’ insert:

Phosphoric acid Toxicity 3-minute 0.033

This makes an addition to schedule 1 and inserts in the schedule, after the entry relating to chloromethane, chlorophenol and its toxicity. On my understanding, it lists some provisions that have been the result of EPA recommendations, but I understand that the original was as a result of public submissions on the bill which were adopted by the select committee. Similarly, the phosphoric acid is the same story. It was the result of public submissions and the data set out beside the relevant substance are those recommendations of the EPA, as I understand it.

Amendments carried.

The Hon. P.F. CONLON: I move:

Page 15—Delete ‘Wood dust’ and substitute:

Wood dust¹

- 1 Wood dust is the particulate emission generated prior to the pulping process in the sawing, milling or other mechanical treatment of seasoned hardwoods and softwoods. Environment Protection Authority guidelines

class wood dust as a group 1 carcinogen due to the toxic resins present in the seasoned timber.

The process is that, originally, like amendments Nos 7 and 8, it was suggested in submissions that this should be in there, and the EPA set some standards for it. However, in subsequent drafting, it was observed that, as it stood, there was not sufficient clarity between wood dust that was a product of material coming into the mill and dust that might emanate from pulp after it has been treated. The purpose of the further amendment is to make it clear that ‘wood dust’ refers to wood dust from the material going into the mill to be turned into pulp.

Amendment carried; schedule as amended passed.

Schedule 2.

The Hon. P.F. CONLON: This schedule is opposed. This flows from the earlier amendment that removed the reference to the threshold expansion policy. Because it has been removed earlier, there is no need to have a schedule for it.

Schedule negated.

Title passed.

Bill reported with amendment.

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

That this bill be now read a third time.

I thank the members of the select committee for the work that was done. They dealt with a large number of very divergent viewpoints and came up with what we believe is a very decent outcome in the circumstances. The committee has arrived at a provision for people doing this work to create a pulp mill in the South-East which, shall I say, has a number of benefits that have been talked about before but, from the perspective of the Minister for Transport, also gives a tremendous benefit in terms of the transportation of blue gum chips in the South-East. It has been a matter of concern, and I know it is a concern shared by the opposition spokesperson, because we have spoken on occasions about how those blue gum chips get to market. This mill, if it goes ahead, will have a tremendous benefit in that regard.

My understanding is that if a pulp mill under these circumstances cannot be built, it is unlikely you will build any sort of pulp mill in the South-East, and I do not think anyone believes we should not be using pulp products. The truth is we will always have an appetite for them. So, I thank the opposition and the member for Mitchell, and the members for Ashford and Newland on my side, for their work on the committee, and commend the bill to the house.

Mr HANNA (Mitchell): I would like to make some brief points at this final stage of the debate. First, I note that we have not touched upon clause 10, which removes the possibility of judicial review once the bill is authorised by parliament. I simply stress that it is a very serious step to take for the parliament to remove the right to judicial review—in other words, to prevent citizens from going to the courts to protect what would otherwise be their rights—and the committee recognised this in its report.

Secondly, in his remarks just then the minister raised the issue of whether a mill will be built in the South-East at all. One of the most interesting contributions in terms of witnesses was from Mr McColl, an orchardist of the South-East, who submitted that if you were to put a value on each megalitre of water used on each different type of crop—including forestry, grapes, etc.—you may actually question whether

forestry was the best economic use of the land. Another interesting piece of evidence was from the timber industry itself, suggesting that there would be a substantial gap in timber production about 10 years from now and up to about 15 years from now, and there is a real question mark about whether the mill will be economical at those times when there is less than peak production because of insufficient blue gum.

It looks as if the parliament will be approving the mill, subject to the deliberations of the Legislative Council, but, at the end of the day, the impact on the water resource of the direct extraction by forestry needs to be taken into account. The Minister for Environment and Conservation has ensured that it will, and that is also the view of the NRM board in the South-East. It is interesting to note that the shadow spokesperson on this issue, Mr Williams, has a different view of the evidence regarding forestry and its use—perhaps that is because he has a greater knowledge of the history of the development of the industry in the South-East—but I must say that the majority of witnesses seemed to be quite clear that forestry had to be on a level playing field with other industries in the South-East.

Finally, I would like to refer to the absence of the Minister for Forests, the Hon. Rory McEwen. I think all members would join with me in expressing regret at his recent illness and we hope he will be back amongst us soon.

Bill read a third time and passed.

[Sitting suspended from 12.59 to 2 p.m.]

ASSENT TO BILLS

His Excellency the Governor's Deputy, by message, assented to the following bills:

- Appropriation,
- Correctional Services (Miscellaneous) Amendment,
- Criminal Law (Clamping, Impounding and Forfeiture of Vehicles),
- Criminal Law (Sentencing) (Dangerous Offenders) Amendment,
- Murray-Darling Basin (Amending Agreement) Amendment,
- Natural Resources Management (Water Resources and Other Matters) Amendment,
- Protective Security,
- Public Finance and Audit (Certification of Financial Statements) Amendment,
- Statutes Amendment (Budget 2007),
- Statutes Amendment (Real Estate Industry Reform).

SCHOOL BUDGETS

Petitions signed by 140 residents of South Australia requesting the house to urge the government to reject cuts to public school and preschool budgets and ensure funding of public education to enable each student to achieve their full potential were presented by the Hon. K.O. Foley and Mr Goldsworthy.

Petitions received.

SOLID WASTE LEVY

A petition signed by 201 residents of South Australia requesting the house to urge the government to ensure that all funding raised from the solid waste levy is used in programs

designed to meet the SA Strategic Plan target for reduction of waste to landfill was presented by Mr Pengilly.

Petition received.

BRADKEN FOUNDRY

A petition signed by 1 189 residents of South Australia requesting the house to urge the government not to proceed with any approval of a proposed expansion of the Bradken foundry at Kilburn under the present major project status process was presented by Mr Rau.

Petition received.

SCHOOLS, AQUATICS PROGRAMS

A petition signed by 25 residents of South Australia requesting the house to urge the government to maintain funding to school swimming and aquatics programs was presented by Dr McFetridge.

Petition received.

QUEEN ELIZABETH HOSPITAL

A petition signed by 2 111 residents of South Australia requesting the house to urge the government to maintain the many facilities at the Queen Elizabeth Hospital for the convenience of the people of the western districts was presented by Ms Chapman.

Petition received.

MODBURY HOSPITAL

A petition signed by 285 residents of South Australia requesting the house to urge the government not to proceed with the closure of Modbury Hospital's obstetrics department was presented by Ms Chapman.

Petition received.

ROYAL ADELAIDE HOSPITAL

A petition signed by 269 residents of South Australia requesting the house to urge the government to invite the people of South Australia to have their say regarding the renaming and relocation of the Royal Adelaide Hospital was presented by Ms Chapman.

Petition received.

HOSPITAL BOARDS

A petition signed by 199 residents of South Australia requesting the house to urge the government to retain individual Hospital boards was presented by Ms Chapman.

Petition received.

CLERK, APPOINTMENT

The SPEAKER: I report to the house that over the break the parliament advertised nationally for a person to fill the office of Clerk. As a result, and having consulted with both the Premier and the Leader of the Opposition, I have appointed Mr Malcolm Lehman as Clerk of the House of Assembly.

QUESTIONS

The SPEAKER: I direct that the written answers to questions, as detailed in the schedule I now table, be distributed and printed in *Hansard*: Nos 1, 7, 8, 18, 26, 27, 75 and 206.

SCHOOL BUSES

1. The Hon. G.M. GUNN:

1. What arrangements is the Department making to assist the students at Spalding caused by the insensitive decision to cancel their school bus?

2. Is the Minister aware of the high levels of stress in rural areas and why are they taking actions that could put more stress on hard working families?

3. Is the Minister prepared, in the interests of fairness, to review the decision to remove the Spalding school bus?

4. How many other school buses is the Department attempting to remove in rural South Australia?

The Hon. J.D. LOMAX-SMITH: The State Government is well aware of the difficulties and stresses facing rural and regional communities as a result of the drought. The Government's drought response commitment provides up to \$60 million in economic and social assistance to drought affected communities.

One measure introduced as part of the Government's drought response is a moratorium on the withdrawal of school bus routes in drought affected areas for the 2007 school year. This moratorium extends to the Spalding bus route and therefore to suggest the bus has been cancelled is incorrect.

A further review of the Spalding school bus service will be undertaken by the Transport Services Unit during Term 4 2007. Reviews of school bus routes and transport assistance provided to students across the State are conducted on a regular basis to ensure that bus routes are operating in accordance with the School Transport Policy.

The School Transport Policy has remained unchanged since the 1980s and has been consistently applied by successive governments to ensure equitable transport assistance for all rural students. It was the application of the same policy that led to the cancellation of 110 bus routes by the previous Liberal State Government between 1994 and 2002.

ASBESTOS

7. Mr PISONI: With respect to all Departmental schools and buildings located in the Unley electorate and surrounding areas:

- (a) which buildings contain asbestos;
- (b) what plans are there to remove the temporary asbestos buildings from these sites;
- (c) how often is repair or maintenance work carried out on them and what is the ongoing maintenance schedule; and
- (d) have all the Departmental guidelines and procedures relating to asbestos management and removal been followed on each occasion?

The Hon. J.D. LOMAX-SMITH: The Department of Education and Children's Services (DECS) has advised:

DECS school and preschool buildings containing asbestos product in the Unley electorate are listed below. The information is taken from site asbestos registers.

Site Name	Building Numbers
Bertram Hawker Kindergarten	01
Glen Osmond Primary School	02, 03, 04, 05
Glenunga International High School	01, 01A, 01B, 01D, 05
Grove Kindergarten	01
Highgate Junior Primary & Primary Schools	01, 02, 03, 05, 05A, 06, 19, 20, 21, 23, 25, 26
Parkside Primary School	02A, 06
Unley Kindergarten	01
Unley Primary School	01, 02, 03, 04, 04A, 05, 08, 12,

In the development of Asset Management Plans for sites an assessment is undertaken of the site buildings to determine the management strategy for asbestos at each site.

Works records maintained by Department of Transport, Energy and Infrastructure indicate that 6 works involving asbestos material

have occurred in DECS schools and preschools in the Unley electorate since 1 July 2004.

Spotless Services Australia Ltd, the Government Facility Management Contractor responsible for the management of works in this area, has advised that the above works were/are being completed in accordance with departmental guidelines and procedures.

8. Mr PISONI:

1. Are the Departmental records of employees, students, contractors and other personnel who have been exposed to asbestos in Departmental buildings currently up to date, and in accordance with the Occupational Health Safety and Welfare—Asbestos Management Procedure?

2. How are Departmental employees advised of the existence of asbestos in their working environment?

The Hon. J.D. LOMAX-SMITH: I have been advised by the Department of Education and Children's Service (DECS) that DECS OHS&W Services maintains a register of any persons who have ever lodged a report of potential personal exposure to airborne asbestos fibres on DECS sites. This register is in line with occupational health safety and welfare and asbestos management procedures and is up to date.

An asbestos register has been developed for all DECS sites by the Asbestos Management Unit of Department of Transport, Energy and Infrastructure. This register describes the type of material as well as its location and condition.

Signage is installed in a visible location near the entrance of buildings that contain asbestos products as a warning to occupants and also to contractors who may be required to undertake work on the building.

BROADBAND ROLLOUT

18. Dr McFETRIDGE:

1. Has the broadband rollout in South Australia been completed and if not, what percentage is yet to be completed and which locations still do not have coverage?

2. What has been the total cost of South Australia's broadband rollout?

The Hon. P. CAICA: The 2003-04 State Budget provided an allocation of \$8.37 million over four years for the development of a broadband program, Broadband SA, including the development of a State Broadband Strategy, the establishment of a cross-agency consultative group to consider state broadband issues, a broadband capability 'mapping' and the Broadband Development Fund (BDF), a four-year, \$7 million fund for investment in infrastructure to increase access and affordability of broadband services throughout South Australia.

Broadband demand aggregation projects, which identify the level and location of demand for broadband services, have now been completed in all the non-metropolitan regions of South Australia.

Broadband projects, supported by the BDF, have enabled the deployment of broadband in the Yorke Peninsula, Port Lincoln, Whyalla, Port Augusta, Kangaroo Island, the Coorong District, the Barossa and Light Region and the City of Salisbury. These projects have involved a variety of telecommunications providers, namely Amcom Telecommunications, Internode/Agile, Silk Telecoms and Telstra.

An extremely successful process, drawing on the support and collaboration of all levels of government and the private telecommunications industry has been adopted. Recent changes to the Federal Government's programs for the support of broadband rollout, however, have caused uncertainty for recently deployed broadband projects and those still in the planning phase. The transition from the previous Broadband Connect subsidy scheme to the new Australian Broadband Guarantee affected the anticipated funding that would have been provided to projects in Yorke Peninsula, the Barossa and Light Region and the Coorong District. It has also delayed the implementation phases for projects in Eyre Region, Fleurieu, Adelaide Hills, Central Local Government Region, Murray and Mallee LGA and the South East LGA.

In a press release on 12 April 2007 announcing further modifications to the Australian Broadband Guarantee, the Federal Minister for Communications, Information Technology and the Arts, Senator Helen Coonan stated that the Federal Government 'particularly wanted to ensure that a number of important projects in South Australia were properly accommodated under the program.'

Such recognition highlights the successful process that was in place as the result of South Australian Government policy for the delivery of broadband services in this state.

Other South Australian Government projects have been delivering specific broadband services into regional centres around South Australia. This activity has been completed in Port Lincoln, Whyalla and Port Augusta and is about to begin in Mount Gambier. Further projects for Port Pirie, Murray Bridge, Berri and other Riverland towns are also scheduled.

Specialised broadband services for the research and education sector have been delivered through the South Australian Broadband Research and Education Network, called SABRENet. This project has constructed and will operate an optical-fibre telecommunications network linking major research sites in metropolitan Adelaide.

Separately, broadband coverage in South Australia has been progressed through other activity such as the deployment of broadband in selected telephone exchange areas by Telstra, sometimes triggered by the competitive pressure of community-based projects funded through the BDF. Other providers are maintaining a competitive market by installing their own broadband service equipment in Telstra exchanges, particularly within the metropolitan area.

Any analysis of the extent of broadband coverage in the state is dependent on considerations of the technology concerned. The entire state is covered by satellite broadband services but many people do not wish to use satellite services because of issues regarding cost and performance.

The total cost of South Australia's broadband rollout consists of funds from several sources. The South Australian Government, the Federal Government, telecommunications companies and local community organisations have all contributed to that cost.

The South Australian Government component to regional community-based projects has occurred through the BDF which was launched in December 2003. To date BDF funding approvals,

totalling \$4.004 million, have been made for the broadband infrastructure projects in Yorke Peninsula, Eyre Region, Port Lincoln, Whyalla, Port Augusta, Kangaroo Island, the Coorong District, City of Salisbury, Barossa & Light and Mount Gambier. A further \$0.289 million from the BDF has been provided to community-based regional organisations to assist their project planning processes.

South Australian Government agencies have contributed \$1.178 million for the Port Lincoln, Whyalla and Port Augusta project and have committed \$1.670 million for the projects in Mount Gambier, Port Pirie, Murray Bridge, Berri and Riverland towns.

For the SABRENet backbone construction, \$233,000 was contributed by the South Australian Government.

INDUSTRY ASSISTANCE SCHEME

26. **Dr McFETRIDGE:**

1. How many Industry Assistance Scheme contracts are currently in operation and how much funding assistance has been provided to each of these contracts?

2. What are the current Structural Adjustment Fund arrangements in place with Mitsubishi Australia?

3. Which companies receive funding through the Strategic Industry Support Fund, how much do they receive and what are the details of each project?

4. How many Industry Assistance projects are currently being administered by the South Australian Finance Authority since March 2002 and since 20 June 2006, respectively, and in each case, what is the value of these contracts?

The Hon. K.O. FOLEY: I have been advised the following:

1. The following table summarises the Industry Assistance Scheme contracts currently (as at 30 June 2007) in operation and funding assistance provided:

Industry Assistance Schemes:	Contracts	Total assistance paid
Industry Investment Attraction Fund (IIAF)	306	\$227 million
Rail Reform Transition Fund (RRTF)	10	\$2.4 million
Strategic Industry Support Fund (SISF)	2	Refer to 3. below
Structural Adjustment Fund for South Australia (SAFSA)	19	\$2.1 million

2. There are no Structural Adjustment fund arrangements with Mitsubishi Australia.

3. Two companies have received assistance through the Strategic Industry Support Fund. The non-confidential details of these two contracts are published on the SA Government's tenders and contracts website: <http://www.tenders.sa.gov.au>.

4. Effective 1 July 2005, the South Australian Government Financing Authority administers all industry assistance contracts as outlined in the response to question 1. Specific contract information relating to the two dates requested is as follows:

Period	Contracts	Total assistance paid
Contracts executed between March 2002 and 20 June 2006	51 contracts	\$47 million
Contracts executed since 20 June 2006	12 contracts	\$2.3 million

Of the contracts executed since March 2002 and up to 20 June 2006, 48 contracts with a value of \$46 million were initiated prior to March 2002.

IT TENDERING PROCESS

27. **Dr McFETRIDGE:** What projects or programs have been discontinued as a result of the new IT tendering process outlined in the 2006-07 Budget?

The Hon. P. CAICA: I am advised that no projects or programs have been discontinued as a result of the Future ICT Service Arrangements Program (Future ICT).

INTERNAL AUDIT PLAN

75. **Dr McFETRIDGE:** Has the Internal Audit Plan for 2006-09 been finalised and in place, or is it still awaiting endorsement by the Audit and Risk Committee?

The Hon. K.O. FOLEY: The Department of Trade and Economic Development (DTED) has advised the following:

The Internal Audit Plan for 2006-2009 for DTED has been endorsed by the Audit and Risk Management Committee (ARMC) as at the 12 October 2006 ARMC meeting. The plan has been finalised and is in place.

McDONALD, Mr S.

206. **Ms CHAPMAN:** How many legal actions are there pending seeking compensation against the Government arising out of the Government's failure to act on information given to the Health Department regarding the behaviour of Stuart McDonald?

The Hon. J.D. HILL: I am advised:

There are no legal actions seeking compensation from the Government relating to the information given to the Department of Health, regarding the behaviour of Stuart McDonald.

PAPERS TABLED

The following papers were laid on the table:
By the Speaker—

Economic and Finance Committee Annual Report 2006-07 which has been received and published pursuant to section 17(7) of the Parliamentary Committees Act 1991

- District Council of Coober Pedy—Report 2005-06—
Pursuant to section 131 of the Local Government Act 1999
- Register of House of Assembly Member's Interests—
Registrar's Statement June 2006—Ordered to be published
- By the Premier (Hon. M.D. Rann)—
Capital City Committee, Adelaide—Report 2006-07
Government Boards and Committees Information as at 30 June 2007 (Listing of Boards and Committees by Portfolio)
- By the Minister for Transport (Hon. P.F. Conlon)—
Development Act—Interim Operation of the Land Not Within a Council Area—Eyre, Far North, Riverland and Whyalla Development Plans; Land Not Within a Council Area—Consolidated and Better Development Plan (BDP) Conversion Plan Amendment Report by the Minister
Memorandum of Lease between the Minister for Transport and Genesee and Wyoming Australia Pty Ltd
Regulations under the following Acts—
Development—
Commercial Forestry
Development—Division of Land
Road Traffic—
Ancillary and Miscellaneous
Safety Helmets
Special Purpose Vehicles
Firearms—Exemptions for Exhibitors
Public Corporations—Port Adelaide Maritime Corporation
Rules—
Road Traffic—Vehicle Standards
- By the Minister for Infrastructure (Hon. P.F. Conlon)—
Track Infrastructure Schedule, Approvals to Remove—
Report 2006-07
Regulations under the following Act—
Survey—General
- By the Minister for Energy (Hon. P.F. Conlon)—
Regulations under the following Acts—
Electricity—Licence Fees and Returns
Gas—Licence Fees and Returns
- By the Attorney-General (Hon. M.J. Atkinson)—
Coronial Inquiry into the Death in Custody of—
Renato Dooma—August 2007
Stuart Murray Chalklen—July 2007
Electoral Report—South Australian Election held on 18 March 2006
Electoral Statistics—South Australian Election held on 18 March 2006
Terrorism (Preventative Detention) Act 2005, Report of the Attorney-General pursuant to section 48—2006-07
Regulations under the following Acts—
Justices of the Peace—Special Justice
Subordinate Legislation—Postponement of Expiry
Summary Procedure—
Industrial Offences
Witness Fees
Rules of Court—
Supreme Court—Bail Review
- By the Minister for Health (Hon. J.D. Hill)—
Natural Resources Management Act 2004, Report on the Review of
Ministerial Statement—Groundwater Extraction in the South East
Regulations under the following Acts—
National Parks and Wildlife—Witjira National Park
Prevention of Cruelty to Animals—
Electrical Devices
Rodeos
- By the Minister Assisting the Premier in the Arts (Hon. J.D. Hill)—
Regulations under the following Act—
Adelaide Festival Centre Trust—General
- By the Minister for Industrial Relations (Hon. M.J. Wright)—
Industrial Relations Advisory Committee—Report 2006-07
Regulations under the following Acts—
Shop Trading Hours—Expiry
Workers Rehabilitation and Compensation (Territorial Application of Act) Amendment—Territorial Application
Workers Rehabilitation and Compensation—
Designated Courts
- By the Minister for Education and Children's Services (Hon. J.D. Lomax-Smith)—
Teachers Registration Board of South Australia 2006
- By the Minister for Housing (Hon. J.W. Weatherill)—
Regulations under the following Acts—
Housing and Urban Development (Administrative Arrangements)—HomeStart Finance
South Australian Housing Trust—Affordable Housing
- By the Minister for Disability (Hon. J.W. Weatherill)—
Intellectual Disability Services Council—Report 2005-06
- By the Minister for State/Local Government Relations (Hon. J.M. Rankine)—
Rules—
Local Government—Superannuation—
Account Based Pension
New Pension Benefits
Local Government—By-laws—
City of Charles Sturt
By-law 1—Permits and Penalties
By-law 2—Moveable Signs
By-law 3—Local Government Land
By-law 4—Streets and Roads
By-law 6—Dogs and Cats
- By the Minister for Consumer Affairs (Hon. J.M. Rankine)—
Regulations under the following Act—
Liquor Licensing—
Clare High School
Loxton
- By the Minister for Employment, Training and Further Education (Hon. P. Caica)—
Education Adelaide Charter 2007-08
Education Adelaide Performance Statement—2007-08.

SANTOS

The Hon. M.D. RANN (Premier): I seek leave to make a ministerial statement.

Leave granted.

The Hon. M.D. RANN: On 1 May this year I announced that the government would conduct a review of the 28 year-old law limiting individual share ownership in Santos to 15 per cent. This review was initiated at the specific request of the company which believes that the cap now restricts Santos's growth potential. The cap was introduced in 1979 to prevent a takeover by Alan Bond. Thank God that the Corcoran government had the foresight to see this corporate raider, who had yet to become a hero over the America's Cup, long before he became publicly reviled around the world. This was an outstanding move by the then deputy premier Hugh Hudson. There were well founded concerns at the time about how the state's interest in having a secure and continuous supply of gas might be compromised if control of Santos and the Cooper Basin, then the sole source of gas into South Australia, fell into the hands of such an individual as

Alan Bond. The cap served South Australia well in this period.

Nevertheless, South Australia today receives gas from a number of sources, and it is at the centre of a national gas hub, taking supply from Victoria through the SEAGAS pipeline and with plans to connect Moomba—Adelaide to the Queensland system. The company believes the cap today restricts its share price and capital raising potential and that the cap is restrictive of the company's ability to grow. The downside of any removal of the cap would, of course, be the potential for a takeover by interstate or overseas interests. So, while there would be a major benefit to Santos shareholders in the removal of the cap, there are also risks for South Australia that need to be addressed. Some people talk about it being worth \$1.5 billion upwards to Santos's shareholdings.

Mr Hamilton-Smith interjecting:

The Hon. M.D. RANN: Yes, \$1.5 billion to \$2 billion. The approach of the South Australian government will, as I said at the announcement of the review, be driven unashamedly by maximising benefits to South Australia. I said:

The review will have to show, and the company will have to provide, clear benefits to South Australia from any move to lift the cap.

This position remains. The government is currently in discussions with Santos about securing a significant corporate presence, even in the event of a takeover of the company, and an ongoing and significant contribution by the company to development in this state.

Let me make myself clear. I am not philosophically opposed to removal of the cap, but this government will not legislate to remove the cap unless we can be satisfied that this will not result in the loss of significant corporate functions. There could be a massive dividend for Santos in removing the cap. I want to make sure that there is also a genuine dividend for South Australia.

I am pleased to note that South Australian Liberal Commonwealth ministers Senator Nick Minchin and Alexander Downer support this position. Each has said that they would like to see the removal of the cap but that South Australia should not lose the company's strong corporate presence. Santos has been a South Australian icon, and I am determined that any lifting of the cap be accompanied by firm assurances on maintaining a strong corporate presence, as well as an enduring contribution to the development of the state by way of projects, sponsorships and, of course, job security. We know where the opposition leader's federal colleagues stand, but where does the Leader of the South Australian Opposition stand?

Members interjecting:

The SPEAKER: Order!

Mr Hamilton-Smith: Unleash that rapier-like wit.

The SPEAKER: Order!

The Hon. M.D. RANN: It is interesting that the Leader of the Opposition says, 'Unleash that rapier-like wit.' Seeing that I am about to quote him directly, I think that that is unlikely. The Leader of the Opposition has described the review as 'a sham'; that, 'Mike Rann has made his mind up. He is going to allow Santos to be taken over and fall prey to global equity markets.' Finally—and this is the great champion of private enterprise:

The Rann government is clearly preparing the ground for Santos to be taken over by a multinational corporation with the simultaneous loss of head office functions interstate or overseas.

Of course, to lift the cap, you have to get it through both houses of parliament. So, the big message to Santos from the Leader of the Opposition is that they will not be supportive.

Members interjecting:

The SPEAKER: Order!

The Hon. M.D. RANN: Oh, he is softening; he is changing his position. At the very end of the statement—after slamming this, saying that removing the cap would be the end of civilisation as we know it—he says, 'We are open to the measure.' I am not quite sure how you can do that. He has vehemently opposed it, saying that it is a sham and that we will lose it to another state, to a multinational—but he is open to that. This is a man of resolve—he who dares wins. One could be forgiven for thinking that the Leader of the Opposition is confused. In the meantime, the government is in constructive discussions with Santos.

I have a great deal of time for both the Chairman of Santos and the CEO, John Ellice-Flint. We will continue to negotiate with them, but ultimately my message to Santos is this: what's in it for South Australia? That is the beginning and the end of it, as far as I'm concerned. A decision will be announced, I hope, by the end of the month.

Members interjecting:

The Hon. M.D. RANN: It is interesting that they are going to vote against it. That is good; we know where they stand, at least.

Members interjecting:

The SPEAKER: Order!

WATER SECURITY

The Hon. M.D. RANN (Premier): I seek leave to make another ministerial statement.

Leave granted.

The Hon. M.D. RANN: Less than one year ago, on 28 September 2006, the Minister for the River Murray released a statement saying that, for the fourth month in a row, water flowing into the River Murray had been at a record low. At that time, only 112 gegalitres had been recorded flowing into the river system during September, compared to the previous minimum of 178 gegalitres in 1902. The September inflow is usually around 1 558 gegalitres, not 112 gegalitres. This meant that 2006 was the driest winter on record.

South Australian irrigators had their water allocations cut from 80 per cent to 60 per cent of the entitlements by November, which was an act without precedent. It was the first time that water allocations for irrigators had ever been reduced mid-season. It was an indication of just how serious the drought was becoming for South Australia and the nation. That was less than a year ago. The Murray-Darling Basin Commission, state governments and the federal government responded quickly to this rapidly deteriorating situation. By October 2006, this government had established a Water Security Task Force to identify contingency options in the possible event of deteriorating water availability over the following two years.

The Prime Minister called a water summit in November 2006 to develop plans to deal with the emerging national crisis. Contingency planning arrangements for providing water to cities and towns reliant on the River Murray were established at the summit, and I attended that meeting. At that meeting, a senior Murray-Darling Basin Commission official informed the Prime Minister, and the premiers and water ministers who were present, that the Murray-Darling Basin was engineered to manage a one in 100-year drought, but

what we were facing in terms of inflows into the River Murray was more like a one in 1 000-year event.

Between December 2006 and May 2007 the Murray-Darling Basin states decided that the agreement that governed how water was shared between the states should be set aside so that critical human needs could be met. On 25 January this year, the Prime Minister announced a \$10 billion federal takeover of the whole Murray-Darling Basin system that included promises to upgrade Australia's irrigation infrastructure to build in more efficiencies and a buyback of water licences.

I then wrote to the Prime Minister and other premiers proposing that an independent authority manage the Murray-Darling Basin. Two weeks later, having announced my support for a federal takeover, provided there were certain safeguards built in, I negotiated with other premiers to secure their support for the independent authority.

Members interjecting:

The SPEAKER: Order!

The Hon. M.D. RANN: That was prior to a meeting convened by the Prime Minister in Canberra on 23 February that was designed to secure the Murray-Darling Basin premiers' support for the federal takeover bid. I backed the plan to relinquish the states' rights to the river management, but only on the condition that the system was managed by an independent authority made up of non-partisan experts with bipartisan support. I also made it conditional that the decisions and advice of the independent authority would be made public, and any federal minister, whatever their political persuasion, acting contrary to the advice would need to table the reasons for doing so in federal parliament.

Following the breakdown of its negotiations with Victoria, the commonwealth proceeded in August to pass the Water Act 2007 based on its own constitutional powers to partially implement its national plan for water security. In line with the agreement I brokered, the Water Act 2007 establishes a new, expert-based Murray-Darling Basin Authority that will develop a basin plan and set enforceable and sustainable diversion limits. The new authority will operate alongside the Murray-Darling Basin Commission, which will continue to run river operations, salinity management works and other programs, such as the Living Murray Initiative.

South Australia remains committed to passing complementary legislation, with the commonwealth and other states, to achieve the best outcomes for the River Murray and South Australia's water security. I note that last Friday the commonwealth advertised for a chair and chief executive of the newly created Murray-Darling Basin Authority. In April this year, the Prime Minister wrote to the premiers, stating:

In addition to the potentially devastating effects on agriculture on what could be zero allocations at the start of the irrigation season. . . all outside water used for domestic purposes dependent on the southern Murray-Darling Basin supplies should be prohibited from 1 July 2007.

Signed John Howard. In June—

Members interjecting:

The Hon. M.D. RANN: Apparently, the Prime Minister was wrong. They are all putting the knives into the back of Prime Minister John Howard like a scene from *Julius Caesar*. It seems that the push is being led by South Australian federal MPs. We know what Christopher Pyne thinks of the Prime Minister, and we know about his advocacy for, of course, Mr Costello.

In June, the premiers agreed to this and other water-sharing arrangements endorsed by the Prime Minister; and,

although South Australia agreed to the prohibition of sprinklers and drippers, we allowed for some outside watering with watering cans and buckets. Even though the Prime Minister wrote to the premiers advising that the federal environment minister, Malcolm Turnbull, would be responsible for the effective implementation of the arrangements, Mr Turnbull publicly walked away from water restrictions earlier this month.

It is interesting that, in his desperation to hang onto a safe Liberal seat in Sydney, he is prepared to say anything. It is apparently Mr Turnbull, as well as Mr Downer, who is reported today to be doing the tapping on the shoulder! On 31 August Mr Turnbull told Adelaide radio that how the Minister for Water Security managed water restrictions was 'entirely her concern'. He said:

. . . she's got to manage the water-saving measures in Adelaide in the best way that she can see fit.

That is totally undermining what the Prime Minister had written to the premiers. This September River Murray inflows across the border are the lowest they have ever been at less than 30 per cent of the normal flows at this time of the year. This severe and unusual drought event brought into stark focus the fact that Adelaide can no longer rely on upstream Murray-Darling dams to back up our storages in the Adelaide Hills at times of extreme drought. To buffer our city against the years of low rainfall and drought, it is obvious that we need to find more storage and alternative sources of water supply.

Since settlement Australians have relied on the rain that falls in our water catchments. We have built dams and we have invested in reuse of wastewater and stormwater harvesting, but this year has severely tested the reliability of these resources. That is why, in March this year, the government commissioned the Desalination Working Group, chaired by South Australia's independent Murray-Darling Basin Commissioner and former chief executive of the Department of Premier and Cabinet, Ian Kowalick, to thoroughly investigate alternative sources of supplying water for the future, including desalination.

Mr Griffiths interjecting:

The Hon. M.D. RANN: Oh, you don't know Ian Kowalick? Ian Kowalick was the head of the Department of the Premier and Cabinet under John Olsen. The work of this group has been extensive and is on track to report to cabinet in October as previously announced. In the June state budget, the government allocated \$3 million for a comprehensive environmental base-line study of the Gulf of St Vincent—a necessary precondition of any go-ahead of desalination. Then, in June this year, I announced details of a concept plan to double Adelaide's water storage capacity in the Mount Lofty Ranges from 190 gigalitres to 384 gigalitres by vastly increasing the capacity of the Mount Bold reservoir.

In terms of better managing our water, this government has been investing in infrastructure and upgrading our wastewater treatment plants across the metropolitan area. The approved recycling projects when completed will mean that nearly 45 per cent of our wastewater will be recycled—well ahead of the national average of 9 per cent, and that includes South Australia. SA Water's capital expenditure has increased by 52 per cent in the past five years to \$658 million compared to the previous five years under the former Liberal government, and that is the difference.

You cut back on capital works, and that is the real difference under this government. The capital expenditure is

forecast to increase a further 60 per cent over the next five years. We have legislated to better manage our stormwater in partnership with local government. As part of our emergency drought contingency arrangements—now this is something that should interest members opposite—pump inlets on the River Murray providing water to Adelaide are being lowered. This will ensure access to water in the event that the river level continues to fall.

Current predictions on the lake levels, combined with the depths the pumps can be operated at, mean the decision to build an emergency temporary weir can now be delayed until at least June next year. I hope that will not be necessary.

Members interjecting:

The Hon. M.D. RANN: Members opposite clearly want a weir: okay. Today, in light of both speculation and misinformation being put out around the state, I would like to update the house on the government's progress in investigating the feasibility of both a desalination plant for Adelaide and increasing the capacity of the Mount Bold reservoir. At this stage, the government's preference for our long-term water security is to build both. A desalination plant, in my view, is inevitable. However—

Members interjecting:

The Hon. M.D. RANN: Oh, they are opposed to it? But let us go on. However—

Members interjecting:

The SPEAKER: Order!

The Hon. M.D. RANN: —cabinet intends to make final—

Members interjecting:

The SPEAKER: Order! When I call the house to order, I expect it to come to order.

Mr Venning interjecting:

The SPEAKER: I warn the member for Schubert.

The Hon. M.D. RANN: Cabinet intends to make final decisions about these two massive projects with as much information as possible before us. We intend to do this properly, not in some slapdash, haphazard political quick fix way that those opposite would have us do. Cabinet hopes to have sign off in November of this year.

I can assure the house that an enormous amount of work has been done on these projects since investigations began more than six months ago. Building a desalination plant is an extremely complex and expensive undertaking—it is not as easy as writing a press release. Its final cost will depend on where it is located, how the brine that it will produce is dispersed, where the brine is dispersed and from where the energy to power it is drawn. Given the high cost of stainless steel and the high demand for desalination infrastructure across the globe, the cost of building a desalination plant quickly would, I am told, be at a premium.

Members interjecting:

The Hon. M.D. RANN: Apparently, members opposite do not want stainless steel. They want a sort of iron; they want it to be rusted. As previously reported, a 50 gegalitre desalination plant, around the size of the plant operating in Perth, which would supply about 25 per cent of Adelaide's fresh water, could cost in excess of \$1.4 billion—about five times more than the cost estimated by the Leader of the Opposition. This Leader of the Opposition cannot add up. He wants to run a government, but he cannot get his figures right, he cannot get his numbers right and he cannot get his funding right.

Unlike the Perth desalination plant, which was built in a restricted site, we would plan to build on a site that allowed

it to double in size, if necessary, in future years. And also unlike Perth's desalination plant, which was built on the coastline of a turbulent Indian Ocean, Adelaide is located along the comparatively protected waters of Gulf St Vincent, which is a commercial fishing ground and an important fish breeding area. We in—

Members interjecting:

The SPEAKER: Order!

The Hon. M.D. RANN: The Leader of the Opposition writes a press release, and he is five times wrong: he totally got his costings wrong and he totally got his funding wrong. We intend to conduct comprehensive studies into the movement of currents around the gulf so that engineers can know where best to disperse the plant's large concentrations of brine which, before it is mixed and diffused with sea water, is highly toxic.

The Desalination Working Group is considering the optimal size of a plant for Adelaide, whether it can be built in modules, what the environmental implications are and where it could be built. Wherever a desalination plant is located—whether it is at Pelican Point, near Port Stanvac or further south along the coast—a pipeline to carry the plant's waste brine would have to be laid out into the waters of the gulf where the currents are best suited to quickly disperse it. This apparently had not occurred to the Leader of the Opposition. I am told that such a pipeline could be many kilometres in length. The engineering work alone would be an enormous and expensive undertaking. I am also told that, while the fresh water produced by the plant would connect directly into—

Mr Williams interjecting:

The SPEAKER: Order, the member for MacKillop!

The Hon. M.D. RANN: Abuse across the house does no credit to the shadow minister. The people of this state deserve better and expect better. I am told that, while the fresh water produced by the plant would connect directly into our mains water supply, at times the desalinated water would need to flow into our filtered water storage facilities. For the first time, the northern and southern parts of our water system would also need to be fully integrated, so pipelines would need to be built between our major metropolitan facilities so water could be fed from one system to another. I am told that a desalination plant's membranes are most cost effective when a plant works around the clock seven days a week, year round, which means it would draw down an enormous amount of power and so have an ongoing impact on the cost of water, and I will return to the matter of the price of water in a moment.

A desalination plant would take, I am informed, up to five years to build and connect directly to the supply grid. Allowing for the environmental study, this project is still some years away, although we would look for every opportunity to shorten the time frame without compromising on the success of the project.

Members interjecting:

The SPEAKER: Order!

The Hon. M.D. RANN: I am not quite sure—

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

The Hon. M.D. RANN: Cabinet has also been considering the Mount Bold proposal to expand our storage capacity, estimated to cost in excess of \$850 million. Actual cost will depend on the result of a geotechnical engineering investigation. This, too, is a complex project that will require careful consideration of the environmental impact and geotechnical considerations. In years of abundant rain, Adelaide can draw

90 per cent of its water from rain that is captured in our reservoirs in the Mount Lofty Ranges. In years of average rainfall, 60 per cent of Adelaide's water comes from rain that falls in the Mount Lofty catchments, while 40 per cent is pumped from the River Murray. It is only in rare years of severe drought that Adelaide relies so heavily on River Murray water, with up to 90 per cent of our water coming directly from the river. Given that water run-off in the Mount Lofty Ranges provides a significant source of Adelaide's water supply in ordinary years, it makes sense to increase our water storage capacity in the Hills from one year to two years.

Once a possible location can be determined for a desalination plant, all necessary engineering works will need to be identified on both projects before estimated costs are calculated and independently verified by engineers. Cabinet will make its final decision based on the work that is currently under way by the desalination working group. At the same time, we will be in a better position to calculate the impact these projects will have on the cost of water, and the time lines. Together, both projects could amount to an investment of more than \$2.5 billion, but this is by no means a definitive cost. Of course, water pricing will need to reflect the significant investment in infrastructure. As a result, the government is reviewing its water pricing options, as has previously been announced. The Treasurer informed parliament during estimates hearings this year that capital projects would result in higher prices, while the water security minister in estimates made it clear a review of water pricing structures would be undertaken as part of the long-term planning for water security.

The projects outlined today are the only real choices we have before us now that will guarantee our water security for the long term and create the confidence we need to drive our state's future prosperity. All of this work, however, does not alleviate the need for water restrictions in the short term because of the time frames necessary to build such massive infrastructure projects. We asked South Australians to let nature do the watering over the winter months to help conserve water for the hotter months, and people have been doing a great job. We have saved, I am told, more than 23 billion litres of water this year compared to the last drought year in 2002-03.

SA Water has advised that there has been 11 gegalitres better run-off in the Adelaide Hills than anticipated, which has enabled us to provide for a marginal improvement in domestic water use. From 1 October this year, domestic consumers will be able to use drippers or hand-held hoses with a trigger nozzle for up to three hours per week, from either 6 a.m. to 9 a.m. or 5 p.m. to 8 p.m. The same odds and evens system on weekends that was in operation last summer will again apply—that is, even numbered properties can water on Saturdays and odd numbers can water on Sundays. The current ban on sprinklers will remain, and the government will continue to work with industry to improve its water efficiency.

In addition, the Minister for Water Security, Karlene Maywald, has directed SA Water to prepare a detailed proposal for incentives to save water inside the home. These may include extending the existing rebates on rainwater tanks and shower heads, and new rebates for other water saving devices, such as grey water systems and dual flush toilets.

A final analysis of the end of August River Murray data has resulted in an improvement of 18 gegalitres in the available water from the river, which will allow us to lift irrigators' water allocations to 16 per cent from 1 October.

The slight easing of restrictions does not indicate an improvement in our overall outlook. The Murray-Darling Basin is still in the grip of the most severe drought on record, and we must continue to be vigilant in saving water.

I again thank all South Australians for their cooperation in these tough times in their minimising outside and inside water use and their making sure that water wastage is part of the past. Close monitoring of water use will continue, and restrictions will be reviewed monthly, based on available water and levels of use. By working together, we can get through this difficult time. The extensive work we are undertaking on infrastructure will secure our water future. The entire nation is facing major issues with regard to water and, unlike the opposition, which has a press release, we are doing the hard yards.

VISITORS TO PARLIAMENT

The SPEAKER: I draw to the attention of honourable members the presence in the chamber today of students from Bordertown High School, who are guests of the member for MacKillop, and students from Valley View Secondary School, who are my guests.

QUESTION TIME

WATER RESTRICTIONS

Mr HAMILTON-SMITH (Leader of the Opposition): Did the Premier approve the taxpayer-funded full page advertisements in *The Advertiser* on 8 September and in the *Sunday Mail* on 9 September that attempted to justify continuing and tighter water restrictions, which less than two days later have been reversed, and what was the cost of the advertisements to the taxpayer?

The Hon. M.D. RANN (Premier): Those advertisements, which laid down the facts in relation to water, were quite appropriate.

Members interjecting:

The SPEAKER: Order!

Mrs GERAGHTY (Torrens): Can the Premier provide to the house a comparison between the government's water policy and any alternative policy he is aware of?

The Hon. M.D. RANN: It is interesting. I just heard—

Members interjecting:

The SPEAKER: Order!

The Hon. M.D. RANN: —the Leader of the Opposition—

Mr Hamilton-Smith interjecting:

The SPEAKER: Order!

The Hon. M.D. RANN: He does not want to hear.

Members interjecting:

The SPEAKER: Order! The Premier has the call.

The Hon. M.D. RANN: I just heard that Leader of the Opposition's previous question. Apparently, he missed the fact that there are continuing water restrictions in South Australia, as there are in Sydney, Melbourne, Brisbane and elsewhere, so I am not quite sure. If that was his lead—

Members interjecting:

The Hon. M.D. RANN: Okay. Let's have a look at the Leader of the Opposition's 19-point plan. Let's go through them seriatim. On 29 August, the Leader of the Opposition released a 19-point plan supposedly to waterproof South Australia. What he actually released was a 19-point plan to

nowhere. As incredible as it may seem, the leader's plan does not deliver one drop of water to deal with the drought. Let's go through the plan step-by-step. Number 1: what was the first part of the Leader of the Opposition's plan? It was to establish the Premier's Water Council. He is going to set up a committee—another committee, but no water. Number 2: take immediate action to ensure that a 45 gegalitre—

Members interjecting:

The SPEAKER: Order!

The Hon. M.D. RANN: Number 2 was to take immediate action to ensure that a 45 gegalitre desalination plant is built to provide 22 per cent of Adelaide's water needs in a normal consumption year—no costings, no site, no planning for waste brine disposal, no environmental considerations, no idea where the power would come from, nothing but a press release. Back in January, the former leader, the member for Davenport, made an announcement. Remember him? That was when the current leader said, 'I am right behind you', just as he did with Rob Kerin; he was right behind him. Back in January, the former leader, the member for Davenport, announced the Liberal Party would build a desalination plant for \$400 million. If the Liberals were in government, the people of South Australia would now be facing a \$1 billion blow-out within the space of one year. They did not care what it cost. They said it was \$400 million; that is a \$1 billion blow-out in the Liberals costings on a desalination plant.

Members interjecting:

The SPEAKER: Order!

The Hon. M.D. RANN: I guess there is the difference. While the leader is putting out a press release, with a \$1 billion costing error in it, the government is doing the proper work with experts. Number 3: support BHP desalination plant, including—

Members interjecting:

The SPEAKER: Order! I warn the member for Hammond. The Premier has the call.

The Hon. M.D. RANN: Number 3: support BHP desalination plant, including enhancement to provide for Mid North water needs. Great! At least they support the government here, but what about Eyre Peninsula, the Upper Spencer Gulf? Maybe it was to do with electoral maps. The whole idea of the federal government and the South Australian government making a contribution to a modular desal plant, part of it paid by BHP Billiton to sustain its expansion, was about supplying water to the Spencer Gulf and Eyre Peninsula. But apparently, no. The Liberal plan is not for Whyalla, Port Augusta or Port Pirie, but for the Mid North, but they did not explain the engineering of how that was done. If the leader had his way, none of these communities would benefit, and there would be only a small reduction in water for the River Murray.

Number 4: the Leader of the Opposition would oppose the Labor government's proposed enlargement of the Mount Bold reservoir. There is no reason to this, and they have not even asked for a briefing. Malcolm Turnbull has, though—you know, the one who is tapping the Prime Minister on the shoulder. I am told that Malcolm Turnbull supports our work on this project, even if his leader does not. Clearly, once again, the leader is at odds with his federal colleagues, as he is over Santos. Here is the next gem: point 5 of the leader's 19-point plan.

Members interjecting:

The Hon. M.D. RANN: Here we go; wait for it. Number 5: develop and implement plans for wastewater recycling in the north, south and inner metropolitan area. I am

not sure which rock the Leader of the Opposition was hibernating under over winter. South Australia already leads the nation by a long shot when it comes to recycling. We are not content with that, and we are doing massively more than any other state. We are taking the national average of 9 per cent up to 45 per cent.

Number 6: take legislative action to allow sewer mining for non-drinking purposes. This is the sewer mining Leader of the Opposition. We can already do this in South Australia, and we are doing so in the north, south and soon to be inner city. Number 7: assist councils to develop strategies which will result in the recycling of at least 30 gegalitres per annum of stormwater by local government. That is extraordinary hypocrisy when the lasting legacy of the Liberal government was to cut the stormwater management subsidy to local government by half. Apparently, a few people missed this: the Leader of the Opposition is calling for something that when the Liberals were in government they slashed in half. That is how phoney it is.

This government reinstated that funding back to \$4 million in our first year in office, and we are committed to this level indexed for the next 30 years—not cut it in half as the Liberal government did. I am not sure where the Leader was when his party supported the legislation to establish the stormwater authority in this parliament earlier this year, but he obviously missed it. It was done earlier this year; get your facts right.

Number 8: develop options for further stormwater recycling, including Adelaide Airport, the Adelaide Parklands, and other open space for wetlands and aquifer storage systems. Once again, while the leader is just talking, the government is actually doing the work. We have put the money up for a pipeline from the Glenelg wastewater plant to the Parklands, and we are already delivering treated water to Adelaide Airport. We are already delivering treated water to Adelaide Airport. He is promising to do what we are already doing! Also, of course, we are delivering treated water to the Holdfast Shores recreational facility.

Number 9: review the current water pricing structure and establish an independent regulatory agency to set both price structures and water prices. Let's look at that one. A pricing review was announced during estimates. So, again, it is just 'Let's follow; let's hope that the journalists won't read the detail and won't check the files.' A pricing review was announced during estimates and the independent ESCOSA already reviews pricing. So, he is saying that he is going to set up an independent regulatory body to set price structures. ESCOSA, an independent body, is already doing it. I am not quite sure who wrote this one. Is this recommendation really code for 'Let's sell off water like they did electricity'? We all know where that left us.

Number 10 is a beauty; this is a doozy. It is to support the federal government's \$10 billion rescue package. We did that. The Prime Minister has spoken to me. He has publicly spoken about it, and has written to me praising South Australia's position and support. That has been done. Parliament has already passed the legislation. Number 11: continue to oppose the Rann government's weir at Wellington—

Members interjecting:

The Hon. M.D. RANN: —wait for it—and support redirecting the \$110 million on long-term infrastructure to sustain South Australia. That is just plain ridiculous. The leader once again is clearly at odds with the Prime Minister, who has endorsed work on this project through the National Drought Contingency Plan. The Wellington weir is clearly a last resort emergency measure if the drought continues. It is

also clear that the leader would let Adelaide run dry rather than take the hard decisions.

There are only a few more to go. Number 12: work with the federal government to promote research and development into salinity and actively pursue the establishment of a Biosaline Research Centre in South Australia as part of the federal government's \$10 billion water plan. What is the response to that? Through SARDI, the state government has already developed a biosaline research project, and a funding application was submitted to the Australian government's \$2 billion water fund last year but was unsuccessful—not supported by the federal government. We would welcome the leader's support to get the federal government to change its position on this project before the election.

Number 13: develop a management plan for Lake Bonney. We are already doing that. Number 14: assess the impact of the planned closure of lagoons and backwaters along the river and will keep communities informed of rehabilitation initiatives. Already done by us and the feds through the Environment Protection and Biodiversity Conservation Act process. Community groups are already very much involved in the rehabilitation of lagoons and backwaters. Number 15: investigate the need for an incentive based model for the retrofit of old buildings to a more environmentally acceptable standard.

Number 16: introduce a voluntary performance based rating system for existing commercial office buildings similar to those already in place for green energy. SA Water is already doing water efficiency audits with companies, saving millions of litres of water each year. I can just imagine the scene: the Leader of the Opposition asking his staff, 'Look, knock out a 19-point plan that will sound good, and give it the trappings of substance.' Number 17: develop websites for business and homeowners to enable owners to rate their premises. What is the response to that? Work on a new interactive house website is nearly finished and should be up and running in November.

Number 18: develop a star rating scheme for all new residential developments. A sustainability rating tool has been developed for and applied to the Lochiel Park development as a pilot. After assessment, it could be introduced as a statewide sustainability tool that could be used in the design of new dwellings. What an incredible endorsement of the Minister for Infrastructure—the father of the Lochiel Park development. Number 19: will enhance the current rebates. Well, we are doing that as well. There is not one extra drop of water in this plan that would alleviate the current restrictions—not one. The hope was that, by putting out a 19-point plan that was a total farrago of nothing, some people might report it. Really, his only policy is to pray for rain; that is his only policy. Clearly, it is a plan that does nothing but plagiarise what is already happening under Water Proofing Adelaide. It is evident that they have no idea what they would do to combat the current extreme drought.

Mr HAMILTON-SMITH I enjoy our plan being read again to the parliament! On what basis has the Premier overruled the advice of his water minister and lifted the 'bucket only outside' watering bans she imposed? Just 12 days ago on radio minister Maywald said that, unless the heavens opened up, the government may even have to impose a complete outside watering ban, including the use of buckets. On Nova radio the minister warned of a complete watering ban when she said:

... that could possibly occur if we don't get rain in September. At the moment we are looking to the sky for a recovery or otherwise we're going to have to look at what other measures we may need to put in place.

Who knifed the minister while she was looking at the sky?

The Hon. M.D. RANN (Premier): The Leader of the Opposition asked me about whether I had overruled the plan or the advice of the water security minister. The announcement today was a recommendation by that water security minister.

Members interjecting:

The SPEAKER: Order!

Members interjecting:

The SPEAKER: Order! The member for Bright

WATER REUSE

Ms FOX (Bright): Will the Premier advise the house on South Australia's wastewater reuse?

The Hon. M.D. RANN (Premier): Yes; I am very happy to respond to that question. Adelaide's record for reuse of treated wastewater is outstanding. Currently, we recycle about 20 per cent of our wastewater and the national average is only 9 per cent. Projects already announced will increase this effort to around 45 per cent, which puts us streets ahead of the rest of the nation. The South Australian government has committed \$30 million to the \$60 million Glenelg Parklands project, which will provide a 30 kilometre pipeline network from the wastewater plant to the Adelaide Parklands to enable 4 000 million litres of treated water to be recycled.

More than 60 sites in the Adelaide CBD have been identified for their potential to use recycled water, and there is provision for environmental flows in the River Torrens. We are still awaiting the federal government's matching funding commitment for this important project. The \$4.7 million project extension of the Virginia pipeline scheme to Angle Vale will deliver another 3 billion litres of recycled water to be reused on market gardens on top of the current 15 billion litres already reused. The state government has committed more than \$2.5 million to the project.

These key projects build on the commitments already made to Waterproofing the South, to which the state government has committed more than \$40 million. The first phase of Waterproofing the South will increase the use of recycled water from 4.4 billion litres a year to 8.8 billion litres a year by 2010. The state government is working closely with the industry and the Onkaparinga council to make this important project happen, and I want to congratulate the Minister for the Southern Suburbs on this initiative, along with other ministers, of course. These projects will raise Adelaide's wastewater reuse to around 45 per cent—by far the highest in the nation.

Through projects at our plants at Christies Beach, Glenelg, Aldinga and Bolivar we will be freeing up stressed groundwater resources and reducing the flow of nutrients into the St Vincent Gulf by half. These are extremely beneficial environmental outcomes. These projects are also in addition to a number of regional reuse projects the government is supporting. The \$1 million Port Augusta West Sewer Mining Project, operated by the Port Augusta council, recycles 180 million litres of wastewater a year for irrigation and community parks and gardens. The state government provided \$300 000.

The Whyalla council and SA Water will partner in a project to reuse 600 million litres of treated wastewater to

irrigate council parks and gardens and a golf course. The state government has contributed \$14 million, and I know that the member for Giles has been a strong supporter of that. About 115 million litres per year of treated wastewater from the Victor Harbor plant has been committed to be used to irrigate the golf course and a private vineyard. SA Water will treat the water at a cost of \$200 000 per year. Berri Barmera Waste Water Reuse Project is a partnership between the Berri Barmera Council and United Utilities Australia. The \$14 million project involves treating 600 million litres a year of wastewater from council septic tank effluent disposal schemes and a local winery. The state government contributed \$800 000. The Loxton Waikerie council will coordinate a project to reuse water for the local golf course. The state government will contribute \$500 000.

WATER RESTRICTIONS

Mr HAMILTON-SMITH (Leader of the Opposition):

My question is again to the Premier. Who is telling the people of South Australia the truth about Labor's water restriction policies: him or the Minister for Water Security? On 891 radio this morning, the member for Chaffey said: 'We have not bowed to pressure from the public.' However, on FIVEaa this morning, the Premier said: 'Well, what I'm telling you today is that we're going to be having drippers, which is what your station has been campaigning for.' Premier, who is telling the truth?

The SPEAKER: Order!

The Hon. M.D. RANN (Premier): That is very interesting, because when the water restrictions were announced for winter and we said, 'Let nature do the watering,' it was explained publicly that, in fact, those water restrictions might continue through September. That is exactly what is happening. When an interviewer appeared to be arguing the case against what I was announcing this morning, I pointed out that this was the reverse of what the station had been advocating. The key fact of the matter is that, when I announced the water restrictions, I said at the time that, in fact, they may well continue through September. On 1 October there will be some easing of the restrictions for the summer months. That is paying a dividend to South Australians for doing the right thing.

WATER SECURITY

Ms PORTOLESI (Hartley): Will the Premier inform the house about the current status of the National Plan for Water Security?

The Hon. M.D. RANN (Premier): I am very pleased to be getting these questions, and I want to thank the member for her question.

An honourable member: Ours or yours?

The Hon. M.D. RANN: Your questions? It is kind of like trivial pursuit on the other side.

Members interjecting:

The SPEAKER: Order!

The Hon. M.D. RANN: I thank the member for her question. South Australia remains committed to the National Plan for Water Security. We have been fighting for years to reform the management of the Murray-Darling Basin to get some independent expertise involved in making decisions about water and to get all basin states to address the serious problem of over-allocation in the Murray system. We were the first and only state to appoint an independent commis-

sioner to the existing Murray-Darling commission. This government has supported the referral of powers to the commonwealth to manage the Murray-Darling Basin, because what is best for the River Murray is best for South Australia. We have continued to support the development of legislation to implement the national plan that is consistent with the principles contained in the agreement made in February at the First Ministers Water Summit. The principles that South Australia fought for include:

- a new independent authority to be reflected in legislation;
- that any decision by the relevant commonwealth minister to overrule the new Murray-Darling Basin authority be tabled in the commonwealth parliament;
- that a strategic reserve for the River Murray be established as a contingency measure in the current drought and in years of extremely low flows;
- that a return of 1 500 gegalitres to the River Murray for environmental flows by 2018 be achieved; and
- a review of the new arrangements in 2014.

Following the breakdown of negotiations between the commonwealth and Victoria, the commonwealth has proceeded to pass the Water Act 2007, based on its own constitutional powers to partially implement the National Plan for Water Security. In line with the agreement reached by First Ministers of the commonwealth, New South Wales, Queensland, the Australian Capital Territory and South Australia, the Water Act 2007 establishes a new expert-based MDB authority that will develop a basin-wide plan and set enforceable sustainable diversion limits.

The new authority will operate alongside the MDB Commission, which will continue to run river operations, salinity management works and other management initiatives such as the Living Murray initiative. However, the new act remains an inferior package to the more comprehensive bill and associated intergovernmental agreement previously negotiated. In particular, several matters important to South Australia, such as mandatory provisions for meeting critical human water needs in emergency situations, are not addressed due to the limitations of the commonwealth's constitutional powers. South Australia's preference, therefore, remains to pass complementary legislation with the commonwealth, and other states, to achieve the best outcomes for the River Murray and South Australia's water security.

The Prime Minister has publicly indicated that the commonwealth's objective also remains comprehensive water legislation. Senior state and commonwealth officials met on 30 August for initial discussions on an intergovernmental agreement that aims to secure commitment from each basin state to refer powers to the commonwealth on those matters necessary to enable it to enact the comprehensive water legislation. Commonwealth and basin state officials will meet in Adelaide on 12 September to hold further discussions on the intergovernmental agreement and to discuss implementation of the current Water Act 2007. Commonwealth officials have indicated that draft comprehensive water legislation and new intergovernmental agreements will be provided to states in the near future. While Victoria continues to participate in discussions, its position at this stage remains unchanged from the policy paper released in February 2007 and the subsequent terms of referral document provided to the commonwealth.

However, I want to thank one Premier in particular, and that is the Premier of Queensland, Peter Beattie, who is retiring on Thursday. When I announced that we would only hand over powers to the commonwealth if we could have an

independent commission to run the River Murray, he joined forces with South Australia, and that ensured that the Prime Minister changed his mind and we got that independent commission we were lobbying for.

WATER RESTRICTIONS

Mr HAMILTON-SMITH (Leader of the Opposition): My question is again to the Premier. Does his backflip on water restrictions announced today reveal decision-making processes within the government which are based not on science, on Murray inflow data or on Adelaide Hills catchment rainfall data but purely on populism? This morning, on 1395, broadcaster Keith Conlon said the announcement is good news but it is a backflip, and the Premier replied, 'It might be a backflip, but people think it's a great thing.'

Members interjecting:

The SPEAKER: Order!

The Hon. P.F. CONLON (Minister for Transport): Can I take issue with one thing? I am going to answer the question. The first thing the Leader of the Opposition asked is: does this mean the policy is not based on science? Wait for it! This is a mob that came out on water a year ago and said, 'We are going to build a desalination plant, no ifs, no buts, and it will cost \$400 million.' They did not go and actually look at whether they could build one.

Mr HAMILTON-SMITH: I have a point of order, Mr Speaker. This is a diatribe. The question was to the Premier. It relates specifically to comments made by the Premier—

The SPEAKER: Order! There is no point of order. The Minister for Transport is well within order. The minister.

The Hon. P.F. CONLON: I return to it, sir.

Mr Hamilton-Smith interjecting:

The SPEAKER: Order!

The Hon. P.F. CONLON: He is calling me a clown, sir. Let me tell members this, if he is going to interject like that: a couple of weeks ago I read in *The Advertiser* a story. It said: Turkey chooses democracy. It was about international affairs. What he is hoping is that South Australia will do it the other way around! Let me say this: you have accused—

Mr Hamilton-Smith interjecting:

The Hon. P.F. CONLON: You will get it in a moment, don't worry. You have accused us—

Members interjecting:

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

Mr HAMILTON-SMITH: Point of order: Mr Speaker, if you allow the minister to abuse the opposition, it clearly invites responses from the opposition. I just point out that the minister is straying into debate—

The SPEAKER: Order! As I have said many times, if a question contains debate, then I will certainly allow a minister, in responding, some latitude in his answer. The question was purely debate, and the leader cannot expect me to immediately pull up the minister when he responds to the debate that is enshrined in the question.

Members interjecting:

The SPEAKER: Order! As I have explained to the house on many previous occasions, if there is debate in the question, in fairness, I have to provide the minister with greater latitude in his answer than I otherwise would.

The Hon. P.F. CONLON: I come back to the question and, unless I misunderstood the Leader of the Opposition, the question was: is our policy not based on science. I was just explaining that it is, as opposed to the policy of the opposi-

tion. As I said, the opposition announced a year ago a \$400 million—and it would be more than that—desal plant.

Mr Hamilton-Smith interjecting:

The Hon. P.F. CONLON: Of course, it was not the Leader of the Opposition because, apparently, the only good idea he ever had was had by Iain Evans, the man he dragged down. The desal plant was announced by Iain Evans.

Mr Hamilton-Smith: False and misleading.

The Hon. P.F. CONLON: Okay, false and misleading. Well, if that is the case, I invite you to take the remedy that is available in this house for that. The truth is that you went out there and said you would build a desal plant, with no science, no investigation and no plan. What you said was, 'How do you know?'—

Members interjecting:

The SPEAKER: Order!

The Hon. P.F. CONLON: And here it is—and we will come back to that. They want to talk about problems in estimations. When we said, 'Well, you can't just announce a desal plant without telling us what it would cost,' they said, 'It will cost \$400 million, just like it did in Western Australia.' They missed by a mile. They did not take into account the fact that, just because you build a desal plant does not mean you can get that water to where you need it. On our advice, and that is why we have done a lot of work and planning on this, you have to revamp all the piping through the metropolitan area.

An honourable member interjecting:

The Hon. P.F. CONLON: Responding to you? No. We were looking at desal years before you did—but we do it with science and with a plan. Let's go further.

Members interjecting:

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

The Hon. P.F. CONLON: Not only do they have a \$400 million desal plant without any costings other than what it cost years ago—and it will cost at least 300 per cent of that—but just yesterday the Leader of the Opposition was in the South-East saying that what he would like is a wave power desal plant in the South-East to relieve pressure on the Murray! How much water from the Murray do they use down there?

Members interjecting:

The Hon. P.F. CONLON: Perhaps I will give them a little help. How much water from the Murray do they use in the South-East? A wave power desal plant in the South-East! I will give him credit for this, sir: wave power is the only power I can think of that costs more than nuclear power—and that is something else, of course, that he has announced.

An honourable member: Lunar power.

The Hon. P.F. CONLON: Lunar power, we would call it. It is Marty's South-East lunar powered desal plant that, somehow, is going to give water to the Murray.

Members interjecting:

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

The Hon. P.F. CONLON: Mr Speaker, what we are seeing here, with the demonic, maniacal waving from the Leader of the Opposition, is one thing: he is so vain that he cannot stand his shortcomings being exposed. He cannot bear to sit in silence and hear his policies debated rationally. He is so vain and so arrogant he cannot bear to have his shortcomings talked about.

Members interjecting:

The SPEAKER: Order!

The Hon. P.F. CONLON: Mr Speaker—

Members interjecting:

The SPEAKER: Order!

The Hon. P.F. CONLON: Is our policy based on science? Yes. What were the key factors? I have to say this: they are flexible, aren't they? The Premier has made some of the biggest announcements on water, and they are still on about water restrictions. They are so flexible, so quick, so nimble, and you know when they do not like something. They came in here today, and they have behaved appallingly from the time we arrived. They have yelled, they have abused. They do not like abuse themselves, but they have yelled and abused all through question time.

The science that it is based upon, as I understand it, concerns two things. First, the announcements of water restrictions were very plain. These sets of water restrictions were announced to run to the end of September. What are the changed features in that time? I understand there is something like an extra 11 gegalitres out of the catchment and a little bit higher inflows in the Murray than expected. I would have thought that what every South Australian wants us to do, therefore, is to use that to the benefit of all, so that there is a little bit extra for irrigators and there is a little bit extra for South Australians, but still some pretty tough restrictions. What sickens me in this debate is how this mob rolls about lavishly in the pain that Australia is going through because of the drought. They love nothing more. It is the first time he has ever been noticed. He rolls in the misery of South Australians like a dog in manure, and he ought to get his head out of the gutter.

Members interjecting:

The SPEAKER: Order!

Members interjecting:

The SPEAKER: Order! The member for Newland.

WATER RESOURCES

Mr KENYON (Newland): My question is for the Minister for Water Security. What is the government doing to respond to water supply needs in the wake of the current extreme drought?

Members interjecting:

The SPEAKER: Order! The Minister for Water Security.

The Hon. K.A. MAYWALD (Minister for Water Security): All Murray-Darling Basin partners, including the Murray-Darling Basin Commission, are grappling with the many issues facing our irrigators, our urban communities, and the health of the river itself as a consequence of this most extreme drought. In addition to the negotiations outlined in the Premier's statement earlier today, the South Australian government has initiated a range of actions to manage the effect of the River Murray drought in this state. A cross-agency water security task force was established last year to provide oversight for the many projects to secure critical water supplies for the state.

Key projects being managed through the water security task force include: disconnection of selected wetlands to yield over 30 gegalitres in water savings and modification of the major pumping stations below lock 1 to enable them to operate at the river levels as the river level falls, and to delay as long as possible the need to construct a temporary weir, if at all. Preparations to construct a temporary weir below the Wellington have been necessary, and they include the design, construction, scheduling and environmental assessment necessary for the project should it need to go ahead.

Pumping of additional River Murray water into storages during the of 2006-07 water year has been essential, and this

did increase water storage at the beginning of this year as well as provide a buffer for this year in the event of algal outbreaks in the River Murray and also other water quality issues. We have fast tracked water filtration facilities for 17 communities that presently receive unfiltered water from the River Murray at a cost of in excess of \$50 million. This is an important project as we have to deal with serious water quality issues in the future, and providing that filtered water is essential. A pipeline is also being constructed to supply water to the Clayton community around Lake Alexandrina, which currently accesses its water from the lake. Standpipes for water carting have been installed at Goolwa North, Milang, Meningie, Hindmarsh Island and Narrung. We have streamlined dredging processes to enable irrigators to access water as the river levels below lock 1 have receded.

The government also appointed a Water Security Advisory Group made up of recognised experts to verify our work and to ensure that our planning is robust. Membership of this group includes: Don Blackmore, the former chief executive of the Murray-Darling Basin Commission and previous general manager of River Murray Water; Dennis Flett, the former Murray-Darling Basin Commissioner for Victoria and general manager of Murray Goulburn Water, who is currently a consultant with Sinclair Knight Engineering; Dennis Hussey, a retired water economist and a leader in this field in Australia; David Wotton, a former member of this place and also a minister for environment under a former Liberal government, and he is the current chair of the Murray-Darling Natural Resources Management Board; and Mr Jim Hallion, Chief Executive of the Department for Transport, Energy and Infrastructure, and he is playing a leading role there also.

We are working with a number of other groups to provide us with feedback and information on how communities are dealing with the issues and on what issues we need to address. The South Australian Murray-Darling Basin Natural Resources Management Board has established the River Murray Water Committee, which provides significant advice on irrigation matters and water allocation matters for irrigator licences. The Riverland Horticulture Drought Forum in the Riverland provides advice on how irrigators can cope with the low allocations, and they work closely with PIRSA and the Department of Water, Land and Biodiversity Conservation. The Lower Murray Drought Reference Group has been established to enable the communities to access the appropriate people in government departments to deal with the myriad issues that are concerning them. The Urban Users Drought Reference Group has been established. We have also appointed Dean Brown as the community liaison manager around the Lower Lakes to ensure that the communities are well connected, where they need to be, into the appropriate government departments to deal with the issues they are facing. Also, SA Water has undertaken extensive work on monitoring and protecting water quality, as well as educating the community on water conservation. Key projects they have undertaken include:

- the work we are doing to try to reduce leakage and reverse flow across the barrages at the mouth of the river which has occurred as a consequence of the water levels falling;
- monitoring water quality in the River Murray for salinity and also for algal blooms which has included an innovative program of aerial monitoring for algal blooms to provide faster and wider scale information for the detection of algal outbreaks;

- we have increased the ability of water storages and treatment plants to deal with water quality issues such as algal blooms;
- we have installed booms to protect against algal blooms at the River Murray intake locations. These are currently installed and being trialled at Renmark, Loxton, Cobdogla, Kingston-on-Murray and Swan Reach; and
- we are fast-tracking the building of water filtration facilities for over 17 River Murray communities that presently receive unfiltered River Murray water at a cost of over \$50 million.

All this work has been undertaken over the past 12 months in response to the worst drought since settlement of this state.

Mr PENGILLY: On a point of order, Mr Speaker. This is more of a ministerial statement, not an answer to a question. It should have come before question time.

The SPEAKER: There is no point of order. The minister is answering the question that has been asked of her.

GOVERNMENT POLICY

Mr HAMILTON-SMITH (Leader of the Opposition): My question is to the Premier. How can the people of South Australia trust his judgment and have faith in his government's decisions when, as Premier, he constantly changes his mind on key policy positions? In the 95 days since the state budget, the government has announced policy reversals on WorkCover compensation levies in schools; school aquatics programs; QEH after-hours emergency services in ICU; ceasing paediatric services and after-hours surgery at Modbury; an independent commission against corruption, where the government has changed from outright opposition to 'open to the idea'; and bans on drippers. That is six major policy backflips since the June state budget.

The Hon. M.D. RANN (Premier): This comes from the leader of a political party which, and let's just think about it, in 1997—I remember the press conference—said, 'We will not sell ETSA.'

Members interjecting:

The SPEAKER: Order!

The Hon. M.D. RANN: What was the first meeting after that election? They paid \$100 million to a group of consultants—remember their Rolex watches and their pockets full of greenbacks—to sell ETSA. Remember what they said about the TAB? Then, of course, we have this current opposition and its strong support for the tram. We always remember the tram.

The Hon. P.F. Conlon: He moved the motion.

The Hon. M.D. RANN: He moved the motion about wanting a tram. Let's just think about something much more personal and fundamental to character—those two famous occasions when the Leader of the Opposition went up to his then leader and said, 'You've got my total support. I won't run against you, Rob Kerin.' Then later, because loyalty is so important for you, you said to Iain Evans, 'I'm right behind you. I won't run against you.'

Mr Hamilton-Smith interjecting:

The Hon. M.D. RANN: He is now denying that he pledged his support to both his previous leaders.

Mr PEDERICK: I have a point of order, Mr Speaker.

The Hon. M.D. RANN: If you want to talk about consistency—

The SPEAKER: Order! The Premier will take his seat. The member for Hammond has a point of order. I can guess what it might be.

Mr PEDERICK: In the last little diatribe, we have gone nowhere near an answer to the question.

An honourable member interjecting:

The SPEAKER: Order! As I have said before, if a member phrases a question so as to pose debate, I have two options. I can rule it out of order but, in that case, because the question has already been asked, the allegations that the member has made remain on the record unable to be answered; or, when answering the question, I can give the minister latitude to respond to the debate that has been included in the question. I have explained to the house what I will do, and that is to give the minister latitude to respond to the debate in the question. If members persist in framing their questions so as to include debate, they have only themselves to blame when the minister responds by engaging in debate. Has the Premier finished his answer?

The Hon. M.D. RANN: Yes, sir.

MURRAY RIVER

Ms THOMPSON (Reynell): Will the Minister for the River Murray inform the house about the current outlook for the River Murray?

The Hon. K.A. MAYWALD (Minister for the River Murray): In 2006-07, total inflows to the River Murray were nearly 934 gegalitres. This is 56 per cent below the previous minimum inflows of 1 676 gegalitres back in 1914-15. River Murray inflows remain extremely low because of low rainfall. Inflows to the Murray system in August were only 360 gegalitres. While this is better than last year—which was only 101 gegalitres—it is still significantly below the long-term average of 1 480 gegalitres for August. At this stage, inflows are tracking about the same as the drought of 2002-03. Under that scenario, the latest forecast from the Murray-Darling Basin Commission indicates that flow to South Australia could be between 1 100 gegalitres and 1 200 gegalitres for this water year.

Members will recall that the water received into South Australia in the last water year was only 1 470 gegalitres and, if those predictions are correct, we will be significantly worse off this year. The current volume in storage in the Hume-Dartmouth dams, Lake Victoria and Menindie is just over 2 000 gegalitres, which is only 22 per cent of capacity, compared to 3 612 gegalitres last year, which was 38 per cent—and that is at the end of August. The long-term average storage for the end of August is usually 6 690 gegalitres, or 72 per cent capacity. Lake Victoria, however, is holding 83 per cent as at the end of August as a consequence of some unregulated flows that we have been able to capture, which will be extremely useful for South Australia, coming into the hotter season and the irrigation season.

After inflows and storage volumes are taken into account, the current total resource position in the Murray-Darling Basin is much worse than it was at the same time last year. Inflows over the next three months are critical to the River Murray system for irrigation and river health. In the run-off producing areas of the catchment in the north-east of Victoria, the chance of above average rainfall from September to November is only 40 to 45 per cent. The chance of above normal temperatures is between 55 and 60 per cent for the southern Murray-Darling Basin.

Having said that, the River Murray will not run dry. We are working hard to maintain the weir pools in the coming year. Lower lake levels will, however, be far more difficult to manage. We have begun the contingency planning for the

next water year, 2008-09, which is especially important because, if we do not receive considerable rain in the right places to replenish resources and get some decent inflows, the situation next year could be even worse.

In the latest River Murray water resources assessment, the Murray-Darling Basin Commission has advised that, based on the end of August inflows, the volume available for states above critical human needs is 913 gegalitres. This has since been revised up to 1 217 gegalitres on 4 September. On the basis of the drought water-sharing rules agreed by first ministers, the resources available to each of the states as at the end of August include: South Australia for diversion, 120 gegalitres. We set our diversion rate for 1 September based on an anticipated 102; we actually achieved at extra 18 gegalitres, which we have now applied to increasing allocations from 13 to 16. This year, South Australia will also receive 225 gegalitres of dilution flows at this stage. That is what we have in the bank, and we hope that it will be added to as more flows into the system; New South Wales has 120 gegalitres available for diversion; and Victoria has 435 gegalitres for diversion. A small amount of 13 gegalitres has been set aside for the environment.

Today, the Premier provided early advice to River Murray irrigators that from 1 October licence holders will have their allocations increased to 16 per cent. This is early advice to assist them with their planning. That water is currently in the bank and now available to us to allocate as a consequence of the end of August data assessment. However, for us to improve that for 1 October, we have to see total inflows into the River Murray system exceed 1 500 gegalitres. That is an important figure for South Australian irrigators, because we cannot increase our allocations to South Australian River Murray irrigators until we have exceeded that 1 500 gegalitre target.

The predicted flow into South Australia under a range of scenarios is the worst-case scenario: (a repeat of last year) where we will receive only around 800 to 900 gegalitres; under very dry conditions, which we would expect to exceed in nine out of 10 years, that is around 1 250; and, under average conditions (and there is only a 50:50 chance that this could occur), we might receive somewhere in the vicinity of 1 300 to 1 370 gegalitres. Predictions on flows and allocations will be updated and monitored regularly, and announcements will be made on the basis of actual inflows to storages into the river.

WATER RESTRICTIONS

Mr HAMILTON-SMITH (Leader of the Opposition): My question is to the Premier. Have he and his ministers been completely honest with the people of South Australia about who is responsible for imposing the bucket-only water restrictions regime, and will he provide proof of the law or regulation imposed by the commonwealth that made him do it? In reference to the government's bucket-only water regime, on 29 August the Treasurer told FIVEaa:

It is the law that John Howard wanted. It is the law that we supported John Howard putting in place.

Other ministers have repeated the claim.

The Hon. M.D. RANN (Premier): Today in my ministerial statement, and otherwise, I laid down the facts. In fact, what I also revealed, and have done so on a number of occasions, is the letter I received from the Prime Minister. The letter is very clear, and I would have thought that—

Members interjecting:

The SPEAKER: Order!

The Hon. M.D. RANN: Earlier in the year you were calling on me to hand over control to the Prime Minister, and then you accused me of frustrating that. Now, apparently, you want the Prime Minister defied; is that right? It was an agreement that was reached.

Ms Chapman interjecting:

The SPEAKER: Order!

The Hon. M.D. RANN: On the basis of that agreement, the minister wrote to the respective premiers. I guess you do not keep agreements; we have seen that.

Mr WILLIAMS (MacKillop): I have a supplementary question to the Premier. Given his claim just now that the original ban was because of a letter rather than law, will he now table the letter from the Prime Minister to say that he is now allowing us to dispense with the bucket-only ban?

The Hon. M.D. RANN: As the member would be aware—

Members interjecting:

The SPEAKER: Order!

The Hon. M.D. RANN: There is a letter. I will get you the letter. The letter has been made public, but what happened was that Malcolm Turnbull came out publicly and said that in fact drippers were okay to use. In the letter, the Prime Minister gave responsibility to Malcolm Turnbull.

MURRAY RIVER

Mr BIGNELL (Mawson): Will the Minister for the River Murray inform the house about current River Murray salinity levels and mitigation measures?

Members interjecting:

The SPEAKER: Order! The Minister for the River Murray.

The Hon. K.A. MAYWALD (Minister for the River Murray): Salinity is a natural part of the Murray Darling which, if managed carefully, can have minimal impact on the societies, environments and economies that rely on the water resources. Under natural conditions, highly saline groundwater slowly enters the Murray Darling and is diluted with fresh water as it travels along the system and out of the Murray Mouth. Influences such as irrigated agriculture and broad acre tree clearance cause hydraulic pressure on the highly saline groundwater, which effectively pushes the highly saline groundwater into the River Murray at a faster rate than occurs naturally.

In recent years, River Murray salinity levels at the border in South Australia have been very low, and this is because of the lower irrigation and the fact that most of South Australia's water was coming from the head waters rather than the Darling as a consequence of the drought. Salt has also continued to build up on the flood plains. In addition, the effects of government programs, such as salt interception schemes and salinity zoning, have minimised impacts on the river. Salt interception schemes along the river currently remove more than 91 000 tonnes of salt per year that would otherwise enter the River Murray.

This benefit translates to about a 500 EC reduction at Morgan—'EC' is the term used for salinity measurement. The target is to keep the salinity level below 800 ECs for 95 per cent of the time. As I said, low flows have resulted in relatively low salinity levels. However, continuous, extremely low flows, which we have experienced in recent times, are having the opposite effect and causing salinity to rise. As it

is entering the River Murray, highly saline groundwater is not being flushed through. In recent months, as the flows have further reduced, salinity levels have begun to increase steadily.

South Australia is currently tracking towards salinity peaking at about 1 000 ECs—or just above it—at Morgan around the beginning to mid October this year. Of course, the 800 EC is the target 95 per cent of the time. At current rates with the application of some dilution flow (which we have been able to negotiate under the new water-sharing arrangements that have been negotiated with the Murray-Darling Basin states under the provisions of the Murray Darling acts that each of those states have passed in their parliaments), the dilution flows will subside the salinity to around 600 EC to 800 EC in January 2008 before steadily starting to build again in 2008.

The situation is similar at Murray Bridge, except that the salinity peak is likely to be between 1 200 and 1 400 ECs, and the peak is likely to occur between January and March 2008. Members will recall that, in his statements, the Premier referred to the early pumping of water as part of the contingency planning into the Adelaide Hills, and that is to ensure that we can buffer the domestic consumption in the Adelaide city environment from high salinities. Unless conditions significantly change, the salinity level in the lower lakes is not likely to reduce or even significantly plateau over the next 12 months.

The current lower lakes' salinity is well and truly above 2 000 ECs, although there are some areas where it is much higher than that. It is possible that the level in the lower lakes may reach between about 4 000 and 5 000 ECs by the end of next year. The drastic rise in lower lake salinity is coupled with the falling water levels that are likely to drop below zero in November 2007—that is below sea level. Generally, humans can consume between about 800 and 2 500 ECs, however, that higher end is not preferred. Water of this salinity level can be used for irrigation on hardy crops provided the soil is well drained. All stock can safely drink water at this salinity level.

On the basis of the First Ministers Water Sharing Agreement, South Australia currently has 225 gegalitres of water for dilution flow in the bank; and the water-sharing arrangements make available more water as more water flows in. We recognise the need to mitigate the effects of salinity increases, and we have negotiated that water under the new arrangements. The government has ordered the delivery of that water dilution flows at an agreed rate commencing at the beginning of September this year.

Mr HAMILTON-SMITH (Leader of the Opposition): Has the Premier failed to act on his own warnings on salinity levels in the River Murray (following on from the earlier question), made when he was opposition leader in August 2000? Mike Rann MP, the then opposition leader, produced a media release on 23 August 2000, in which he said:

If the present conditions continue [that is back in 2000] the salinity of the lower River Murray, where Adelaide draws its drinking water, will eventually exceed World Health Organisation guidelines.

He also said:

No state relies on the River Murray as much as South Australia, and no state receives poorer quality water from the Murray than South Australia.

Then he said:

We need a multi million dollar commitment and a definite timetable for action and targets to be achieved.

Nothing has changed, except he is now in a position to do something.

The Hon. P.F. CONLON: Sir, I rise on a point of order. Again, I just hope that the opposition does not take points of order about debating, when the Leader of the Opposition finishes with some juvenile undergraduate taunting. It is out of order, and it ill becomes an officer and a gentleman.

The SPEAKER: Order! The Premier.

The Hon. M.D. RANN (Premier): I am very pleased to answer that question. Is it not terrific that South Australia—and only by South Australia's leadership—was able to force the Prime Minister to back down and have an independent commission, which we have wanted for a long time. I was asked a question before about where is the letter from the Prime Minister. I will read it to members. The letter states:

My dear Premier, I am writing to you—

Members interjecting:

The Hon. M.D. RANN: They do not want to hear it.

The SPEAKER: Order!

Mr WILLIAMS: Sir, I rise on a point of order. The letter that I was asking for was the one that released South Australia from the bucket brigade, not the one that imposed it.

The SPEAKER: Order! There is no point of order.

The Hon. M.D. RANN: The letter is headed 'Prime Minister, Canberra', and it states:

I am writing to you in regard to the second 'Murray-Darling Basin Dry Inflow Contingency Planning Report' which we received from the Senior Officials' Group on 13 April 2007.

I note that inflows in the Basin have continued to set new record lows in recent months. The report states that 'unless there are very substantial inflows prior to mid-May 2007, there will be insufficient water available to allow any allocation at the commencement of the 2007-08 water year for irrigation, the environment or any purpose other than critical urban supplies'.

The water situation remains extremely critical. Given the seriousness of the current situation, I propose that we accept all of the recommendations of the report and release the proposed joint statement as soon as possible. The time for allocation decisions for the start of the water year is nearly upon us, and we will need to act with immediate effect once the final outlook for water availability at the start of 2007-08 is known. We will therefore need the next report from the Senior Officials' Group by mid May. It is clear that contingency planning will also need to continue well into the 2007-08.

In the meantime, to ensure that critical human use can be met efficiently, we need to agree to amend the Murray-Darling Basin Agreement. . . so that the minimum monthly quantities of River Murray water for dilution and losses are not applied by the Murray-Darling Basin Commission after 31 May 2007. This should be progressed as a matter of urgency in order to satisfy critical human water consumption needs for those communities dependent on southern Basin water supplies should dry conditions persist in 2007-08.

I emphasise that appropriate legislation to amend the Agreement will need to be introduced and sought to be passed into each of our Parliaments by 1 July 2007. I look for your support to meet this time frame.

Then the Prime Minister went on to say:

We face an unprecedented water situation. In addition to the potentially devastating effects on agriculture of what could be zero allocations at the start of the irrigation season, we are advised that unless there are significant inflows to the storages, all outside water use for domestic purposes dependent on southern Murray-Darling Basin supplies should be prohibited from 1 July 2007. I note that this also includes conditions for water use on industry users reliant on town water supply.

Given the nature of the situation, it is vital to communicate effectively with the public, and in particular with affected irrigators, industry and rural towns, the seriousness of the challenge we face.

For this reason, I propose that we release the Senior Officials report, amended to remove commercially sensitive information. I would appreciate your early agreement to this course of action, so that we can issue the report when we make a joint statement, which I propose that we do tomorrow, 17 April 2007. I ask for urgent confirmation of your agreement, through your Senior Officials, as soon as possible.

Each of our governments will need to determine what we will do to assist people and businesses most affected by the expected zero allocations for the commencement of the 2007-08 irrigation season.

At the Commonwealth level, I have asked the Commonwealth Minister for the Environment and Water Resources, the Hon. Malcolm Turnbull MP, as Chairman of the Murray-Darling Basin Ministerial Council, to be responsible for effective implementation by the Ministerial Council of the recommendations of the report.

So herein lies the rub, because what he is saying is that outside watering is prohibited and Malcolm Turnbull is responsible for that implementation. Then, later on, a week or so ago, Malcolm Turnbull waived that restriction on South Australia in an interview. The Prime Minister goes on to say—in case you think I am censoring anything:

I have also instructed my department to work with the Department of the Environment and Water Resources and the Department of Agriculture, Fisheries and Forestry to consider the Commonwealth's possible response as a matter of urgency.

The dire situation we currently face in the basin exemplifies the need to be able to take a more flexible national approach to determine the allocation and management of available water that is embodied in the current governance arrangements. I very much hope that the clear referral of powers to manage water in the Murray Darling Basin can be agreed as soon as possible by all jurisdictions to enable the National Plan on Water Security to be set in train.

Yours sincerely

John Howard [Prime Minister of Australia]

Mr HAMILTON-SMITH: My question is to the Minister for Water Security. Why have the minister's actions on water security and saving the River Murray not matched her demands whilst an Independent MP in opposition? On 18 November 1999 the member for Chaffey told the house:

There needs to be a long-term political will to ensure that South Australia does not end up with a situation where its water no longer sustains economic development along the river and that South Australians, in the future, will be subjected to unsuitable drinking water.

She went on:

It is now time—

this is 1999—

to galvanise into action and have the political will to ensure that resources are made available to address some of the major issues affecting the river.

The Hon. K.A. MAYWALD: It gives me great pleasure to answer this question from the leader, because this is exactly what this government is doing. We are endeavouring to ensure that there is the long-term political will. We have led the way in ensuring that the federal government's national plan involves an independent authority to manage the River Murray, so that the management of the River Murray would not go from one group of politicians, who cannot agree across jurisdictions, to another group of politicians at another level of government with the same communities of interest. The idea of having an independent authority is so that decisions that are made can carry past election cycles and can actually implement good, sound policy based on good, sound, expert advice. That is what the River Murray needs, and that is what this government has been pushing for.

Since I have been the Minister for the River Murray, I have provided for the appointment of the first independent commissioner to the Murray-Darling Basin Commission,

which was a recommendation of the River Murray select committee and which was supported by the former Liberal government and the opposition during the last parliamentary term of the Liberal government. The important thing about that was to take the politics out of water and to try to get some independent advice going forward without the jurisdictional prejudices.

We have appointed the first ever independent commission. We were successful in lobbying for an independent authority to be established. That legislation is now enshrined at the federal level, and that is a huge step forward for the future security of the River Murray. We were also successful in negotiating the first step in 500 gegalitres being returned to the river for environmental flows. Prior to that, environmental flows were not on the radar. Environmental flows are now on the radar, and the first step was negotiated, supported and driven by South Australia. Members will recall that we had a summit right in this place to get that step going. I acknowledge the huge efforts of the former minister for the River Murray, now the Minister for Health in this government, who has driven the policy at a national level in regard to improving the health of the River Murray.

Under the current negotiations, South Australia is also calling on the federal government to commit to a long-term target for delivery of water to the mouth of the River Murray. At this stage, the federal government has not supported that. We want the federal government to support that, and we call on the opposition to urge their federal colleagues to agree to the target. If this national plan is to work, we need to ensure that it includes targets down this end of the River Murray because, if we cannot deliver less than 1 per cent of the diversions down this end of the river system, the river is not going to be saved by Malcolm Turnbull's national plan.

VIRGINIA PIPELINE EXTENSION

Mr WILLIAMS (MacKillop): My question is to the Premier. As leader of the government, why did the Premier not ensure that the Prime Minister's October 2005 offer of \$2 million to complete the Virginia pipeline extension was taken up at that time to increase the volume of recycled water from the Bolivar Waste Water Treatment Plant above that achieved by the previous government?

The Hon. M.D. RANN (Premier): I have already announced today that we will take the level of recycled water up to 45 per cent, compared with the national average of 9 per cent. The difference is that we do these things properly.

GLENELG WASTE WATER TREATMENT REUSE PROJECT

Mr WILLIAMS (MacKillop): Again, my question is to the Premier. Why did it take three years for the government to accept the federal government's offer of \$25 million for the Glenelg wastewater treatment reuse project? In October 2004, the federal government offered \$25 million for the Glenelg wastewater reuse project. The offer was still on the table in July 2005. Over two years later, in August 2007, the state government announced that it would support the project with matching funding.

The Hon. M.D. RANN (Premier): For the same reasons as I gave in my answer to the previous question: we do these things properly. Clearly, with members opposite, \$30 million here, without doing the spade work—

Members interjecting:

The SPEAKER: Order!

The Hon. M.D. RANN: Well, that is the difference. We have a Leader of the Opposition who, in his announcement, got the figures totally wrong for the price of a desal plant. We do things properly.

WATER RESOURCES

Mr PEDERICK (Hammond): Can the Premier explain to the house whether the increase in the allocation to irrigators from 13 to 16 per cent has also been made possible as a result of rain in the Adelaide Hills, or is it a concession to the member for Chaffey now that the Premier has overturned her bucket law?

The Hon. K.A. MAYWALD (Minister for the Water Security): Obviously, the member did not listen to a previous answer. When we made the call on what irrigation allocations would be as at 1 September, we assessed the data from the third week of August, which predicted what the likely outcome would be at the end of August and, at that time, we believed we had about 102 gegalitres available to be allocated. Further analysis of the end of August figures has indicated, and the Murray-Darling Basin Commission has confirmed, that we have 120 gegalitres available for allocation for diversion. That is 18 gegalitres above what we anticipated, therefore we have now been able to provide to irrigators advice that as at 1 October allocation will be 16 per cent. That could be increased if we get significant flows into the system over the next couple of weeks, and we will be keeping irrigators informed.

Mr PEDERICK: I have a supplementary question.

An honourable member interjecting:

Mr PEDERICK: Well, have it how you like. My question is for the Premier. Does the increase in allocation mean that the state is getting 1 500 gegalitres across the border in River Murray inflows, as the minister has previously advised community groups?

The Hon. K.A. MAYWALD: Again, the issue is not that there is 1 500 gegalitres coming into the state. The information that has been provided to public groups and through Powerpoint presentations does not reflect that at all. In fact, the advice we have provided to communities is that the next available water to South Australia for allocation will come following 1 500 gegalitres in total flowing into the Murray system, that is, the total supply.

What we have provided today is a reassessment of the August figures, given that the full calculation of the August figures now gives us 120 gegalitres rather than the 102 gegalitres we anticipated in the third week of August. In the third week of August, when we provided the resource information to the River Murray Advisory Committee, we had 102 gegalitres to allocate, and that resulted in 30 gegalitres for carryover water and also 13 per cent for allocation. We now have 120 gegalitres, which the Murray-Darling Basin Commission has confirmed is available to us for allocation, and that has enabled us to take the allocation up to 16 per cent.

As I said at the last announcement, and as I made quite clear in my press releases and to the public forums where I have been a presenter, any further announcement beyond that made in August would require 1 500 gegalitres in total to flow into the system, not into South Australia. In actual fact, even under average flows, we are unlikely to get 1 500 gegalitres into South Australia this year.

INFRASTRUCTURE

Ms CHAPMAN (Bragg): My question is to the Premier. Which, in his view, is more important: building new desalination and recycling infrastructure to ease our water crisis or spending \$1.9 billion on a new hospital at City West?

The Hon. M.D. RANN (Premier): Both.

HOSPITALS, RENAL TRANSPLANT UNIT

Ms CHAPMAN (Bragg): Can the Minister for Health confirm that the government will not move the Queen Elizabeth Hospital renal transplant unit to the Royal Adelaide Hospital at least pending the rebuild of the Royal Adelaide Hospital?

The Hon. J.D. HILL (Minister for Health): I thank the member for the question. I will answer, but I think there was a double negative in her question. I am not sure whether or not if I say yes it will mean the opposite of what she thinks, and whether, if I say no, it will mean the opposite, so let me make it plain. It is the government's intention to move the renal transplant unit to the Royal Adelaide Hospital. I think it is interesting that the opposition and the Leader of the Opposition have made it plain that they agree with the rationalisation of clinical services: he is on the record as saying that. Yet, the opposition has run a campaign against every single clinical service that we are trying to change. It is interesting that the opposition is now deciding to run a campaign against moving the renal transplant unit to the Royal Adelaide Hospital until the new hospital is built. I think that is what they are saying but, of course, the reality is that opposition members are opposed to building the new hospital.

They are opposed to moving the transplant unit to the Royal Adelaide Hospital until the new hospital is built, yet they are opposed to the new hospital also. I think the opposition should really think very carefully about what its policy is in relation to health reform in South Australia. The reality is that we have to make changes. The changes that the government announced during the budget period are sensible. We will move the renal transplant unit as soon as we can, pending all of the necessary consultations with the doctors, nurses, and so on, but that will be well in advance of the new hospital being built.

OPERATION VIGIL

The Hon. M.J. ATKINSON (Attorney-General): I seek leave to make a ministerial statement.

Leave granted.

The Hon. M.J. ATKINSON: In April 1995, after the High Court decided an appeal called *Ridgeway v The Queen* in favour of the accused, the parliament passed the Criminal Law (Undercover Operations) Act 1995 with the support of all sides of politics. The object of the legislation was to place the law of police undercover operations on a legislative footing and to ensure certainty in the law. The High Court ruling on entrapment by police of drug dealers and other criminals had created uncertainty for the police and the courts. As honourable members may be aware, one of the safeguards that was built into the legislation, which signifi-

cantly extended police powers, was that there should be notification of authorised undercover operations to the Attorney-General and an annual report to parliament. I am pleased to assure the house that the system is meticulously adhered to both by police and by my office.

The details of these notifications form the basis of the report that the statute requires me to give to parliament. I now table that report. Honourable members may be interested in one decision of the Supreme Court in the past 12 months which deals with the act. That decision is *Harvey v Police*. 'Operation Vigil' is the name given to describe police operations targeting the detection of motor vehicle crime in South Australia. One aspect of Operation Vigil is called 'Operation Stop Car Thief', which is conducted pursuant to an arrangement between the police department and the Royal Automobile Association of South Australia. Under that arrangement, the RAA provides to the police a number of vehicles that have been modified by the RAA. The RAA provides the vehicles to the police knowing that they will be used as part of the Stop Car Thief operation.

Modifications are made to the interior door handles and window mechanisms so that the windows and door handles cannot be operated from inside the vehicle. Once a person gets inside the vehicle, that person can neither open a door nor open the windows. Using a remote control device, a police officer can also prevent the windows from being opened electrically. The ignition system has also been modified so that a police officer can use the same remote control device to disengage the ignition system, causing the vehicle to stop. The police place the RAA vehicle in location known to the police as being a location where there is a high incidence of theft of motor vehicles. The general practice is to leave the RAA vehicle with the key remaining in it and in a prominent position. Either the key is left in the ignition with the door unlocked, or it is left on the outside of the driver's door, or it is left on the bonnet or roof of the vehicle, or in some other position where it can be readily seen.

A police officer in plain clothes sits in an unmarked police vehicle and will keep the vehicle under surveillance. The police officer will also have a video camera mounted inside the police vehicle and trained on the RAA vehicle. Any incident involving the illegal use of the RAA vehicle is videotaped. If a member of the public should get into the RAA vehicle and start the engine and begin to drive off, the police officer will use the remote control device to stop the vehicle and to prevent the windows from being opened. The person in the vehicle will then be approached and, in the absence of an innocent explanation for his or her conduct, arrested. *Harvey v Police* concerned a challenge to a conviction obtained by this method. The operation was not conducted pursuant to the Criminal Law (Undercover Operations) Act 1995. It was submitted that the failure to obtain authorisation under the Criminal Law (Undercover Operations) Act meant that the evidence of the police surveillance was illegal or improper and ought not to have been admitted.

That argument was rejected. It was held that the act does not state that the police may not engage in an undercover operation unless they have first obtained approval under the act. It simply means that those who do engage in the operation will not have the benefit of the immunity against liability provided by section 4. Put another way, the act does not require all undercover operations to be approved pursuant to the act. It was held that the police officers involved did not engage in any illegal conduct. The police officers did no more than park the Calais, leave the keys in the driver's door and

keep the vehicle under surveillance. The position was no different from those occasions when a driver inadvertently leaves keys in a motor vehicle; therefore, although the undercover operations act applied, it was not relevant. There was no ground on which the court should have held that the evidence was illegally or improperly obtained. I am in a position to assure honourable members that the legislation is working as it was intended to do and that no difficulties have appeared in its effective operation. The law in this area appears to be well settled now.

FAMILIES AND COMMUNITIES DEPARTMENT

The Hon. J.W. WEATHERILL (Minister for Families and Communities): I seek leave to make a ministerial statement.

Leave granted.

The Hon. J.W. WEATHERILL: I am pleased today to announce the appointment of a new Deputy Chief Executive of the Department for Families and Communities. David Imber (currently General Manager, Finance in the Department of Treasury and Finance) has accepted my invitation to him to take on the role. I have previously made clear that the department has faced a significant rise in demand for its services in recent years. In particular, in the alternative care system we face dramatically escalating rates of children coming into my care and requiring placement. Consistent with national trends, the numbers of children coming into care are increasing by over 10 per cent per year. This increased demand for services has caused, and continues to cause, challenges for the department.

DFC has introduced a variety of strategies to address the challenges of looking after some of our most vulnerable children in the state. DFC is now implementing Keeping Them Safe—In Our Care, the government's plan to further assist vulnerable families, increase payments and support for carers, and develop new models of care for our most complex children. Given the nature of the skills and experience that Mr Imber brings to the department, his principal role will be to supplement the department's financial management capacity. He will review and advise on financial management and decisions impacting on finances throughout DFC. If necessary, he will recommend and implement improvements in financial controls, systems, and reporting arrangements in the department. He will pay particular attention to Families SA, Community Connect and Anti-Poverty Services. These are the areas within the department most affected by the growing demands of children in care and the numbers of families needing assistance.

Mr Imber's appointment commences on 12 September 2007 and will continue to 31 December 2007. Any extension of the appointment will be reviewed at that time. The increased demand for services, of which I have spoken, and the strategies developed to address them bring with them increasingly complex financial challenges. It is for this reason that I believed it necessary to supplement the financial management capacity of DFC. So, I am pleased that Mr Imber has accepted my invitation to take on this role, and I look forward to our work together.

GRIEVANCE DEBATE

WATER RESOURCES

Mr WILLIAMS (MacKillop): Today—surprise, surprise—I want to talk about water and its management (or lack thereof) by this government, a government today that we have seen under extreme pressure, a government that has been tripped up by its own ineptitude and by trying to outsmart the opposition and the public of South Australia. The government has been in denial for months about what the reality is with water. When I say months, it is probably years. The government has tripped itself up because it has been trying to lay the blame at everybody else's feet but its own and, at last, when the public pressure has become so great, the government has done a backflip. Good News Mike is out there, giving out the good news, but Good News Mike is never to be seen when there is bad news.

The Hon. M.J. ATKINSON: On a point of order, Madam Deputy Speaker, the member for MacKillop refers to the Premier as Good News Mike—that is against standing orders.

Mr Williams: How do you know I referred to the Premier?

The Hon. M.J. ATKINSON: I ask him to refer to members either by their electorate or by the ministerial office they hold.

The DEPUTY SPEAKER: I uphold the point of order.

Mr WILLIAMS: The Premier, who is affectionately known in the media as Good News Mike, is out there whenever there is good news but, when there is bad news, it is the PM's fault and, anyway, the minister concerned has to go out there to face the cameras, because 'I'm not going to be associated with any bad news'. But when the pressure gets so great, he steps in, takes control and changes. He does the backflip. He did it with the education minister a few months ago. Parliament was about to resume after a little break, the pressure was mounting from everybody in the schools and the backbenchers, remembering that he denied that he was getting any feedback from the backbenchers, and the Premier came out the morning before parliament resumed, did the backflip on the WorkCover matter in schools, and he has done the same thing again this morning. No wonder the opposition asks questions about how we can trust what this Premier says because, clearly, he says one thing one day and he is likely to backflip the very next day or shortly thereafter.

He tries it on with the people of South Australia. Not only is he backflipping, he is trying to implicate the Prime Minister by saying that he issued a directive. If I heard him correctly reading the letter in the house today—and I will check the *Hansard* report—that letter also said that it will be zero allocation to irrigators. The reality is that, come 1 July, there was no zero allocation to irrigators. The question is: how come he took part of a directive from the PM, if that is what caused him to have the bucket nonsense, and not another part of it? The reality is that Malcolm Turnbull is right. The reality is that the way water restrictions are imposed in South Australia is the sole responsibility of the government. The government got it wrong. The minister has said that the government does not trust the mums and dads of South Australia—'we don't trust those people out there in the electorates across the state because they will use too much water; we don't trust them, and it's their fault. It is their fault that we have refused offers of millions of dollars from the federal government to do something about recycling. It is

their fault that we have taken \$1.6 billion in the six budgets of this government out of SA Water. It is their fault that we have put that into the Consolidated Account and have not spent it on essential infrastructure.'

They say that it is the Liberal opposition who got the costings for a desal wrong but, now that the pressure is on, they are saying, 'We're going to build one, but we're going to build it out of stainless steel.' I can tell the Premier that, when I looked at the desalination plant in Western Australia, there was not much stainless steel in it. The pipework came from a business here at Lonsdale, a business that got a reasonable grant after the closure of the Mitsubishi engine plant. I would like to see the desalination plant built here in South Australia using that product, which is made from fibreglass. I have done a little bit of homework into desalination, and I do know.

At the start of the year, the Liberal opposition said that we would build a desal plant, and the indicative cost, based on what was happening in Western Australia, was \$385 million. We said that that was what it cost in Western Australia. We did not say that is what it would cost here in South Australia. We acknowledge that there has been an escalation in costs. It does the government no good to try to put words into our mouth when they know that it is grossly improper and wrong.

Time expired.

CRIMES, Mr E.H.

The Hon. M.J. ATKINSON (Attorney-General): In grievances on 6 June, I spoke about the 100th birthday of Ernie Crimes, the member for Spence from 1970 to 1975. I was the member for Spence from 1989 until the name changed to Croydon at the general election of 2002. On 6 June, I was speaking of Ernie's role in the Australia-Soviet Friendship Society, and his anger at the emergence of the Solidarity trade union in Poland when my time expired. Ernie said of Solidarity:

Solidarity is not a trade union. When you saw pictures of their meetings on TV, you had representatives of the churches there.

Unlike Ernie, I am pleased that clergy were there, and that they had Karol Wojtyla (Pope John Paul II) as their standard-bearer.

Ernie believes that governments rather than banks should create credit for the benefit of society, not for the benefit of individuals or corporations. The former member for Spence was as greatly disappointed with the collapse of the former Soviet Union as the fictional Joan Welch in the Australian film *Children of the Revolution*. Of his visit to the Soviet Union, Ernie said:

Actually, the only impression we can get of the Soviet Union, even though they had some trouble with Stalin—who wasn't a bad man; he was a relatively good man—even though they had a bit of trouble there, the people were so well ordered, the kids were wonderful. We'd go to schools and camps. Remembrance of the dead in the war against fascism. Oh, it was wonderful.

Ernie and his wife, Lucy, still live in their home in Roberts Street, Croydon, and have been married for nearly 70 years. Ernie's eyesight and hearing have deteriorated, and he gave up driving a car at the age of 88. He still likes to listen to the debates in federal parliament on the radio, and is still able to look after Lucy and himself with help from domiciliary care, Meals on Wheels and his family. Indeed, when I was letterboxing in the neighbourhood last week, I noticed that they had Jim's Mowing in to keep the lawn in good condition. Of Lucy he said:

If ever I loved anybody, I loved her. She has been marvellous, absolutely marvellous.

Of Ernie, veteran journalist and *Labor Herald* columnist, Phil Robins, writes:

He was amused at the prospect of receiving a message from John Howard on his 100th birthday. 'An utterly evil person' he said of the Prime Minister. 'Oh yeah, an awful bloke.' As for the greeting from the Queen: 'I'm not keen on that either. I'm a socialist first of all. A socialist republican I suppose.'

I am pleased to mark Ernie Crimes' century, and I congratulate him. If people forget what the Labor Party and the nature of politics could be like in the 20th century, Ernie Crimes is there to remind them. Long live Ernie Crimes.

The DEPUTY SPEAKER: Hear, hear!

WATER SECURITY

Mr PEDERICK (Hammond): I rise today to talk about water security and the future of the River Murray. One thing that troubles me greatly is that this government has not done anything to pressure other state governments about the overallocation of water resources throughout the Murray-Darling Basin. Even today, we hear that the Minister for Water Security can only talk about the future from here on when the federal government takes over control of the basin. It means that the Rann Labor government has been caught napping for the last six years and, only due to public disquiet, it has had to come out with some form of policy because of a screaming backbench.

I want to speak about the policy of the government to increase the capacity of Mount Bold by 200 gegalitres and therefore, in its surmising, to increase Adelaide's storage capacity for two years. What happens in the third year—as we see currently—or the fourth or fifth year? Government members know as well as I do that it will take the River Murray to keep that storage full. It does not take any less water out of the River Murray; it takes far more. I think that the \$1 billion could be employed elsewhere, perhaps in regional desalination plants that could be plumbed into the SA Water system. I have had advice that there is only 9.3 gegalitres of average spill over the present spillway at Mount Bold, so there is no way in the world that it will supplement its own filling to a decent supply.

The Liberal Party, under former leader Iain Evans, brought up the desalination policy. The Labor Party has now come on stream under public pressure to bring up its own desalination plans. What interests me is that the Minister indicated to me at a public meeting that the government was looking at costings for a 100 gegalitre plant and a 50 gegalitre plant. So, today I asked the question: where have the costings gone for the 100 gegalitre plant?

Several members on this side of the house visited the desalination plant in Perth. Yes, it is in a different location to where we are in the gulf, but the inlet for that plant is only 200 metres out to sea. The outlet is only 200 metres out to sea, and they are only 200 metres apart. In quantifying the outlet, it does stretch out another 250 metres and diffuses the salt back into the sea through 48 diffusers. The truth is that that salt dissipates within 50 metres. We are not injecting arsenic back into the sea. We have all this talk about brine and how toxic it is. We do have to do the studies and we have to get it right. It may include kilometres of outflow pipe. I am well aware of that. The people of Adelaide and South Australia need a water supply, and they need it from alternative sources. It is good to see that the government has finally

come on board and committed to desalination, even though it might take 15 years.

I wish to speak about the backflip on drippers. It has nothing to do with inflows, because the 11 gegalitres of water the minister and the Premier quite roundly carry on about have been in the system for over a month. Reservoir levels have been up since the rains in June and July, and the information on which the government supposedly based its garden watering decision is hardly new. They blamed the Prime Minister, they could not trust the people and, when the minister was running out of options, she blamed the interstate premiers for putting the pressure on. I think that the only people the government listened to in this debate and in changing its mind were its backbenchers, who were worried about doing a single term in parliament.

As to the Wellington weir project, I would like to see it thrown off the books for good. I was under the impression that, once we got 1 500 gegalitres of water, irrigation allocations would go up. I do not deny the irrigation industry the right to water but, from what I have heard today, only 1 100 or 1 200 gegalitres are coming into the system. However, it will make the irrigation industry better off to get that water.

Finally, I want to talk about costings, as the Premier was so keen to challenge us on the costings on various things today, including desalination plants. How far out are you when you come up with a proposal of \$20 million for the proposed Wellington weir, although it will cost at least \$110 million to put it out and, I would estimate, \$110 million to pull it out of the river? In line with that, no environmental impact statements are then talked about. They talked about heavy salination but, 'We'll just wipe out some Liberal voters south of Wellington. That's what we'll do.'

Time expired.

SOUTH AUSTRALIAN PIPES AND DRUMS

Ms BEDFORD (Florey): Last Saturday, a group of special people gathered at Adelaide Airport, on the traditional land of the Kurna people, for a farewell ceremony. It was my pleasure to represent the Premier when we gathered to send off the South Australian Pipes and Drums, which was departing to attend the inaugural Moscow Kremlin Zoria. This will be the first international military festival in Russia, which is hard to believe in a country with such a long and significant history. The word 'zoria' is an old Russian signal, either reveille in the morning or tattoo at night, and performed by drums, bugles or brass bands.

The event will be staged in the historic Red Square surrounded by the ancient Kremlin walls. It will be a fitting venue to showcase the brilliant traditions of the military tattoo and another exciting platform for the South Australian Pipes and Drums to showcase a unique South Australia performance before an estimated audience of over 8 000 people each day between 13 and 16 September. I understand that Pipe Major Phil Wylde has taken several South Australian flags to display in appropriate places in what will no doubt be a magnificent backdrop.

The South Australian Pipes and Drums was formed in 2003 in response to an invitation to the 2003 Edinburgh Military Tattoo. This invitation was pivotal in establishing the South Australian Pipes and Drums as a popular and leading band. Its birth was not without complications, however, and its fighting spirit was forged in the struggle to be ready to depart for that milestone performance. The strength of the band is in its skill and unique combination of traditional pipes

and drums with brass, keyboards and guitars and the ability to perform a broad and varied repertoire of tunes. This is evident in the consistent invitations to perform at a wide range of concerts and events. I have had the pleasure of hearing them at the Port Adelaide Caledonian Society on a few occasions and, like many, feel a special thrill when I hear the twirl of the bagpipes.

One of the band's fundraising efforts has seen the release of its first CD, which it has called *Bear Essentials* and which has been very well received. The cover features a little teddy bear dressed in a traditional kilt and holding a mini set of pipes. It features many of the band's best, and it is still available. With its many wonderful pieces, it is an ideal addition to any collection, and I urge everyone—and we all have a little bit of Scotland in us—

Mrs Redmond interjecting:

Ms BEDFORD: It has everything, mate. It starts off with the Knopfler version of *Going Home*. If we really want to get behind the band, we should purchase the CDs and give them away as gifts. I am told that one of the band's special supporters, Beryl Douglas, has made many of the bears featured on the cover of the album, and they have been sold to make ends meet. They are particularly grateful for her help. The bear's kilt is in the distinctive blue, red and yellow of the SA Pipes and Drums. It is a tartan with its own special story of creation, as it was put together in double-quick time and approved just prior to the departure of the band for the Edinburgh tattoo. The band has its own kilt maker, Doug Williams, who has ensured that all the musicians are appropriately attired. Wearing the South Australian tartan with great pride, the South Australian Pipes and Drums will join a prestigious list of international performers at the Moscow Zoria, including bands from Great Britain, Germany, Italy, Denmark, Canada, South Africa, and New Zealand, as well as some of Russia's finest military bands, dancers and singers. It will be a truly international event.

Tattoo audiences will witness the music, colour and spectacle assured at this much anticipated spectacular. Our state can be confident in knowing that we will be well represented by the South Australian Pipes and Drums, who will be part of a program filled with leading bands, musicians and highly accomplished performers and performances. With the help of their families and supporters, the band members can be proud of the fact that the SA Pipes and Drums has developed into one of the state's best bands, and being part of an exciting international festival adds to its growing list of performance achievements.

Band members, their families and supporters have sacrificed much and all worked hard to ensure that the band can travel and represent the state. On behalf of the Premier, I was glad to acknowledge how significant this commitment and support are to help the band realise its goals. This sort of volunteerism takes many hours and, through it, the gift and joy of music can be shared by all. It was an honour and privilege, in the company of the leader, Mr Trevor Powell, President of the South Australian Pipes and Drums, and Mrs Powell, to congratulate all band members on their achievements so far and, with a live performance of *Scotland the Brave* by solitary piper Des Ross as a finale, to wish them well for a happy and exciting and successful Zoria. The band's exploits can be followed on its website, (www.sapd.org.au) and we all look forward to welcoming it home from a triumphant tour.

Music plays an important part in the life of many, and I also recently attended the meeting concerning proposed

changes to the IMS in delivering quality music tuition in public schools. I have sponsored a music prize in all schools in my electorate for 10 years. I commend all teachers involved in exposing students to the joy of music and, in particular, musical performance. I know that each and every IMS teacher shows a commitment to delivering the best possible music education, and I look forward to working with them all to this end.

DESALINATION PLANT, MARION BAY

Mr GRIFFITHS (Goyder): In this place this afternoon we have heard a lot of words about water, and I want to continue that theme. However, as opposed to a lot of the rhetoric we heard from the other side, I want to talk about some positives and good news that have come out of it. Friday 24 August was a great day for the Yorke Peninsula and, in particular, the Marion Bay community, as it marked the official completion of the Yorke Peninsula council project to build a sea water desalination plant for that town.

Regretfully, I was not able to be there. As a previous CEO of that council (and the CEO at the time the decision was made), I wish I had been there. Unfortunately, I was interstate and it was impossible for me to be there. To put it in context, though, Marion Bay is one of 16 communities on Yorke Peninsula that does not have access to a reticulated water supply. It is, however, very much a growing area. Marion Bay has only 150 permanent residents, but in summer time closer to 1 000 people reside there. It is adjacent to the Innes National Park, which has 130 000 visitors per year.

At least 200 new homes have been built in the last 10 years. Marion Bay does get some form of piped water supply from a very poor quality bore probably 10 kilometres out of town. However, that water is very hard in minerals, and you are unable to drink it unless you are really desperate for something. Something had to be done about that. Holiday homes were suddenly not able to be used because people ran out of rainwater. The award winning Marion Bay Tavern was always suffering from water problems and paying up to \$13.70 per kilolitre of water to be carted from the nearest standpipe, which was about 40 kilometres away.

As a conservative estimate, about \$30 000 per year was spent by the caravan park in Marion Bay to replace the hot water services which were being ruined because of the minerals in the bore waters, and the pipes to the public toilets were constantly being blocked by mineral build-up. Unlike this government, which I do not believe has done anything to improve water provisions to South Australians, the Yorke Peninsula council decided to do something. I commend the mayor, the elected members and the staff on the vision and commitment they have shown.

This project was originally costed at about \$200 000, but with the continual delays (most of which were caused by EPA requirements to get the environmental approvals), the cost blew out to nearly \$500 000. Funding early on of \$10 000 was committed by the South Australian Tourism Commission. It was wonderful to get that initial support but then, when requests were made to the Premier and various other ministers, anyone who was thought to have a connection with this type of project either got no answer at all or a 'no'. I asked the Premier in question time, 'Why is it that the Yorke Peninsula council has not received any money from the state government for this project?'

The Premier stood up—and I am not sure whether it was with a condescending smile or with serious intent—and said

that he would get a report to me. Six weeks after that question, I am still waiting for an answer. The federal coalition government (as the Liberal-National Party coalition is tending to do) is supporting regional communities, and it has put \$45 000 into this project through the Community Water Grants Program. It is important to get on the public record some of the comments that were made that day.

Mayor Ray Agnew, who became Mayor of this council in November last year but who has been an elected member for about 24 years, said that he wanted to criticise the state government for failing to support the project. Mayor Agnew said that the water security minister (Karlene Maywald) and the Premier (Mike Rann) had failed to respond to letters for help. Mayor Agnew said:

Repeated requests for financial assistance or even a response to correspondence have been ignored. This has been both frustrating and disconcerting given the media attention to the lack of water supplies available in our state.

An even sillier comment was made when a spokesperson for the minister said that SA Water and the government were not involved in it because it was a private venture. Local government build it on behalf of the community, local government owns it on behalf of the community, so therefore the community owns it. It is not a private venture. It is community driven. This project will deliver up to 60 000 litres per day of drinkable water. It works and it has given the community a strong future. Also, I want to put on the record some comments made by Senator Alan Ferguson who was recently elected President of the Senate and who is also a Yorke Peninsula resident.

He described the decision by the District Council of Yorke Peninsula to build the plant as 'one of the most forward decisions made by council for a long time'. Senator Ferguson said:

No other councils have taken this path so far, and it is a very important day in the life of this community. More water conservation methods need to be undertaken, but it is a fantastic example of what we can achieve in managing our local resources.

Without water South Australia faces an enormous challenge to grow to its potential. South Australians do not want to hear any more excuses. They want and expect some action to be taken. Sadly, I believe this government has been doing anything but achieving. There is no guaranteed water supply for South Australia. How will we grow our population? How will we allow people to have a good quality of life? Stop talking about it. Make it happen. Desal is actively happening in other states, why not in South Australia?

Perth's desal unit works. That government has committed another \$0.75 billion to a second plant. The first plant cost \$320 million. Let South Australia make it happen, too.

Time expired.

KELTON, Mr G.

Ms BREUER (Giles): First, I want to criticise journalist Greg Kelton—regularly seen in this place when we are sitting—about an article which he wrote and which appeared in *The Advertiser* on Friday 27 July following a speech I made the previous day. His article was certainly incorrect and misleading. He stated that I was responding to proposed legislation regarding a pay rise for MPs. Obviously, he was not listening to my speech. He neither heard my speech nor read the *Hansard* record of my speech. He did not bother.

The bill being debated was introduced by Kris Hanna, and it was about reducing the number of ministers in state

government. It had nothing to do with members' pay, pay rises or being accountable in this place. The Hon. Bob Such made comments directed at the performance of ministers, and members will recall that a number of points of order were called. My speech was about the constant grandstanding by Independent MPs to win the populist vote through criticising other MPs in the media. My point was that the performance of MPs would be judged by their electors and that this mischief-making by the Independents only compounded the perception that MPs are the scum of the earth. I believe that Mr Kelton should apologise to me and retract his article because, certainly, he caused me considerable damage. I have never opposed our pay rates being scrutinised or justified. I would not oppose that.

I want today to congratulate the University of South Australia's Whyalla campus. The mining boom and the skills shortages resurrected an engineering course at the University SA's Whyalla campus. I am very pleased to see this. The course will be taught in Whyalla from next year. It is the first time in 10 years that the regional campus has offered that industrial qualification. Initially, it will be a two year associate engineering degree, and it will be run in cooperation with OneSteel. Certainly, Whyalla is in a boom time. Lots of things are happening in our part of the state, and we are benefiting from this. It is hoped that the course will appeal to school leavers, because previously they were forced to go to Adelaide to undertake university degrees. Of course, I have constantly said how difficult it is becoming for parents to send their children to university in Adelaide in terms of the expense. Our country students were missing out.

OneSteel's cadet mechanical and electrical engineers and metallurgy students are expected to be a major part of the first intake. The course was originally dropped in 1997, when BHP ended its cadetship program, but I am very pleased that it has now reintroduced this under OneSteel's banner. Next year it is introducing cadetships for engineering students to start at the company. Up to 15 of those students will be studying part time and working at the steelworks while having their university fees paid.

This has been a wonderful scheme in the past for Whyalla. Many of our present managers went through that cadetship or traineeship scheme years ago. I am really pleased about it, and I congratulate OneSteel on its foresight. I also congratulate the University of SA for introducing this course. We are very pleased that it has responded to our needs. I hope that it will do something similar with respect to teaching and introduce that subject to our campus. I am very hopeful that that will happen.

The cadetships and traineeships at OneSteel will follow on from a very successful apprenticeship program that it has reintroduced. Recently, 27 locals were given the opportunity of a lifetime by being taken on as apprentices, which is the third intake in the past year, making a total of 147 apprentices having been employed since the steelworks reinstated its in-house apprentice training program 12 months ago. This is a wonderful program, and we are very pleased. I believe that OneSteel has shown what a wonderful employer it is, and it has demonstrated its vision. It is setting a great example to other employers by being prepared to do what it is doing.

TAFE has been an integral part of this, of course, and the new TAFE skills centre, where the apprentices gain hands-on experience, recently celebrated its first birthday. All those graduates have entered into apprenticeships. The new Australian Technical College has also secured apprenticeships through the school-based apprentices, and they are also

going into apprenticeships at OneSteel. Goal 100 is another wonderful program that has been instituted in Whyalla, where we are training local people, many of whom have very little work history and very few skills, through programs at TAFE. Nine of those participants have so far gained apprenticeships in the current intake, and four in the previous round.

I believe that, as a community, Whyalla has again proved itself. We can train our young people, and we are giving them rewarding careers. We have worked together—TAFE, the university, OneSteel and the community—and I congratulate all involved.

Time expired.

JULIA FARR SERVICES (TRUSTS) BILL

Consideration in committee of the Legislative Council's amendments.

Amendments Nos 1 to 9:

The Hon. J.W. WEATHERILL: I move:

That the Legislative Council's amendments Nos 1 to 9 be agreed to.

Mrs REDMOND: I have a couple of comments to make, but I hope not to hold the house very long. A number of these amendments deal with relatively straightforward things, and I note that, for the most part, they were essentially agreed to in the other place by both sides. However, I want to go through some of the history, because there has been quite a bit of activity in relation to this bill since it left the House of Assembly chamber. Indeed, when I spoke on the bill in the House of Assembly chamber I flagged, but did not introduce in here, three amendments that were to be proposed by the opposition.

One amendment related to the inclusion of information about the so-called 'heritage clients' of Julia Farr in the annual report, so that the parliament could keep an eye on what was happening with those people. The second was about changing recipients of services, instead of referring to patients and residents because, of course, there were people who were recipients of services from Julia Farr who were neither patients nor residents. The third was an indication from us that we wanted to remove the Attorney-General's veto over changes to the objects of the association, seeking to ensure that the Julia Farr Association (that is, the new organisation) honoured the trust, of which it was in custody, but still allowing the necessary flexibility. However, in our view, it was inappropriate to have the Attorney-General as some sort of arbiter on that question.

During my second reading contribution, I made it very clear that, in my view, the Julia Farr board had abrogated its responsibilities in a quite unforgivable way in allowing the government to effectively, I believe, bully it into arrangements which are contemplated by this bill, which effectively hands a very substantial asset to the government; that is, it has the effect of handing the Highgate campus to the government. Indeed, we know already that only about 139 or 159 people are still living in the Highgate campus, and something like 500 people employed by the department are working out of that campus. Clearly, the buildings have already effectively been handed over to the control of the government and, indeed, I have been made aware of a rumour

that the government intends to sell that site and create some 92 allotments in due course.

It seems to me, in any event, that the Julia Farr board, as it then was, significantly abrogated what I consider to be its responsibilities. The effect of the transfer was to gift to the government land which I believe that board held in trust in perpetuity, and it did that in complete disregard of its obligations as a trustee. My colleague in the other place, the Hon. Stephen Wade, spoke to the proposed amendments. Members should bear in mind that the Hon. Stephen Wade was himself chair of the board of Julia Farr for three years, and was very loyal to that board and had great faith in its intentions. He said of the board:

It has plundered 125 years of benevolence and philanthropy by the people of South Australia and, to the extent that the government has ripped off the board and Julia Farr, it has done a raid on the legacy of generations of South Australians.

Against that background, the Hon. Stephen Wade introduced the amendments that we had flagged but not introduced in this house, knowing that we did not have the numbers in any event to pass them; and he persuaded the minor parties and the Independents to at least hold back on their consideration of what was happening under this bill and further consider the rightness and equity of what was happening. In fact, the parliament, by doing that, gave the board the opportunity to reconsider its position. Indeed, as the shadow minister, I wrote to the board and indicated that we were really quite unsure about whether we should continue to support the bill. I invited its members to contact me to have a meeting, but the board chose not to meet with me.

I note, in passing, that I have since had a meeting with them—well after this bill passed—and that meeting was not directed at this legislation but at trying to find a way to work together into the future, which clearly we will have to do. But the board totally ignored the invitation that I had issued in writing to it on behalf of the Liberal parliamentary team expressing our concerns and inviting a meeting. Instead, its members met with the minister shortly after the upper house decided it would delay the passage of the bill. It is understood, from reports we have had of that meeting, that the minister essentially demanded that the board continue with what I consider still to be an appalling deal. The Hon. Stephen Wade in the other place spoke of the board then still going along with the decision about the earlier arrangements with the government, and said:

The board made that decision in spite of parliament's expression of concern in relation to the deal—

the lack of outcome in relation to the trust bill—

and in spite of a letter from the shadow minister for disability requesting a meeting.

In the result, what happened was that the various minor parties and Independents, in their contributions when the matter returned to the Legislative Council, basically indicated that, whilst they shared the concerns expressed by the Hon. Stephen Wade, they reluctantly supported the bill because they had been told by the board that that is what the board wanted to happen, because the board had indeed voted itself out of existence. So, in their view at that point, those members felt they had little choice but to put the bill through.

That is the background against which these amendments have now been passed in the Legislative Council and returned to this house for consideration. A number of these are related amendments, and I will quickly run through what each of them is about so that it is on the record in this chamber, but

I indicate that in relation to amendments Nos 1 to 9 both the government and the opposition support them.

In relation to the first one, the amendment provides a two-year time frame during which the Julia Farr Association Incorporated can use a special provision in the legislation which overrides the normal provisions under section 69B of the Trustee Act 1936. That two-year period commenced on 1 July and will expire on 30 June, and it can use procedures in that legislation rather than having to go through the court. In fact, in relation to that amendment, the second amendment and the fifth amendment, there is a special provision that provides that, instead of having to appeal to the Supreme Court for directions under the Trustee Act every time they want to vary the trust, they can use this special provision in the legislation for the next two years and, ultimately, it will revert to the Trustee Act and they will have the normal provisions.

Quite frankly, it surprises me that the board is even concerned about the Trustee Act or proceeding in the Supreme Court because, until now, it has blithely ignored what I consider to be its moral, ethical and indeed legal obligations as trustee in voting itself out of existence, handing over its assets to the government and saying that in some way it can interpret that as still being in existence to provide (as it was originally called, and I know we do not like the terminology any more) a home for incurables. Certainly, it does not seem to me that it will continue to do that. So I think the first, second and fourth amendments are all related to sidestepping that need to use trust funds to apply to the Supreme Court in relation to its obligations under the trust and simply making its own interpretation and arrangements, which, as I said, seems to me to be what the board has done all along, anyway.

As I already indicated, the first of our amendments is the one that replaces the term 'patient' with 'patients or other recipients of services', simply because, and I think the government agrees, there are circumstances in which people are neither patients nor residents but are recipients of services of Julia Farr.

We also sought to insert an amendment to ensure that the intention of benefactors is respected. We sought to insert a new clause 6A into the bill, and I will turn up what happened with that. That clause was inserted with the support of the government. That new clause ensures that the intention of benefactors is respected. Again, it strikes me as laughable that, throughout the years, the funds which have accumulated and with which this bill substantially deals, have actually accumulated because the board has failed to appropriately deal with funds it has been gifted or left in a will for the benefit of either particular people or particular groups of people, or for particular purposes. It is through the accumulation of those funds that these moneys existed, which this bill seeks to transfer.

I am pleased to say that the government supported the amendment we suggested to remove the need for the Attorney-General to approve any changes to the objects of the association. It seems to me to be perfectly sensible that, if you create an incorporated association (and that is what has happened with this bill; we have created this new entity called the Julia Farr Association Incorporated), any normal non-government association can change its objects without having to apply to the court or without having to get the approval of the Attorney-General. I am a member of several organisations which are incorporated under the Associations Incorporation Act and which change their rules from time to time without

having to get any formal approval. Indeed, in modern times, most organisations that are incorporated have to provide in the constitution, when the organisation is being established, the mechanism by which the constitution can be amended. The only thing people have to be careful about there is that, if they receive money for a particular purposes, it is expended for the purpose for which it has been provided.

Our next amendment concerned the provision of an annual report so that we would be able to detail what was going to happen to the so-called heritage clients. Again, I expressed some concern during my second reading contribution about the decline in the number of heritage clients (and they have been defined specifically as those clients who were there at a particular date in November 2003). Something in the order of 139 or 159 heritage clients (I cannot remember which) are currently housed in Julia Farr, and the government has reiterated on the record its intention to allow those people to continue to reside there for as long as they choose to do so.

My concern has been that, as the numbers become depleted (obviously, gradually, people will die, or some may move out of their own volition), the situation will be reached at which there will not be enough people left and it will not be viable for them to stay there. At that point, I suspect there will be considerable pressure on people to remove themselves. They will become increasingly unpopular and life will become uncomfortable for them if there is just this tiny island of humanity trying to have a residence in the middle of what has been disposed as a huge office complex—and that is certainly the direction things are heading already. Indeed, I note that in the mail today I received from Julia Farr an invitation to the opening of its new premises. So, the organisation is already moving on. The invitation states:

The board of Julia Farr Association warmly—

I bet it is warmly—

invites. . . [me] to a celebration of the new Julia Farr premises at 104 Greenhill Road, Unley.

Mr Bignell interjecting:

Mrs REDMOND: Yes, I do note the address at 104 Greenhill Road, Unley; a very popular address. There is no doubt in my mind that, with that organisation having moved out and the campus being known as the Highgate campus and housing so many public servants, the situation will become increasingly difficult and onerous for the people currently residing there—people who are ill-equipped to advocate for their own rights and who have, of course, lost any possibility of independent advocacy because the government has defunded all the advocacy services as well. No doubt there will be pressure. Just like the government bullied the board, it will bully those clients. The government will say that it has allowed those people to stay there for as long as they have chosen to, but the reality is that we know the government bullied the board into it.

I am soundly disappointed that the board was so weak that it gave into that bullying, especially when the parliament gave it the opportunity to stand up to the government over the issue. However, if the board cannot stand up for itself, who on earth does it imagine will stand up for these poor people as fewer and fewer of them are left living in the Julia Farr accommodation, using the accommodation as it was intended when it was gifted to the state. That provision, though, is at least to be agreed, that is, that detail will be provided in the annual report to the parliament, so that we can at least keep an eye on what is happening there. With those few words, I indicate that we also support the amendments as proposed by

the minister, concurrently with their being moved in the upper house.

Motion carried.

Amendment No. 10:

The Hon. J.W. WEATHERILL: In relation to this amendment, I point out that this particular clause is a very bad legislative practice, that is, for parliament to reduce itself to this level of detail to require what should go into an annual report. We would have acts the size of *War and Peace* if we went down this path. Really, these are properly the matters of policy, not legislation. On other occasions, it has been that the opposition has accepted undertakings that certain information be included in annual reports. We offered a similar undertaking in respect of the information that is sought to be provided in this report. We repeat that undertaking to supply this information in the report, and I suppose we seek an indication from the opposition about whether, on that basis, it would be prepared to withdraw its support for this amendment and maintain that position in the upper house. I can indicate, though, that, if the opposition wishes to maintain its support for this amendment, we will not oppose the amendment because the delays that have occurred in relation to this bill have already been inordinate. However, we offer the opposition the opportunity to accept that undertaking.

Mrs REDMOND: It will come as no surprise to the minister that the opposition is not prepared to simply rely on the government's undertaking. I noticed that there was quite an extensive debate on the issue in the other place, and that the minister there tried to persuade the various Independent and minor party representatives, as well as the opposition, that things such as an FOI, a verbal guarantee, and all sorts of other things, would be sufficient. But whilst I accept that you do not want to get into too much detail in terms of what goes into an annual report, I do not think that it is unreasonable in this particular case to insert what we are proposing into the annual report so that we can keep that watching brief on an ongoing basis without the need to go down other paths, and have it brought to our attention in the normal way through an annual report. So, no, we will not accept that undertaking.

The Hon. J.W. WEATHERILL: On that basis, I move:

That amendment No. 10 be agreed to.

Motion carried.

SUMMARY PROCEDURE (PAEDOPHILE RESTRAINING ORDERS) AMENDMENT BILL

Received from the Legislative Council and read a first time.

ADJOURNMENT DEBATE

JULIA FARR SERVICES (TRUSTS) BILL

The Hon. J.W. WEATHERILL (Minister for Families and Communities): I move:

That the house do now adjourn.

I wish to refer to the earlier bill that just passed this place. In so doing, I wish to place on the record some concerns that I have about the way in which this debate was handled by those opposite. I believe that the patronising way in which the shadow minister addressed this question cannot go without comment. It is patronising in relation to both the residents of Julia Farr and, indeed, the board of the association, which has

served well not only the community but the residents of Julia Farr. The need for the bill, of course, is a very simple matter. It just makes things easier for Julia Farr Services in relation to what would otherwise be some complexities in relation to trust law. That did not stop the opposition from choosing to hijack the debate and seeking to make a range of inappropriate attempts to unravel an agreement that was entered into between the government and the Julia Farr Services Board more than a year ago. It is a classic example, I must say, of an incredibly wrecking attitude by the opposition and, indeed, by the upper house.

The IDSC and ILC boards agreed to dissolve by 30 June 2006. Due to the complexities of arrangements in relation to the disability reforms Julia Farr agreed to defer that and, ultimately, resolved to dissolve on 30 June 2007, by resolution passed on 26 June 2006. I want to address this question because there has been a range of quite vehement attacks on those who comprise the Julia Farr Board. On 5 June the shadow minister said in this place that Julia Farr Services Board had failed in its obligations, and accused them of lacking 'gumption' and 'will and the backbone to stand up to a government that is bullying it'. She accused them of appalling behaviour, and she went on to say that she was disgusted about their behaviour and that the board should hang its head in shame. She went on to repeat a number of those allegations here today. Of course, the board was led by one of her own colleagues, the Hon. Stephen Wade.

Mrs Redmond interjecting:

The Hon. J.W. WEATHERILL: It is a remarkable proposition that she attacks a colleague in such a fashion. Just as members of the opposition do not believe that residents know their own mind or where they want to live, they also do not believe that the board knew its own mind. Both the shadow minister and her colleague in the other place accused board members of not acting in the best interests of residents. I need to mention something about these board members, because, indeed, not only are they fine, upstanding citizens, they are citizens who are committed to acting in the best interests of some of our most vulnerable citizens.

The first is the Venerable Peter Stuart, the Chair, and senior lecturer at Flinders University in theology and an Archdeacon in the Anglican Diocese of Adelaide—these are the men and women that should hang their heads in shame, I should add—Mr Jerry Rebbeck, the Deputy Chair, appointed by the Liberal government, a former senior partner at Coopers & Lybrand; Dr Peter Anastassiadis, a brain injury specialist; Mr David Chapman, a barrister and solicitor, and former Senior Executive Counsel in the commonwealth DPP and now a resident of Highgate Park; Iwona Baczyk, a fellow of the Royal College of General Practitioners; Mr Andrew Kyprianou, a social worker with more than 30 years experience; Mr Barry Schultz, a resident of Highgate Park; Ms Liz Moody, a nurse and long time staff member of Highgate Park; and Dr Lorna Hallahan, a lecturer and researcher in the School of Social Work at Flinders University, who has lived with a disability for 30 years. Ms Glenda Lee is a highly respected disability advocate and inaugural president of the Physical Disability Council. Mr Ian Shephard is a lawyer who has worked in the Crown Solicitor's Office, who has lived with vision impairment for nearly 40 years.

These are all not only good people but people who are committed to improving the lives of people with a disability and they deserve our accolades and recognition for their work in a bipartisan way in this place, not criticism, because they had the temerity to reach an agreement with this government

that did not suit the political ends of the opposition. Nothing galls them more than when this government embarks on a major reform initiative which is controversial but which gets support. Of course, so galled was the shadow minister that, in a fit of pique, she wrote to them all and, basically, she suggested that somehow they should not proceed. She tried to talk them out of implementing an agreement that they had already reached with the government, suggesting that somehow they should challenge the government. So, if somebody does not speak up against the government because it does not suit the opposition's analysis, they somehow can expect the ire of the opposition.

Some of the remarks that have been made about the process that has gone on at Julia Farr, which is disparagingly called the process of deinstitutionalisation, are completely out of step, not only with current thinking, but also against the thinking of her own colleague the chair of that board. This is what the chair of the board said at the time:

The board was . . . acutely aware of its responsibilities to people with a disability who would not choose to reside at the Fullarton campus. Over a number of years, the board and the government were aware of the growing preference for community living options. Falling demand for intensive congregate care and an increasing preference for community living meant that Julia Farr needed to increase its resource focus on community living.

Clearly, it was a policy that was supported by the existing board—and, indeed, her colleague—and one which was further advanced by this government when it came into office. Indeed, without just accepting the analysis of the board, I have spoken to residents and many of them expressed a preference that they could not wait to get into the community and some suggested that they wanted to remain at Highgate Park and they were very happy to do so. We repeat our acknowledgment that those people can stay there for as long as they like. But what is completely patronising and seems to be unable to be accepted by the shadow minister is that different people have different preferences, and that is the essence of our disability reforms: we try to see things from the perspective of the person with a disability, not from the convenience of the service provider, but from the perspective of the person with a disability. I think that the honourable member should, in a sense, update her thinking about this and understand that many people, not only in the disability sector who support people with disabilities but, most critically, those with a disability themselves are the ones calling for these reforms.

I conclude with this nonsense that has been suggested that somehow some money has been robbed from Julia Farr and placed in the hands of the government. In fact, resources to the disability sector have been doubled because I am obliged by the terms of the trust only to apply those assets which have been transferred to me as trustee to the purposes of the trust. The honourable member must understand that because she is a lawyer and she knows that the trust cannot be applied for anything other than the purposes set out in the trust. So, all of the funds that were transferred to Julia Farr Services (the new Julia Farr Board) are able to be applied to whatever they regard as proper disability purposes in their pursuit of their new housing association or the untied grant or whatever they choose to apply it to. In a sense, the value of the building has been given to Julia Farr (a non-government organisation) and yet the value of the building can only be applied for disability purposes. This is a tremendous win for the disability sector and, in effect, we have doubled the resources in the disability sector. It should be celebrated. The difficulty those opposite

have with this is that it is going a little too well, so they talk up the fears of a few residents. They seek to find the one dissenting voice and they elevate it to the status of a widespread criticism of the policy. The policy is just going a little too well for their liking.

Mrs REDMOND (Heysen): I have to respond. The minister does not like what I have had to say about this bill, nor does the board no doubt, although I have only spoken to the chair and CEO, but I have no doubt that neither of them and none of the board like it. I do not have any personal grudge against these people but I do think that they have made a grave error. They have abrogated their responsibilities in the most fundamental way. They were trustees of what was essentially once upon a time called the home for incurables, and I ask: where now is the home for incurables? That is what the trust was set up for. We have changed the name. The term may have changed but the trust did not. They have produced no evidence whatsoever at any time, whether I have asked for it in here during speeches or in person or in a letter, and at no time have they demonstrated any legal mechanism by which they have been able to change their obligations under the original trust which the people of this state continued to donate to for 125 years. The minister suggests that it is only one or two disaffected people who are complaining but I have a whole wad of paper here that represents the number of people who have been scared of what this government is doing, but not by me and not by my trying to convince them of anything.

I have even had information from members on your own side about people who were told that the patients of ward 3A were being moved to other parts of the facility over the next couple of years. This is very annoying to the patients and the parents concerned, as this group of patients and staff have, in some cases, been together for over 10 years. I am also told that furniture, curtains, kitchen equipment and a barbecue are being donated to the patients by the Women's Auxiliary on that ward, which is superior to all other wards. One lady only found out about the relocation of her son when he did not arrive as per usual on Friday at the club, which is what used to exist as the Brain Injury Network of South Australia (BINSAs). When she called to find out where he was, the person at the Julia Farr Centre said that he was at a party for the ward 3A patients, because they were being sent to different wards. If that is not disrupting them, I do not know what is.

I have a letter to the Hon. Nick Xenophon from a lady saying:

I would like to bring to your attention a situation of grave concern.

This letter was from a nurse who did a lot of work at Julia Farr.

What is happening within this centre is nothing short of disturbing. The site formerly the Home for Incurables then Julia Farr and now Disability SA. This site was left for the purpose of being a HOME for people with disabilities that could no longer be managed well within their own home environment. This facility then became their HOME. Never was the Julia Farr Centre an institution—yet the government came to the conclusion that it was an institution and that the clients that lived within this centre (their home) needed to be relocated out into the community. When fully functioning, this facility was a community within itself, functioning at the highest level to meet the needs of all its residents.

The letter goes on to detail a whole range of things in various areas within what was then the Julia Farr Centre: ward 3A, which was the male behavioural unit; the Huntington's unit;

the respiratory unit and the holiday house. She goes on about staff shortages. She was most concerned about the things that were happening in relation to that. She gives a couple of examples of care workers giving out medications but, because they are not the consistent care workers who used to be employed there, they do not know what the drugs do or what the contraindications are and, therefore, what the consequences of a mistake could entail.

Many clients are not getting nutritious meals, because they are not being educated on what this is and how to do it. So, there are clients living on beer and chips for breakfast, and fast food for the rest of the day. She says it is not a good practice, but it is happening. She goes on to say:

This complex is unique, as no other facility in South Australia, specifically for the disabilities these residents have.

That is just one letter. I have a letter from a client who resides at what was formerly the Julia Farr Centre:

I am writing my concerns and the concerns of other clients who resided on H3A (our home) with me. We are being evicted from our bedrooms and ward to accommodate other clients from various wards but mainly the 8th floor which will be turned into another administration area.

This is what the government is seeking to justify. The minister somehow thinks that I am in the wrong in criticising the board for failing to stand up to this. As I said, I have no personal gripe with these people whatsoever, but the reality is that they had an obligation under a trust. They seemed to have paid no attention whatsoever to their obligations as trustees to ensure that they provide a home for incurables. What have they done with it? They have turned it over to the government. The minister says that the government has basically gifted them all this other property but, in fact, they have taken a \$21 million debenture over the whole thing.

I will not go on any longer. The minister's comments deserve a response, because it is simply a nonsense to criticise me for my criticism of the board when, in fact, this board has absolutely abrogated its responsibilities. I stand by my statement that they deserve to hang their head in shame.

DROUGHT

Mr VENNING (Schubert): I rise to raise one of the greatest concerns, and that is that this drought is the most severe that this state has ever seen, certainly the worst on record. The change that we are currently experiencing is the last chance for many of our farmers. We are already seeing foreclosures by many of the banks. Banks have had meetings between themselves, and the outcomes are indeed negative. The situation is very grave. I will not raise the greatest concern, because it is obvious. So many people have feelings of total despair, feelings of loss and a feeling of absolute abject failure.

Farming families of many generations have reached the end of the line. To make matters worse, we have another anomaly, which is a most unusual situation of the washout of contracts. It is not because of deregulation; but deregulation of our industries, particularly barley, has caused many farmers to pre-sell their crop for the first time. We are told by experts to get advice and, particularly with barley, if it gets to \$200 per tonne to forward sell. I know of one farmer who

forward sold 3 000 tonnes of his barley at \$200 per tonne, and now will not grow a single grain.

The problem is that the price of that barley today is \$370. That farmer has to go and buy 3 000 tonnes of barley for that contract at \$370, and it is washed out at \$200. That is what is called a 'washout'. You do not need to be much of a mathematician to see what that adds up to. That adds up to a massive amount of money plus, in some instances, there is a \$40 per tonne penalty. That is horrific. To make it worse, the banks are refusing to finance these washouts. It is a critical problem. As a member representing country people, it is a despairing situation.

We have had a large rise in government taxes and charges, particularly the NRM levy. That has come on at a very bad time. Some people have had an increase of up to 320 per cent. I just hope that the government can do something about that. EC funding is available to a lot of these farmers, but it will not save many of them because of the immensity of the problem. It also affects all other areas of agriculture, not just the grain growers I am involved with. It affects the viticulturalists, the grape growers, the graziers and the haymakers. It is affecting everybody across the whole board, including the rural communities that support them, particularly the agents and the machinery manufacturers. Everybody is involved, even cities such as Whyalla. It is affecting everybody.

I do not know what the answer is, but the house must realise the catastrophic situation we are in. The pig farmers and the lot feeders are closing down because the pork and beef prices will not cover the huge cost of buying barley at, say, \$360 a tonne. That is the highest price ever, and it is a total aberration because there is no barley. The meat meal costs have gone through the roof, so they cannot afford to raise pigs. It is the same with the eggs and broilers for the chooks, and I assume that they would be affected in the same way. It is a very sad situation, and I hope that the minister and others can come on side and, with the federal government, address this situation. Of course, if it rains tonight, it might solve the problem.

Ms BREUER: I raise a point of order, Madam Deputy Speaker. I was very sad to hear the member for Schubert's comments, but I have been concerned about the display of the bucket he has had alongside him on his desk today. It is obviously because of an incontinence problem he is suffering from drinking too much red wine over the years. While it was very good wine, it has obviously caused an incontinence problem. I do not think it is appropriate that he has had that bucket on display all day today.

The DEPUTY SPEAKER: Order! I recognise that displays are out of order. While I have been in the chair, the bucket has been largely out of sight and acting as a container. Motion carried.

STATUTES AMENDMENT (PETROLEUM PRODUCTS) BILL

The Legislative Council agreed to the bill without any amendment.

At 5.32 p.m. the house adjourned until Wednesday 12 September at 11 a.m.